

October 6, 2010

To: Members of the Operations Committee

From: Elizabeth Rogers, Chair

**Subject: Summary of the October 6, 2010 Operations Committee Meeting**

Operations Committee Chair Elizabeth Rogers called the October 6, 2010 Operations Committee Meeting to order at 9:08 a.m. Committee members present were Elizabeth Rogers, Chair; Dale Amaral, Vice-Chair; Keith Carson and Liz Koppenhaver. Other Board members present were Annette Cain-Darnes, George Dewey, George Wood, and alternate member Darryl Walker. Staff present were Catherine Walker, Acting Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Robert Gaumer, Chief Counsel; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resources Officer; Latrena Walker, Project and Information Services Manager; JP Singh, Chief Financial Officer; Rose Kwong, Benefits Manager; and Harsh Jadhav, Internal Auditor.

### **ACTION ITEMS**

There were no action items.

### **INFORMATION ITEMS**

#### **1. Enterprise Document Management System Project (EDMS)**

The EDMS system and the Day Forward Scanning process were launched for the Accounting Department on September 25<sup>th</sup> and for the Human Resources Department on October 5<sup>th</sup>. By mid-October, the remaining departments will be phased in. The Backfile Conversion was completed for the Retired Member records. The Active Member files are currently being scanned. The project team is focusing on the requirements gathering phase for E-mail Management, Records Management and three pilot Workflows for the Benefits Department.

#### **2. Monthly Financial Statements**

For the month of August 2010 there was a net investment loss of \$112.7 million, resulting in a year-to-date investment loss of \$33.6 million or a negative 0.48%. This followed an investment gain of \$244.8 million in the month of July. Year-to-date the investment performance outperformed the policy index by 50 basis points. The total

additions are \$114 million. Total deductions are \$216 million. As of August 31, 2010, net assets held in trust for pension benefits total \$4.57 billion, down from \$4.67 billion as of January 1, 2010.

**3. Total Operating Expenses – Budget vs Actual as of August 31, 2010**

As of August 31, 2010 actual expenditures were under budget by \$314,000, predominately in the General Accounts and Consultant Fees – Legal. Year-to-date the Payroll and Staff Training Accounts are \$74,479 over budget, mainly due to the temporary staffing costs related to the EDMS project and other workload related staffing expenses.

**4. Board Election Update**

The nomination period for the 2010 Board election closed on September 20, 2010. There were nine (9) certifications issued for the five (5) available seats on the Board. Mr. David Safer, the Incumbent Alternate Eighth Member, was the only person to submit nomination papers and be certified as the Alternate Retired Member – Eighth Seat. Pursuant to Government Code Section 31523 and ACERA's Board Election Policy, on October 5, 2010 the Board of Supervisors directed the Clerk of the Board to cast a unanimous ballot in favor of Mr. David Safer as the Alternate Retired Member – Eighth Seat.

**5. Board Member Conference Attendance Report**

Staff presented an updated Board Member Conference Attendance Report for the quarter ending June 30, 2010. The Board Chair said that she would like for this conference report to continue to be presented on a quarterly basis. Trustees will continue to receive their personal statements on a monthly basis.

**6. 2010 Internet Survey**

Staff presented the results of two segments of a survey that was conducted to determine the internet access, usage, and communication preferences of ACERA's membership. In April a survey was mailed to retired and deferred members. In September active members were sent an e-mail requesting them to follow a link to an on-line survey that contained the same questions as the mailed survey. The overall response rate to the both surveys was 25%. The mailed survey cost \$12,773 which includes printing, postage and in-house tabulation. In contrast, the on-line survey cost was substantially less at \$1,350. Over 3,500 e-mail addresses were collected during the surveys, giving us the added opportunity to communicate with members electronically in the future. Additional information obtained in the surveys will assist staff in designing the upcoming Web Member Services component of the ACERA website.

**7. Legislative Update**

Staff reported that Assembly Bill 609 (administrative cap) was signed by the Governor and Assembly Bill 1987 (anti-spiking) was vetoed by the Governor. A comprehensive legislative update will be provided to the Committee next month.

**8. Human Resources Staffing Report**

The Benefits Department has made tentative offers for the Retirement Specialist I position. Staff is working on the exam development for the classification of Retirement Support Specialist and is completing a job analysis for the classification of Executive Assistant to the Retirement Association.

**TRUSTEE/PUBLIC INPUT**

Staff stated that the November Board Meeting will be re-scheduled to Tuesday, November 30<sup>th</sup> due to the SACRS and IFEBP conferences and holidays in November.

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for November 3, 2010 at 9:00 a.m.

**MEETING ADJOURNED**

The meeting adjourned at 9:56 a.m.