



April 2, 2014

To: Members of the Budget Committee

From: Ophelia Basgal, Chair

Subject: Summary of the April 2, 2014 Budget Committee Meeting

Budget Committee Chair Ophelia Basgal called the April 2, 2014 Budget Committee Meeting to order at 1:32 p.m. Committee members present were Ophelia Basgal, Chair, George Dewey, Elizabeth Rogers, and George Wood. The other Board members present were, Dale Amaral, Annette Cain-Darnes, and Liz Koppenhaver. Staff present were Vince Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Betty Tse, Chief Investment Officer; Rose Kwong, Benefits Manager; Latrena Walker, Project and Information Services Manager; and Marguerite Malloy, Associate Counsel.

ACTION ITEM

1. Discussion and possible motion to adopt the Budget Committee Charter

Vince Brown, Chief Executive Officer, presented Staff's revised proposed Charter. He explained that the Budget Committee will operate like any other Committee wherein Staff makes its recommendations to the Committee, the Committee accepts/rejects Staff's recommendations and/or makes its own recommendations, and forwards the Committee's recommendations to the Board for its consideration and approval.

Vince Brown, Chief Executive Officer, explained that the Budget Committee will generally meet each year as follows: (1) in March to review the previous year's budget expenditures, and (2) in October to review the draft Budget and take any necessary action prior to the Board Off-Site.

It was moved by George Dewey and seconded by George Wood that the Budget Committee recommend to the Board of Retirement that the Board adopt Staff's revised proposed Budget Committee Charter with revisions as discussed in today's meeting.

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

INFORMATION ITEMS

1. Proposed 2014 Budget Committee Work Plan

Vince Brown, Chief Executive Officer, presented a proposed 2014 Work Plan for the newly established Budget Committee. He informed the Committee that it will take action on two (2) items in October then meet again in November 2014.

2. ACERA Budget Background Information

Vince Brown, Chief Executive Officer, presented his April 2, 2014 Memo regarding ACERA budget background information that addressed recurring questions related to expenses excluded from the budget expense cap and the allocation process, OPEB costs, and depreciation, and CERL Government Code sections. Mr. Brown informed the Committee that the Memo will be re-distributed at the 2014 October Budget Committee meeting and used as a working document at this year's Board Off-Site. It was further noted that the annual expense of administration for the retirement system is 0.21% of actuarial accrued liability.

RECOMMENDATIONS

The Committee recommends, and I move that the Board of Retirement adopt Staff's revised proposed 2014 Budget Committee Charter.

TRUSTEE/PUBLIC INPUT

- None

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for July 2014 (Date TBD)

MEETING ADJOURNED

The meeting adjourned at 1:40 p.m.