



Date: September 5, 2018
To: Members of the Operations Committee
From: Ophelia Basgal, Chair
Subject: Summary of the September 5, 2018, Operations Committee Meeting

Operations Committee Chair Ophelia Basgal called the September 5, 2018 Operations Committee Meeting to order at 9:33 a.m. Committee members present were Ophelia Basgal, Chair; Dale Amaral, Vice-Chair; Elizabeth Rogers, and George Wood. Other Board members present were: Keith Carson, Tarrell Gamble, Jaime Godfrey and Alternates Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resource Officer; Sandra Dueñas-Cuevas, Benefits Manager; and Vijay Jagar, Chief Technology Officer.

ACTION ITEMS

1. Adoption of New Pay Item – Pay Code 42A for County

Staff presented a proposal to the Operations Committee to recommend to the Board of Retirement that the Board adopt Pay Code 42A for Alameda County.

It was moved by Gamble and seconded by Wood, that the Operations Committee recommend to the Board of Retirement that the Board approve the inclusion of Pay Item 42A – Capital Programs Project as not pensionable compensation for PEPRA members however compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461.

The motion carried 9 yes (Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood), 0 no, 0 abstention.

2. Review, Discussion and Possible Motion to Adopt the Declining Employer Payroll Policy

Staff introduced the new Declining Employer Payroll Policy. The purpose of this policy is to provide guidance on how to handle circumstances where the payroll of a Plan Sponsor diminishes to the point that it is insufficient to cover the contribution required to fund the employer's liabilities for employees who are or may be entitled to receive retirement benefits from ACERA.

3. Review, Discussion and Possible Motion to Adopt the Withdrawing Employer Policy

Staff introduced the new Withdrawing Employer Policy. The purpose of this policy is to provide guidelines to be applied when a participating ACERA employer ceases to provide ACERA membership for its active members.

After discussion, it was decided that to ensure that all of the employers have had an opportunity to read and respond to these new policies, both policies will be brought back to the October 3, 2018 Operations Committee Meeting.

INFORMATION ITEMS

1. Operating Expenses

Staff presented the Total Operating Expense Budget Summary for July 31, 2018. As of July 31, 2018, actual expenses were \$121K under budget. Budget overages noted were Staffing (\$253K over budget). Budget surpluses noted were Staff Development (\$148K under budget), Professional Fees (\$56K under budget), Office Expense (\$27K under budget), Member Services (\$22K under budget), Systems (\$28K under budget), Depreciation (\$4K under budget), and Board Expenses (\$88K under budget).

2. 2018 Board of Retirement Election Update

Staff provided an update regarding the 2018 Board of Retirement election. An election is being conducted for the second member to represent general membership. The Notice of Election began on July 16th and ended on August 10th. The Nomination Period began on August 13th and will end on September 10th. The ballots will be mailed on November 5th, and the election period is between November 5th and December 19th. The end of the election and deadline for ballots to be returned to the Registrar of Voters office is December 19th at 5:00 p.m.

3. Managed Medical Review Organization (MMRO) Update

At the request of the Operations Committee, staff provided information regarding disability applications processed by MMRO. To date, MMRO is meeting the established performance targets and ACERA staff is pleased with the reduction in the backlog and improved customer service to our members.

4. Service Retirement Application Process Improvement Project Update

Staff presented the team's analysis and results of their effort to optimize the service retirement application process. The Committee members congratulated staff on results of systematically addressing the timing problem for first retirement payments.

TRUSTEE/PUBLIC INPUT

None.

RECOMMENDATIONS

The Committee recommends, and I move, that the Board of Retirement approve the inclusion of Pay Item 42A – Capital Programs Project as not pensionable compensation for PEPRA members however

compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 3, 2018, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:49 a.m.