

October 5, 2011

To: Members of the Operations Committee

From: Ophelia Basgal, Vice Chair

Subject: Summary of the October 5, 2011 Operations Committee Meeting

Operations Committee Vice Chair Ophelia Basgal called the October 5, 2011 Operations Committee Meeting to order at 9:05 a.m. Committee members present were Ophelia Basgal, Vice Chair, Keith Carson, and Liz Koppenhaver. The other Board members present were Dale Amaral, Annette Cain-Darnes, George Wood, and alternate members Darryl Walker and David Safer. Staff present were Vince 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; JP Singh, Chief Financial Officer; Victoria Arruda, Human Resources Director; Rose Kwong, Benefits Manager; and Harsh Jadhav, Internal Auditor.

ACTION ITEM

1. Voluntary Elected Member Employer Reimbursement

ACERA's Chief Counsel recommended that elected active member ACERA Trustee Dale Amaral recite the attached disclosure statement and recuse himself from discussions and Board actions related to the Voluntary Elected Member Employer Reimbursement Policy. After Captain Amaral read and signed his disclosure statement, he left the Board Room.

A) Review, discussion and possible motion to adopt the amendments, if any, to the Voluntary Elected Member Employer Reimbursement Policy

Ms. Liz Koppenhaver moved, and Supervisor Keith Carson seconded that the Operations Committee recommend to the Board of Retirement that the Board renew the Voluntary Elected Member Employer Reimbursement Policy, with no revisions, as recommended by Staff. The motion passed unanimously.

B) Discussion and possible motion to recommend the continuation of the voluntary elected member employer reimbursement for 2012

Supervisor Keith Carson moved, and Ms. Liz Koppenhaver seconded that the Operations Committee recommend to the Board of Retirement that the Board

continue the voluntary elected member employer reimbursement for 2012. The motion passed unanimously.

In the future the Voluntary Elected Member Employer Reimbursement Policy will be brought to the Committee by the Chief Executive Officer as a public document, and not under Attorney-Client Privilege by ACERA's Legal Department. The Committee also agreed to audit the hours of elected officials every three (3) years instead of annually.

Elected active ACERA Trustees George Wood and Darryl Walker were advised by ACERA's Chief Counsel to recite the attached disclosure statements and recuse themselves from discussions and Board actions related to the voluntary elected member employer reimbursement policy. Mr. Wood and Mr. Walker read and signed their disclosure statements, and did not participate in the previous discussion or votes.

INFORMATION ITEMS

1. Monthly Financial Statement

JP Singh, CFO presented the monthly financial statements as of August 31, 2011.

2. Operating Expenses – Budget vs Actual as of August 31, 2011

JP Singh, CFO presented the operating expenses – budget vs actual as of August 31, 2011.

3. SB 1479

Robert Gaumer, Chief Counsel reported that there were two Participating Employer Meetings held in September at which SB 1479 was discussed with ACERA's staff and actuaries.

4. Employer Transmittal Exceptions Project Update

Rose Kwong, Benefits Manager provided an update on the employer transmittal exceptions project.

5. Human Resources Staffing Report

Victoria Arruda, Human Resources Director presented a report on the status of ACERA's vacancies for the 3rd quarter.

RECOMMENDATION

1. The Committee recommends, and I move that the Board of Retirement adopt the Voluntary Elected Member Employer Reimbursement Policy with no revisions.

2. The Committee recommends, and I move that the Board of Retirement continue the voluntary elected member employer reimbursement for 2012.

TRUSTEE/PUBLIC INPUT

None

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for November 2, 2011 at 9:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 9:39 a.m.