

January 4, 2012

To: Members of the Operations Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the January 4, 2012 Operations Committee Meeting

Operations Committee Chair Elizabeth Rogers called the January 4, 2012 Operations Committee Meeting to order at 9:00 a.m. Committee members present were Elizabeth Rogers, Chair, Ophelia Basgal, Keith Carson, George Dewey and Liz Koppenhaver. The other Board members present were Dale Amaral, Annette Cain-Darnes, George Wood, and alternate members David Safer and Darryl Walker. Staff present were Vince Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Robert Gaumer, Chief Counsel; Betty Tse, Chief Investment Officer; Latrena Walker, Project and Information Services Manager; Victoria Arruda, Human Resources Director; Rose Kwong, Benefits Manager; and Harsh Jadhav, Internal Auditor.

ACTION ITEM

1. Review, discussion and possible motion to adopt the amendments to the Disability Retirement Procedures

Robert Gaumer, Chief Counsel presented the proposed amendments to the ACERA Disability Retirement Procedures. Ms. Rogers requested that language about the limitation on disability allowances be expanded in the Disability Retirement Handbook and counseling materials to include member contributions.

Ms. Ophelia Basgal moved and Ms. Liz Koppenhaver seconded that the Operations Committee recommend to the Board of Retirement that the Board approve the amendments to the Disability Retirement Procedures. The motion passed unanimously.

2. Discussion and possible motion to change the reporting cycle of the financial statements from monthly to quarterly

Vince Brown, CEO presented a proposal to change the reporting cycle of the Financial Statements and Operating Expenses – Budget vs Actual statements from monthly to quarterly beginning with the 2012 reports. After discussion, Mr. Brown agreed to provide additional information on staffing and workload at the January Board Meeting. Mr. David Safer requested an account on

'37 Act retirement system boards are provided with financial and budget information.
No action was taken.

INFORMATION ITEMS

1. Monthly Financial Statement

Vince Brown, CEO presented the monthly financial statements. For the period ending November 30, 2011 net assets held in trust for pension benefits total \$5,075,420,712.

2. Operating Expenses – Budget vs Actual as of November 30, 2011

Vince Brown, CEO presented the year-to-date operating expenses – budget vs actual. As of November 30, 2011 actual expenses are under budget \$1,509,545.

3. 2012 Operations Committee Work Plan

Vince Brown, CEO presented the 2012 Operations Committee work plan.

4. Human Resources Staffing Report

Victoria Arruda, Human Resources Director presented a report on the status of ACERA's vacancies. At the end of the 4th quarter of 2011 there were 12 position vacancies. ACERA is recruiting for the classification of Investment Officer and the Civil Service Commission approved the classification of Compliance Officer.

RECOMMENDATION

1. The Committee recommends, and I move that the Board of Retirement approve the amendments to the Disability Retirement Procedures.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION

Pursuant to Government Code §54956.9(a) the meeting adjourned at 9:32 a.m. into Closed Executive Session to confer with legal counsel regarding pending litigation in the matter of:

- 1) Lehman Brothers Holdings In, Case No. 08 Civ. 5523; and
- 2) In re Wells Fargo Mortgage-Backed Securities, Case No. 09-CV-1376.

RETURN TO OPEN SESSION

The Committee reconvened into open session at 9:42 and reported that no action was taken.

TRUSTEE/PUBLIC INPUT

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for February 1, 2012 at 9:00 a.m.