



June 7, 2017

To: Members of the Operations Committee
From: Elizabeth Rogers, Chair
Subject: Summary of the June 7, 2017, Operations Committee Meeting

Operations Committee Chair Elizabeth Rogers called the June 7, 2017, Operations Committee Meeting to order at 9:32 a.m. Committee members present were Elizabeth Rogers, Chair, Annette Cain-Darnes, Liz Koppenhaver and George Wood. The other Board members present were Dale Amaral, Ophelia Basgal, and Supervisor Keith Carson. Staff present were Dave Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Harsh Jadhav, Chief of Internal Audit; Victoria Arruda, Human Resources Officer; Sandra Dueñas-Cuevas, Benefits Manager; Betty Tse, Chief Investment Officer; Vijay Jagar, Retirement Chief Technology Officer; and Lori Schnall, Legal.

ACTION ITEMS

1. Adoption of New Pay Item – Pay Code Holiday Rate for LARPD

Staff presented a proposal to the Operations Committee to recommend to the Board of Retirement that the Board designate Pay Item Holiday Rate for LARPD as neither pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013, based on Government Code Section 7522.34, nor compensation earnable for a member (legacy) with an entry date prior to January 1, 2013, based on Government Code Section 31461.

It was moved by Dale Amaral, and seconded by George Wood, that the Operations Committee recommend to the Board of Retirement that the Board designate Pay Item Holiday Rate for LARPD as not pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013, based on Government Code Section 7522.34, nor compensation earnable for a member (legacy) with an entry date prior to January 1, 2013, based on Government Code Section 31461

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

2. Adoption of New Pay Item – Pay Code 41U for the County

Staff presented a proposal to the Operations Committee to recommend to the Board of Retirement that the Board adopt Pay Code 41U– Ag. Comm/ Sealer of Wts and Meas. Staff also recommended the Board designate Pay Item 41U – Ag. Comm/ Sealer of Wts and Meas. as not pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013, based on Government Code Section 7522.34, and approve the inclusion of

this pay item as compensation earnable for a member (legacy) with an entry date prior to January 1, 2013, based on Government Code Section 31461.

It was moved by Liz Koppenhaver and seconded by George Wood, that the Operations Committee recommend to the Board of Retirement that the Board adopt Pay Item 41U – Ag. Comm/Sealer of Wts and Meas and the Board designate Pay Item 41U – Ag. Comm/Sealer of Wts and Meas as not pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013, based on Government Code Section 7522.34, and approve the inclusion of this pay item as compensation earnable for a member (legacy) with an entry date prior to January 1, 2013, based on Government Code Section 31461.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

3. Renewal of Board Business and Travel Policy

Staff presented a proposal to the Operations Committee to recommend to the Board of Retirement that the Board approve proposed revisions to the Board Business and Travel Policy. The Board moved to recommend options for both new and experienced trustees to be able to stay within the proposed spending caps for the policy.

It was moved by Ophelia Basgal and seconded by Dale Amaral, that the Operations Committee recommend to the Board of Retirement that the Board adopt proposed revisions to the Board Business and Travel Policy, with two amendments:

- a) Exclude half of the total expenditures (conference fee, airfare, accommodations etc.) of the Milken Conference from the overall spending limit; and,
- b) Exclude the Wharton Investment Managers Program and the CALAPRS Principles of Pension Management Program from the spending limit for new trustees and advanced Wharton and CALAPRS pension management trainings once every three years for all other trustees.

The motion carried 7 yes (*Amaral, Basgal, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Operating Expenses

Staff presented the year-to-date budget vs. actual operating expenses. As of April 30, 2017, actual expenses were \$1,074,625 under budget. Budget surpluses noted were due to Staffing (\$468K under budget) with 14 unfilled positions, Professional Fees (\$79K under budget), Systems (\$79k under budget), Board Expenses (\$84k under budget) and Member Services (\$79K under budget).

TRUSTEE/PUBLIC INPUT

None.

RECOMMENDATIONS

1. Staff recommended to the Operations Committee that the Board designate Pay Item Holiday Rate as not pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013, based on Government Code Section 7522.34, nor compensation earnable for a member (legacy) with an entry date prior to January 1, 2013, based on Government Code Section 31461.
2. Staff recommended to the Operations Committee the Board designate Pay Item 41U – Ag. Comm/Sealer of Wts and Meas. as not pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013, based on Government Code Section 7522.34, and approve the inclusion of this pay item as compensation earnable for a member (legacy) with an entry date prior to January 1, 2013, based on Government Code Section 31461.
3. Staff recommended to the Operations Committee to recommend to the Board of Retirement that the Board approve proposed revisions to the Board Business and Travel Policy. The Board moved to recommend options for both new and experienced trustees to be able to stay within the proposed spending caps for the policy.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for July 12, 2017, at 1:00 pm.

MEETING ADJOURNED

The meeting adjourned at 10:20 a.m.