



October 4, 2017

To: Members of the Operations Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the October 4, 2017, Operations Committee Meeting

Operations Committee Chair Elizabeth Rogers called the October 4, 2017, Operations Committee Meeting to order at 9:31 a.m. Committee members present were Elizabeth Rogers, Chair; Tarrell Gamble, Vice-Chair; Liz Koppenhaver; and George Wood. Other Board members present were Dale Amaral; Henry Levy; Alternates Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Mount, Chief Counsel; Margo Allen, Fiscal Services Officer; Harsh Jadhav, Chief of Internal Audit; Victoria Arruda, Human Resources Officer; Betty Tse, Chief Investment Officer; Sandra Dueñas, Benefits Manager, and Lori Schnall, Associate Counsel.

ACTION ITEMS

1. Voluntary Elected Member Employer Reimbursement Policy

At the request of the Chair, this item has been moved to the October 19, Board Meeting. The Committee did not have a quorum sufficient to hear the matter once certain trustees would have recused themselves.

2. Signatory Authority for Contract Execution

Associate Counsel, presented an updated signatory authority resolution for the Committee's consideration. The updated signatory authority delineates who can sign contracts, settlement agreements, and administrative service documents (e.g. tax forms and securities litigation forms) after the documents have been approved, negotiated, and finalized. Also, the signatory authority resolution provides settlement authority in addition to signing authority as follows: 1) The CEO has the authority to negotiate settlement agreements less than \$50,000; 2) The CEO, with Board Chair approval, has the authority to negotiate settlement agreements between \$50,000 and \$100,000; and 3) The Board approves settlement agreements over \$100,000. The CEO has the authority to sign all settlement agreements. The signatory authority memorializes and comports to ACERA's current practice. Additionally, it clarifies for third parties who can sign documents on ACERA's behalf.

It was moved by Henry Levy and seconded by Dale Amaral, that the Operations Committee recommend to the Board of Retirement that the Board adopt the revised signatory authority resolution, with the addition of Chief Counsel to section 7(b), for the execution of contracts settlement agreements and administrative service documents.

The motion carried 6 yes (*Amaral, Gamble, Koppenhaver, Levy, Rogers, Wood,*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Operating Expenses

Staff presented the year-to-date Budget vs. Actual Operating Expense Report. As of August 31, 2017, actual expenses were \$2,035,788 under budget. Budget surpluses noted were Staffing (\$985K under budget) with 10 unfilled positions, Staff Development (\$209K under budget), Professional Fees (\$253K under budget), Insurance (\$130K under budget), Systems (\$138K under budget), and Board Expenses (\$115K under budget).

2. Quarterly Report on Member Underpayments and Overpayments

Staff presented and discussed the quarterly report on active members' underpayments and overpayments.

TRUSTEE/PUBLIC INPUT

Member of the public, Pete Albert, asked if there is any current legislation that was related to SACRS.

Trustee Amaral inquired about the status of ACERA's emergency procedures and disaster recovery plan.

Trustee Koppenhaver thanked the Benefits' department staff for their work resolving the deputy sheriff's compensation time issues.

RECOMMENDATIONS

The Committee recommends, and I move, that the Board of Retirement adopt the revised signatory authority criteria for contract execution.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for November 1, 2017, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 9:53 a.m.