



Date: August 16, 2018
To: Members of the Budget Committee
From: Ophelia Basgal, Budget Committee Chair
Subject: Summary of the August 16, 2018, Budget Committee Meeting

Budget Committee Chair Ophelia Basgal called the August 16, 2018, Budget Committee meeting to order at 1.00 pm. Committee members present were Elizabeth Rogers, Jaime Godfrey, and George Wood. Other Board members present were Dale Amaral, Darryl Walker, and Nancy Reilly. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant CEO Benefits; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resource Officer; and Sandra Dueñas-Cuevas, Benefits Manager.

ACTION ITEMS

None

INFORMATION ITEMS

1. Mid-Year Review of 2018 ACERA Operating Expense Budget

Staff presented the 2018 mid-year operating expense budget review as of June 30, 2018 and the end-of-year forecast review as of December 31, 2018.

Staff explained that in conducting the year-to-date review, three line-item overages were identified, i.e., Temporary Staffing, Disability Medical Expenses, and Business Continuity Expenses. Staff expressed judgement that there is currently no need for any line-item adjustments from forecasted surplus to correct the end-of-the-year overages.

With regard to the end-of-year review (June 30 – December 31, 2018), ACERA's operating expenses will be approximately \$101K *over* budget due to some unexpected salary-increase related expenses. With the exception of Temporary Staffing and Fringe Benefit overages, \$669K and \$28K, respectively, and Business Continuity Expenses all other expenses for the remainder of the 2018 budget year are forecasted to be within budgetary parameters.

Staff concluded with a discussion about using two contingency line items to a) correct the 2018 budget shortfall; and, b) hire an Outside Project Manager (OPM) to begin work on the new Pension Administration System.

2. 2019 Budget Committee Work Plan

Staff presented the 2019 Budget Committee Work Plan.

TRUSTEE REMARKS

None

PUBLIC INPUT

None

RECOMMENDATION

None

ESTABLISHMENT OF NEXT MEETING DATE

November 8, 2018, at 1:00 pm

MEETING ADJOURNED

The meeting adjourned at 1:14 pm