

August 3, 2011

To: Members of the Operations Committee

From: Ophelia Basgal, Vice Chair

Subject: Summary of the August 3, 2011 Operations Committee Meeting

Operations Committee Vice Chair Ophelia Basgal called the August 3, 2011 Operations Committee Meeting to order at 9:02 a.m. Committee members present Ophelia Basgal, Vice Chair, Keith Carson, George Dewey, and Liz Koppenhaver. The other Board members present were Dale Amaral, Annette Cain-Darnes, George Wood, and alternate member David Safer. Staff present were Vincent Brown, Chief Executive Officer; Catherine Walker, Assistant Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Robert Gaumer, Chief Counsel; Betty Tse, Chief Investment Officer; Latrena Walker, Project and Information Services Manager; JP Singh, Chief Financial Officer; Rose Kwong, Benefits Manager; Victoria Arruda, Human Resources Officer; and Harsh Jadhav, Internal Auditor.

### **ACTION ITEM**

#### **1. Disability Medical Evaluation Services**

The Operations Committee interviewed three candidates who responded to a Request for Proposal (RFP) for disability medical evaluation services of ACERA's disability retirement applications. Each candidate was provided ten minutes to give a presentation regarding their experience as a Medical Advisor to a public agency followed by questions from the Committee. The candidates were Dr. Fracchia, sole proprietor, Dr. Wagner from U.S. HealthWorks, current incumbent, and Dr. Blink from Worksite Partners Medical Group. A fourth candidate, Dr. Swann from WorkCare, did not appear at the meeting.

Ms. Koppenhaver moved and Captain Amaral seconded that the Operations Committee recommend to the Board of Retirement that the Board approve a service provider contract with U.S. HealthWorks Medical Group, Robert G. Wagner, M.D. for the medical evaluation services of ACERA's disability retirement applications.

## **INFORMATION ITEMS**

### **1. Quarterly Financial Statements as of June 30, 2011**

The June year-to-date net income from investments was \$279,078,825. The total additions were \$396,248,764. Total deductions were \$172,198,293. As of June 30, 2011 net assets held in trust for pension benefits total \$5,448,545,350.

### **2. Operating Expenses – Budget vs Actual as of June 30, 2011**

As of June 30, 2011 actual expenditures were under budget by \$755,704. The under spending was mainly in the Staffing, Professional Fees, Office Expense, Member Services and Depreciation accounts. Staff also presented the total year operating expense forecast for 2011. For the period ending June 30, 2011, the total operating expenses are projected to be 7% under the 2011 annual budget.

### **3. Zone 7 Water Agency**

The Zone 7 Board of Directors directed their staff to investigate and prepare for the complete separation from Alameda County. The transition will include a multiple phase approach with the initial phase being to move their payroll services from the County to ADP beginning with the first pay period in January 2012. Staff reported that ACERA met with Zone 7 on July 18<sup>th</sup> to discuss the transition and change in Zone 7's payroll services to ADP. Along with the report, staff provided the Committee with a letter from Zone 7's General Manager Jill Duerig regarding Zone 7's intent to separate from the County.

### **4. Board Member Conference Attendance Report for 2<sup>nd</sup> Quarter 2011**

The Board Member Conference Attendance Report for the period ending June 30, 2011 was presented. Ms. Basgal requested that staff remind the Trustees, per the Board Travel Policy, they must submit their receipts to the Chief Executive Officer for approval and reimbursement within 30 days from the time the expenses were incurred.

### **5. 2011 Board Off-site**

The Board off-site is scheduled for Thursday, October 27, 2011 at the Wente Conference Center in Livermore. The Committee was provided a short survey to complete regarding their recommendations for agenda items. At the September Committee meeting, Staff will provide a draft agenda for the Committee's review and approval.

### **6. Web Member Services**

Staff presented the Web Member Services (WMS) project plan schedule and reported that the WMS project is scheduled to go live in the 1<sup>st</sup> quarter of 2012.

**7. Employer Transmittal Exception Report**

As of July 18, 2011, 42% of the 15,641 pending employer transmittal exceptions have been completed. Staff presented the findings on the retired member portion of the project. Seventeen (17) retirees will be notified in August that they have under/overpaid contributions over \$100.00. Since the retired member portion of the project has been completed, review of the 2008 exceptions has resumed.

**8. Call Center Report**

It was reported that the Call Center's service level averaged 94.1% during the 2<sup>nd</sup> quarter, exceeding its 90% service level goal for 39 consecutive months. Ms. Basgal asked if the 90% service level goal was an appropriate goal given that the Call Center has exceeded it for over three years. Staff replied that a 90% service level goal is high by industry standards. To address this issue, some of the Call Center employee resources are gradually being redeployed to other units so as not to negatively impact service levels and also assist where they are needed.

**RECOMMENDATION**

The Committee recommends, and I move that the Board of Retirement approve a service provider contract with U.S. HealthWorks Medical Group, Robert G. Wagner, M.D. for medical evaluation services of ACERA's disability retirement applications.

**TRUSTEE/PUBLIC INPUT**

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for September 7, 2011 at 9:00 a.m.

**MEETING ADJOURNED**

The meeting adjourned at 10:03 a.m.