

ALASKA RETIREMENT MANAGEMENT BOARD

OPERATIONS COMMITTEE

June 15, 2022

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD

OPERATIONS COMMITTEE MEETING

June 15, 2022 – 1:00 p.m.

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

Code: 877 382 593#

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. A. Approval of Agenda**
B. Approval of Minutes – March 16, 2022
- V. Public / Member Participation, Communications and Appearances**
(Three Minute Limit)
- VI. Treasury Operations Update**
Pamela Leary, Treasury Director
- VII. Treasury Middle Office Update**
Scott Jones, Head of Investment Operations and Analytics, Treasury Division
- VIII. 2023 ARMB Meeting Calendar**
Alysia Jones, ARMB Liaison Officer
- IX. Committee Performance - Self Assessment** *(per Charter)*
- X. Review of Committee Charter** *(per Charter)*
- XI. Future Meetings**
 - A. Calendar Review**
 - 1. Approval of 2023 Operations Committee Meeting Calendar
 - B. Agenda Items**
 - C. Requests / Follow-Ups**
- XII. Other Matters to Properly Come Before the Committee**
- XIII. Public / Members Comments**
- XIV. Adjournment**

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
OPERATIONS COMMITTEE MEETING

Videoconference

MINUTES OF
March 16, 2022

Wednesday, March 16, 2022

ATTENDANCE

Committee Present: Dennis Moen, *Chair*
Bob Williams
Lorne Bretz
Sandra Ryan
Donald Krohn

Committee Absent: Commissioner Lucinda Mahoney

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, Assistant Comptroller
Hunter Romberg, Investment Data Analyst
Alysia Jones, Board Liaison
Grant Ficek, Business Analyst

I. CALL TO ORDER

CHAIR WILLIAMS called the meeting of the ARM Board Operations Committee to order at 4:00 p.m.

II. ROLL CALL

MR. BRETZ, MR. KROHN, MR. MOEN, MS. RYAN, and MR. WILLIAMS were present at roll call.

III. PUBLIC MEETING NOTICE

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

IV. DESIGNATION OF CHAIR

CHAIR WILLIAMS announced the chair position was open and he had spoken with MR. MOEN who was willing to chair the committee. With no opposition, CHAIR WILLIAMS appointed MR. MOEN as chair. MR. WILLIAMS passed the gavel on to CHAIR MOEN.

V. A. Approval of Agenda

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

B. Approval of Minutes: December 1, 2021

MR. KROHN moved to approve the minutes of the December 1, 2021, meeting. MR. WILLIAMS seconded the motion. The minutes were approved without objection.

VI. PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS & APPEARANCES – None.

VII. TREASURE OPERATIONS UPDATE

MS. LEARY started off with an update on the budget. She said the budget had moved through the Senate and was moving through the House. She said the House budget appeared to continue to have the ARM Board Operations and Custody Management components as we had presented them, in their revised CS that came out.. She said that they would give an update in September once the actuals go through the process of developing a budget for the following year.

MS. LEARY noted they were still without a comptroller but had added an accounting position and moved responsibilities around. She noted the Deputy Comptroller MR. KAUZLARICH will continue to handle the fund financial reports and had been doing a great job. She said she felt that he had everything under control and would continue to do great work for the ARM Board. MS. LEARY also noted that they had two vacancies in the Portfolio group with recruitments underway.

MS. LEARY said that they would be gathering quotes for transcribing and minutes services. She said they do it from time to time and it was under the procurement cap, so an RFP process was not required. She said they currently have transcriptions of all meetings and recommended the minutes be more summarized. She explained that due to the detail and complexity of some of the topics it has taken staff a considerable amount of time to confirm the minute truly reflect what happened and that more summarized minutes might be a more efficient approach.

MR. WILLIAMS asked if they would also be provided the transcripts in addition to the summary; MS. LEARY said the transcripts would be available if necessary.

MR. BRETZ asked if both the transcripts and summarized report would be maintained and presumed the recommended approach would save time and money; MS. LEARY responded affirmatively.

VIII. TREASURY MIDDLE OFFICE UPDATE

MR. JONES said that the Middle Office completed its work on the SWIFT assessment and that the Treasury Division was found in compliance with all SWIFT requirements. He noted it was a yearly activity and would begin again in the next fiscal year.

MR. JONES said that part of the work involved putting new policies in place for Treasury as they relate to information security. He noted the policies documented work they were already doing but provides documentation of the design aspect of the work to be in compliance with SWIFT's

requirements. MR. JONES said an example of this would be a policy stating that they would test at least one part of their Disaster Recovery plan, on a quarterly basis, which would involve testing backup sites for connectivity or testing server backup restorations with OIT.

MR. JONES said they also published the 9/30 quarter-ending money-weighted return metrics for the Portfolio group and continue to work with other groups in the Treasury to assist with efficiency.

IX. DISCUSSION OF 2023 ARMB MEETING CALENDAR

MS. JONES presented a draft of the 2023 meeting calendar and invited the Committee to discuss the proposed dates and location at a deeper level prior to it being presented to the Board in June to discuss

MR. KROHN asked if the September dates could be moved a few days; MS. LEARY reminded the Committee that it had been discussed previously and there had been some conflicts with adjusting this year's calendar and ensuring enough time between meetings. She said that staff was open to trying to figure out what works best for the trustees in the coming year.

X. REVIEW COMMITTEE CHARTER – None

XI. FUTURE MEETINGS

A. Calendar Review - None

B. Agenda Items - None

C. Requests/Follow-Ups – None

XII. OTHER MATTERS TO PROPERLY COME BEFORE THE COMMITTEE - None.

XIII. PUBLIC/MEMBER COMMENTS - None.

XIV. ADJOURNMENT

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

The meeting was adjourned at 4:18 p.m.

ATTEST:

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
March 16-17 Thursday-Friday	Juneau, AK	Board of Trustees Meeting: <i>Performance Measurement – 4th 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>
April 28* Friday	Videoconference	Board of Trustees Meeting
June 14 Wednesday	Anchorage, AK	Actuarial Committee Audit Committee Operations Committee Defined Contribution Plan Committee
June 15-16 Thursday - Friday	Anchorage, AK	Board of Trustees Meeting: <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
September 14-15 Thursday - Friday	Anchorage, AK	Board of Trustees Meeting: <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
December 7-8 Thursday-Friday	Anchorage, AK	Board of Trustees Meeting: <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

Alaska Retirement Management Board

COMMITTEE SELF-ASSESSMENT

Operations Committee

Self-assessment within the meaning of the committee's charter may be achieved by discussion, at least twice a year, of the following questions:

	YES	NO
1. Are discussions at the committee level meaningful and, if not, what can be done about it?		
2. Is the committee touching on key issues; what key issues are being missed?		
3. Is the committee giving appropriate time to key issues?		
4. Does the work of the Operations Committee appropriately meet the needs of the Board by reducing necessary Board meeting time spent on the matters that come before the Operations Committee?		

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

September 14, 2022 (Anchorage/ Videoconference)

1. Treasury Operations Update - FY24 Budget Proposal, ARMB FY23 Working Budget, Management Fees
2. Middle Office Update
3. (Topics To Be Determined)

November 30, 2022 (Anchorage/ Videoconference)

1. Treasury Operations Update
2. Middle Office Update
3. Policies & Procedures Manual Review
4. Manager Review Annual Report
5. (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. Treasury Operations Update
3. Middle Office Update
4. (Topics To Be Determined)

June 14, 2023 (Anchorage/ Videoconference)

1. Treasury Operations Update
2. Middle Office Update
3. (Topics To Be Determined)

September 13, 2023 (Anchorage/ Videoconference)

1. Treasury Operations Update - FY25 Budget Proposal, ARMB FY24 Working Budget, Management Fees
2. Middle Office Update
3. (Topics To Be Determined)

December 6, 2023 (Anchorage/ Videoconference)

1. Treasury Operations Update
2. Middle Office Update
3. Policies & Procedures Manual Review
4. Manager Review Annual Report
5. (Topics To Be Determined)

Periodic and As Needed Meeting Topics

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