



May 4, 2016

To: Members of the Operations Committee  
From: Dale Amaral, Vice-Chair  
Subject: Summary of the May 4, 2016 Operations Committee Meeting

Operations Committee Vice-Chair Dale Amaral called the May 4, 2016 Operations Committee Meeting to order at 9:32 a.m. Committee members present were Dale Amaral, Vice-Chair, Annette Cain-Darnes, Liz Koppenhaver, and Elizabeth Rogers. The other Board members present were Ophelia Basgal and Tarrell Gamble; and alternate members David Safer and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer, Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Joseph Fletcher, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; Victoria Arruda, Human Resources Director; and Sandra Duenas-Cuevas, Benefits Manager.

### **ACTION ITEMS**

#### **1. Discussion and possible motion to approve a Revised Policy for Recovery of Overpayment of Benefits**

Staff presented a request to adopt the revised policy for recovery of overpayment of benefits. Following a review and discussion of the policy, Trustees directed Staff to make three additional minor changes.

It was moved by Liz Koppenhaver, and seconded by Ophelia Basgal, that the Operations Committee recommends to the Board of Retirement that the Board adopt the revised Recovery of Overpayment of Member Benefits & Underpayment of Member Contributions Policy with the recommended changes.

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

## **INFORMATION ITEMS**

### **1. Quarterly Financial Statement**

Staff presented the quarterly financial statement. For the period ending March 31, 2016, the net assets held in trust for pension benefits total \$6,613,770,721. The fiduciary net position held in trust compared to the same time period in 2015 decreased by \$268 million. From January 1, 2016, to March 31, 2016, the change in fiduciary net position declined by approximately \$27 million. Trustees directed staff to link financial statement to cash draw down in future reports.

### **2. Operating Expenses**

Staff presented the year-to-date operating expenses – budget vs. actual. As of March 31, 2016, actual expenses were \$116,303 under budget. Budget surpluses noted were due to Staffing (\$47K under budget) and Member Services (\$41K under budget). Budget overages were impacted by Professional Fees (\$31K over budget) and Board of Retirement expenses (\$13K over budget). Staffing detail was provided, accounting for a net surplus of \$115K for 12 unfilled budgeted positions as of March 31, 2016.

### **3. Quarterly Cash Forecast Report**

Staff presented the cash forecast report for April 2016 – May 2017. With the exception of three-pay-period months, the average monthly negative cash position for the period is - \$16,182,789.

### **4. Board Member Conference Attendance Report for the 1<sup>st</sup> Quarter 2016**

Staff presented the Board Member Conference Attendance Report for the 1<sup>st</sup> quarter 2016.

### **5. Senior Manager Conference and Training Expense Report for 1<sup>st</sup> Quarter 2016**

Staff presented the Senior Manager Travel Expense Report for the 1<sup>st</sup> quarter 2016.

### **6. Web Member Services View of Account Balance Error**

Staff presented information regarding the Web Member Services View of Account Balance Error.

### **7. Human Resources Staffing Report for 1<sup>st</sup> Quarter 2016**

Staff reported on the 1<sup>st</sup> quarter position vacancies that were approved in the 2016 budget.

## **8. Call Center Report**

Staff reported on the call center service levels during the 1<sup>st</sup> quarter.

### **ADJOURNMENT INTO CLOSED EXECUTIVE SESSION**

Pursuant to Government Code §54956.9(a) the meeting adjourned at 10:49 a.m. into Closed Executive Session to confer with legal counsel regarding pending litigation in the matter of:

- (1) Alameda County Employees' Retirement Association v. BP PLC, Case No. 4:12-CV-1256;
- (2) Trustees of the Mineworkers' Pension Scheme Limited and Others v The Royal Bank of Scotland Group plc – HC12D01192;
- (3) Hom v. Vale S.A., et al., US District Court Case No. 1:15-cv-09539 (S.D.N.Y.); and
- (4) Alameda County Employees' Retirement Association v. Volkswagen AG et al.

### **RETURN TO OPEN SESSION**

The Committee reconvened into open session at 11:00 a.m. and reported that no action was taken.

### **TRUSTEE/PUBLIC INPUT**

None.

### **RECOMMENDATIONS**

#### **1. Revised Policy for Recovery of Overpayments of Benefits**

The Committee recommends, and I move, that the Board of Retirement adopt the revised Recovery of Overpayment of Member Benefits & Underpayment of Member Contributions Policy with the recommended changes.

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

The next meeting is scheduled for June 1, 2016 at 9:30 a.m.

### **MEETING ADJOURNED**

The meeting adjourned at 11:06 a.m.