



August 2, 2017

To: Members of the Operations Committee
From: Elizabeth Rogers, Chair
Subject: Summary of the August 2, 2017, Operations Committee Meeting

Operations Committee Chair Elizabeth Rogers called the August 2, 2017, Operations Committee Meeting to order at 9:32 a.m. Committee members present were Elizabeth Rogers, Chair, Tarrell Gamble, Vice-Chair, Annette Cain-Darnes, Liz Koppenhaver and George Wood. The other Board members present were Ophelia Basgal, Supervisor Keith Carson, Nancy Reilly, and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Harsh Jadhav, Chief of Internal Audit; Victoria Arruda, Human Resources Officer; Betty Tse, Chief Investment Officer; Vijay Jagar, Retirement Chief Technology Officer; and Lori Schnall, Legal.

ACTION ITEMS

None

INFORMATION ITEMS

1. Operating Expenses

Staff presented the year-to-date Budget vs. Actual Operating Expense Report. As of June 30, 2017, actual expenses were \$1,632,569 under budget. Budget surpluses noted were Staffing (\$769K under budget) with 12 unfilled positions, Staff Development (\$223K under budget), Professional Fees (\$136K under budget), Member Services (\$109K under budget), and Board Expenses (\$107K under budget).

2. Quarterly Financial Statement

Staff presented the Quarterly Financial Statement for the period ending March 31, 2017. Staff stated the net position held in trust for pension benefits totaled \$7.6 billion. The fiduciary net position held in trust compared to the same period in 2016 increased by \$900 million. From January 1, 2017, to June 30, 2017, the change in fiduciary net position increased by \$574 million.

3. Quarterly Cash Forecast Report

Staff presented the Cash Forecast Report for July 1, 2017 – August 1, 2018. With the exception of the two three-pay-period months, the average monthly negative cash position for the period is -\$16,388,340.

4. Board Member Conference Attendance Report for the 2nd Quarter 2017

Staff presented the Board Member Conference Attendance Report for the 2nd quarter of 2017. Reported expenses for the period were \$84,142.

5. Senior Manager Conference and Training Expense Report for the 2nd Quarter 2017

Staff presented the Senior Manager Travel Expense Report for the 2nd quarter of 2017. Reported expenses for the period were \$60,994. Trustees also directed staff to clearly delineate attendance expenses as conferences **or** training in future reports.

6. Human Resources Staffing Report for the 2nd Quarter 2017

Staff reported on position vacancies for the 2nd quarter of 2017 that were approved in the 2017 budget. Four of the thirteen positions listed in the report have been filled.

7. Call Center Report

Staff reported on the call center service levels for the 2nd quarter of 2017.

8. Draft Board Off- Site Agenda

Staff discussed the draft Board Off-Site agenda topics. Trustees decided CEO Nelsen will make the final decision on the agenda.

TRUSTEE/PUBLIC INPUT

Trustee Walker recommended possibly having a quarterly IT update on technology issues within ACERA.

Trustee Koppenhaver shared a concern regarding instances where service credit was not added to member accounts when compensatory (comp) time was being used during a period of time from the late 1990's to the early 2000's. She understands that about 50 safety members are impacted and that it is being addressed by staff who are resolving the issue as audits or retirements occur.

RECOMMENDATIONS

None.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for September 6, 2017, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:22 a.m.