



**MINUTES OF THE DECEMBER 2, 2020 OPERATIONS COMMITTEE'S MEETING
THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO**

Date: December 2, 2020
To: Members of the Operations Committee
From: Ophelia Basgal, Chair
Subject: Summary of the December 2, 2020, Operations Committee Meeting

Operations Committee Chair Ophelia Basgal called the December 2, 2020, Operations Committee Meeting to order at 9:30 a.m. Committee members present were Ophelia Basgal, Chair; Liz Koppenhaver, Vice Chair; Dale Amaral; Jaime Godfrey; and Elizabeth Rogers. Other Board members present were Henry Levy; George Wood and Alternates Nancy Reilly and Darryl Walker. Keith Carson and Tarrell Gamble arrived after the roll call. Staff present were David Nelsen, Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Foster, Assistant Chief Executive Officer; Jeffrey Rieger, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; and Sandra Dueñas-Cuevas, Benefits Manager.

ACTION ITEMS

1. Discussion and possible motion to approve the annual agreement for Segal Consulting, ACERA's Benefits Consultant

Staff reported that it has negotiated a new agreement for benefits consulting services with the Segal Group. The agreement is effective January 1, 2021 through December 31, 2021. The annual cost for the new agreement is \$127,200, which is a 1.4% increase, due to inflation.

Recommendation

After discussion, it was moved by Jaime Godfrey and seconded by Liz Koppenhaver, that the Operations Committee recommend to the Board of Retirement that the Board approve the annual agreement for \$127,200 effective January 1, 2021, for ACERA's Benefits Consultant, the Segal Group.

The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, 0 abstention/recusal.

2. Discussion and possible motion to recommend to the Board a remedy for the excess payments to active member trustees' employers under the Employer Reimbursement Policy for calendar years 2017, 2018, 2019

Staff reported that it was recently discovered that the employer reimbursement cap was not applied for calendar years 2017, 2018, and 2019, resulting in excess payments. Staff presented three possible remedies to the committee.

Recommendation

After discussion, it was moved by Liz Koppenhaver and seconded by Jaime Godfrey, that the Operations Committee recommend to the Board of Retirement that the Board approve the subtraction of the total excess payments without interest from the reimbursements ACERA will otherwise make under the Employer Reimbursement Policy for 2020 and staff will advise the affected employers of the proposed recommendation.

The motion carried 7 yes (*Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Reilly*), 0 no, 3 abstention/recusal.

INFORMATION ITEMS

1. Operating Expenses as of October 31, 2020

Staff provided the operating expenses as of October 31, 2020. As of October 31, 2020, actual expenses were \$2,278K under budget. Budget overage noted was Professional Fees (\$52K over budget). Budget surpluses noted were Staffing (\$1,408K under budget) with 7 unfilled positions, Staff Development (\$285K under budget), Office Expense (\$89K under budget), Insurance (\$11K under budget), Member Services (\$165K under budget), Systems (\$101K under budget), Depreciation (\$4K under budget), and Board of Retirement (\$267K under budget).

2. Technology Update

Staff presented a technology update to the committee.

TRUSTEE/PUBLIC INPUT

None

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

February 3, 2021 at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:08 a.m.