



June 1, 2016

To: Members of the Operations Committee

From: Keith Carson, Chair

Subject: Summary of the June 1, 2016 Operations Committee Meeting

Operations Committee Chair Keith Carson called the June 1, 2016, Operations Committee Meeting to order at 9:34 a.m. Committee members present were Keith Carson, Chair, Dale Amaral, Vice-Chair, and Annette Cain-Darnes. The other Board members present were Ophelia Basgal and Tarrell Gamble; and alternate members David Safer and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer, Kathy Foster, Assistant Chief Executive Officer; Betty Tse, Chief Investment Officer; Margo Allen, Fiscal Services Officer; Joseph Fletcher, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; Victoria Arruda, Human Resources Director; and Sandra Duenas-Cuevas, Benefits Manager.

ACTION ITEMS

1. Discussion and possible motion to approve a New Pay Item – Pay Code 420 for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 420 – Bonus Incentive.

Following a brief discussion regarding the numerous pay codes to be reviewed at this Committee, Staff and the Committee have agreed to discuss possible revisions to the process for approval of new pay items at an upcoming Governance Committee meeting.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement that the Board designate Pay Item 420 – Bonus Incentive as neither compensation earnable nor pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

2. Discussion and possible motion to approve a New Pay Item – Pay Code 23T for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 23T – Evening \$12.00 per hour.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement that the Board approve the inclusion of Pay Item 23T – Evening \$12.00 per hour as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

3. Discussion and possible motion to approve a New Pay Item – Pay Code 23U for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 23U – Night \$27.00 per hour.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement that the Board approve the inclusion of Pay Item 23U – Night \$27.00 per hour as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

4. Discussion and possible motion to approve a New Pay Item – Pay Code 26I for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 26I – Evening Premium \$32.97 per hour.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement approve the inclusion of Pay Item 26I – Evening premium \$32.97 per hour as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

5. Discussion and possible motion to approve a New Pay Item – Pay Code 26J for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 26J – Evening Premium \$48.27 per hour.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement approve the inclusion of Pay Item 26J – Evening premium \$48.27 per hour as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

6. Discussion and possible motion to approve a New Pay Item – Pay Code 135 for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 135 – In Service Education Training.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement approve the inclusion of Pay Item 135 – In Service Education Training as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

7. Discussion and possible motion to approve a New Pay Item – Pay Code 233 for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 233 – Alternate Range.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement approve the inclusion of Pay Item 233 – Alternate Range as compensation earnable and pensionable compensation for members

with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

8. Discussion and possible motion to approve a New Pay Item – Pay Code 237 for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 237 – Nursing Ward Duties.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement approve the inclusion of Pay Item 237 – Nursing Ward Duties as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

9. Discussion and possible motion to approve a New Pay Item – Pay Code 404 for Alameda Health System

Staff presented a request from Alameda Health System to review a new pay item, Pay Code 404 – Housing Allowance Earnings.

It was moved by Dale Amaral, and seconded by Tarrell Gamble, that the Operations Committee recommend to the Board of Retirement approve the inclusion of Pay Item 404 – Housing Allowance Earnings as not pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013, based on Government Code Section 7522.34, and approve the inclusion of this pay item as compensation earnable for a member (legacy) with an entry date prior to January 1, 2013, based on Government Code Section 31461.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

10. Discussion and possible motion to approve the annual contract for Keenan & Associates, ACERA's Benefits Consultant

Staff presented a request to approve the annual contract for Keenan & Associates.

Following a brief discussion regarding obtaining a Request for Proposal (RFP) well in advance of the 5-year deadline for this contract and other active contracts. The committee directed Staff to ensure timely RFPs moving forward and/or detailed

updates on the process well in advance of due dates. There are presently at least 2 RFP projects due by the end of the year.

It was moved by Ophelia Basgal, and seconded by Dale Amaral, that the Operations Committee recommend to the Board of Retirement to approve the annual contract for \$126,000 effective July 1, 2016, for ACERA's Benefits Consultant, Keenan & Associates.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Safer*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Operating Expenses

Staff presented the year-to-date operating expenses – budget vs. actual. As of April 30, 2016, actual expenses are \$304,341 under budget.

2. Information Systems Security

Staff presented on the security measures currently in place within ACERA's internal information systems. The committee directed staff to impose mandatory training for staff to be completed on an annual basis to support ongoing internal security efforts.

TRUSTEE/PUBLIC INPUT

None.

RECOMMENDATIONS

1. The Committee recommends, and I move, that the Board of Retirement designate Pay Item 420 – Bonus Incentive, as neither compensation earnable nor pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.
2. The Committee recommends, and I move, that the Board of Retirement approve inclusion of Pay Item 23T – Evening \$12.00 per hour as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.

3. The Committee recommends, and I move, that the Board of Retirement approve the including of Pay Item 23U – Night \$27.00 per hour as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.
4. The Committee recommends, and I move, that the Board of Retirement approve the inclusion of Pay Item 26I – Evening premium \$32.97 per hour as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.
5. The Committee recommends, and I move, that the Board of Retirement approve the inclusion of Pay Item 26J – Evening premium \$48.27 per hour as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.
6. The Committee recommends, and I move, that the Board of Retirement approve the inclusion of Pay Item 135 – In Service Education Training as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.
7. The Committee recommends, and I move, that the Board of Retirement approve the inclusion of Pay Item 233 – Alternate Range as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Sections 31461 and 7522.34.
8. The Committee recommends, and I move, that the Board of Retirement approve the inclusion of Pay Item 237 – Nursing Ward Duties as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on Government Code Section 31461 and 7522.34.
9. The Committee recommends, and I move, that the Board of Retirement designate Pay Item 404- Housing Allowance Earnings as not pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013, based on government code section 7522.31, and approve the inclusion of this pay item as compensation earnable for a member (legacy) with an entry date prior to January 1, 2013, based on Government Code Section 31461.
10. The Committee recommends, and I move, that the Board of Retirement approve the annual contract for \$126,000 effective July 1, 2016, for ACERA's Benefits Consultant, Keenan & Associates

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for July 6, 2016 at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:01 a.m.