



January 16, 2014

To: Members of the Operations Committee
From: Elizabeth Rogers, Chair
Subject: Summary of the January 16, 2014 Operations Committee Meeting

Operations Committee Chair Elizabeth Rogers called the January 16, 2014 Operations Committee Meeting to order at 9:14 a.m. Committee members present were Elizabeth Rogers, Chair, Ophelia Basgal, Annette Cain-Darnes, and Liz Koppenhaver. The other Board members present were Dale Amaral, George Wood, and alternate member David Safer. Staff present were Vince Brown, Chief Executive Officer; Marguerite Malloy, Associate 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 New Pay Item – Pay Code 40X for County of Alameda

Rose Kwong, Assistant Benefits Manager, presented a request from Alameda County to review new pay item – Broad Safety Programs Functions – Code 40X.

After staff's evaluation, it was determined since Pay Code 40X is for one member in this classification it will not be considered pensionable compensation, according to Government Code Section 7522.34 which applies to new members (PEPRA members) as of January 1, 2013. However, it will be considered compensation earnable for members (legacy members) with entry dates prior to January 1, 2013 based on Government Code Section 31461.

It was moved by Ophelia Basgal and seconded by Annette Cain-Darnes that the Operations Committee recommend to the Board of Retirement that the Board approve the **non-inclusion** of the newly created pay item Broad Safety Programs Functions – Code 40X in pensionable compensation for a member (PEPRA member) with an entry date **on or after** January 1, 2013.

The motion carried 4 yes (*Basgal, Cain-Darnes, Rogers, Safer*), 0 no, 0 abstentions.

It was moved by Ophelia Basgal and seconded by Annette Cain-Darnes that the Operations Committee recommend to the Board of Retirement that Board approve the **inclusion** of the newly created pay item Broad Safety Programs Functions – Code 40X in compensation earnable for a member (legacy member) with an entry date **prior to** January 1, 2013.

The motion carried 4 yes (*Basgal, Cain-Darnes, Rogers, Safer*), 0 no, 0 abstentions.

2. Discussion and possible motion to extend the contract with Williams, Adley & Co. LLP

Margo Allen, Fiscal Services Officer, presented a request for authorization to negotiate a two-year extension of the audit contract with Williams, Adley through December 31, 2016.

It was moved by Ophelia Basgal and seconded by Annette Cain-Darnes that the Operations Committee recommends to the Board of Retirement that the Board approve extending the contract with Williams, Adley & Co. LLP until December 31, 2016, and that an RFP for an audit firm be issued no later than 2016.

The motion carried 4 yes (*Basgal, Cain-Darnes, Rogers, Safer*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Proposed 2014 Operations Committee Work Plan

Margo Allen, Fiscal Services Officer, presented the proposed 2014 Operations Committee work plan. Ms. Allen stated that the demonstration of the cash management tool and policy discussion is being moved to March. Mr. Safer requested that a presentation of the fiduciary liability insurance be added to the work plan.

2. Operating Expenses – Budget vs Actual as of November 30, 2013

Margo Allen, Fiscal Services Officer, presented the year-to-date operating expenses – budget vs. actual. As of November 30, 2013 actual expenses are under budget \$1,445,779.

3. 2013 Board Election After Action Report

Margo Allen, Fiscal Services Officer, gave a report on the 2013 Board election process. After a discussion, Ms. Allen conveyed that the Registrar of Voters (ROV) suggested ACERA consider adding one week to the next election schedule in order to allow additional time for the USPS to deliver the ballots.

4. Human Resources Staffing Report

Victoria Arruda, Human Resources Director reported on the 4th quarter position vacancies that are approved in the 2013 budget.

5. ACERA's Redesigned Website

Michael Fara, Communications Manager, and Vijay Jagar, PC & Network Services Analyst gave a demonstration of the redesigned website – ACERA.org. ACERA hired Digital Deployment to redesign, develop, support and host the new website. Carson Anthonisen represented Digital Deployment at the meeting. The content, navigation, and image work was completed by the Communications office, and the PRISM department managed the project. Strategic direction of the website will continue to be given by the web governance team, and designated staff will be responsible for updating the content of the new website. A soft launch of the redesigned ACERA.org begins on January 17th. A hard launch of the website is expected in 3 to 4 weeks along with marketing efforts to advertise the new website to our membership.

RECOMMENDATIONS

1. The Committee recommends, and I move that the Board of Retirement approve the **non-inclusion** of the newly created pay item – Broad Safety Programs Functions – Pay Code 40X in pensionable compensation for a member (PEPRA member) with an entry date **on or after** January 1, 2013.
2. The Committee recommends, and I move that the Board of Retirement approve the **inclusion** of the newly created pay item – Broad Safety Programs Functions – Pay Code 40X in compensation earnable for a member (legacy member) with an entry date **prior** to January 1, 2013.

The Committee recommends, and I move that the Board of Retirement approve extending the contract with Williams, Adley & Company LLP until December 31, 2016, and that an RFP for an audit firm be issued no later than 2016.

TRUSTEE/PUBLIC INPUT

None

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for February 5, 2014 at a time to be determined.

MEETING ADJOURNED

The meeting adjourned at 10:06 a.m.