



September 4, 2013

To: Members of the Operations Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the September 4, 2013 Operations Committee Meeting

Operations Committee Chair Elizabeth Rogers called the September 4, 2013 Operations Committee Meeting to order at 9:23 a.m. Committee members present were Elizabeth Rogers, Chair, Annette Cain-Darnes, George Dewey and Liz Koppenhaver. The other Board members present were Dale Amaral, Keith Carson and 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; Margo Allen, Fiscal Services Officer; Latrena Walker, Project and Information Services Manager; Rose Kwong, Benefits Manager; Victoria Arruda, Human Resources Director; and Harsh Jadhav, Chief of Internal Audit.

During the August 7, 2013 Operations Committee meeting, the Committee requested that the Travel Policy and Trustee Education Policy be reviewed at the same time during a joint meeting of the Operations Committee and Governance Committee. The Travel Policy is assigned to the Operations Committee, whereas the Trustee Education Policy is assigned to the Governance Committee. On September 4, 2013 a joint meeting of the Operations Committee and Governance Committee was held for such a purpose. Committee meeting minutes were produced separately for the Operations Committee's and Governance Committee's respective agenda items.

ACTION ITEM

1. Review, discussion and possible motion to adopt the amendments, if any, to the Board Travel Policy

Lori Schnall, Associate Counsel, presented potential options to revise the Travel Policy with regards to the annual expense limit and list of conferences excluded from the annual limit. These options were offered for the Trustees' consideration due to the increased costs to attend conferences.

It was moved by Liz Koppenhaver, and seconded by George Dewey that the Operations Committee recommends to the Board of Retirement that the Board renew the Travel Policy, eliminate the list of conferences that are excluded from the yearly allotment each trustee is allowed to spend on business related expenses and increase the allotment to \$12,000 per year, effective January 1, 2014. The motion passed.

2. Discussion and possible motion to approve Trustees incurring business related expenses which exceed the annual allotment as stated in the ACERA Travel Policy

Margo Allen, Fiscal Services Officer, stated that this action item was first discussed during the August Operations Committee meeting. This item was brought back to the September 7th Committee meeting for discussion together with the Trustee Education Policy and Travel Policy.

Captain Amaral stated that he intends to reimburse ACERA \$87.43 for the business related expenses that he incurred in excess of the annual allotment for his participation in the 2013 Milken Conference. Captain Amaral recused himself from the discussion and vote, and left the room.

It was moved by George Dewey, and seconded by Liz Koppenhaver that the Operations Committee recommends to the Board of Retirement that the Board approve Trustee Dale Amaral incurring business related expenses, in connection with his participating in the 2013 Milken Conference, which exceed the annual allotment as stated in ACERA's Travel Policy. The motion passed.

Annette Cain-Darnes stated that she intends to reimburse ACERA \$8.12 for the business related expenses that she incurred in excess of the annual allotment for her participation in the 2013 Milken Conference. Ms. Cain-Darnes recused herself from the discussion and vote, and left the room.

It was moved by Liz Koppenhaver, and seconded by George Dewey that the Operations Committee recommends to the Board of Retirement that the Board approve Trustee Annette Cain-Darnes incurring business related expenses, in connection with her participating in the 2013 Milken Conference, which exceed the annual allotment as stated in ACERA's Travel Policy. The motion passed unanimously.

3. Discussion and possible motion to adopt signatory criteria for contract execution

Lori Schnall, Associate Counsel, presented Staff's proposal that the Board adopt a yearly signatory authority and the criteria which will give staff authorization to execute contracts and allow for notice to third parties concerning such authority. The Committee directed Staff to make the yearly authorization structure clearer and bring it back to the Committee meeting in October.

INFORMATION ITEMS

1. Operating Expenses – Budget vs Actual as of July 31, 2013

Margo Allen, Fiscal Services Officer, presented the year-to-date operating expenses – budget vs. actual. As of July 31, 2013 actual expenses are under budget \$630,626.

2. Participating Employer Audits

Harsh Jadhav, Chief of Internal Audit, introduced the proposed audit plan to conduct the audits of two Participating Employers in 2014, and presented the Request for Proposal (RFP) to hire a third-party CPA firm to perform the audits. These audits are being conducted in accordance with the Public Employees Pension Reform Act (PEPRA).

3. Milken Conference Fee Discount

Marguerite Malloy, Associate Counsel, reported that after investigating the registration discount provided to ACERA Trustees who attended the Milken Conference, Staff concluded that the discount is a gift to ACERA and not the individual Trustees. The Political Reform Act (PRA) requires that ACERA report a gift to the agency on Form 801, as prescribed by the California Fair Political Practices Commission (FPPC), and post the Form 801 on its website for four (4) years. Ms. Malloy informed the Committee that a Form 801 shall be prepared and posted on ACERA's website.

RECOMMENDATIONS

1. The Committee recommends, and I move that the Board of Retirement renew the Travel Policy, eliminate the list of conferences that are excluded from the yearly allotment each trustee is allowed to spend on business related expenses and increase the allotment to \$12,000 per year, effective January 1, 2014.

2. The Committee recommends, and I move that the Board of Retirement approve Trustee Dale Amaral incurring business related expenses, in connection with his participating in the 2013 Milken Conference, which exceed the annual allotment as stated in the Travel Policy.
3. The Committee recommends, and I move that the Board of Retirement approve Trustee Annette Cain-Darnes incurring business related expenses, in connection with her participating in the 2013 Milken Conference, which exceed the annual allotment as stated in the Travel Policy.

TRUSTEE/PUBLIC INPUT

None

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 2, 2013 at 9:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:25 a.m.