



April 2, 2014

To: Members of the Operations Committee  
From: Dale Amaral, Chair  
Subject: Summary of the April 2, 2014 Operations Committee Meeting

Operations Committee Chair Dale Amaral called the April 2, 2014 Operations Committee Meeting to order at 9:30 a.m. Committee members present were Dale Amaral, Chair, Ophelia Basgal, Keith Carson, and George Dewey. The other Board members present were Annette Cain-Darnes, Liz Koppenhaver, George Wood, and alternate member David Safer. Staff present were Vince Brown, Chief Executive Officer; Marguerite Malloy, Associate Counsel; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Rose Kwong, Benefits Manager; Latrena Walker, Project and Information Services Manager; Victoria Arruda, Human Resources Director; and Harsh Jadhav, Chief of Internal Audit.

#### **ACTION ITEM**

- 1. Discussion and possible motion to approve a New Pay Item – Pay Code 41A for County of Alameda**  
Rose Kwong, Benefits Manager, presented a request from Alameda County to review new pay item – HRS Labor – Fire Department Responsibility – Code 41A.

After staff's evaluation, it was determined since Pay Code 41A 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 Liz Koppenhaver and seconded by George Dewey that the Operations Committee recommend to the Board of Retirement that the Board approve the **non-inclusion** of the newly created pay item – HRS Labor – Fire Department Responsibility – Code 41A in pensionable compensation for a member (PEPRA member) with an entry date **on or after** January 1, 2013.

The motion carried 5 yes (*Amaral, Cain-Darnes, Dewey, Koppenhaver, Wood*), 0 no, 0 abstentions.

It was moved by George Dewey and seconded by Liz Koppenhaver that the Operations Committee recommend to the Board of Retirement that the Board approve the **inclusion** of the newly created pay item – HRS Labor – Fire Department Responsibility – Code 41A in compensation earnable for a member (legacy member) with an entry date **prior to** January 1, 2013.

The motion carried 5 yes (*Amaral, Cain-Darnes, Dewey, Koppenhaver, Wood*), 0 no, 0 abstentions.

- 2. Discussion and possible motion to approve a New Pay Item – Pay Code 41B for County of Alameda**  
Rose Kwong, Benefits Manager, presented a request from Alameda County to review new pay item Regional Ombudsman Coordinator – Code 41B.

After staff's evaluation, it was determined since Pay Code 41B 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 Liz Koppenhaver and seconded by George Dewey that the Operations Committee recommend to the Board of Retirement that the Board approve the **non-inclusion** of the newly created pay item Regional Ombudsman Coordinator – Code 41B in pensionable compensation for a member (PEPRA member) with an entry date **on or after** January 1, 2013.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Dewey, Koppenhaver, Wood*), 0 no, 0 abstentions.

It was moved by George Dewey and seconded by George Wood that the Operations Committee recommends to the Board of Retirement that the Board approve the **inclusion** of the newly created pay Regional Ombudsman Coordinator – Code 41B in compensation earnable for a member (legacy member) with an entry date **prior to** January 1, 2013.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Dewey, Koppenhaver, Wood*), 0 no, 0 abstentions.

- 3. Discussion and possible motion to approve a New Pay Item – Pay Code 226 for Superior Court**  
Rose Kwong, Benefits Manager, presented a request from Alameda County to review new pay item Multilingual Pay – Code 226.

After staff's evaluation, it was determined since Pay Code 226 is for two (2) job classifications, it will be considered compensation earnable for members (legacy members) with entry dates prior to January 1, 2013 based on Government Code Section 31461 and pensionable compensation for members (PEPRA members) with entry dates on or after January 1, 2013 according to Government Code Section 7522.34.

It was moved by George Dewey and seconded by Liz Koppenhaver that the Operations Committee recommend to the Board of Retirement that the Board approve the **inclusion** of the newly created pay item Multilingual Pay – Code 226 in compensation earnable and pensionable compensation for Superior Court members with entry dates **before and on or after** January 1, 2013.

The motion carried 6 yes (*Amaral, Basgal, Cain-Darnes, Dewey, Koppenhaver, Wood*), 0 no, 0 abstentions.

## **INFORMATION ITEMS**

### **1. Operating Expenses – Budget vs Actual as of February 28, 2014**

Margo Allen, Fiscal Services Officer, presented the year-to-date operating expenses – budget vs. actual. As of February 28, 2014 actual expenses are \$393,885 under budget.

### **2. Statement of Reserves as of December 31, 2013**

Margo Allen, Fiscal Services Officer, presented the Statement of Reserves as of December 31, 2013. The semi-annual interest crediting rate to all active member and retired member reserves was 5.4%. The semi-annual interest crediting rate to the SRBR was 17.08%. Included in the interest crediting rates is \$6.1 million from the dispersal of the Death/Burial Benefits Reserve.

### **3. DSA Lawsuit**

Marguerite Malloy, Associate Counsel, gave a PowerPoint presentation that provided an update on the DSA lawsuit.

### **4. 2014 Five Year Business Plan / Strategic Planning Update**

Vince Brown, CEO, provided an update on the 2014 Five Year Business Plan and ACERA's strategic plan.

### **5. GASB 37 & 68 Implementation Project Update**

Margo Allen, Fiscal Services Officer, provided a project status update on the implementation of GASB 67 & 68.

### **6. Technology Improvement Project Update**

Latrena Walker, Project and Information Services Manager, explained that there will be a focus on three (3) technology improvement initiatives in 2014. The initiatives include budget software for Fiscal Services, an agency-wide intranet, and a pension administration system readiness assessment.

### **7. ACERA Website Report**

Michael Fara, Communications Manager, provided a brief update on ACERA's website.

### **8. Human Resources Staffing Report**

Victoria Arruda, Human Resources Director reported on the 1<sup>st</sup> quarter position vacancies that are approved in the 2014 budget.

## **RECOMMENDATIONS**

1. The Committee recommends, and I move that the Board of Retirement approve the **non-inclusion** of the newly created pay item – HRS Labor – Fire Department Responsibility – Code 41A in pensionable compensation for a member (PEPRA member) with an entry date **on or after** January 1, 2013.
2. The Committee recommends, and I move that the Board of Retirement approve the **inclusion** of the newly created pay item – HRS Labor – Fire Department Responsibility – Code 41A in compensation earnable for a member (legacy member) with an entry date **prior to** January 1, 2013.

3. The Committee recommends, and I move that the Board of Retirement approve the **non-inclusion** of the newly created pay item Regional Ombudsman Coordinator – Code 41B in pensionable compensation for a member (PEPRA member) with an entry date **on or after** January 1, 2013.
4. The Committee recommends, and I move that the Board of Retirement approve the **inclusion** of the newly created pay Regional Ombudsman Coordinator – Code 41B in compensation earnable for a member (legacy member) with an entry date **prior to** January 1, 2013.
5. The Committee recommends, and I move that the Board of Retirement approve the **inclusion** of the newly created pay item Multilingual Pay – Code 226 in compensation earnable and pensionable compensation for Superior Court members with entry dates **before and on or after** January 1, 2013.

#### **TRUSTEE/PUBLIC INPUT**

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

The next meeting is scheduled for May 7, 2014 at 9:30 a.m.

#### **MEETING ADJOURNED**

The meeting adjourned at 11:01 a.m.