



**MINUTES OF FEBRUARY 2, 2022 OPERATIONS COMMITTEE MEETING
THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO**

To: Members of the Operations Committee

From: Ophelia Basgal, Chair

Subject: Summary of the February 2, 2022 Operations Committee Meeting

Committee Chair Ophelia Basgal called the February 2, 2022 Operations Committee meeting to order at 9:30 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Ophelia Basgal, Kellie Simon and George Wood. Also present were Dale Amaral, Jaime Godfrey, Liz Koppenhaver, and alternate member Nancy Reilly. Tarrell Gamble, Darryl Walker and Committee members Henry Levy and Keith Carson joined the meeting soon after roll call.

Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Jeff Rieger, Chief Counsel; Jessica Huffman, Benefits Manager; Betty Tse, Chief Investment Officer; Vijay Jagar, Chief Technology Officer; and Harsh Jadhav, Chief of Internal Audit.

PUBLIC INPUT

None

Action Items

1. Discussion and Possible Motion to Recommend to the Board of Retirement to Approve the 2021 Discharge of Benefits Overpayments

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement to approve the 2021 discharge request of benefits overpayments in the amount of \$42,126.20.

It was moved by Henry Levy and seconded by Liz Koppenhaver that the Operations Committee recommend to the Board of Retirement to approve the 2021 Discharge of Benefits Overpayments in the amount of \$42,126.20.

The motion carried 8 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Simon and Wood*), 0 no, and 0 abstentions. Keith Carson was not present at time of vote.

2. Discussion and Possible Motion to Recommend to the Board of Retirement an Interest Rate for Monthly Installment Plan Payments of Lump Sum Death Benefits, Per Gov't Code § 31784.

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement an interest rate to be used when a beneficiary elects monthly installment payments, per Gov't Code sec. 31784.

It was moved by Kellie Simon and Seconded by Liz Koppenhaver that the Operations Committee recommend that the Board of Retirement use ACERA's inflation assumption (currently 2.75% per annum) for monthly installments of death benefits paid to beneficiaries under Gov't Code § 31784.

The motion carried 8 (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Simon, and Wood*), 0 no and 0 abstentions. Keith Carson was not present at time of vote.

INFORMATION ITEMS

1. Un-Audited Financial Statements as of 12/31/2021

Staff presented the Unaudited Financial Statement for the period ending December 31, 2021. Staff stated the net position held in trust and the change in Fiduciary net position compared to the same period in 2021 increased by \$2.21 billion.

2. Operating Expenses as of 12/31/2021

Staff presented end-of-year Budget vs. Actual Operating Expense Report. As of December 31, 2021, actual expenses were \$2,192K under budget. Budget overages noted were Depreciation (\$3k over budget). Budget surpluses noted were Staffing (\$1,301K under budget) with 7 vacant positions, Staff Development (\$111K under budget), Professional Fees (\$14K under budget), Office Expense (\$143K under budget), Insurance (\$165K under budget), Member Services (\$49K under budget), Systems (\$72K under budget), and Board of Retirement (\$313K under budget).

3. Actual Cash Report as of 12/31/2021

Staff presented the Actual Negative Cash Position for 2021. For the year ending December 31, 2021, with the exception of the months having three-pay-periods, the average monthly negative cash position for the period is -\$3,702,299.

4. Board Member Conference Expense Report for 4th Qtr. 2021

Staff presented the Board Member Conference and Training Report for the period January 1, 2021 to December 31, 2021. Reported expenses for the period were \$63,282.

5. Senior Manager Conference and Training Expense Report for 4th Qtr. 2021

Staff presented the Senior Manager Conference and Training Expense Report for the period January 1, 2021 to December 31, 2021. Reported expenses for the period were \$8,273.

6. Proposed 2022 Operations Committee Work Plan

Staff presented the draft work plan for the 2022 Operations Committee.

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

March

- Operating Expenses as of 01/31/22 (to be considered at March Board meeting)

April

- Operating Expenses as of 02/29/22
- Statement of Reserves as of 12/31/21
- 2021 CAFR Report
- Medical Advisor Recommendation

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Wednesday April 6, 2022 at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:26 a.m.