



January 7, 2015

To: Members of the Operations Committee
From: Dale Amaral, Chair
Subject: Summary of the January 7, 2015 Operations Committee Meeting

Operations Committee Chair Dale Amaral called the January 7, 2015 Operations Committee Meeting to order at 9:32 a.m. Committee members present were Dale Amaral, Chair, Ophelia Basgal, Keith Carson, Tarrell Gamble and Elizabeth Rogers. The other Board members present were Liz Koppenhaver and George Wood, and alternate members David Safer and Darryl Walker. Staff present were Joseph Fletcher, Chief Counsel; Kathy Foster, Assistant Chief Executive Officer; Betty Tse, Chief Investment Officer; Margo Allen, Fiscal Services Officer; Rose Kwong, Benefits Manager; Latrena Walker, Project and Information Services Manager; Victoria Arruda, Human Resources Director; and Harsh Jadhav, Chief of Internal Audit.

ACTION ITEM

1. Discussion and possible motion to approve a change to the previously approved Pay Item – Pay Code ERR based on the addendum provided by Alameda County

Rose Kwong, Benefits Manager, presented a request from Alameda County to review the change to pay item Emergency Response – Pay Code ERR based on the determination that the time taken off by County employees to close a facility due to an emergency response was taken during work hours, not outside of normal work hours as originally reported.

Following staff's evaluation, it was concluded that Pay Code ERR will be considered pensionable compensation for members (PEPRA members) with entry dates on or after January 1, 2013 based on Government Code Section 7522.34 and compensation earnable for members (legacy members) with entry dates prior to January 1, 2013 based on Government Code Section 31461.

It was moved by Liz Koppenhaver and seconded by Darryl Walker that the Operations Committee recommends to the Board of Retirement that the Board approve the change for the inclusion of the Pay Code ERR – Emergency Response as compensation earnable and pensionable compensation for members with entry date before and on or after January 1, 2013, based on the addendum provided by Alameda County.

The motion carried 5 yes (*Amaral, Gamble, Koppenhaver, Walker, Wood*), 0 no, 0 abstentions.

2. Discussion and possible motion to approve a change to the previously approved Pay Item – Pay Code 467 based on the addendum provided by Alameda County

Rose Kwong, Benefits Manager, presented a request from Alameda County to review the change to pay item Lead Responsibilities at Vehicle Service Center with no Supervisor – Pay Code 467 based on the change to the original understanding that no more than one person would receive this pay item.

Following staff's evaluation, it was concluded that since this pay item now applies to more than one (1) member in this classification, it will be considered pensionable compensation for members (PEPRA members) with entry dates on or after January 1, 2013 based on Government Code Section 7522.34 and compensation earnable for members (legacy members) with entry dates prior to January 1, 2013 based on Government Code Section 31461.

It was moved by Liz Koppenhaver and seconded by George Wood that the Operations Committee recommends to the Board of Retirement that the Board approve the change for inclusion of the pay item 467 – Lead Responsibilities at Vehicle Service Center with no Supervisor as compensation earnable and pensionable compensation for members with entry dates before and on or after January 1, 2013 based on the addendum provided by Alameda County.

The motion carried 5 yes (*Amaral, Gamble, Koppenhaver, Walker, Wood*), 0 no, 0 abstentions.

3. Discussion and possible motion to approve a New Pay Item – Pay Code 229 for Alameda Health System

Rose Kwong, Benefits Manager, presented a request from Alameda Health System to review new pay item Mid Level Practitioner Specialty Footnote – Code 229.

After staff's evaluation, it was determined since Pay Code 229 is for any member in the PA/NP classification, it will be considered compensation earnable for members (legacy members) with entry dates prior to January 1, 2013 based on Government Code Section 31461 and pensionable compensation for members (PEPRA members) with entry dates on or after January 1, 2013 according to Government Code Section 7522.34.

It was moved by Liz Koppenhaver and seconded by George Wood that the Operations Committee recommend to the Board of Retirement that the Board approve the inclusion of the newly created pay item Mid Level Practitioner Specialty Footnote – Code 229 in compensation earnable and pensionable compensation for members with entry dates before and on or after January 1, 2013.

The motion carried 7 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Proposed 2015 Operations Committee Work Plan

Margo Allen, Fiscal Services Officer, presented the proposed 2015 Operations Committee work plan. Committee Chair Dale Amaral asked to meet with Ms. Allen to discuss how often and at what time the committee should meet during the year, as there are more information items than action items scheduled on the work plan. Ms. Allen agreed and explained that often action items are not known in advance but occur throughout the year.

2. Operating Expenses – Budget vs Actual as of November 30, 2014

Margo Allen, Fiscal Services Officer, presented the year-to-date operating expenses – budget vs. actual. As of November 30, 2014 actual expenses are \$1,685,979 under budget. Trustee Ophelia Basgal asked if the reason for being under budget was truly “a timing difference” rather than the manner in which ACERA budgeted. Ms. Allen stated that next month's report will provide a more thorough analysis of the budget surplus.

3. 2014 Business Continuity Exercise

Latrena Walker, Project and Information Services Manager, stated that there were no issues to report concerning ACERA's annual business continuity exercise held on September 26, 2014. Additionally, Ms. Walker reported that ACERA tested new automatic call tree/alert notification software, Dell AlertFind, in December and that it will become part of ACERA's annual processes. For 2015, ACERA will consider performing the annual exercise without previously announcing the planned date in order to make the tests more realistic.

Trustee Keith Carson asked what ACERA does to coordinate with the County-wide disaster plan. Ms. Walker replied that ACERA does not have a role, but understands that it has a civil service duty if called upon in a disaster. Committee Chair Dale Amaral said he will contact the Office of Emergency Services to have ACERA become part of the County's disaster planning and processes.

4. Web Member Services Security Assessment

Latrena Walker, Project and Information Services Manager, reported that a security assessment of ACERA's Web Member Services (WMS) portal was performed by Praetorian on September 29, 2014. Praetorian identified three medium-risk issues, seven low-risk issues, and one information issue. ACERA's report card grade for the initial test was a B. Ms. Walker explained that after Levi, Ray and Shoup (LRS) implemented the recommended changes, the findings of the retest concluded that the previously identified risks had been alleviated, which resulted in a retest grade of an A.

Trustee Ophelia Basgal asked about the limits of insurance for LRS. Ms. Walker replied that she would need to refer to the LRS contract for the limits of insurance requirement. Trustee Basal also suggested that a cloud based back-up be considered for WMS.

5. Human Resources Staffing Report

Victoria Arruda, Human Resources Director reported on the 4th quarter position vacancies that were approved in the 2014 budget. Trustee Ophelia Basgal asked for an analysis covering a two year period to determine the reasons for the turnover of the Retirement Support Specialist position.

RECOMMENDATIONS

1. The Committee recommends, and I move that the Board of Retirement approve the change for the inclusion of the Pay Code ERR – Emergency Response as compensation earnable and pensionable compensation for members with entry date before and on or after January 1, 2013, based on the addendum provided by Alameda County.
2. The Committee recommends, and I move that the Board of Retirement approve the change for inclusion of the pay item 467 – Lead Responsibilities at Vehicle Service Center with no Supervisor as compensation earnable and pensionable compensation for members with entry dates before and on or after January 1, 2013 based on the addendum provided by Alameda County.
3. The Committee recommends, and I move that the Board of Retirement approve the inclusion of the newly created pay item Mid Level Practitioner Specialty Footnote – Code 229 in compensation earnable and pensionable compensation for members with entry dates before and on or after January 1, 2013, based on the information provided by Alameda Health System.

TRUSTEE/PUBLIC INPUT

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for February 4, 2015 at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:12 a.m.