Date: December 5, 2018

To: Members of the Operations Committee

From: Ophelia Basgal, Chair

Subject: Summary of the December 5, 2018, Operations Committee Meeting

Operations Committee Chair Ophelia Basgal called the December 5, 2018 Operations Committee Meeting to order at 9:34 a.m. Committee members present were Ophelia Basgal, Vice-Chair; Liz Koppenhaver; Elizabeth Rogers; and George Wood. Other Board members present were Tarrell Gamble; Jaime Godfrey; 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; Betty Tse, Chief Investment Officer; Vijay Jagar, Chief Technology Officer; and, Sandra Dueñas-Cuevas, Benefits Manager.

ACTION ITEMS

1. **Review, discussion and possible motion to update the Discharge of Benefit Overpayments Policy**

The Discharge of Benefits Overpayments Policy has been reviewed and revised. The revised policy provides management reasonable authority to discharge benefit overpayments from financial records in a timely and consistent manner, so as not to overstate assets into perpetuity that are deemed to be uncollectable.

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Operations Committee recommend to the Board of Retirement approve the updated Discharge of Benefit Overpayments Policy.

The motion carried 7 yes (Basgal, Gamble, Godfrey, Koppenhaver, Rogers, Walker, Wood), 0 no, 0 abstention.

1. **Discussion and possible motion to approve ACERA’s 2019 LEAP Technologies (Process Excellence) contract**

LEAP’s 2019 scope of work will focus on new and ongoing strategic initiatives. The 2019 LEAP contract is for $155,000, of which $100,000 will be capitalized into the Pension Administration System capital upgrade project, with the remaining $55,000 allocated in the 2019 budget for ongoing performance excellence initiatives.

It was moved by Liz Koppenhaver and seconded by Elizabeth Rogers that the Operations Committee recommend to the Board of Retirement approval of ACERA’s 2019 LEAP Technologies (Process Excellence) contract.

The motion carried 7 yes (Basgal, Gamble, Godfrey, Koppenhaver, Rogers, Walker, Wood), 0 no, 0 abstention.

1. **Discussion and possible motion to approve ACERA’s Benefits consultant annual contract**

ACERA’s contract with Keenan expires on December 31, 2018. Due to reoccurring issues with quality and timeliness of work, staff is recommending to not renew their contract. Instead, Staff recommends to contract the services of the second ranked firm from the 2017 bidding process, which is Segal Consulting for $123,000 effective January 1, 2019.

It was moved by Tarrell Gamble and seconded by George Wood that the Operations Committee recommend to the Board of Retirement approval of ACERA’s Benefits Consultant annual contract.

The motion carried 7 yes (Basgal, Gamble, Godfrey, Koppenhaver, Rogers, Walker, Wood), 0 no, 0 abstention.

1. **Discussion and possible motion to consolidate the work of the Board into fewer standing committees**

At the Board of Retirement Off-Site, the topic of consolidating the work of the Board into fewer Committees was introduced. Currently, the Board has eight standing committees, two Ad-Hoc Committees and monthly Board meetings. Staff presented a memo discussing the positive and possible negative impacts to consolidating the committees.

After discussion, there was no motion. When possible, committee chairs will work with committee liaisons on developing efficient 2019 committee work plans, which may lead to fewer monthly meetings.

INFORMATION ITEMS

1. **Operating Expenses**

Staff presented the Total Operating Expense Budget Summary for October 31, 2018. As of October 31, 2018, actual expenses were $260K under budget. Budget overages noted were Staffing ($266K over budget). Budget surpluses noted were Staff Development ($213K under budget), Professional Fees ($13K under budget), Office Expense ($12K under budget), Insurance ($4K under budget), Member Services ($49K under budget), Systems ($111K under budget), Depreciation ($6K under budget), and Board Expenses ($118K under budget).

1. **Call Center Report**

Staff reported on the call center service levels for the 3rd quarter of 2018.

1. **Presentation on expanded use of the Board consent calendar and discussion**

Staff provided a memo describing possible additional items for inclusion of an expanded consent calendar.

The Board will review possible items to be moved to the consent calendar. The Board chair will determine what, if any, changes will be made to the consent calendar for future Board meetings. There was no motion.

TRUSTEE/PUBLIC INPUT

None.

RECOMMENDATIONS

The Committee recommends, and I move, that the Board of Retirement approve the updated Discharge of Benefit Overpayments Policy.

The Committee recommends, and I move, that the Board of Retirement approve ACERA’s 2019 LEAP Technologies (Process Excellence) contract.

The Committee recommends, and I move, that the Board of Retirement approve ACERA’s Benefits Consultant annual contract.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for February 6, 2019, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:33 a.m.