

# **OPERATIONS & OVERSIGHT COMMITTEE MINUTES 3-4-10**

## **PRESENT**

- Yves Chery, Chair
- Edward L. Blecksmith, Vice Chair
- Ed C. Morris, Alternate

## **ABSENT**

- William de la Garza
- Will Pryor

## **BOARD MEMBERS AT LARGE**

- James P. Harris
- Les Robbins
- Simon S. Russin

## **STAFF, ADVISORS, PARTICIPANTS**

- Robert Hill
- Janice Golden
- James Pu
- Francisco Jaranilla

The meeting was called to order by Chairman Chery at 12:00 p.m.

### **1. APPOINTMENT OF VOTING MEMBER(S) IN THE EVENT ONE OR MORE REGULAR COMMITTEE MEMBERS ARE ABSENT**

The Chair appointed Mr. Morris a voting member of the Committee.

### **2. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 11, 2010**

A motion was made by Mr. Blecksmith seconded by Mr. Harris, to approve the minutes of the regular meeting of February 11, 2010.

The motion passed unanimously.

### **3. FOR INFORMATION**

1. Systems Division Payment Processing and Telecommunication Service Controls James Pu, Francisco Jaranilla

James Pu presented a report on Systems Division payment processing. LACERA's IT operation spans a variety of computing platforms and telecommunication systems that require vendor-supplied services. With such a large number of business partners, we maintain a high degree of vigilance for erroneous or irregular billings. Systems processes over 1650 payment requests per year. We follow a standardized procedure to validate and verify each invoice prior to submitting for payment. To further mitigate the risk of payment errors or irregular payment requests, we recently implemented additional controls.

Some cost-savings are exemplified below:

- A more efficient report printing strategy gave us a savings of approximately \$27,000 per year.
- The vendor change for LACERA's voice and data services in 2008 resulted in a net savings of approximately \$35,000, along with expanded voice and data capacity.
- Continued monitoring and adjustment of wireless calling plans resulted in a savings of up to \$13,000 per year.
- Using a new connection technology, LACERA's mainframe remote support system now operates at a cost savings of over \$26,000 per year.

We are equally alert to the misuse of telecommunication resources. Francisco Jaranilla discussed LACERA's telecommunication service controls. To mitigate the risk of inappropriate telephone use, LACERA employs both an audit-trail and a technology-based control system. Mr. Jaranilla's presentation detailed these systems and highlighted some of the cost reductions from continued monitoring.


4. MISCELLANEOUS

5. PUBLIC COMMENT

6. GOOD OF THE ORDER

(For discussion purposes only)

7. ADJOURNMENT

 PRODUCE | The keystones of our mission can be summarized by two elements: investments and customer service.

4/16/10