

**State of Alaska**  
**ALASKA RETIREMENT MANAGEMENT BOARD**

OPERATIONS COMMITTEE MEETING

**March 16, 2022 – 4:00 pm**  
*(Or immediately following the Actuarial Committee)*

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Call In (Audio Only): 1-907-202-7104

Code: 147 082 531#

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- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Designation of Chair**
- V. A. Approval of Agenda**  
**B. Approval of Minutes – December 1, 2021**
- VI. Public / Member Participation, Communications and Appearances**  
*(Three Minute Limit)*
- VII. Treasury Operations Update**  
*Pamela Leary, Treasury Director*
- VIII. Treasury Middle Office Update**  
*Scott Jones, Head of Investment Operations and Analytics, Treasury Division*
- IX. Discussion of 2023 ARMB Meeting Calendar**  
*Alysia Jones, Board Liaison*
- X. Review Committee Charter *(per Charter)***
- XI. Future Meetings**
  - A. Calendar Review**
  - B. Agenda Items**
  - C. Requests / Follow-Ups**
- XII. Other Matters to Properly Come Before the Committee**
- XIII. Public / Member Comments**
- XIV. Adjournment**

**State of Alaska**  
**ALASKA RETIREMENT MANAGEMENT BOARD**  
**OPERATIONS COMMITTEE MEETING**

**Videoconference**

**MINUTES OF**  
**December 1, 2021**

**Wednesday, December 1, 2021**

**ATTENDANCE**

**Committee Present:** Robert Johnson, *Chair*  
Lorne Bretz  
Gayle Harbo  
Bob Williams  
Dennis Moen  
Donald Krohn

**Committee Absent:** Commissioner Lucinda Mahoney

**ARM Board Trustees**

**Present:** Paula Vrana

**Investment Advisory**

**Council Present:** Dr. William Jennings

**Department of Revenue Staff Present:**

Zachary Hanna, Chief Investment Officer  
Pamela Leary, Director, Treasury Division  
Scott Jones, Head of Investment Operations, Performance & Analytics  
Ryan Kauzlarich, Accountant V  
Grant Ficek, Business Analyst  
Alysia Jones, Board Liaison

**Department of Administration Staff Present:**

Ajay Desai, Director, Division of Retirement and Benefits

**ARMB Legal Counsel Present:**

Benjamin Hofmeister, Assistant Attorney General, Department of Law

**I. CALL TO ORDER**

CHAIR JOHNSON called the meeting of the ARM Board Operations Committee to order at 4:22 p.m.

## **II. ROLL CALL**

MR. BRETZ, MS. HARBO, MR. KROHN, MR. MOEN, MR. WILLIAMS, and CHAIR JOHNSON were present at roll call.

## **III. PUBLIC MEETING NOTICE**

ALYSIA JONES confirmed that public meeting notice requirements had been met.

### **IV. A. Approval of Agenda**

MS. HARBO moved to approve the agenda. MR. WILLIAMS seconded the motion. The agenda was approved without objection.

### **B. Approval of Minutes: September 22, 2021**

MS. HARBO moved to approve the minutes of the September 22, 2021 meeting. MR. WILLIAMS seconded the motion.

## **V. PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS & APPEARANCES – None.**

## **VI. TREASURE OPERATIONS UPDATE**

MS. LEARY noted that she had a few items to discuss, and the first item was the budget. She said that they were where they wanted to be in the budget process, that what had been proposed was going through Office of Management and Budget review and that most of what had been proposed was intact. She said that it would be put into the Governor's budget and then on to the legislative process.

MS. LEARY said the second item was the continuation of the hybrid telework environment which was scheduled to continue for at least another month and with the new COVID variant, it could continue into the future, that they were expecting to continue to the beginning of the new year and would adjust accordingly after that.

MS. HARBO asked if people had a choice to come into the office or do they all work from home; MS. LEARY confirmed that people did have a choice to come into the office and a few people come into the office on a regular basis: MS. HARBO asked if they could come in the office two days a week and work from home the other time; MS. LEARY said the telework agreements were set up so that schedules were known.

MS. LEARY said the third item was to update the Board on the comptroller search. She said they did not have a candidate yet, that the assistant comptroller, RYAN KAUZLARICH, would continue for the time being and that he was doing an excellent job.

## **VII. TREASURY MIDDLE OFFICE UPDATE**

MR. JONES noted that they had a risk manager for the Department of Revenue, LANCE AHERN, who had started a couple months prior.

MR. JONES said that they had been working on the SWIFT assessment that is scheduled to be completed by the end of the calendar year, that it was an annual assessment they perform for SWIFT

to get them comfortable with the controls that Treasury has internally to keep their system safe.

MR. JONES said that they have continued to put out money-weighted returns and work with the PE group by assisting them get data which will be part of their presentation. He said they are also building out more time-weighted information to assist with reconciliations. He noted that they also worked with one of their groups to report database information from their local infrastructure to the Azure cloud.

CHAIR JOHNSON asked what Azure cloud was; MR. JONES explained that it was a cloud-based solution that did not require in-house servers and databases. He said Azure was run by Microsoft, that the state has an initiative to move things to the Microsoft Azure environment.

### **VIII. POLICY & PROCEDURES MANUAL REVISION PROPOSAL**

MS. LEARY said that there was an action item in the packet on page 9 on the Policy & Procedures Manual and stated there is a requirement to go through it at least once a year and report on any updates to the manual. She said they did include one of the requests that Trustee BRETZ had made, which was to include an operating procedure under Item III D under Education, Training, Travel and Reimbursement. The added procedure is that the Board review travel, honorarium, and meeting costs annually after the first meeting after the fiscal year end.

MS. LEARY said they had also added several other cleanup items and removed some detail information that changes every year, adding references to the ARM Board web page that gets updated continually. She said the annotated version and the current version was in the packet and the recommendation was to have the Operations Committee recommend to the Board that the changes were approved.

CHAIR JOHNSON asked for a motion to adopt the changes.

MS. HARBO moved to approve the changes to the Manual. MR. WILLIAMS seconded the motion.

MR. WILLIAMS asked how often changes were made to the website and was that the only way to solve the issue; MS. LEARY said that she did think that the best way for the particular items was to move them to the website. She said the changes involved asset allocation and financial information and that the chart that was at the front of the manual was difficult to read. She said all the information on the website was updated monthly, the audited financial statements were updated on an annual basis and the annual asset allocations were updated on an annual basis. She said that she and MS. JONES were making sure the information is there promptly. MS. LEARY said that they could also include other information the Board would like to have on the website that the Board would like to keep track of; MR. WILLIAMS said that he had a pet peeve when things get updated and links no longer work; MS. LEARY said that she agreed with him and that if that ever happened, to let her or MS. JONES know and they would take care of it immediately.

MS. HARBO asked if it would come up during the Operations Committee report; CHAIR JOHNSON confirmed that it would and that they would make the motion to adopt it if the recommendation gets approved.

A roll call vote was taken, and the motion passed unanimously.

**IX. REVIEW COMMITTEE CHARTER - None**

**X. FUTURE MEETINGS**

**A. Calendar Review - None**

**B. Agenda Items - None**

**C. Requests/Follow-Ups - None**

**XI. OTHER MATTERS TO PROPERLY COME BEFORE THE COMMITTEE - None.  
(18)**

**XII. PUBLIC/MEMBER COMMENTS - None.**

**XIII. ADJOURNMENT**

MR. WILLIAMS moved to adjourn the meeting. MS. HARBO seconded the motion. The motion passed without objection.

The meeting was adjourned at 4:37 p.m.

**ATTEST:**

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Corporate Secretary

Note: An outside contractor recorded the meeting and prepared the summary minutes. For in-depth discussion and more presentation details, please refer to the recording of the meeting and presentation materials on file at the ARMB office.

**ALASKA RETIREMENT MANAGEMENT BOARD  
2023 DRAFT Meeting Calendar**

DATE	LOCATION	DESCRIPTION
March 15 Wednesday	Juneau, AK	Actuarial Committee Audit Committee Operations Committee Defined Contribution Plan Committee
<b>March 16-17 Thursday-Friday</b>	<b>Juneau, AK</b>	<b>Board of Trustees Meeting:</b> <i>Performance Measurement – 4<sup>th</sup> Quarter Buck Draft Actuarial Report/GRS Draft Actuary Certification Capital Markets – Asset Allocation Manager Presentations</i>
April 27* Thursday	Videoconference	Actuarial Committee <i>Follow-up/additional discussion/questions on valuations</i>
<b>April 28* Friday</b>	<b>Videoconference</b>	<b>Board of Trustees Meeting</b>
June 14 Wednesday	Anchorage, AK	Actuarial Committee Audit Committee Operations Committee Defined Contribution Plan Committee
<b>June 15-16 Thursday - Friday</b>	<b>Anchorage, AK</b>	<b>Board of Trustees Meeting:</b> <i>Final Actuary Reports/Adopt Valuation Adopt Asset Allocation Performance Measurement - 1st Quarter Manager Presentations</i>
September 13 Wednesday	Anchorage, AK	Actuarial Committee Audit Committee Operations Committee Defined Contribution Plan Committee
<b>September 14-15 Thursday - Friday</b>	<b>Anchorage, AK</b>	<b>Board of Trustees Meeting:</b> <i>Set Contribution Rates Audit Results/Assets – Auditor Approve Budget Performance Measurement – 2nd Quarter Real Estate Annual Plan Real Assets Evaluation – Callan LLC Manager Presentations</i>
October 10 Tuesday ( <i>placeholder</i> )	Videoconference	Audit Committee
December 6 Wednesday	Anchorage, AK	Actuarial Committee Audit Committee Operations Committee Defined Contribution Plan Committee
<b>December 7-8 Thursday-Friday</b>	<b>Anchorage, AK</b>	<b>Board of Trustees Meeting:</b> <i>Audit Report - DRB Auditor Performance Measurement – 3rd Quarter Manager Review (Questionnaire) Private Equity Evaluation - Callan LLC Review Private Equity Annual Plan Cybersecurity Manager Presentations</i>

**NOTE: Meeting locations and topics are subject to change.**

\*Meetings to be held as necessary

# **Charter of the Operations Committee**

## **Alaska Retirement Management Board**

### **I. Committee Purpose.**

1. The purpose of the Operations Committee (the “Committee”) is to hold meetings and to consider input from outside sources as well as the Department of Revenue for the purpose of making recommendations to the board on the following matters: (a) an annual operating budget for the board; (b) salary considerations for staff of the Department of Revenue who work on matters relating to the board and the funds administered by the board; and (c) policies and procedures relating to the functioning of the board.

2. Authority for the Committee exists under precedent. The board has previously established budget and salary committees. The Committee shall assume the responsibilities of those committees.

3. Authority for the Committee exists under law.

(a) AS 37.10.220(a)(15) provides that the board shall develop an annual operating budget. The Committee shall make recommendations as appropriate to the board to assist the board in fulfilling that responsibility.

(b) AS 37.10.260(a) states that the Department of Revenue shall provide staff to the board. It is in the best interest of the board and the plan beneficiaries that qualified, competent staff is recruited, hired and retained to invest and maintain the plan assets. The Committee shall provide oversight and review of staff salaries to ensure stability in the management of the funds. The committee shall make recommendations as appropriate to the board to assist the board in making recommendations respecting salary to the Commissioner of the Department of Revenue.

(c) AS 37.10.210 and AS 37.10.220(a)(4) provide the board with authority to take necessary steps to meet its responsibilities under law and appointment of the Committee relating to operating policies and procedures is a logical and reasonable step in that process.

### **II. Committee Members.**

The Committee consists of at least three Trustees, who have expressed a willingness to serve on the Committee and have been duly appointed by the Chair of the board.

### **III. Committee Meetings.**

The Committee shall meet as frequently as circumstances dictate. The Committee Chair with the assistance of the Department of Revenue shall prepare

and/or approve an agenda in advance of each meeting. The Committee shall maintain minutes of Committee meetings and periodically report to the board on significant results of the Committee's activities or, as appropriate, make specific recommendations to the board.

IV. Committee Responsibilities and Duties (Budget).

The Committee shall meet at least once annually to carry out the following responsibilities:

1. Review the actual expenditures in the immediately preceding fiscal year budget;
2. Consider and review the current fiscal year budget as approved by the legislature;
3. Develop a proposed budget for the next fiscal year and make appropriate recommendations for action to the board.

V. Committee Responsibilities and Duties (Salary)

In consultation with staff and any consultants or other experts, the Committee shall consider staff salary ranges, surveys and comparable salary information and make appropriate recommendations for action to the Board prior to the development of the budget for the next fiscal year.

VI. Committee Responsibilities (Policies and Procedures)

The Committee, as directed from time to time by the board or the chair of the board, may assess matters which will enhance the effectiveness and efficient operations of the board, with examples of such matters including but not limited to (a) board chair responsibilities between board meetings, (b) permissible travel and allowances therefore, (c) policies and procedures manuals relating to the board and the Department of Revenue, and (d) duties and elections of officers of the board.

VII. Self-Assessment

1. Assess the adequacy of this Charter at least annually and submit recommended changes to it to the Board for approval.
2. Periodically perform self-assessment of the Committee's performance.



**Alaska Retirement Management Board**  
Operations Committee  
Schedule of Remaining 2022 Meetings

**2022**

**June 15, 2022 (Anchorage/ Videoconference)**

1. Legislative Summary
2. (Topics To Be Determined)

**September 14, 2022 (Anchorage/ Videoconference)**

1. Legislative Summary
2. FY24 Budget Proposal, ARMB FY23 Working Budget, Management Fees
3. (Topics To Be Determined)

**November 30, 2022 (Anchorage/ Videoconference)**

1. Legislative Summary
2. Policies Procedures Manual Review
3. Manager Review Annual Report
4. (Topics To Be Determined)

**Periodic and As Needed Meeting Topics**

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**Alaska Retirement Management Board**  
Operations Committee  
Proposed Schedule of 2023 Meetings

**2023**

**March 15, 2023 (Juneau/ Videoconference)**

1. Legislative Actions/Impacts
2. (Topics To Be Determined)

**June 14, 2023 (Anchorage/ Videoconference)**

1. Legislative Summary
2. (Topics To Be Determined)

**September 13, 2023 (Anchorage/ Videoconference)**

1. Legislative Summary
2. FY25 Budget Proposal, ARMB FY24 Working Budget, Management Fees
3. (Topics To Be Determined)

**December 6, 2023 (Anchorage/ Videoconference)**

1. Legislative Summary
2. Policies Procedures Manual Review
3. Manager Review Annual Report
4. (Topics To Be Determined)

**Periodic and As Needed Meeting Topics**

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