



Date: February 5, 2020
To: Members of the Operations Committee
From: Ophelia Basgal, Chair
Subject: Summary of the February 5, 2020, Operations Committee Meeting

Operations Committee Vice-Chair Liz Koppenhaver called the February 5, 2020, Operations Committee Meeting to order at 9:36 a.m. Committee members present were Ophelia Basgal, Chair; Liz Koppenhaver, Vice Chair; Dale Amaral; and Elizabeth Rogers. Other Board members present were Keith Carson; Jaime Godfrey; Henry Levy; and Alternates Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Sandra Duenas, Benefits Manager; Jessica Huffman, Benefits Manager; Betty Tse, Chief Investment Officer; Harsh Jadhav, Chief of Internal Audit; and Vijay Jagar, Chief Technology Officer.

ACTION ITEMS

1. Discussion and Possible Motion to Approve the 2019 Discharge Request of Benefits Overpayments

After discussion, it was moved by Liz Koppenhaver and seconded by Elizabeth Rogers, that the Operations Committee recommend to the Board of Retirement that the Board approve the 2019 discharge request of benefit overpayments in the amount of \$23,442.44.

The motion carried yes (Amaral, Basgal, Carson, Godfrey, Levy, Rogers, Koppenhaver, Walker), 0 no, 0 abstention.

INFORMATION ITEMS

1. ACERA Commercial Banking Presentation (Wells Fargo Bank)

Wells Fargo presented an overview of its commercial banking services and customer relationship building initiatives.

In April 2020, staff will propose a recommendation to the Operations Committee to consider a three to five-year deferment for conducting a commercial bank Request for Proposal in 2020.

2. Un-Audited Financial Statements as of December 31, 2019

Staff presented the Unaudited Financial Statement for the period ending December 31, 2019. Staff stated the net position held in trust for pension benefits totaled \$8.79 billion. The fiduciary net position held in trust compared to the same period in 2018 increased by \$1.20 billion. The year-over-year change in net position increased by \$1.72 billion.

3. Operating Expenses as of October 31, 2019

Staff presented end-of-year Budget vs. Actual Operating Expense Report. As of December 31, 2019, actual expenses were \$1,905K under budget. Budget overage noted was Professional Fees (83K over budget). Budget surpluses noted were Staffing (\$1,264K under budget) with 8 unfilled positions, Staff Development (\$182K under budget), Office Expense (\$26K under budget), Insurance (\$192K under budget), Member Services (\$146K under budget), Systems (\$76K under budget), Depreciation (\$8K under budget), and Board of Retirement (\$78K under budget).

4. Actual Cash and Forecast Report as of December 31, 2019

Staff presented the Actual Negative Cash Position for 2019. For the year ending December 31, 2019, with the exception of the months having three-pay-periods, the average monthly negative cash position for the period is -\$16,168,750.

5. Board Member Conference Expense Report for 4th Qtr. 2019

Staff presented the Board Member Conference and Training Report for the period January 1, 2019 to December 31, 2019. Reported expenses for the period were \$99,868.

6. Senior Manager Conference and Training Expense Report for 4th Qtr. 2019

Staff presented the Senior Manager Conference and Training Expense Report for the period January 1, 2019 to December 31, 2019. Reported expenses for the period were \$52,718.

7. Proposed 2020 Operations Committee Work Plan

Staff presented the draft work plan for 2020 Operations Committee.

TRUSTEE/PUBLIC INPUT

None

RECOMMENDATIONS

None

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for April 1, 2020 at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:12 a.m.