



MINUTES OF AUGUST 2, 2023 OPERATIONS COMMITTEE MEETING

To: Members of the Operations Committee

From: Kellie Simon, Chair

Subject: Summary of the August 2, 2023 Operations Committee Meeting

Committee Chair Kellie Simon called the August 2, 2023, Operations Committee meeting to order at 9:32 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Kellie Simon (who appeared remotely for “just cause”), Ophelia Basgal, Ross Clippinger and Elizabeth Rogers. Also present were Jaime Godfrey, Keith Carson, and alternate members Cynthia Baron and Kevin Bryant. Henry Levy arrived after roll call.

Staff present were David Nelsen, Chief Executive Officer; Lisa Johnson, Assistant Chief Executive Officer; Carlos Barrios, Assistant Chief Executive Officer; Jeff Rieger, Chief Counsel; Jessica Huffman, Benefits Manager; Sandra Dueñas-Cuevas, Benefits Manager; Vijay Jagar, Chief Technology Officer; Erica Haywood, Fiscal Services Officer and Betty Tse, Chief Investment Officer.

PUBLIC INPUT

None

Action Items

- 1. Employer Reimbursement Policy review, discussion, and possible motion to renew the Employer Reimbursement Policy with or without revisions.**

Recommendation

Trustees Clippinger, Simon, and Bryant recused themselves and left the room before discussion of the item. The stated reason for the recusal was that the Employer Reimbursement Policy has a financial impact on their employing departments.

Staff recommends that the Operations Committee recommend that the Board of Retirement renew the Employer Reimbursement Policy, without revisions.

It was moved by Ophelia Basgal and seconded by Elizabeth Rogers that the Operations Committee recommend that the Board of Retirement renew the Employer Reimbursement Policy, without revisions.

The Motion carried 6 yes (*Basgal, Carson, Godfrey, Levy, Rogers, and Baron*), 0 no, and 3 recusals (*Clippinger, Simon, and Bryant*).

2. Electronic Tablet Policy review, discussion, and possible motion to renew the Electronic Tablet Policy, with or without revisions.

Recommendation

Staff recommends that the Operations Committee recommend that the Board of Retirement revise the Electronic Tablet Policy, per the redline in the agenda backup.

It was moved by Elizabeth Rogers and seconded by Ophelia Basgal that the Operations Committee recommend that the Board of Retirement revise the Electronic Tablet Policy, per the redline in the agenda backup, but also with “discovery of” added to Sections III(B)(4) and III(D)(3) as follows: “within 24 hours of *discovery of* the occurrence.”

The motion carried 8 yes (*Basgal, Carson, Clippinger, Godfrey, Levy, Rogers, Simon, and Bryant*), 0 no, and 0 abstentions.

3. Discussion and possible motion to amend the Board Reciprocity Policy due to *Casson v. Orange County Employees Retirement System (2023) 87 Cal.App.5th 1204.*

Recommendation

Staff recommends that the Operations Committee recommend that the Board of Retirement revise the Board Reciprocity Policy, per the redline in the agenda backup.

It was moved by Ophelia Basgal and seconded by Jaime Godfrey that staff bring to the Board of Retirement alternate proposals to revise the Reciprocity Policy that will include (a) Recommendation Nos. 1 and 4 in the Chief Counsel’s memorandum in this meeting’s agenda backup, and (b) Recommendation Nos. 1, 2, and 4 in the Chief Counsel’s memorandum in this meeting’s agenda backup.

The motion carried 8 yes (*Basgal, Carson, Clippinger, Godfrey, Levy, Rogers, Simon, and Bryant*), 0 no, and 0 abstentions.

INFORMATION ITEMS

1. Discussion and presentation on hybrid Board elections

Staff from MK Elections gave a presentation and answered questions about their hybrid elections process.

2. Operating Expenses as of 6/30/23

Staff presented the Operating Expense Report. As of June 30, 2023, actual expenses were \$394K under budget. Budget surpluses noted were Staffing (\$52K under budget), Board of Retirement (\$26K under budget), Staff Development (\$113K under budget), Professional Fees (\$127K under budget), Office Expense (\$43K under budget), Member Services (\$26K under budget), Systems (\$7K under budget).

3. Quarterly Financial Statements as of 06/30/23

Staff presented a summary of the Unaudited Financial Statements for the period ended June 30, 2023.

4. Quarterly Cash Forecast Report

Staff presented the Cash Forecast Report for the period ending June 30, 2023.

5. Board Member Conference Expense Report as of 06/30/23

Staff presented the Board Member Conference Expense Report as of 06/30/2023.

6. Senior Manager Conference and Training Expense Report as of 06/30/23

Staff presented the Senior Manager and Training Expense Report as of 06/30/2023.

7. MMRO Annual Report

Staff presented the Annual Managed Medical Review Organization report. MMRO representative Doug Minke responded to Trustee Simon's concerns about MMRO's work on two disability matters that recently were before the Board.

TRUSTEE INPUT AND DIRECTION TO STAFF

Trustees directed staff to bring available information on other providers of hybrid election services to the September Board Meeting. In addition, provide client feedback on MK Election passed performance.

FUTURE DISCUSSION ITEMS

September (to be presented at Board Meeting)

- Operating Expenses as of 07/31/23

October (to be presented At Board Meeting)

- Statement of Reserves as of 6/30/23

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- Discussion and possible motion to approve the proposed 2024 ACERA Operating Expense Budget
- Discussion and possible motion to select MK Election to provide hybrid election services
- Discussion and possible motion to approve the annual agreement for the Segal Group, ACERA's Benefits Consultant
- Discharge of Benefit Overpayments Policy Review, discussion and possible motion to renew the Discharge of Benefit Overpayments Policy, with or without revisions
- Board Education Policy Review, discussion and possible motion to renew the Board Education Policy, with or without revisions
- Felony Forfeiture Policy review, discussion and possible motion to renew the Felony Forfeiture Policy, with or without revisions

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Thursday November 16, 2023, at 12:30 p.m.

MEETING ADJOURNED

The meeting adjourned at 11:48 a.m.