



November 4, 2015

To: Members of the Operations Committee

From: Dale Amaral, Chair

Subject: Summary of the November 4, 2015 Operations Committee Meeting

Operations Committee Chair Dale Amaral called the November 4, 2015 Operations Committee Meeting to order at 9:33 a.m. Committee members present were Dale Amaral, Chair, Ophelia Basgal, Keith Carson, and Liz Koppenhaver. The other Board members present were Annette Cain-Darnes, Elizabeth Rogers, and George Wood; and alternate members David Safer and Darryl Walker. Staff present were Kathy Foster, Interim Chief Executive Officer; Joseph Fletcher, Chief Counsel; Margo Allen, Fiscal Services Officer; Betty Tse, Chief Investment Officer; Harsh Jadhav, Chief of Internal Audit; Latrena Walker, Project and Information Services Manager; Victoria Arruda, Human Resources Director; and Sandra Duenas-Cuevas, Benefits Manager.

#### **ACTION ITEM**

**1. Discussion and possible motion to renew the Travel Policy, with revisions**

Staff presented the revisions to the Travel Policy that was requested by the Trustees. Following a discussion, Staff was directed to accept the proposed changes to the policy, make two additional revisions, and bring the policy back to the Committee again for review. No action was taken.

**2. Discussion and possible motion to approve a New Pay Item – Pay Code 41J for Alameda County**

Prior to any discussion, Dale Amaral recused himself. Staff presented a request from Alameda County to review new pay item Day-to-Day Supervising Assgmt – code 41J.

After staff's evaluation, it was determined since Pay Code 41J 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 Elizabeth Rogers, that the Operations Committee recommend to the Board of Retirement that the Board approve the non-inclusion of pay item Day-to-Day Supervising Assgmt, code 41J, in pensionable compensation for a member (PEPRA member) with an entry date on or after January 1, 2013 and that it approve the inclusion of this pay item in compensation earnable for a member (legacy member) with an entry date prior to January 1, 2013.

The motion carried 6 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Rogers*), 1 recusal (*Amaral*), 0 no, 0 abstentions.

**3. Discussion and possible motion to approve a New Pay Item – Pay Code 189 for Alameda Health System**

Staff presented a request from Alameda Health System to review a new pay item PTO Emergency – code 189.

After staff' evaluation, it was determined since Pay Code 189 applies to more than one 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 Elizabeth Rogers, and seconded by Liz Koppenhaver, that the Operations Committee recommend to the Board of Retirement that the Board approve pay item 189 – PTO Emergency as compensation earnable and pensionable compensation for members with entry dates before and on or after January 1, 2013.

**INFORMATION ITEMS**

**1. Operating Expenses – Budget vs Actual as of September 30, 2015**

Staff presented the year-to-date operating expenses – budget vs. actual. As of September 30, 2015 actual expenses are \$1,814,227 under budget. Trustee Cain-Darnes asked that Staff include the portfolio investment management expenses to the budget vs actual operating expense report.

**2. Quarterly Financial Statements as of September 30, 2015**

Staff presented the quarterly financial statements. For the period ending September 30, 2015 the net assets held in trust for pension benefits total \$6,467,131,107.

**3. Quarterly Cash Forecast Report as of September 30, 2015**

Staff presented the quarterly forecasting report of the net cash position for the period October 1, 2015 through November 1, 2016. The average monthly negative cash position for the period is (\$14,174,413), excluding the two months that have three pay periods.

**4. Quarterly Board Member Conference Expense Report as of September 30, 2015**

Staff presented the quarterly Board Member Conference Expense Report. As of September 30, 2015, the year-to-date reported expenses were \$86,304.

**5. Quarterly Senior Manager Conference and Training Expense Report as of September 30, 2015**

Staff presented the quarterly Senior Manager Conference and Training Expense Report. As of September 30, 2015, the year-to-date reported expenses were \$61,710.

**6. Legislative Update**

Staff presented an update on legislation of interest to ACERA. Trustee Carson asked Legal Staff to research whether it would be easier for Alameda Health System (AHS) to make their current ACERA members ineligible for participation in ACERA, now that legislation has passed authorizing the Alameda County Board of Supervisors to establish AHS as a separate district.

**7. Human Resources Staffing Report**

Staff reported on the 3<sup>rd</sup> quarter position vacancies that were approved in the 2015 budget.

## **8. Call Center Report**

Staff reported on the call center service levels for the period January 1, 2015 through September 30, 2015.

### **RECOMMENDATIONS**

1. The Committee recommends, and I move, that the Board of Retirement approve the non-inclusion of pay item 41J – Day-To-Day Supervising Assgmt as pensionable compensation for a member (PEPRA) with an entry date on or after January 1, 2013 and approve the inclusion of this pay item as compensation earnable for a member (legacy) with an entry date prior to January 1, 2013.
2. The Committee recommends, and I move, that the Board of Retirement approve the inclusion of pay item 189 – PTO Emergency, as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013.

### **ADJOURNMENT INTO CLOSED EXECUTIVE SESSION**

The meeting adjourned at 10:45 a.m. into Closed Executive Session to consider Ms. Celina Kan's appeal of staff's determination that Ms. Kan is ineligible to apply for a disability retirement.

### **RETURN TO OPEN SESSION**

The Committee reconvened into open session at 11:29 a.m. It was reported that Dale Amaral moved, and Annette Cain-Darnes seconded, that the Operations Committee recommends to the Board of Retirement that the Board affirm Ms. Celina Kan is ineligible to apply for a disability retirement.

The motion carried 7 yes (*Amaral, Basgal, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, 0 abstention, 0 recusal.

### **TRUSTEE/PUBLIC INPUT**

### **ESTABLISHMENT OF NEXT MEETING DATE**

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

### **MEETING ADJOURNED**

The meeting adjourned at 11:30 a.m.