



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

OPERATIONS COMMITTEE/BOARD MEETING
NOTICE and AGENDA

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

Wednesday, December 5, 2018
9:30 a.m.

LOCATION	COMMITTEE MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14 TH STREET, 10 TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574	OPHELIA BASGAL, CHAIR	APPOINTED
	DALE AMARAL, VICE CHAIR	ELECTED SAFETY
	LIZ KOPPENHAVER	ELECTED RETIRED
	ELIZABETH ROGERS	ELECTED GENERAL
	GEORGE WOOD	ELECTED GENERAL

Should a quorum of the Board attend this meeting, this meeting shall be deemed a joint meeting of the Board and Committee.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

OPERATIONS COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 3 – Wednesday, December 5, 2018

Call to Order: 9:30 a.m.

Action Items: Matters for Discussion and Possible Motion by the Committee

- 1. Review, discussion and possible motion to update the Discharge of Benefit Overpayments Policy**

- Margo Allen

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement a possible update of the Discharge of Benefit Overpayments Policy.

- 2. Discussion and possible motion to approve ACERA's 2019 LEAP Technologies (Process Excellence) contract**

- Dave Nelsen

Recommendation:

Staff recommends that the Operations Committee recommend to the Board of Retirement approval of ACERA's 2019 LEAP Technologies (Process Excellence) contract.

- 3. Discussion and possible motion to approve ACERA's Benefits consultant annual contract**

- Kathy Foster

Recommendation:

Staff recommends that the Operations Committee recommend to the Board of Retirement approval of ACERA's Benefits Consultant annual contract.

- 4. Discussion and possible motion to consolidate the work of the Board into fewer standing committees**

- Dave Nelsen

Recommendation:

Staff recommends that the Operations Committee recommend to the Board of Retirement consolidation of some of the existing standing committees for operational streamlining and efficiency.

Information Items: These items are not presented to Committee for action but consist of status updates, presentations and cyclical reports

- 1. Operating Expenses**

Report on the status of ACERA's Budget vs. Actual year-to-date for the period ending October 31, 2018

- Margo Allen

OPERATIONS COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 3 – Wednesday, December 5, 2018

2. Call Center Report

Quarterly report on the Call Center

- Ismael Piña

3. Presentation on expanded use of the Board consent calendar and discussion

- Kathy Mount

Future Discussion Items

Trustee Remarks

Public Input

Establishment of Next Meeting Date

January 2, 2019, at 9:30 a.m.


Adjournment



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 5, 2018

TO: Members of the Operations Committee

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Review of Discharge of Benefit Overpayments Policy

Executive Summary

The Fiscal Services Department, in collaboration with the Legal and Benefits Departments, has reviewed and revised the Discharge of Benefit Overpayments Policy (November 17, 2016, policy) for Board approval. The revised policy, expands and clarifies discharge authority language to include retirement benefits, health care premiums, credit union deductions, and taxes, and eliminates the 4-year waiting period to discharge an uncollectable account. The policy now allows an end-of-year discharge of any and all accounts deemed uncollectable, without a waiting period restriction¹.

ACERA's legal counsel has determined that a waiting period to suspend a discharge serves no purpose, since ACERA can always accept repayment of an overpayment from members even after discharge. Furthermore, where recovery of overpayment is made pursuant to an ACERA administrative policy, there is no statute of limitations that would limit when the recovery effort can go forward. However, if a lawsuit has to be filed, the statute of limitations applicable to lawsuits would apply, and would typically be either three or four years, depending on the cause of action.

¹Generally Accepted Accounting Principles (GAAP) provides guidance and standards in recording and reporting financial information. The Internal Revenue Service (IRS) requires the direct write-off method for writing off accounts receivable after exhausting all reasonable collection efforts, and California Government statute, including The County Employees Retirement Law of 1937 ("CERL"), does not provide any discernable "write-off" procedure.

Conclusion

Management requires reasonable authority to discharge benefit overpayments from financial records in a timely and consistent manner, so as to not continue to overstate assets into perpetuity that are deemed to be uncollectable. Therefore, this policy sets forth procedure for discharge of accountability of benefit overpayments that have been deemed uncollectable.

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement a possible update of the Discharge of Benefit Overpayments Policy.

Attachments: Discharge of Benefit Overpayments Policy
Red-lined Version of Discharge of Benefit Overpayments Policy



DISCHARGE OF BENEFIT OVERPAYMENTS POLICY

I. PURPOSE

- A. This policy sets forth procedures for discharge of uncollectable benefit overpayments. For purposes of this policy, “benefit overpayments” include retirement benefits, health care premiums, credit union deductions, and taxes.
- B. The primary objective of this policy is to ensure that uncollectable benefit overpayments to a member or a beneficiary are properly identified, tracked and, when appropriate, discharged from ACERA’s financial accounting records.
- C. Therefore, the principal focus of this policy is to ensure that management and staff follow consistent, Board approved guidelines to objectively determine that an account due is deemed uncollectable, and therefore qualifies to be discharged from ACERA’s financial accounting records.

II. ASSUMPTIONS

- A. Benefit overpayments deemed uncollectable should be discharged from ACERA’s financial accounting records as “receivables” in accordance with generally accepted accounting principles.
- B. Discharging uncollectable benefit overpayments from ACERA’s financial accounting records does not prevent the Board from exercising its fiduciary responsibility to recoup the resulting shortfall to the plan, participants, and beneficiaries by transferring the shortfall to the unfunded liability.
- C. Moreover, ACERA can later accept repayment of the overpayments from the member even after discharging them.

III. GUIDELINES

- A. Upon discovery of an overpayment of benefits, the Benefits Department will (when necessary) suspend or reduce ongoing payment of benefits, document the overpayment, and proceed to collect all overpayments in accordance with applicable policies and procedures regarding collection activities.

- B. When the Benefits Department, in consultation with the Legal Department, determines that an overpayment is uncollectable following exhaustion of all reasonable efforts (taking into account the statute of limitations for court filings), the Benefits Manager shall notify the Fiscal Services Officer in writing.
- C. Included in that writing shall be name of the recipient, amount of the receivable, the cause of the overpayment, the date on which the Benefits Department initially became aware of the overpayment circumstance, the steps taken to collect the overpayment, and the determination that the overpayment is uncollectable consistent with applicable procedures.
- D. Upon receipt of the writing, the Fiscal Services Department shall track the uncollectable accrued overpayment until approval by the Board of Retirement to discharge the overpayment is received.
- E. At the beginning of each calendar year, the Fiscal Services Officer shall prepare a Notice of Uncollectable Receivables to present to the Operations Committee to request a recommendation to the Board of Retirement that it authorize the discharge of accounts that have been deemed uncollectable receivables for the previous calendar year ending December 31.

V. POLICY REVIEW

The Operations Committee shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

VI. POLICY HISTORY

- A. The Board adopted this policy on November 17, 2016.
- B. The Board updated this policy on *X* date.



DISCHARGE OF BENEFIT OVERPAYMENTS POLICY

I. PURPOSE

- A. This The purpose of this policy is to establish criteria for determining when benefit overpayments may be deemed uncollectable and sets forth procedures for discharge of uncollectable benefit overpayments. For purposes of this policy, “benefit overpayments” include retirement benefits, health care premiums, credit union deductions, and taxes.
- B. The primary objective of this policy is to ensure that uncollectable benefit overpayments to a member or a beneficiary are properly identified, tracked, and, when appropriate, discharged from ACERA’s financial accounting records.
- C. Therefore, the principal focus of this policy is to ensure that management and staff follow consistent, Board approved guidelines to objectively determine that an account due is deemed uncollectable, and therefore qualifies to be discharged from ACERA’s financial accounting records.

II. ASSUMPTIONS RATIONALE

- A. Benefit overpayments deemed uncollectable should be discharged from ACERA’s financial accounting records as “receivables” in accordance with generally accepted accounting principles. only in accordance with generally accepted accounting principles established by the Government Accounting and Standards Board (GASB), applicable Internal Revenue Code (IRC), and State Law, including the County Employees Retirement Law of 1937 (“CERL”).
- B. Discharging uncollectable benefit overpayments from ACERA’s financial accounting records does not prevent the Board from exercising its fiduciary responsibility to recoup the resulting shortfall to the plan, participants, and beneficiaries by transferring the shortfall to the unfunded liability.
- C. Moreover, ACERA can later accept repayment of the overpayments from the member even after discharging them.

~~An action by the Board to discharge uncollectable receivables from ACERA’s financial accounting records does not affect ACERA’s legal obligation to restore the plan, participants,~~

~~and beneficiaries, and therefore such discharge shall transfer the fiscal impact to the unfunded liabilities of the various participating employers.~~

III. — OBJECTIVE

~~The primary objective of this policy is to ensure that an uncollectable overpayment of benefits to a member or a beneficiary is properly identified, tracked, and when appropriate, discharged from ACERA's financial accounting records. Therefore, the principal focus of this policy is to ensure that management and staff follow consistent, Board approved procedure to objectively determine that an account due is deemed uncollectable, and therefore qualifies to be discharged from ACERA's financial accounting records.]~~

IV. — PROCEDURE FOR DISCHARGING UNCOLLECTABLE RECEIVABLES

III. GUIDELINES

- A.** Upon discovery of an overpayment of benefits, the Benefits Department will (when necessary) suspend or reduce ongoing payment of benefits, document the overpayment, and proceed to collect ~~the~~ all ~~overpayments~~ in accordance with applicable policies and procedures regarding collection ~~activities~~ overpayments.
- B.** ~~If~~ When the Benefits Department, in consultation with the Legal Department, determines that an overpayment obligation is uncollectable following given exhaustion of all reasonable efforts (taking into account the statute of limitations for court filings), the Benefits Manager shall notify the Fiscal Services Officer in writing.
- C.** Included in that writing shall be name of the recipient, amount of the receivable, the cause of the overpayment, ~~and~~ the date on which the Benefits Department initially became aware of the overpayment circumstance, the steps taken to collect the overpayment, and the determination that the overpayment is uncollectable consistent with applicable procedures.
- D.** Upon receipt of the writing, ~~T~~the Fiscal Services Department shall track the uncollectable accrued overpayment until approval by the Board of Retirement to discharge is received, ~~using the date provided by the Benefits Department as initially aware of~~ as initially aware of the overpayment and retain it until the four (4) year statute of limitations has expired on the obligation.

- E.** At the beginning of each calendar year, the Fiscal Services Officer shall prepare a Notice of Uncollectable Receivables to present to the Operations Committee to request a recommendation to the Board **of Retirement** that it authorize the discharge of accounts that have been **deemed in the uncollectable receivables for the previous calendar year ending** ~~account for at least four (4) years as of prior calendar year's end,~~ **i.e., December 31.**

V. POLICY REVIEW

The Operations Committee shall review this policy at least every **three (3)** ~~two (2)~~ years to ensure that it remains relevant and appropriate.

VI. POLICY HISTORY


- A.** The Board adopted this policy on November 17, 2016.
- B.** **The Board updated this policy on X date.**



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 5, 2018

TO: Members of the Operations Committee

FROM: Dave Nelsen, CEO 

SUBJECT: ACERA's 2019 LEAP Technologies Contract (Process Excellence)

Executive Summary

Staff requests approval of the 2019 LEAP Technologies (LEAP) service agreement. ACERA has been working with LEAP since October 2017. The initial scope of the agreement straddled two calendar years, (2017 and 2018), included three campaigns, and was estimated to cost of \$98,000, plus travel expenses.

As a high-level perspective, the 2019 scope of work will focus on the following new and ongoing strategic initiatives:

1. Facilitate achievement of ACERA Strategic Business Plan and specific 2019 objectives focused on Organization and Process Optimization, Workforce Excellence, and Effective Governance.
2. Provide advice and guidance to the CEO and Senior Leadership Team on effective governance policies, practices, and behaviors.
3. Advise and facilitate (*as requested*) on integration of Organization and Process Optimization and Technology Modernization, particularly related to the planned Pension Administration Project.
4. Continue ACERA's deployment of Process Excellence tools, methods, and training to improve performance.

In total, the cost of the 2019 LEAP contract is \$155,000, of which \$100,000 will be capitalized into the Pension Administration System capital upgrade project, and the remaining \$55,000 is allocated in the 2019 operating expense budget for ongoing performance excellence initiatives.

Recommendation


Staff recommends that the Operations Committee recommend to the Board of Retirement approval of ACERA's 2019 LEAP Technologies contract.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 5, 2018

TO: Members of the Operations Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Benefits Consultant Annual Contract for 2019**

In early 2017, ACERA went for bid seeking proposals for Benefits Consulting services as part of our due diligence process. We asked 13 potential consulting firms to submit a proposal in response to a Request for Proposal (RFP). The analysis and results of the four responses received were presented to the Retirees Committee in May of 2017, with a recommendation to continue services with Keenan & Associates (Keenan) at an annual cost of \$115,000. The current contract with Keenan expires on December 31, 2018.

Due to reoccurring issues with quality and timeliness of work produced by Keenan, Staff is recommending not to renew their contract. Instead, we are recommending to contract the services of the second ranked firm from the 2017 bidding process, which is Segal Consulting (Segal).

As stated above, only four firms responded to the RFP. The other two firms were Wells Fargo and Rael & Letson, both of which ranked lower than Segal. Segal's overall proposal ranked number two, as well as their annual cost, which they have confirmed will remain as quoted at \$123,000 for 2019. At this time, it is Staff's position that Segal would be the best suited firm to work with ACERA's team over 2019.

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement to approve an annual contract for Benefits Consulting services with Segal Consulting for \$123,000 effective January 1, 2019.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 5, 2018

TO: Members of the Operations Committee

FROM: Dave Nelsen, Chief Executive Officer *DN*

SUBJECT: Consolidating the Work of the Board

The topic of consolidating the work of the Board of Retirement into fewer Committees was introduced at the October Off-Site event. The outcome of that discussion was that Staff would bring recommendations to the Board for consideration.

Background

Currently, the Board performs its work through a structure with eight standing Committees, two Ad-Hoc Committees, and the regular monthly Board meeting. Of the eight standing Committees, three are scheduled monthly (Operations, Retirees, and Investment) and the remaining five are scheduled throughout the year as necessary.

This structure allows for focused meetings on specific topics. The materials are spread out throughout the month, and members of the Board and the public can attend or not attend based upon the specific agenda items and their interests and availability. However, clearing a schedule to make multiple trips downtown in a month may be challenging for some. Additionally, each meeting requires the need to ensure quorums are met, agendas are posted in the various locations, and ensure Staff is available to support the work of the Committees.

Consolidating the work of the Board into fewer Committees may accomplish several positive outcomes:

- It could enhance public participation since there would be fewer meetings to attend. If the majority of the Board's work is accomplished in fewer days, it may be more desirable for members or retirees to be present.
- It may be easier for Board members to participate since fewer days will need to be set aside for Committee meetings.
- It could streamline certain administrative functions built around the multiple meetings, such as distribution, agenda creation and publication, and the delivery of meeting materials to Board members and others.

However, there may be some negative impacts to this idea:

- It could limit the opportunities for Board members to gain experience chairing the various Committees.
- Additionally, if more topics are covered in fewer meetings, it could increase the complexity of preparing for the meetings.

Having said that, given the possible positive outcomes, there are several possible approaches.

One approach would be to, with the exception of the Investment Committee, consolidate all the Committees into the work of the Operations Committee. This would mean there would be two monthly Committee meetings and one Board meeting. While this would be the simplest approach, it could create some very long Operations Committee meetings. Additionally, retirees who would like to attend to hear issues related to them would either need to sit through the entire meeting or try to time when the retiree information would be presented based upon the agenda.

A second approach would be to combine all the Committees except Investment and Retirees. We could continue to schedule the Retirees Committee meeting on the same day as the Operations Committee meeting. This would give the retirees their own focus, solidify a meeting start time to facilitate their attendance, while still limiting the number of days required to accomplish the business of the Board.

It was also discussed whether the Audit Committee should remain separate, given its functions. There are peers that have a separate Audit Committee, but if they do, they typically don't have the equivalent of the Operations Committee. I think it would be appropriate to include these functions in the Operations Committee work.

With any option chosen, this could be approached as a pilot project for 2019. The current policy language regarding which work happens in each Committee would be on hold while the Board determines if this structure provides the benefits intended. Committee assignments would be made as usual in January, should the Board decide to change back to the current structure at any time, or if the Board decides during the year to hold a separate Committee meeting. If the Board decides to continue this structure, policies would be updated and brought to the Board for adoption.

Recommendation


Staff recommends that the Operations Committee recommend to the Board of Retirement to use 2019 as a pilot project to consolidate the work of the Board of Retirement into the Operations Committee, the Retirees Committee, the Investment Committee and the Board of Retirement meeting. This option would provide consolidation efficiencies while still recognizing the unique interests of an important stakeholder group.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 5, 2018

TO: Members of the Operations Committee

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Total Operating Expense Budget Summary for October 31, 2018

ACERA's operating expenses are \$260K under budget for the period ending October 31, 2018. Budget overages and surpluses worth noting are as follows:

Budget Overage

1. *Staffing*: Staffing is \$266K over budget. This amount comprises overages in fringe benefits of \$66K due to excesses in the fringe benefit rate and temporary staffing of \$531K due to vacant positions filled by temporary staff, which are offset by surplus in staff vacancies of (\$331K).

Budget Surplus

1. *Staff Development*: Staff Development is \$213K under budget. The is due to savings from unattended staff trainings and reductions in headcount.
2. *Professional Fees*: Professional Fees are \$13K under budget. This amount comprises overage in actuarial fee of \$10K due to timing difference, which is offset by surpluses in legal fees of (\$20K), external audit fees of (\$2K) and operations consulting of (\$1K).
3. *Office Expense*: Office Expense is \$12K under budget. This amount comprises surpluses in bank charges and miscellaneous administrative expenses of (\$9K), office maintenance and supplies of (\$22K), communication expense of (\$1K), and minor equipment and furniture of (\$2K), which are offset by overages in building expenses of \$9K, equipment lease and maintenance of \$2K and printing and postage of \$11K.
4. *Insurance*: Insurance is \$4K under budget. This entire amount is a saving due to negotiated reduction of premiums for insurance purchased through Arthur Gallagher.
5. *Member Services*: Member Services are \$49K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$21K), health reimbursement account of (\$5K), members training and education of (\$5K) and members printing and postage of (\$36K), which are offset by overage in disability medical expense of \$18K.
6. *Systems*: Systems are \$111K under budget. This amount comprises surpluses in software maintenance and support of (\$120K) due to delays in database migration project, computer

maintenance of (\$2K), which are offset by overages in business continuity expense of \$1K, county data processing of \$8K and minor computer hardware of \$2K.

7. *Depreciation:* Depreciation is \$6K under budget. This is primarily due to fully depreciated fixed assets included in office equipment, EDMS and disaster recovery equipment.
8. *Board of Retirement:* Board of Retirement is \$118K under budget. This amount comprises surpluses in board miscellaneous expense of (\$21K) primarily due to delays in software upgrade for trustees and board room recording upgrade, board compensation of (\$5K), board election of (\$9K), board strategic planning of (\$14K) and savings of (\$69K) from 2017 board employer reimbursement accruals.

Staffing Detail

As of October 31, 2018, ACERA had the following vacant positions:

Department	Position	QTY	Comments
Administration	Assistant CEO	1	Work out of class – currently budgeted until 12/2018
Benefits	Retirement Specialist	3	Filled by temporary staff - budget allocation started in 09/2018
Benefits	Retirement Specialist	3	Filled by temporary staff - currently budgeted until 12/2018
Benefits	Retirement Support Specialist	1	Filled by temporary staff – budget allocation started in 09/2018
Fiscal Services	Assistant Accounting Manager	1	Retired - currently budgeted until 12/2018
Fiscal Services	Retirement Accountant II	1	Retired - currently budgeted until 12/2018
Fiscal Services	Retirement Accountant III	1	Filled by temporary staff - currently budgeted until 12/2018
Investments	Admin Support Specialist	1	Resigned - currently budgeted until 12/2018
Investments	Investment Analyst	1	Resigned - currently budgeted until 12/2018
Total Positions		13	



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

TOTAL OPERATING EXPENSE SUMMARY

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>October 31, 2018</u>					
	<u>Actual</u>	<u>Budget</u>	<u>YTD</u>	<u>2018</u>	<u>% Actual to</u>
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>Annual Budget</u>
			<u>(Under)/Over</u>	<u>Budget</u>	
Staffing	\$ 11,773,371	\$ 11,507,700	\$ 265,671	\$ 13,850,200	85.0%
Staff Development	261,324	474,330	(213,006)	559,000	46.7%
Professional Fees (Next Page)	989,164	1,002,300	(13,136)	1,143,000	86.5%
Office Expense	426,185	438,270	(12,085)	530,000	80.4%
Insurance	1,056,976	1,061,240	(4,264)	1,278,000	82.7%
Member Services	347,823	396,600	(48,777)	470,800	73.9%
Systems	878,692	989,540	(110,848)	1,191,000	73.8%
Depreciation	100,323	105,580	(5,257)	126,000	79.6%
Board of Retirement	366,137	483,960	(117,823)	628,000	58.3%
Uncollectable Benefit Payments	-	-	-	30,000	0.0%
Total Operating Expense	\$ 16,199,995	\$ 16,459,520	\$ (259,525)	\$ 19,806,000	81.8%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

October 31, 2018

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2018</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 306,552	\$ 308,000	\$ (1,448)	\$ 360,000	85.2%
Actuarial Fees ²	367,984	358,300	9,684	408,000	90.2%
External Audit ³	144,585	146,000	(1,416)	146,000	99.0%
Legal Fees ⁴	170,043	190,000	(19,957)	229,000	74.3%
Total Professional Fees	\$ 989,164	\$ 1,002,300	\$ (13,136)	\$ 1,143,000	86.5%

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2018 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Benefits					
Keenan (Benefit Consultant/Retiree Open Enrollment)	96,005	96,000	5	115,000	83.5%
Keenan (Retirees Health Insurance Benefit)	38,500	36,000	2,500	36,000	106.9%
Benefit Consultant (County Retirees Medical)	105,000	105,000	-	126,000	83.3%
Total Benefits	239,505	237,000	2,505	277,000	86.5%
Human Resources					
Lakeside Group (County Personnel)	64,167	65,000	(833)	77,000	83.3%
Total Human Resources	64,167	65,000	(833)	77,000	83.3%
Internal Audit					
IDEA Consulting for software	-	3,000	(3,000)	3,000	0.0%
Peer Review - Internal Audit Quality	2,881	3,000	(119)	3,000	96.0%
Total Internal Audit	2,881	6,000	(3,119)	6,000	48.0%
Total Consultant Fees - Operations	\$ 306,552	\$ 308,000	\$ (1,448)	\$ 360,000	85.2%
² ACTUARIAL FEES					
Actuarial fees (562-00-005)	270,484	271,000	(516)	311,000	87.0%
GASB 67 & 68 Valuation (562-00-005)	44,500	37,500	7,000	45,000	98.9%
GASB 74 & 75-Actuarial (562-00-005)	13,000	10,800	2,200	13,000	100.0%
Actuarial fees-SRBR (562-00-007)	39,000	39,000	-	39,000	100.0%
Actuarial Audit (562-90-415)	1,000	-	1,000	-	0.0%
Total Actuarial Fees	\$ 367,984	\$ 358,300	\$ 9,684	\$ 408,000	90.2%
³ EXTERNAL AUDIT					
External audit (562-00-004)	122,520	123,000	(480)	123,000	99.6%
GASB 67 & 68 (562-00-004)	11,388	12,000	(612)	12,000	94.9%
GASB 74 & 75-External Audit (562-00-004)	10,676	11,000	(324)	11,000	97.1%
Total External Audit Fees	\$ 144,585	\$ 146,000	\$ (1,416)	\$ 146,000	99.0%
⁴ LEGAL FEES					
Fiduciary Counseling					
Manatt, Phelps & Phillips	-	100,000	(100,000)	121,000	
Nossaman, LLP	68,724	-	68,724	-	
Baker Hostetler	3,981	-	3,981	-	
Kroll LLC	7,270	-	7,270	-	
Meyers/Nave Professional Law Corporation	6,075	-	6,075	-	
Reed Smith (ACD Sheriff's)	52,058	-	52,058	-	
Subtotal	138,108	100,000	38,108	121,000	114.1%
Tax and Benefit Issues					
Hanson, Bridgett, LLP	1,030	35,000	(33,970)	42,000	
Subtotal	1,030	35,000	(33,970)	42,000	2.5%
Litigation					
Byers/Richardson	980	-	980	-	
The Law offices of Elizabeth F. McDonald	20,513	-	20,513	-	
Subtotal	21,493	55,000	(33,507)	66,000	32.6%
Investigation Services					
Law offices of Amy Oppenheimer	9,412	-	9,412	-	
Subtotal	9,412	-	9,412	-	0.0%
Total Legal Fees	\$ 170,043	\$ 190,000	\$ (19,957)	\$ 229,000	74.3%



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 5, 2018

TO: Members of the Operations Committee

FROM: Ismael Piña, Assistant Benefits Manager

SUBJECT: **3rd Quarter 2018 Call Center Report**

A handwritten signature in black ink, appearing to read "Piña", is positioned to the right of the "FROM" line.

Attached is the Member Services and Reception Service Level Report for the third quarter of 2018. With the restructure of new call prompts and the movement of team members across the various Benefits Units the review of call stats and support team members is underway to see where additional training and allocation of call agent support is needed to improve response and service levels for 2019.

The matrix below provides the five highest call volume categories for the third quarter of 2018.

Q3 Highest Volume	Categories of Calls
79	Web Member Services related Q's
65	Retirement related Q's
65	Direct Deposit/Checks related Q's
59	Health/Dental/Vision related Q's
58	Separation/Termination related Q's
51	Account Bal/Award Letters Requests

Attachment

ACERA

3rd Quarter 2018 Member Services and Reception Service Level Report

Performance Indicators	Jan. 2018 Member	Jan. 2018 Reception	Feb. 2018 Member	Feb. 2018 Reception	Mar. 2018 Member	Mar. 2018 Reception	Apr. 2018 Member	Apr. 2018 Reception	May '2018 Member	May '2018 Reception	June '2018 Member	June '2018 Reception
Service Level	86.7%	91.9%	81.7%	87.7%	87.3%	90.0%	86.0%	92.4%	73.2%	91.1%	76.0%	85.2%
Total Number of Call Offered	1711	468	1702	521	1716	591	911	328	1388	447	1322	500
ACD Agent Handled Calls	1611	441	1592	476	1625	554	816	313	1206	416	1147	444
Number of Abandoned Calls	36	30	35	47	24	36	19	17	48	34	51	63
Average Hold Time Before Abandon (minutes:seconds)	1:17	0:58	1:05	0:54	1:15	0:57	1:10	1:02	1:17	0:45	1:16	0:52
Abandon Call Rate (Goal: 3% or less)	2.0%	4.9%	2.0%	8.3%	1.3%	5.8%	4.2%	4.3%	3.4%	6.3%	3.8%	10.4%
Number of Interflow Calls	65	4	76	2	68	3	78	5	135	3	125	4
Interflow Rate (Goal: 3% or less)	3.80%	0.85%	4.47%	0.38%	3.96%	0.51%	8.56%	1.52%	9.73%	0.67%	9.46%	0.80%
Average Talk Time (minutes:seconds)	4:23	1:55	4:24	2:15	4:28	2:38	2:01	2:18	2:50	2:07	3:43	1:48
Performance Indicators	Jul. 2018 Member	Jul. 2018 Reception	Aug. 2018 Member	Aug. 2018 Reception	Sept. 2018 Member	Sept. 2018 Reception						
Service Level	81.2%	91.7%	86.3%	91.7%	89.3%	92.9%						
Total Number of Call Offered	1477	508	1413	541	1136	448						
ACD Agent Handled Calls	1305	467	1287	500	1073	416						
Number of Abandoned Calls	44	46	29	40	10	38						
Average Hold Time Before Abandon (minutes:seconds)	1:12	0:52	1:18	1:00	0:46	1:03						
Abandon Call Rate (Goal: 3% or less)	3.4%	7.9%	3.2%	7.0%	1.3%	6.9%						
Number of Interflow Calls	131	1	22	3	53	1						
Interflow Rate (Goal: 3% or less)	8.87%	0.20%	8.10%	0.55%	6.30%	0.22%						
Average Talk Time (minutes:seconds)	2:09	3:06	2:19	3:04	2:19	3:18						

Service Level Goal: Answer 90% or more of calls in 30 seconds or less.

Interflow is defined: When all calls coming in cannot be handled by Reception or Member Services, the calls are automatically "inter-flowed" to the ACERA general voicemail box.

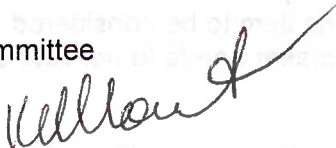
	2018
Total Member Calls	12776
Total Reception Calls	4352
TOTAL - Both	17128



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 5, 2018

TO: Members of the Operations Committee

FROM: Kathy E. Mount, Chief Counsel 

SUBJECT: Use of consent calendar on Board agendas

This memo describes potential uses of a consent calendar on the Board's agenda, and offers possible items for inclusion on an expanded consent calendar.

What is a consent calendar?

A consent agenda groups the routine, procedural, informational and self-explanatory, non-controversial items typically found in an agenda. These items are then presented to the Board in a single motion for an up or down vote after allowing any Board member to request that a specific item be moved to the full agenda for individual attention.

Purpose of a consent calendar:

Using a consent calendar can expedite meetings and reserve time for matters that need to be discussed. A consent calendar allows a legislative body to save the bulk of its meeting time for issues where there is a need for serious public discussion and debate.

What items are typically placed on a consent calendar?

Non-controversial items or routine items that are discussed at every meeting. This includes items that have been previously discussed at length where there is group consensus. The following items are typically found on a consent agenda:

- Approval of board and committee minutes.
- Routine committee and staff reports.
- Routine financial reports.
- CEO reports.
- Correspondence that requires no action.
- Final or formal approval of items that have been thoroughly discussed previously.
- Information only items.

- Approval of contracts that fall within the organization's policy guidelines.
- Confirmation of pro forma items or actions that need no discussion but are required to be approved by the Board.
- Dates of future meetings.

Removing items from the consent calendar:

Any board member can request that an item be moved from the consent calendar to the full agenda. This enables the item to be considered and voted upon separately if discussion is needed or if a decision-maker needs to not vote on that item because of a disqualifying conflict of interest.

How is the consent calendar approved?

As the first item of business the Chair should ask if anyone wishes to remove an item from the consent portion of the agenda. If not, then the Chair asks for a motion to approve the consent calendar and the motion applies to all the items on the consent calendar. If an item is pulled from the consent calendar, the Chair will seek a motion to approve all matters on the consent calendar except those which have been removed. Following that vote, the Chair then opens the floor for any questions or discussion on each item removed from the consent calendar, and a separate vote is taken as to each such item.

Does the consent calendar reduce transparency or prevent discussion of items before the Board?

First, staff spend days, weeks, and months negotiating, analyzing, and working on each issue placed on the consent Calendar. If an item is not fully prepared and vetted, it does not make it to the consent calendar.

Second, each consent calendar item is presented to the Board with a full staff report written by a staff member who is an expert in their field. Every fact and figure is summarized to the Board in the staff report. Staff are also available to answer any questions raised by Board members up until the consent calendar is voted on.

Third, if any Board member has concerns about a matter not receiving the public attention it deserves, that member can request that the matter be removed from the consent calendar and be considered separately.

Finally, moving the public comment agenda item to the top of the calendar (as is contemplated by the Brown Act) would also permit any member of the public to comment on an item on the consent calendar before a vote is taken on the consent calendar including that item. That public input might also alert Board members to a need to remove a matter from the consent calendar.

What types of matters specific to ACERA could be considered on a consent calendar?

ACERA currently places a number of matters on the consent calendar, including applications for retirement, lists of deceased members, and approval of some committee minutes. That list could be expanded to include:

1. All minutes of Committee and Board meetings.
 - a. Board minutes would not require a separate motion for approval, as is currently the case.
 - b. Committee minutes would not be read into the record at the Board meeting, but could be summarized very briefly, if at all, during the Board meeting. All minutes would appear on the Board's consent calendar.
2. Motions on items already reviewed at the Committee level and presented to the Board to approve based on the Committee recommendation.
3. Approval of pay code items.
4. Acceptance of routine reports of financial statements, operating expenses, cash forecasts, Board and Senior Manager conference and training expense reports.
5. Acceptance of routine reports on benefits overpayments and recovery efforts.
6. Acceptance of routine reports on new legislation and case law.
7. Amendments to contracts that require Board approval because of the amount involved, but are routine and non-controversial.

Implementing expanded use of the consent calendar at ACERA

Staff propose that the Board staff liaison work with the Board Chair to add additional matters to the upcoming consent calendars and assess the impact on Board operations and efficiency.

Staff further propose to move public comment to the beginning of the agenda of both Board and Committee meetings to comply with the Brown Act and ensure members of the public can comment on any matters on the consent calendar before they are voted on.