

# IN PERSON & VIRTUAL BOARD MEETING



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Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

**Attention:** If you have any questions, you may email [PublicComment@lacera.com](mailto:PublicComment@lacera.com). If you would like to make a public comment during the committee meeting, review the Public Comment instructions.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

## AGENDA

### A REGULAR MEETING OF THE JOINT ORGANIZATIONAL GOVERNANCE COMMITTEE AND BOARD OF RETIREMENT AND BOARD OF INVESTMENTS\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., THURSDAY, AUGUST 17, 2023

This meeting will be conducted by Joint Organizational Governance Committee and the Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953(f).

Any person may view the meeting in person at LACERA's offices and online at <https://LACERA.com/leadership/board-meetings>

*The Committee may take action on any item on the agenda,  
and agenda items may be taken out of order.*

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953 (f)
  - A. Just Cause
  - B. Action on Emergency Circumstance Requests
  - C. Statement of Persons Present at AB 2449 Teleconference Locations
- IV. APPROVAL OF MINUTES
  - A. Approval of the Minutes of the Regular Meeting of April 27, 2023
- V. PUBLIC COMMENT  
(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

V. PUBLIC COMMENT (Continued)

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email [PublicComment@lacera.com](mailto:PublicComment@lacera.com).)

VI. NON-CONSENT ITEMS

A. **Revised Joint Organizational Governance Committee Charter**

Recommendation as submitted by Robert Klausner, Fiduciary Counsel: That the Committee review and recommend for approval and adoption the revised Joint Organizational Governance Committee Charter to the Board of Retirement and Board of Investments.

(Memo dated August 9, 2023)

(Confidential Attachment dated May 31, 2023)

B. **LACERA's Revised Mission, Vision, and Values**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Committee review and recommend for approval and adoption LACERA's revised *Mission, Vision, and Values* to the Board of Retirement and Board of Investments.

(Presentation) (Memo dated August 9, 2023)

C. **Document Processing Assistant and Staff Assistant Study Classification and Compensation Study**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Committee approve the following proposed classification and compensation changes for implementation: 1) Title change, description revision and salary change for the Disability Retirement Support Specialist I, LACERA classification; and 2) Delete the Disability Retirement Support Specialist II, LACERA classification.

(Presentation) (Memo dated August 7, 2023)

VI. NON-CONSENT ITEMS (Continued)

D. **Revision of Trustee Education Policy – Preapproved External Educational Conference**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Committee recommend that the Board of Retirement and Board of Investments approve the deletion of the following conferences from the list of Approved External Educational Conferences in the Trustee Education Policy.

(Memo dated August 11, 2023)

E. **Information Systems Acceptable Use and Mobile Device Policies for Trustees**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Committee direct the development of an Information Systems Acceptable Use Policy and a Mobile Device Policy that is uniform for all LACERA Trustees and that addresses the use of a LACERA email addresses, private email addresses, LACERA-issued devices, and personal devices to conduct LACERA business and the policy be returned to the Committee for review for recommendation to the Board of Retirement and Board of Investments.

(Memo dated August 8, 2023)

VII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Committee, which can only be made separately by motion on an agenda item at a future meeting.)

VIII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Committee's Charter.)

IX. GOOD OF THE ORDER

(For Information Purposes Only)

X. ADJOURNMENT



***\*The Board of Retirement and Board of Investments have each adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five (5) or more members of the Board of Retirement or the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board or Boards for which a quorum is present. Members of the Board of Retirement and Board of Investments who are not members of the Committee may attend and participate in a meeting of the Committee but may not make or second a motion or vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at subsequent meetings of the Board of Retirement and Board of Investments.***

***Documents subject to public disclosure that relate to an agenda item for an open session of the Committee that are distributed to members of the Committee less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Committee members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m., Monday through Friday.***

***Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email [PublicComment@lacera.com](mailto:PublicComment@lacera.com), but no later than 48 hours prior to the time the meeting is to commence.***

MINUTES OF THE SPECIAL MEETING OF THE JOINT ORGANIZATIONAL  
GOVERNANCE COMMITTEE AND BOARD OF RETIREMENT  
AND BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA 91101

8:00 A.M., THURSDAY, APRIL 27, 2023

This meeting was conducted by Joint Organizational Governance Committee and the Board of Retirement and Board of Investments both in person and by teleconference under California Government Code Section 54953(f).

COMMITTEE TRUSTEES

PRESENT:

Herman Santos, Chair

David Green, Vice Chair

Alan Bernstein (Left the meeting at 10:36 a.m.)

Elizabeth Greenwood  
(Teleconference Due to Just Cause under Section 54953 (f))

Onyx Jones

Ronald Okum

Gina Sanchez  
(Teleconference Due to Just Cause under Section 54953 (f))  
(Left the meeting at 9:04 a.m.)

ABSENT:

Shawn R. Kehoe

OTHER BOARD OF RETIREMENT/BOARD OF INVESTMENTS TRUSTEES

Keith Knox, Ex-Officio

## STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Carly Ntoya, Human Resources Director

### I. CALL TO ORDER

The meeting was called to order by 2022 JOGC Chair Santos at 8:02 a.m. in the Board Room of Gateway Plaza.

### II. PLEDGE OF ALLEGIANCE

Mr. Green led the Trustees and staff in the Pledge of Allegiance. This item was held following Item IV.

### III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953 (f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

A physical quorum was present at the noticed meeting location. Requests from Trustee Sanchez and Greenwood were received. Trustee Sanchez requested participation related to Just Cause (A) due to a contagious illness, and Trustee Greenwood requested participation related to Just Cause (A) due to physical limitation that prevented her from commuting to the meeting. Trustee Sanchez and Greenwood confirmed that there were no individuals over the age of 18 present in the room. No requests were received for Emergency Circumstances (B).

IV. ELECTION OF OFFICERS  
(Election of Chair and Vice Chair)

Mr. Santos was nominated to the position of Chair of the Joint Organizational Governance Committee by Ms. Sanchez. Hearing no other nominations, Mr. Santos was declared Chair of the Committee for 2023.

Mr. Green was nominated to the position of Vice Chair of the Joint Organizational Governance Committee by Mr. Okum. Hearing no other nominations, Mr. Green was declared Vice Chair of the Committee for 2023.

V. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of November 16, 2022

Trustee Green made a motion, Trustee Greenwood seconded, to approve the Minutes of the Regular Meeting of November 16, 2022. The motion passed by the following roll call vote:

Yes: Bernstein, Green, Greenwood, Jones, Okum, Sanchez, Santos

Absent: Kehoe

VI. PUBLIC COMMENT

LACERA staff member, Angeles Garcia, addressed the Committee regarding Item VII. C.

VII. NON-CONSENT ITEMS

A. **LACERA Budget Policy (Annual Review)**

Recommendation as submitted by Laura Guglielmo, Assistant Executive Officer: That the Committee review and recommend to the Board of Retirement and Board of Investments for approval the LACERA Budget Policy dated June 1, 2023, and direct staff to include recommended updates to this Policy annually, as a companion to its preliminary budget presentation. (Memo dated April 19, 2023)

Trustee Sanchez made a motion, Trustee Greenwood seconded, to approve staff's recommendation including the revisions requested by the Committee. The motion passed by the following roll call vote:

VII. NON-CONSENT ITEMS (Continued)

Yes: Bernstein, Green, Greenwood, Jones, Okum, Sanchez, Santos

Absent: Kehoe

**B. Fiscal Year 2023-24 Preliminary Administrative, Retiree Healthcare and Other Post-Employment Benefits (OPEB) Budgets**

Recommendation as submitted by Laura Guglielmo, Assistant Executive Officer: That the Committee review the Fiscal Year (FY) 2023-24 Preliminary Budgets for LACERA Administrative, Retiree Health Care Benefits Program, and Other-Post Employment Benefits (OPEB) Trust, provide guidance to staff for any desired changes or amendments, and recommend that the Board of Retirement and Board of Investments consider and adopt these budgets prior to June 30, 2023. (Memo dated April 13, 2023)

Trustee Bernstein made a motion, Trustee Okum seconded, to approve staff's recommendation including four new positions: (3) Senior Disability Retirement Specialist I and (1) Senior Investment Officer. The motion passed by the following roll call vote:

Yes: Bernstein, Green, Greenwood, Jones, Okum, Sanchez, Santos

Absent: Kehoe

**C. Document Processing Assistant and Staff Assistant Study Classification and Compensation Changes**

Recommendation as submitted by Carly Ntoya, Director of Human Resources: That the Board approve the proposed classification and compensation changes for implementation:

- Title change, description revision, and salary change for the Document Processing Coordinator, LACERA classification;
- Title changes and description revision to update the Document Processing Assistant, LACERA classification;
- Title change, description revision and salary change for the Disability Retirement Support Specialist I, LACERA classification;
- Description revision to update the Staff Assistant I, LACERA and Staff Assistant II, LACERA class specifications; and



VII. NON-CONSENT ITEMS (Continued)

- Delete the Disability Retirement Support Specialist II, LACERA classification because it is obsolete.

(Memo dated April 14, 2023)

This item was discussed by the Committee. Due to a lack of a quorum, no action could be taken, and this item will be agendized at the next JOGC meeting.

D. **2023 Joint Organizational Governance Committee Proposed Meeting Calendar and Agenda Items**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Committee schedule the 2023 calendar year meetings and review and provide input on and additions to the proposed agenda items. (Memo dated April 19, 2023)

(This item was held following Item V. Public Comment)

Trustee Bernstein made a motion, Trustee Okum seconded, to approve the 2023 meeting calendar: August 17, 2023, November 16, 2023, December 7, 2023. The motion passed by the following roll call vote:

Yes: Bernstein, Green, Greenwood, Jones, Okum, Sanchez, Santos

Absent: Kehoe

VIII. ITEMS FOR STAFF REVIEW

Chair Santos requested that the Executive Office communicate with the Document Processing Unit the changes and impact of the classification study.

IX. ITEMS FOR FUTURE AGENDAS

Chair Santos requested that the JOGC Charter and any other policies referencing strategic planning be agendized for further discussion.

X. GOOD OF THE ORDER  
(For Information Purposes Only)

There was nothing to report.

XI. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 10:44 a.m.





**Date:** August 11, 2023  
**To:** Board of Retirement and Board of Investments  
**From:** Klausner, Kaufman, Jensen & Levinson, Fiduciary Counsel  
**For:** August 17, 2023, Joint Organizational Governance Committee Meeting  
**Re:** Revisions to JOGC Charter

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### **Recommendation**

That the Joint Organizational Governance Committee review and recommend for approval and adoption the revised Joint Organizational Governance Committee Charter to the Board of Retirement and Board of Investments.

### **Discussion**

When the Joint Organizational Governance (JOGC) Committee Charter was revised last year, a substantial task assigned to the JOGC was the development and recommendation of a system-wide strategic plan.

Since that time, the initial draft of the Board of Retirement's (BOR) Strategic Plan was distributed, comments were received, and the plan was approved by BOR during their July 6, 2023 meeting. The general response can best be summarized as an expressed mutual desire by each Board to separately develop their own strategic plans which focus on their discrete spheres of control.

The primary tasks which the Boards are required by law to accomplish collectively is joint adoption of the budget, approval of classifications and salaries, CEO selection and oversight, and certain other tasks as set forth in CERL and other law. This memo addresses the budget function. As you are all aware, a strategic plan without connection to hard budget dollars is aspirational rather than operational.

The JOGC Charter as revised last year, which assigned development of a strategic plan to the JOGC, no longer makes sense in the follow up from the draft BOR strategic plan. The JOGC still has a substantial role in developing a system-wide budget which will be necessary to meet the specific needs of each Board. The JOGC also has a role in recommending LACERA's mission,

vision, and values for joint approval by both Boards. The mission, vision, and values are core principles that will be jointly approved by the Board to drive the budgeting process as well as day-to-day operations.

As a result, I have revised the JOGC Charter to reflect that changed approach. As can be seen from the clean and redlined drafts accompanying this memo, the development of strategic plans has now been delegated back to each Board. Once the separate plans are developed and adopted, the JOGC can perform its role in facilitating budgetary support to each plan's implementation needs and in recommending the mission, vision, and values to the Board for review and approval.

Given that each Board will have the responsibility to outline and prioritize its initiatives for the coming year, the JOGC's role in giving economic life to those plans through budgeting support for needed resources remains a vital function of the committee. As the revised Charter shows, senior staff will have a much clearer picture of the goals of each Board and the priorities believed by the Boards to warrant the appropriate budgetary support. This will make the development of a system-wide budget, as required by CERL, consistent with the distinct needs of both the Board of Retirement and the Board of Investments.

Having Board-specific strategic plans will also facilitate mid-year analysis of the budget as related to the execution of the stated aims of each plan. Having a clear distinction between each Board's initiatives will also have the salutary effect of eliminating "mission drift" which can cause confusion for the senior staff tasked with executing your respective strategies.

The JOGC will also retain one additional critical responsibility. LACERA is a single system with two separate and distinct Boards. Nonetheless, good fiduciary practice is to have a common mission, vision, and set of values. Just like the budget, these overarching aspirational guidelines for LACERA are best developed with the joint participation of members from each Board. How that process will develop will be through actual practice, as opposed to trying to articulate the process in the abstract. For that reason, the Charter does not contain a strict protocol which could end up placing process ahead of substance.

I would respectfully direct your attention to the attached current and proposed language of the committee Charter as shown by both additions and deletions. I would also direct your reading to our attached May 31, 2023, memorandum summarizing my earlier discussion with the respective Board Chairs and Vice-Chairs.

As always, your questions or comments are welcomed.



# LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

## Joint Organizational Governance Committee Charter

Revised and Restated

Adopted by Board of Retirement on September xx,  
2023~~January 5, 2022~~

Adopted by the Board of Investments on September xx,  
2023~~January 12, 2022~~



**LACERA**  
**Joint Organizational Governance Committee Charter**

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**LACERA**  
**Joint Organizational Governance Committee Charter**

## 1 Overview of the LACERA Board of Retirement and the Board of Investments<sup>1</sup>

The Los Angeles County Employees Retirement Association (LACERA) is a public pension system formed in 1937 in accordance with the County Employees Retirement Law of 1937 (the '37 Act or CERL) and administered pursuant to the '37 Act, the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the California Constitution. LACERA also administers the Retiree Healthcare Benefits Program for the County and outside districts, through contractual agreements with the County, and the Other Postemployment Benefits Program (OPEB) trusts formed by the County, LACERA, and the Los Angeles Superior Court to provide support for the retiree health program in the future.

LACERA is an independent governmental entity. LACERA is the largest county retirement system in America. LACERA is funded by the County, participating employers, employees, and investment earnings.

LACERA is governed by two Boards. Both Boards include a mix of trustees that are appointed and elected members and an ex-officio member, the sitting County Treasurer and Tax Collector. The Board of Retirement (BOR) is responsible for the overall management of the retirement system and the LACERA-administered Retiree Healthcare Benefits Program. The Board of Investments (BOI) is responsible for determining LACERA's investment objectives, strategies, and policies, as well as exercising authority and control over the investment management of the Fund. The BOI also invests and manages the OPEB trust assets for participating employers. In addition, the BOI is responsible for obtaining pension actuarial valuations that measure the funded status and serve as the basis for setting employer and employee contribution rates required to fund the system. The BOR is responsible for obtaining actuarial valuations for the OPEB Program as part of its responsibility for administration of the OPEB Program. [Each Board is responsible for development of its own separate strategic plan.](#)

The BOR and BOI have joint authority under CERL over certain shared responsibilities, including: classification and compensation of personnel; adoption of LACERA's administrative budget; the appointment and evaluation of the Chief Executive Officer (CEO), [consistent with each Board's respective strategic plan](#); and other matters as specified in CERL. [The Boards also jointly set LACERA's mission, vision, and values.](#)

Under the California Constitution, the Boards have plenary authority over administration of the pension fund.

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<sup>1</sup> For a detailed analysis of the statutory duties of each board and their joint duties, please review the memorandum from Chief Legal Officer Steven Rice dated March 27, 2018, and the concurrence from then fiduciary counsel Harvey Leiderman dated June 15, 2018.

**LACERA**  
**Joint Organizational Governance Committee Charter**

## 2 Purpose of this Document

The purpose of this document is to describe:

- the purpose, scope, responsibilities, meetings, and structure of the Joint Organizational Governance Committee (JOGC);
- the committee's membership and leadership; and
- meeting frequency and dates.

## 3 Purpose of the JOGC

The purpose of the JOGC is to:

- serve and facilitate the work of both Boards when the two boards duties intersect; make recommendations, not decisions.

## 4 Scope

- The scope of the JOGC's responsibilities, as explained and defined in Section 7, includes: recommendation to the Boards for approval of a System-wide mission statement and statement of vision and values and application of each Board's respective Strategic Plan in the annual and mid-year budget processes;
- Budgeting to the extent of recommending an annual budget and mid-year budget adjustments to the Boards for their approval;
- Joint Board Policy Development for system-wide policies such as ethics, conflict of interest, media, and education and travel;
- Senior Staff Related Employment Litigation and other litigation affecting the interests of both Boards ;
- Assist in recommending Search Consultant for Chief Executive Officer and Chief Legal Officer;
- Such other assistance as may be jointly requested by the Boards; and Classification and salaries of staff.

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## 5 Powers Reserved for the BOR and BOI

The BOR reserves for itself all powers related to (i) retirement and healthcare benefits including policy, legislation, litigation, operations, and administration, ~~and~~ (ii) actuarial valuations of the OPEB Program, and (iii) a BOR strategic plan.

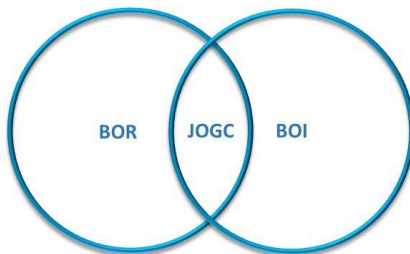
## LACERA

### Joint Organizational Governance Committee Charter

The BOI reserves for itself all powers related to (i) investments, including policy, legislation, litigation, operations, and administration, (ii) actuarial valuations of the pension fund, ~~and~~ (iii) oversight of the OPEB Trusts, and (iv) a BOI strategic plan.

## 6 Authority

The JOGC will only make recommendations to each Board on matters that intersect and affect both the BOR and BOI as described in Section 7, Responsibilities of this Charter. The following Venn diagram visually highlights the JOGC role to facilitate the work of both Boards when the Boards' duties intersect.



## 7 Responsibilities

### 7.1 Application of BOR and BOI Strategic Plans as they relate to ~~ning and~~ Budgeting

Each Board is expected to adopt a strategic plan and those plans will pProvide guidance on the ~~development of a three-year strategic plan and the associated~~ annual budgeting process for the Administrative, Retiree Healthcare, OPEB Program, and Non-Administrative budgets and make recommendations to the Boards, including the following:

- Joint Mission Statement and Statement of Vision and Values : While each Board will adopt its own strategic plan, it is vital that LACERA have a well-developed mission statement and statement of vision and values applicable to the System as a whole. These statements should be reflected in and guide each Board's individual strategic plans and objectives. Strategic Plan: Provide oversight and guidance on the development of a three-year strategic plan that will guide the annual budgeting process, including resources needed to achieve organizational objectives.

In providing developing each annual and mid-year input and guidance on the development of the strategic plan, and associated budget plans, the JOGC will take into account, but will not reconsider, actions taken by the Boards within the areas of their separate jurisdiction as reflected in their individual strategic plans, including the Board of Retirement for

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### Joint Organizational Governance Committee Charter

~~pension, healthcare, and administrative matters and the Board of Investments for investment-related strategic planning.~~ The JOGC's role reflects an understanding that the entire budget process for LACERA, under Government Code Section 31580.2, is subject to the approval of both Boards, ~~and that~~ ~~therefore,~~ ~~oversight and~~ guidance for the development of the budget is a joint Board responsibility, based in part upon actions taken by the Boards separately, including the details of their respective strategic plans, vendor selections, and other matters.

Additionally, the JOGC's role reflects an understanding that each Board's three-year strategic plan ~~is a rolling plan and~~ will also take into account past strategic plan initiatives that have already been set in motion and for which resources have already been allocated and expended as they provide input on new expectations and initiatives.

- Staffing Needs.
  - Staff Classifications: Review and make recommendations on staff requests to create all new Staff Member classifications.
  - Staff Compensation: Review and make recommendations on Staff Member requests related to:
    - Negotiation and approval of collective bargaining agreements;
    - Approval of initial compensation levels and ranges applicable to new positions to be added to the County Code;
    - Approval of compensation level and range changes for existing positions that require changes to the County Code; and
    - Budgeting for compensation to be provided for existing positions within existing County Code ranges.
- Budget Development: Provide guidance during the annual budget development and mid-year budget review and adjustment cycle for the Administrative, Retiree Healthcare, OPEB Program, and Non-Administrative budgets. The staff will develop preliminary budget plans that take into account and support the approved strategic plans and general operating needs. The JOGC will review and provide a recommendation regarding the proposed budgets which will then be presented to the Boards during budget hearings. Both Boards will then independently ~~take action~~ act on the JOGC's recommended proposed budget.

Staff will present to each Board separately a ~~three-year~~ strategic plan developed for their unique needs and mission for the system as a whole incorporating and assist the JOGC with applying the strategic plan of each Board ~~in the~~ and annual budget plan development and mid-year budget review and adjustment process. ~~This will include~~ ing a proposed JOGC meeting schedule



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### Joint Organizational Governance Committee Charter

with respect to planning and budget issues, for the JOGC's approval. This process will govern how the organization will ~~implement the respective~~ ~~conduct the~~ ~~strategic plans in the~~ ~~and annual~~ budgeting process ~~on an annual basis~~. Once approved the process will remain in effect until reviewed and modified by the JOGC and staff, with a mandatory review every six years. In this process, the JOGC will not change the strategic plans developed by each Board but rather simply address budget issues to support the Boards' separate plans.

The JOGC will complete its ~~strategic planning and the joint~~ budgeting responsibilities on an ~~agreed timetable~~ which will enable timely outlined in adoption of the budget as required by CERL the approved annual strategic planning and budgeting process. All budget plans will include presentation of the budget to the Boards for final approval no later than June of each year and a mid-year budget adjustment, as needed, in December.

On-going Oversight Review: Once ~~each Board has adopted a a three-year~~ strategic plan and an annual budget is approved, the JOGC will provide on-going oversight review of the budget-to-actual results, make recommendations to the Boards with respect to the budget-to-actual results and the mid-year budget review and adjustment process, and ~~the progress made towards fulfilling the Strategic Plan initiatives of each Board and assurance review~~ consistency with the stated mission, vision, and values the combined Strategic Plan for the system as a whole, during the fiscal year according to a schedule approved by the Committee in consultation with the staff.

By this section, the JOGC does not assume and will not exercise any responsibility as Appointing Authority not granted to the Boards under the Los Angeles County Code, including Section 5 (Personnel) and Section 6 (Salaries), or otherwise in conflict with the County Code and LACERA Policy.

#### 7.2 Joint Policies

When not otherwise reserved to either the BOR or the BOI, assist in the development of and make recommendations with respect to all joint policies, such as ethics, conflict of interest, media, and education and travel.

#### 7.3 Litigation and Claims

Make recommendations about employment related and other Litigation and Claims affecting the interests of both Boards as described in Section 4. In matters specifically related to employment litigation concerning senior staff that serve both Boards, the CEO and Chief Legal Officer shall participate in the Committee's deliberations.

They may also include any other Litigation and Claims, including one that each Board is generally expected to separately manage, that the Board Chairs, the CEO, or Chief Counsel reasonably believe justify the involvement of this Committee because of mutual interest and concern to both Boards.

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### Joint Organizational Governance Committee Charter

Litigation and Claims are defined as court actions, pre-litigation demands or claims, potential court actions, demands, or claims, and other forms of dispute resolution, such as arbitration and mediation.

Each Board is generally expected to separately manage:

- (1) As to the Board of Retirement, Litigation and Claims relating to the regular course of business regarding retirement, disability, and healthcare benefits, all LACERA personnel (other than the Chief Executive Officer, and all those reporting directly to them or as to whom the Boards or any of their committees have an Appointing Authority role as stated in this section), and the general operations and administration of the retirement system and the OPEB Program (including actuarial services for the OPEB Program),
- (2) As to the Board of Investments, Litigation and Claims relating to the regular course of business regarding investments, pension actuarial services, and the OPEB Trusts, and
- (3) Litigation and Claims concerning contracts approved only by that Board.

By this section, the JOGC does not assume any responsibility as Appointing Authority not granted to the Boards under the Los Angeles County Code, including Section 5 (Personnel) and Section 6 (Salaries) or otherwise in conflict with the County Code.

#### 7.4 Chief Executive Officer and Chief Legal Officer

Should a vacancy occur:

- Make a recommendation for a search consultant; and
- Provide such additional assistance in the selection process as the Boards may determine at the time.

#### 7.5 Miscellaneous Matters

Miscellaneous matters that may need to be brought before the JOGC will be determined on a case-by-case basis by the respective Board Chairs and the Chair of the JOGC in consultation with the CEO. Additionally, miscellaneous matters may be brought before the JOGC by any JOGC member.

## 8 Membership, Quorum, and Rules

There will be eight (8) members with no designated alternates. The JOGC will be comprised of the BOR and BOI Chairs and Vice-Chairs plus one member appointed by each Chair and one member elected by each Board. In making their appointment, each Chair will endeavor to include an overall mix of trustees who are appointed by the Board of Supervisors, elected by active employees (general and safety), elected by retired members, and who serve in an ex officio capacity. The Chairs will also consider continuity of service when appointing members, so that

## LACERA

### Joint Organizational Governance Committee Charter

development of expertise and familiarity with the subject matters jurisdictional to the JOGC are encouraged, and to benefit the JOGC's goals.

If there is one JOGC member who represents both Boards (one overlap), then an additional appointment will be made by the BOR Chair in even years and by the BOI Chair in odd years. If there is more than one overlap, the BOR and BOI Chairs will make an equal number of additional appointments; if there are an odd number of overlaps, the final appointment, after the Board Chairs make their separate appointments, will be made following the rule as stated in the preceding sentence that applies in the case of one overlap.

A quorum exists when a majority of the members are present, without regard to the Board ~~from~~ ~~which~~ ~~from~~ ~~which~~ individual members were appointed.

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The JOGC is subject to the Ralph M. Brown Act (Brown Act), and its meetings will be noticed, agendized, and conducted in accordance with the Brown Act. The JOGC may meet in closed session as provided in the Brown Act.

Robert's Rules of Order will also apply in the JOGC's meetings. A motion may be made or seconded by any member. A motion passes if a majority of the members present, without regard to the Board from which they were appointed, vote in favor of the motion.

## 9 Leadership

The Chair and Vice Chair of the JOGC will be elected by members of the JOGC at the first meeting of each year.

## 10 Meeting Frequency and Dates

### 10.1 Frequency

The Committee shall meet in ~~February, the first quarter~~ for the purpose of electing Committee officers and to review policies applicable to the System as a whole. The Committee shall meet in April for budget review for the System. Further meetings shall be scheduled as needed with the concurrence of the Board Chairs or the committee Chair. All meetings shall be noticed in accordance with the Ralph M. Brown Act.

### 10.2 Dates

~~To the extent possible, meetings will alternate between scheduled BOR and BOI meetings, and as needed.~~

## 11 Charter Review

The BOR and BOI shall review and update this Charter, based on recommendations from the JOGC, at least once every three years.

**LACERA**  
**Joint Organizational Governance Committee Charter**

HISTORY:

Revised and Restated by the Board of Retirement on ~~September xx, 2023~~January 5, 2022 and by the Board of Investments on ~~September xx, 2023~~January 12, 2022.



# LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

## Joint Organizational Governance Committee Charter

Revised and Restated  
Adopted by Board of Retirement on September xx,  
2023  
Adopted by the Board of Investments on September xx,  
20232



**LACERA**  
**Joint Organizational Governance Committee Charter**

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**LACERA**  
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## 1 Overview of the LACERA Board of Retirement and the Board of Investments<sup>1</sup>

The Los Angeles County Employees Retirement Association (LACERA) is a public pension system formed in 1937 in accordance with the County Employees Retirement Law of 1937 (the '37 Act or CERL) and administered pursuant to the '37 Act, the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the California Constitution. LACERA also administers the Retiree Healthcare Benefits Program for the County and outside districts, through contractual agreements with the County, and the Other Postemployment Benefits Program (OPEB) trusts formed by the County, LACERA, and the Los Angeles Superior Court to provide support for the retiree health program in the future.

LACERA is an independent governmental entity. LACERA is the largest county retirement system in America. LACERA is funded by the County, participating employers, employees, and investment earnings.

LACERA is governed by two Boards. Both Boards include a mix of trustees that are appointed and elected members and an ex-officio member, the sitting County Treasurer and Tax Collector. The Board of Retirement (BOR) is responsible for the overall management of the retirement system and the LACERA-administered Retiree Healthcare Benefits Program. The Board of Investments (BOI) is responsible for determining LACERA's investment objectives, strategies, and policies, as well as exercising authority and control over the investment management of the Fund. The BOI also invests and manages the OPEB trust assets for participating employers. In addition, the BOI is responsible for obtaining pension actuarial valuations that measure the funded status and serve as the basis for setting employer and employee contribution rates required to fund the system. The BOR is responsible for obtaining actuarial valuations for the OPEB Program as part of its responsibility for administration of the OPEB Program. Each Board is responsible for development of its own separate strategic plan.

The BOR and BOI have joint authority under CERL over certain shared responsibilities, including: classification and compensation of personnel; adoption of LACERA's administrative budget; the appointment and evaluation of the Chief Executive Officer (CEO), consistent with each Board's respective strategic plan; and other matters as specified in CERL. The Boards also jointly set LACERA's mission, vision, and values.

Under the California Constitution, the Boards have plenary authority over administration of the pension fund.

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<sup>1</sup> For a detailed analysis of the statutory duties of each board and their joint duties, please review the memorandum from Chief Legal Officer Steven Rice dated March 27, 2018, and the concurrence from then fiduciary counsel Harvey Leiderman dated June 15, 2018.

**LACERA**  
**Joint Organizational Governance Committee Charter**

## 2 Purpose of this Document

The purpose of this document is to describe:

- the purpose, scope, responsibilities, meetings, and structure of the Joint Organizational Governance Committee (JOGC);
- the committee's membership and leadership; and
- meeting frequency and dates.

## 3 Purpose of the JOGC

The purpose of the JOGC is to:

- serve and facilitate the work of both Boards when the two boards duties intersect; make recommendations, not decisions.

## 4 Scope

- The scope of the JOGC's responsibilities, as explained and defined in Section 7, includes: recommendation to the Boards for approval of a System-wide mission statement and statement of vision and values and application of each Board's respective Strategic Plan in the annual and mid-year budget processes;
- Budgeting to the extent of recommending an annual budget and mid-year budget adjustments to the Boards for their approval;
- Joint Board Policy Development for system-wide policies such as ethics, conflict of interest, media, and education and travel;
- Senior Staff Related Employment Litigation and other litigation affecting the interests of both Boards ;
- Assist in recommending Search Consultant for Chief Executive Officer and Chief Legal Officer;
- Such other assistance as may be jointly requested by the Boards; and Classification and salaries of staff.

## 5 Powers Reserved for the BOR and BOI

The BOR reserves for itself all powers related to (i) retirement and healthcare benefits including policy, legislation, litigation, operations, and administration, (ii) actuarial valuations of the OPEB Program, and (iii) a BOR strategic plan.

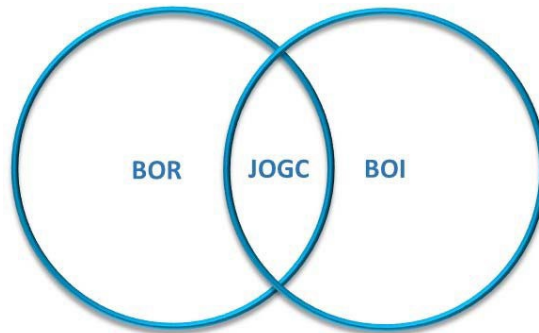
## LACERA

### Joint Organizational Governance Committee Charter

The BOI reserves for itself all powers related to (i) investments, including policy, legislation, litigation, operations, and administration, (ii) actuarial valuations of the pension fund, (iii) oversight of the OPEB Trusts, and (iv) a BOI strategic plan.

## 6 Authority

The JOGC will only make recommendations to each Board on matters that intersect and affect both the BOR and BOI as described in Section 7, Responsibilities of this Charter. The following Venn diagram visually highlights the JOGC role to facilitate the work of both Boards when the Boards' duties intersect.



## 7 Responsibilities

### 7.1 Application of BOR and BOI Strategic Plans as they relate to Budgeting.

Each Board is expected to adopt a strategic plan and those plans will provide guidance on the annual budgeting process for the Administrative, Retiree Healthcare, OPEB Program, and Non-Administrative budgets and make recommendations to the Boards, including the following:

- Joint Mission Statement and Statement of Vision and Values : While each Board will adopt its own strategic plan, it is vital that LACERA have a well-developed mission statement and statement of vision and values applicable to the System as a whole. These statements should be reflected in and guide each Board's individual strategic plans and objectives. .

In developing each annual and mid-year budget plans, the JOGC will take into account, but will not reconsider, actions taken by the Boards within the areas of their separate jurisdiction as reflected in their individual strategic plans.. The JOGC's role reflects an understanding that the entire budget process for LACERA, under Government Code Section 31580.2, is subject to the approval of both Boards. Therefore, guidance for the development of the budget is a joint Board responsibility, based in part upon actions taken by the Boards separately, including the details of their respective strategic plans, vendor selections, and other matters.

Additionally, the JOGC's role reflects an understanding that each Board's strategic plan

## LACERA

### Joint Organizational Governance Committee Charter

will take into account past strategic plan initiatives that have already been set in motion and for which resources have already been allocated and expended as they provide input on new expectations and initiatives.

- Staffing Needs.
  - Staff Classifications: Review and make recommendations on staff requests to create all new Staff Member classifications.
  - Staff Compensation: Review and make recommendations on Staff Member requests related to:
    - Negotiation and approval of collective bargaining agreements;
    - Approval of initial compensation levels and ranges applicable to new positions to be added to the County Code;
    - Approval of compensation level and range changes for existing positions that require changes to the County Code; and
    - Budgeting for compensation to be provided for existing positions within existing County Code ranges.
- Budget Development: Provide guidance during the annual budget development and mid-year budget review and adjustment cycle for the Administrative, Retiree Healthcare, OPEB Program, and Non-Administrative budgets. The staff will develop preliminary budget plans that take into account and support the approved strategic plans and general operating needs. The JOGC will review and provide a recommendation regarding the proposed budgets which will in turn be presented to the Boards during budget hearings. Both Boards will then independently act on the JOGC's recommended proposed budget.

Staff will present to each Board separately a strategic plan developed for their unique needs and mission and assist the JOGC with applying the strategic plan of each Board in the annual budget plan development and mid-year budget review and adjustment process. This will include a proposed JOGC meeting schedule with respect to planning and budget issues, for the JOGC's approval. This process will govern how the organization will implement the respective strategic plans in the annual budgeting process. Once approved the process will remain in effect until reviewed and modified by the JOGC and staff, with a mandatory review every six years. In this process, the JOGC will not change the strategic plans developed by each Board but rather simply address budget issues to support the Boards' separate plans.

The JOGC will complete its the joint budgeting responsibilities on an agreed timetable which will enable timely adoption of the budget as required by CERL. All budget plans will include presentation of the budget to the Boards for final approval no later than June of each year and a mid-year budget adjustment, as needed, in December.

**LACERA**  
**Joint Organizational Governance Committee Charter**

On-going Review: Once each Board has adopted a strategic plan and an annual budget is approved, the JOGC will provide on-going review of the budget-to-actual results, make recommendations to the Boards with respect to the budget-to-actual results and the mid-year budget review and adjustment process, and review consistency with the stated mission, vision, and values for the system as a whole, during the fiscal year according to a schedule approved by the Committee in consultation with the staff.

By this section, the JOGC does not assume and will not exercise any responsibility as Appointing Authority not granted to the Boards under the Los Angeles County Code, including Section 5 (Personnel) and Section 6 (Salaries), or otherwise in conflict with the County Code and LACERA Policy.

## 7.2 Joint Policies

When not otherwise reserved to either the BOR or the BOI, assist in the development of and make recommendations with respect to all joint policies, such as ethics, conflict of interest, media, and education and travel.

## 7.3 Litigation and Claims

Make recommendations about employment related and other Litigation and Claims affecting the interests of both Boards as described in Section 4. In matters specifically related to employment litigation concerning senior staff that serve both Boards, the CEO and Chief Legal Officer shall participate in the Committee's deliberations.

They may also include any other Litigation and Claims, including ones that each Board is generally expected to separately manage, that the Board Chairs, the CEO, or Chief Counsel reasonably believe justify the involvement of this Committee because of mutual interest and concern to both Boards.

Litigation and Claims are defined as court actions, pre-litigation demands or claims, potential court actions, demands, or claims, and other forms of dispute resolution, such as arbitration and mediation.

Each Board is generally expected to separately manage:

- (1) As to the Board of Retirement, Litigation and Claims relating to the regular course of business regarding retirement, disability, and healthcare benefits, all LACERA personnel (other than the Chief Executive Officer, and all those reporting directly to them or as to whom the Boards or any of their committees have an Appointing Authority role as stated in this section), and the general operations and administration of the retirement system and the OPEB Program (including actuarial services for the OPEB Program),
- (2) As to the Board of Investments, Litigation and Claims relating to the regular course of

## LACERA

### Joint Organizational Governance Committee Charter

business regarding investments, pension actuarial services, and the OPEB Trusts, and

(3) Litigation and Claims concerning contracts approved only by that Board.

By this section, the JOGC does not assume any responsibility as Appointing Authority not granted to the Boards under the Los Angeles County Code, including Section 5 (Personnel) and Section 6 (Salaries) or otherwise in conflict with the County Code.

#### 7.4 Chief Executive Officer and Chief Legal Officer

Should a vacancy occur:

- Make a recommendation for a search consultant; and
- Provide such additional assistance in the selection process as the Boards may determine at the time.

#### 7.5 Miscellaneous Matters

Miscellaneous matters that may need to be brought before the JOGC will be determined on a case-by-case basis by the respective Board Chairs and the Chair of the JOGC in consultation with the CEO. Additionally, miscellaneous matters may be brought before the JOGC by any JOGC member.

## 8 Membership, Quorum, and Rules

There will be eight (8) members with no designated alternates. The JOGC will be comprised of the BOR and BOI Chairs and Vice-Chairs plus one member appointed by each Chair and one member elected by each Board. In making their appointment, each Chair will endeavor to include an overall mix of trustees who are appointed by the Board of Supervisors, elected by active employees (general and safety), elected by retired members, and who serve in an ex officio capacity. The Chairs will also consider continuity of service when appointing members, so that development of expertise and familiarity with the subject matters jurisdictional to the JOGC are encouraged, and to benefit the JOGC's goals.

If there is one JOGC member who represents both Boards (one overlap), then an additional appointment will be made by the BOR Chair in even years and by the BOI Chair in odd years. If there is more than one overlap, the BOR and BOI Chairs will make an equal number of additional appointments; if there are an odd number of overlaps, the final appointment, after the Board Chairs make their separate appointments, will be made following the rule as stated in the preceding sentence that applies in the case of one overlap.

A quorum exists when a majority of the members are present, without regard to the Board from which individual members were appointed.

The JOGC is subject to the Ralph M. Brown Act (Brown Act), and its meetings will be noticed,

## LACERA

### Joint Organizational Governance Committee Charter

agendized, and conducted in accordance with the Brown Act. The JOGC may meet in closed session as provided in the Brown Act.

Robert's Rules of Order will also apply in the JOGC's meetings. A motion may be made or seconded by any member. A motion passes if a majority of the members present, without regard to the Board from which they were appointed, vote in favor of the motion.

## 9 Leadership

The Chair and Vice Chair of the JOGC will be elected by members of the JOGC at the first meeting of each year.

## 10 Meeting Frequency and Dates

The Committee shall meet in the first quarter for the purpose of electing Committee officers and to review policies applicable to the System as a whole. The Committee shall meet in April for budget review for the System. Further meetings shall be scheduled as needed with the concurrence of the Board Chairs or the committee Chair. All meetings shall be noticed in accordance with the Ralph M. Brown Act.

## 11 Charter Review

The BOR and BOI shall review and update this Charter, based on recommendations from the JOGC, at least once every three years.

### HISTORY:

Revised and Restated by the Board of Retirement on September xx, 2023 and by the Board of Investments on September xx, 2023.





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**Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.**

**For further information, contact:  
LACERA  
Attention: Public Records Act Requests  
300 N. Lake Ave., Suite 620  
Pasadena, CA 91101**



August 9, 2023

TO: Joint Organizational Governance Committee

FROM: Santos H. Kreimann <sup>SHK</sup>  
Chief Executive Officer

FOR: August 17, 2023 Joint Organizational Governance Committee Meeting

SUBJECT: LACERA's Revised *Mission, Vision, and Values*

### **RECOMMENDATION:**

That the Joint Organizational Governance Committee (JOGC) review and recommend for approval and adoption LACERA's revised *Mission, Vision, and Values* to both the Board of Retirement and Board of Investments.

### **EXECUTIVE SUMMARY**

As part of our 2022-2023 Strategic Planning process, LACERA also reviewed and revised its *Mission, Vision, and Values*. While LACERA's mission of producing, protecting, and providing the promised benefits for our members is unwavering, collaborating to build a better future relies on a singular commitment to our vision and shared values. They serve as the cornerstone for communicating our purpose, illuminating our future, and establishing a baseline for accountability at all levels of LACERA. The values include, as an integral part, the Organizational Guiding Principles that further inform and develop the underlying expectations to which we hold ourselves accountable.

Please review the attached LACERA *Mission, Vision, and Values* document to gain a better understanding on how our mission, vision, and values define what we do every day and is central to our commitment to serving our members in the coming years.

### **CONCLUSION**

LACERA staff would like to thank all stakeholders involved in the development of our revised *Mission, Vision, and Values*. With our mission, vision, and values directly fueling our sense of purpose and resolve, we are poised to empower our members while continuing to deliver exceptional service, now and in the years to come.

### **IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE:**

Review and recommend for approval and adoption LACERA's revised *Mission, Vision, and Values* to both the Board of Retirement and Board of Investment.

Re: LACERA's Revised *Mission, Vision, and Values*

August 9, 2023

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Respectfully,



Santos H. Kreimann  
Chief Executive Officer

cc: Luis A. Lugo  
Jon Grabel  
Steven P. Rice  
JJ Popowich  
Laura Guglielmo

Attachments

*Attachment A: LACERA Mission, Vision, and Values*

# L/CERA



A Brighter Future  
Built on Our Shared Purpose

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**Mission, Vision, and Values**

# Trustees

A special thank-you to the Trustees of both Boards for their service and guidance in shaping LACERA's vision, values, and guiding principles.

## Board of Retirement



**Shawn R. Kehoe**  
Chair

*Elected by Safety Members*



**Alan J. Bernstein**  
Vice Chair

*Appointed by Board of Supervisors*



**Vivian H. Gray**  
Secretary

*Elected by General Members*



**Elizabeth B. Ginsberg**

Chief Deputy County Treasurer And Tax Collector  
*Acting Ex-Officio Trustee\**



**Jason E. Green**

*Elected by Safety Members*



**Elizabeth Greenwood**

*Appointed by Board of Supervisors*



**James P. Harris**

*Elected by Retired Members*



**Keith Knox**

County Treasurer and Tax Collector  
*Ex-Officio Trustee*



**Ronald Okum**

*Appointed by Board of Supervisors*



**Les Robbins**

*Elected by Retired Members*



**Antonio Sanchez**

*Appointed by Board of Supervisors*



**Herman B. Santos**

*Elected by General Members*

## Board of Investments



**Gina V. Sanchez**  
Chair

*Appointed by Board of Supervisors*



**Herman B. Santos**  
Vice Chair

*Elected by General Members*



**Joseph Kelly**  
Secretary

*Elected by Retired Members*



**Elizabeth B. Ginsberg**

Chief Deputy County Treasurer And Tax Collector  
*Acting Ex-Officio Trustee\**



**David Green**

*Elected by General Members*



**Jason E. Green**

*Elected by Safety Members*



**Onyx Jones**

*Appointed by Board of Supervisors*



**Patrick L. Jones**

*Appointed by Board of Supervisors*



**Keith Knox**

County Treasurer and Tax Collector  
*Ex-Officio Trustee*



**David E. Ryu**

*Appointed by Board of Supervisors*

*\* When ex-officio trustee is absent*

# A Message From the CEO



I'm pleased to present LACERA's updated mission, vision, and values statements, which were revisited and revised as part of our 2022–2023 strategic planning process.

While LACERA's mission of producing, protecting, and providing the promised benefits for our members is unwavering, collaborating to build a better future relies on a singular commitment to our vision and shared organizational values—elements that evolve over time as we adapt to new circumstances, advancements in technology, shifting cultural dynamics, and changing member expectations.

Through introspection, open dialogue, and a willingness to embrace diverse viewpoints, LACERA's Board of Retirement and Board of Investments have reshaped our vision and values and laid out guiding principles to foster innovation, boost organizational resilience, and meet the challenges of the future.

With our mission, vision, and values directly fueling our sense of purpose and resolve, we are poised to empower our members while continuing to deliver exceptional service, now and in the years to come.

Santos H. Kreimann  
Chief Executive Officer





## Our Mission

To produce, protect, and provide the promised benefits to our members

## Our Vision

Empowering our members to enjoy a healthy and secure retirement

Our mission defines what we do everyday and is central to our commitment to serving our members. “Members” include active and retired members and, for the purposes of this document, their beneficiaries and survivors.

Our vision statement is inspirational and aspirational for improving how we will serve our members in the coming years. While we continue delivering secure, sustainable, and sound services, we will be highly focused on additional ways to educate our members so they can make informed planning decisions, use improved technology to access our services, and fulfill their retirement dreams.

# Our Values

Our core values serve as our cultural guide and foundation in meeting our mission. As a member-focused government agency, we abide by our core values to ensure the public's trust, operate efficiently and cost effectively, and provide our members their promised benefits.



## Accountability

We take responsibility for our actions and operate with the highest standards of professionalism and respect in fulfilling our mission and duty as prudent stewards of the pension funds.



## Innovation

We cultivate a creative, forward-thinking approach in seeking out new ideas and novel solutions to continually improve our operations and the member experience.



## Collaboration

We are One LACERA. We promote unity by successfully working together across all levels of the organization to deliver on our strategic priorities and objectives.



## Integrity

We earn trust by our dedication to honesty, fairness, and ethical conduct in the service of our members and each other.



## Inclusivity

We welcome all individuals, honoring and respecting their unique stories and perspectives, and celebrating the value that diversity adds to the organization in meeting our mission and strategic priorities.



## Transparency

We clearly communicate our knowledge, ideas, and expertise in an open, fair, and honest environment, resulting in better organizational outcomes and decision-making.



# Our Organizational Guiding Principles



## ACCOUNTABILITY

We take responsibility for our actions and operate with the highest standards of professionalism and respect in fulfilling our mission and duty as prudent stewards of the funds.



## COLLABORATION

We are One LACERA. We promote unity by successfully working together across all levels of the organization to deliver on our strategic priorities and objectives.



## INCLUSIVITY

We welcome all individuals, honoring and respecting their unique stories and perspectives, and celebrating the value that diversity adds to the organization in meeting our mission and strategic priorities.

## LACERA's Guiding Organizational Principles Linked to Our Values

We follow through on our promises to provide high-quality, efficient, and accurate service to our members.

We recognize that we are human and make errors. When we make an error we recognize it, correct it, and look to find ways to prevent future errors.

We work together to support each other when an error is made, working as a team to make it right.

We provide timely, honest, and impartial performance evaluations. When evaluating staff, we consider the totality of their actions and provide appropriate constructive feedback and accurate ratings. Our employees are entitled to a clear explanation of performance expectations and professional development and promotional opportunities.

We address performance, inappropriate conduct, or actions not in line with our values in a timely manner.

We take the initiative to develop our skills to get the job done.

We seek out the opinions of others when approaching a challenge.

We recognize that almost no task can be accomplished alone, and seek out those with knowledge and skills to help us be successful in our work.

We share information freely and openly across team and divisional lines.

We encourage and expect cross-functional teams and teamwork.

We work together to reach common goals—the essence of LACERA'S success.

We do not judge others based on how they talk, look, or dress. We measure people on their actions.

We seek out others' opinions to ensure we have a well-rounded perspective.

We are considerate and tolerant of different views, creating a safe environment to share our thoughts.

We take the time to actively listen to each other.

Our communication materials reflect our community; imagery is representative of those we serve.

We choose nonbiased language.

We seek to appropriately challenge behaviors that are exclusive, seeking to educate to encourage better behaviors.

We seek to create balanced teams.

We seek to understand each other and take each other's needs into account when making decisions or planning events.

We base our actions on the belief that our members and coworkers deserve to be treated with courtesy, patience, and empathy.

# Our Organizational Guiding Principles



## INNOVATION

We cultivate a creative, forward-thinking approach in seeking out new ideas and novel solutions to continually improve our operations and the member experience.



## INTEGRITY

We earn trust by our dedication to honesty, fairness, and ethical conduct in the service of our members and each other.



## TRANSPARENCY

We clearly communicate our knowledge, ideas, and expertise in an open, fair, and honest environment, resulting in better organizational outcomes and decision-making.

## LACERA's Guiding Organizational Principles Linked to Our Values

We listen to everyone's ideas and look for those that benefit our members, our organization, and our plan sponsors.

We provide everyone a safe space to share ideas without judgment.

We are judicious but willing to take measured risks to test out new ideas.

We are not afraid to fail, understanding that failure is a step toward better solutions.

We make an effort to seek out new knowledge, remaining aware of what is happening in our industry and similar industries.

We seek to develop solutions with others, taking advantage of diverse knowledge and perspectives.

Integrity guides all of our work relationships.

We inspire confidence by our high standards for member services and sound investment practices.

We are reliable, ethical, and honest. We choose to do the right thing even when no one is looking.

When presented with two or more valid choices on how to address a challenge or issue, we choose the one that is most beneficial to the member or staff member.

When we see or hear something wrong or inappropriate, we speak up.

We make decisions based on facts and the law.

When we make an error, we recognize the error, and work to correct it.

We build trust by ensuring we credit the work of others, publicly recognizing their ideas and contributions.

When we are struggling, going to miss a deadline, or need help, we discuss the challenges with our teams, peers, or leaders, allowing time and opportunity to receive help to meet deadlines and commitments.

We foster a common understanding of purpose-quality service to our members- through frank and straightforward expression of ideas.

We create a healthy work environment by sharing information, listening to each others' ideas, and giving constructive feedback.

We create a nurturing work environment that promotes fairness and trust by listening to and supporting each other.

We recognize that good decisions are made based on knowledge and data, and seek to share and provide both freely.

We do not hesitate to speak up when we have information that may be useful to a peer or business partner.

We create open knowledge repositories that are appropriately accessible.

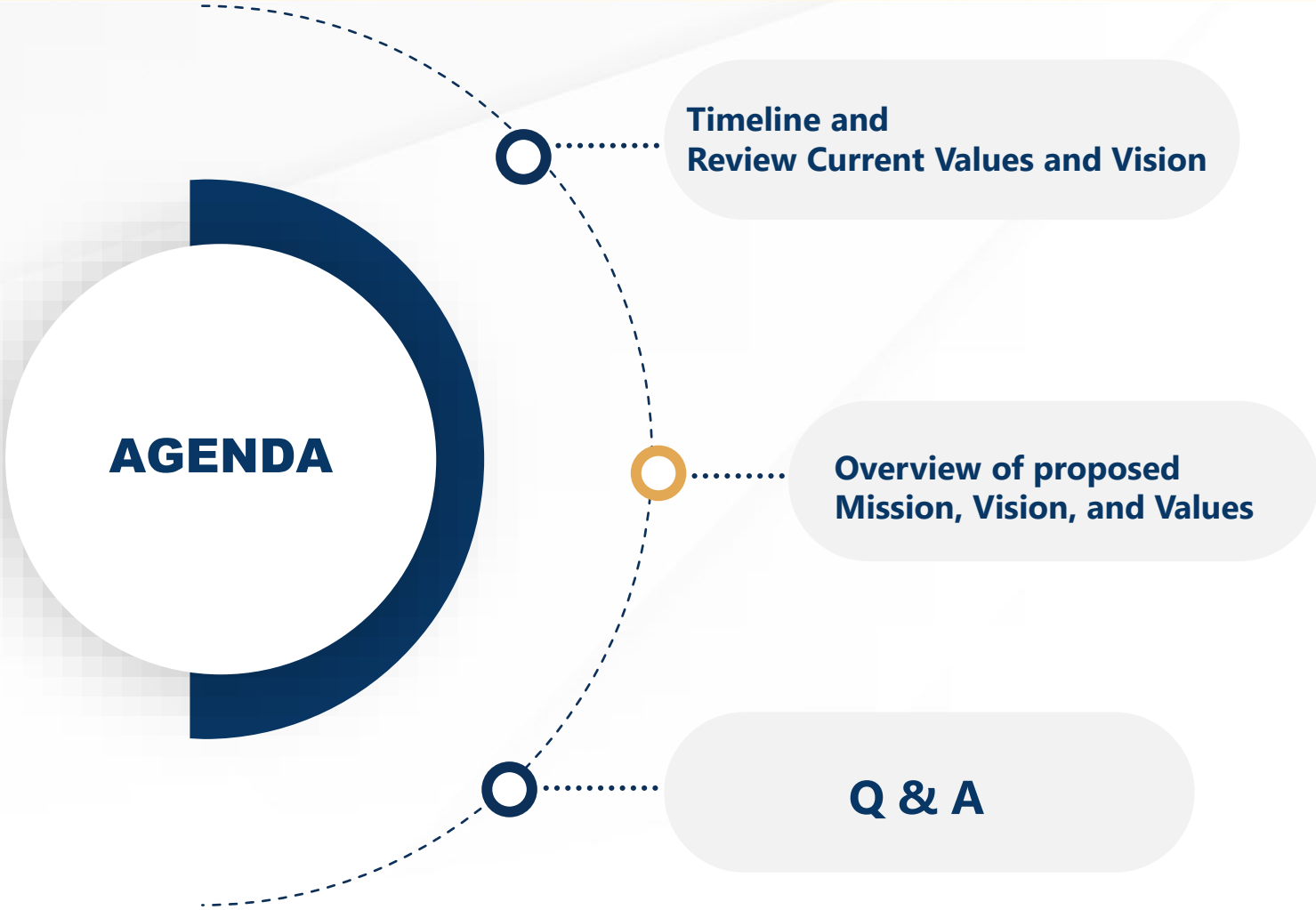
We recognize that we are a public institution and freely share knowledge (appropriately) with our peer organizations.



# LACERA Mission, Vision, and Values

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**Joint Organizational Governance Committee  
August 17, 2023**





## Title slide



# LACERA's Current Values and Vision



## LACERA VALUES

### *Professionalism*

We take the initiative to develop our skills to get the job done. We are accountable for providing quality service to our members that is efficient and accurate.

### *Respect*

Our members and coworkers deserve to be treated with courtesy, patience, and empathy. When we listen to and support each other, we create a nurturing work environment that promotes fairness and trust.

### *Open Communications*

Our frank and straightforward expression of ideas fosters a common understanding of purpose — quality service to our members. We create a healthy work environment by sharing information, listening to each others' ideas, and giving constructive feedback.

### *Fairness*

Our employees are entitled to a clear explanation of performance expectations. Performance evaluations are timely, honest, and impartial; personal improvement plans are reasonable and constructive; and we provide opportunities for professional development and promotion.

### *Integrity*

We inspire confidence by our high standards for member services and sound investment practices. We are reliable, ethical, and honest. Loyalty to LACERA means loyalty to members. Integrity guides all of our work relationships.

### *Teamwork*

We are committed to teamwork and we openly share information and ideas. Working together to reach common goals is the essence of success.



Achieving our MISSION through  
shared VALUES and a collective VISION.

## LACERA VISION

### *Excellence*—our members deserve the best.

Therefore, we choose to be the best. We choose excellence through innovation. We choose to become unparalleled experts in retirement law, pension administration, and benefit solutions. We choose to be preeminent masters of portfolio management.

### *Commitment*—we are the best.

We will work together to provide the best service. We will continually strengthen our commitment to effective teamwork by contributing our individual strengths, learning new methods and skills, and anticipating the demands of the future.

### *Trust*—Our members place trust in LACERA.

Everyday, we will earn this trust by placing their interest first, by giving them easy-to-understand answers, by solving their problems quickly, and by safeguarding and maximizing their investment assets.

### *Service*—Our members deserve the best.

We pledge to improve our member service until 100 percent of our members making inquiries receive courteous, professional, accurate answers with just one call. We have the ability to achieve this if each one of us reaches deep into our strengths and lends a hand. Our strengths are individual; collectively they are unstoppable.

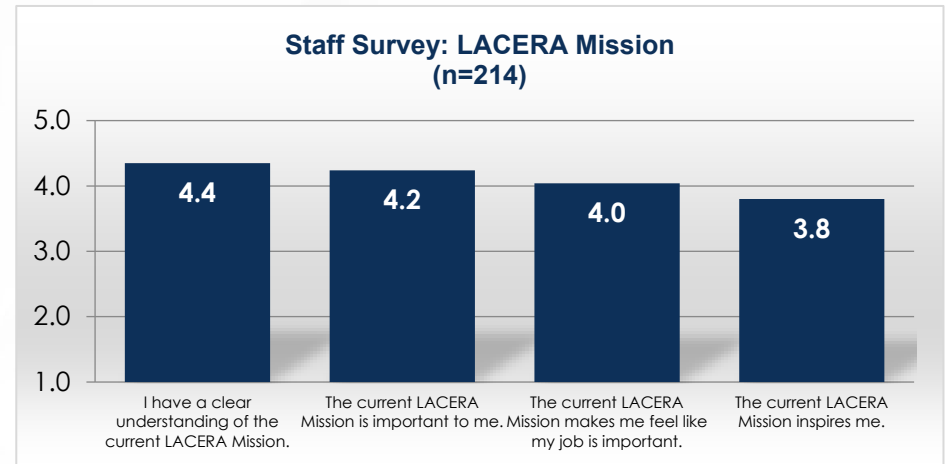
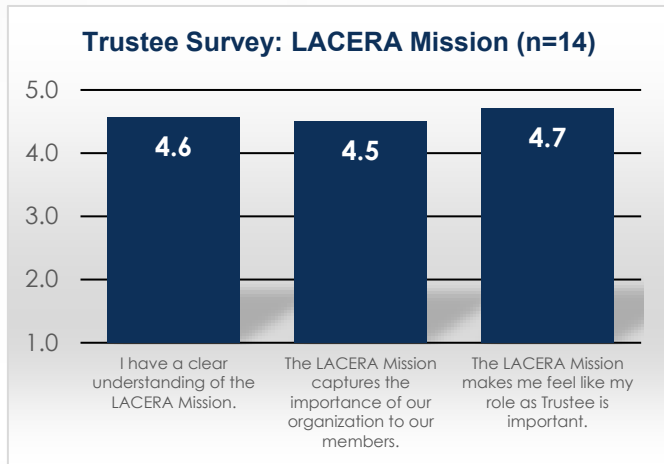


Because members deserve the best.



To produce, protect, and provide the promised benefits to our members.

As evidenced through our stakeholder engagement, our mission continues to stand the test of time. Our mission defines what we do everyday and is central to our commitment to serving our members, both active and retired.





# Building Visionary Framework



## Our Vision

Empowering our members to enjoy a healthy and secure retirement.



OUR vision statement is inspirational and aspirational for improving how we will serve our members into the future.





# Our Core Values



Our **Core Values** serve as our cultural guide and foundation in meeting our **Mission**. As a member-focused government agency, we abide by our core values to ensure the public's trust, operate efficiently and cost effectively, and provide our members their promised benefits



## Accountability

We take responsibility for our actions and operate with the highest standards of professionalism and respect in fulfilling our mission and duty as prudent stewards of the pension fund.



## Innovation

We cultivate a creative, forward-thinking approach in seeking out new ideas and novel solutions to continually improve our operations and the member experience.



## Collaboration

We are One LACERA. We promote unity by successfully working together across all levels of the organization to deliver on our strategic priorities and objectives.



## Integrity

We earn trust by our dedication to honesty, fairness, and ethical conduct in the service of our members and each other.



## Inclusivity

We welcome **all** individuals, honoring and respecting their unique stories and perspectives, and celebrating the value that diversity adds to the organization in meeting our mission and strategic priorities.



## Transparency

We clearly communicate our knowledge, ideas, and expertise in an open, fair, and honest environment, resulting in better organizational outcomes and decision-making.

# LACERA Organizational Guiding Principles



## ACCOUNTABILITY

We take responsibility for our actions and operate with the highest standards of professionalism and respect in fulfilling our mission and duty as prudent stewards of the funds.



## COLLABORATION

We are One LACERA. We promote unity by successfully working together across all levels of the organization to deliver on our strategic priorities and objectives.



## INCLUSIVITY

We welcome all individuals, honoring and respecting their unique stories and perspectives, and celebrating the value that diversity adds to the organization in meeting our mission and strategic priorities.



## INNOVATION

We cultivate a creative, forward-thinking approach in seeking out new ideas and novel solutions to continually improve our operations and the member experience.



## INTEGRITY

We earn trust by our dedication to honesty, fairness, and ethical conduct in the service of our members and each other.



## TRANSPARENCY

We clearly communicate our knowledge, ideas, and expertise in an open, fair, and honest environment, resulting in better organizational outcomes and decision-making.

### LACERA's Guiding Organizational Principles Linked to Our Values

We follow through on our promises to provide high-quality, efficient, and accurate service to our members.

We recognize that we are human and make errors. When we make an error we recognize it, correct it, and look to find ways to prevent future errors.

We work together to support each other when an error is made, working as a team to make it right.

We provide timely, honest, and impartial performance evaluations. When evaluating staff, we consider the totality of their actions and provide appropriate constructive feedback and accurate ratings. Our employees are entitled to a clear explanation of performance expectations and professional development and promotional opportunities.

We address performance, inappropriate conduct, or actions not in line with our values in a timely manner.

We take the initiative to develop our skills to get the job done.

We seek out the opinions of others when approaching a challenge.

We recognize that almost no task can be accomplished alone, and seek out those with knowledge and skills to help us be successful in our work.

We share information freely and openly across team and divisional lines.

We encourage and expect cross-functional teams and teamwork.

We work together to reach common goals—the essence of LACERA'S success.

We do not judge others based on how they talk, look, or dress. We measure people on their actions.

We seek out others' opinions to ensure we have a well-rounded perspective.

We are considerate and tolerant of different views, creating a safe environment to share our thoughts.

We take the time to actively listen to each other.

Our communication materials reflect our community; imagery is representative of those we serve.

We choose nonbiased language.

We seek to appropriately challenge behaviors that are exclusive, seeking to educate to encourage better behaviors.

We seek to create balanced teams.

We seek to understand each other and take each other's needs into account when making decisions or planning events.

We base our actions on the belief that our members and coworkers deserve to be treated with courtesy, patience, and empathy.

### LACERA's Guiding Organizational Principles Linked to Our Values

We listen to everyone's ideas and look for those that benefit our members, our organization, and our plan sponsors.

We provide everyone a safe space to share ideas without judgment.

We are judicious but willing to take measured risks to test out new ideas.

We are not afraid to fail, understanding that failure is a step toward better solutions.

We make an effort to seek out new knowledge, remaining aware of what is happening in our industry and similar industries.

We seek to develop solutions with others, taking advantage of diverse knowledge and perspectives.

Integrity guides all of our work relationships.

We inspire confidence by our high standards for member services and sound investment practices.

We are reliable, ethical, and honest. We choose to do the right thing even when no one is looking.

When presented with two or more valid choices on how to address a challenge or issue, we choose the one that is most beneficial to the member or staff member.

When we see or hear something wrong or inappropriate, we speak up.

We make decisions based on facts and the law.

When we make an error, we recognize the error, and work to correct it.

We build trust by ensuring we credit the work of others, publicly recognizing their ideas and contributions.

When we are struggling, going to miss a deadline, or need help, we discuss the challenges with our teams, peers, or leaders, allowing time and opportunity to receive help to meet deadlines and commitments.

We foster a common understanding of purpose—quality service to our members—through frank and straightforward expression of ideas.

We create a healthy work environment by sharing information, listening to each others' ideas, and giving constructive feedback.

We create a nurturing work environment that promotes fairness and trust by listening to and supporting each other.

We recognize that good decisions are made based on knowledge and data, and seek to share and provide both freely.

We do not hesitate to speak up when we have information that may be useful to a peer or business partner.

We create open knowledge repositories that are appropriately accessible.

We recognize that we are a public institution and freely share knowledge (appropriately) with our peer organizations.



# Questions / Comments

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August 7, 2023

**TO:** Each Trustee,  
Board of Retirement  
Board of Investments

**FROM:** Santos H. Kreimann <sup>SHK</sup>  
Chief Executive Officer

**FOR:** August 17, 2023 Joint Organizational Governance Committee

**SUBJECT:** Document Processing Assistant and Staff Assistant Study Classification and Compensation Study

## **RECOMMENDATION**

It is recommended that the proposed classification and compensation changes be approved for implementation:

- Title change, description revision and salary change for the Disability Retirement Support Specialist I, LACERA classification; and
- Delete the Disability Retirement Support Specialist II, LACERA classification

## **BACKGROUND**

On April 27, 2023, LACERA Human Resources (HR) presented to the Joint Organizational Governance Committee recommendations to implement classification and compensation changes resulting from a June 2019 study completed by Koff & Associates (Koff) on LACERA's document processing and staff assistant positions.

The Study included eighteen (18) positions in four (4) existing classifications. All four (4) classifications are represented by SEIU.

1. Document Processing Coordinator, LACERA
2. Document Processing Assistant, LACERA
3. Staff Assistant II, LACERA
4. Staff Assistant I, LACERA

The original recommendations included the following:

- Title change, description revision, and salary change for the Document Processing Coordinator, LACERA classification;
- Title change and description revision to update the Document Processing Assistant, LACERA classification;
- Title change, description revision and salary change for the Disability Retirement Support Specialist I, LACERA classification;

August 7, 2023

Re: LACERA DPA and SA Classification and Compensation Study

Page 2 of 4

- Description revision to update the Staff Assistant I, LACERA and Staff Assistant II, LACERA class specifications; and
- Delete the Disability Retirement Support Specialist II, LACERA classification because it is obsolete.

At the meeting, study participants holding the title of Document Processing Assistant, LACERA spoke during public comment in opposition to compensation recommendations related to their classification. The speakers did not agree with the recommendation of no salary change for the Document Processing Assistant, LACERA classification.

In response, the Board Trustees directed the Executive Office to meet with staff, refresh the market data, and reassess the compensation study recommendations.

## **STATUS UPDATE**

On May 3, 2023, the Executive Office met with the Document Processing Assistants to discuss the compensation study recommendations provided by Koff & Associates.

Duties performed by Document Processing Staff were compared to Office and Administrative Specialists at Minnesota Public Employees Retirement Association (MNPERA) and Intermediate Typist-Clerks and Ownership Clerks at the Los Angeles County Office of the Assessor (Assessor). The agencies were selected because both agencies perform scanning and indexing of a large number of member documents and/or business records. Assessor positions also use the same document processing equipment as LACERA. All three agencies process between 20,000-23,000 documents per month.

It was found that LACERA indexes numerous document types, similar to other agencies; the document imaging function is fundamentally the same with differences in process, which is expected at different agencies. However, it was also found that positions above the entry level were not comparable to LACERA due to additional highly specialized knowledge and responsibilities required to process retirement and refund applications (MNPERA) and examine and process legal documents related to real property assessments (Assessor). In addition, LACERA Document Processing Center positions were found to be compensated significantly higher than those at Assessor and MNPERA, even when adding a 27.2% regional adjustment for Minnesota.

On June 13, 2023, HR reengaged the original study consultant, Koff & Associates, to refresh the market data, present to the Board Trustees on their classification and compensation process, and update compensation findings. There were no comments on the proposed classification changes; therefore, only the compensation aspect of the study were addressed. The presentation is attached.

August 7, 2023

Re: LACERA DPA and SA Classification and Compensation Study

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Koff July 2023 Market Findings for 75<sup>th</sup> Percentile

Classification Title	# of Matches	Current Max Salary	75 <sup>th</sup> Percentile Salary	Top Monthly Salary % Above or Below 75 <sup>th</sup> Percentile
Disability Retirement Support Specialist (SA II)	8	\$7,402	\$7,191	2.9%
Document Processing Specialist (DPA)	8	\$5,372	\$5,281	1.7%
Document Processing Supervisor (DPC)	6	\$5,828	\$7,188	-23.3%
Staff Assistant I	13	\$6,122	\$5,943	2.9%
Staff Assistant II	10	\$7,402	\$6,907	6.7%
<b>AVERAGE</b>				<b>-1.8%</b>

All studied classifications except for the Document Processing Supervisor, LACERA are above the target 75th percentile.

**CLASSIFICATION AND COMPENSATION CHANGES**

The classification description revisions to update the Staff Assistant I, LACERA and Staff Assistant II, LACERA do not require Committee or Board approval. These updates can be approved internally by the Chief Executive Officer. The changes were presented in the April JOGC recommendations as an outcome of the study.

Revisions were made to the Disability Retirement Support Specialist I, LACERA class specification that reduces the complexity and scope of the position which should be considered when setting compensation. HR still recommends changing classification title to Disability Retirement Support Specialist and reducing the compensation to align with the current Staff Assistant II, LACERA compensation. Current incumbents found to be performing at the level can be administratively reassigned to the Disability Retirement Support Specialist, LACERA title and there will be no reduction in salary that may negatively impact positions identified for reclassification.

Although the Document Processing Assistants are still currently compensated at above the 75th percentile, management is concerned that, in this instance, the market data may not fully reflect the internal value LACERA puts on this classification given their pivotal role in our member service processes. However, we are still reviewing a basis to adjust salaries to avoid the risk of setting a precedent. For these reasons, management is considering whether changes to LACERA's compensation philosophy may be warranted, and in which circumstances. The outcome may impact the salary recommendation for the Document Processing Supervisor classification, requiring meeting with SEIU on potential impacts. Therefore, the recommendations will be presented at a later date.

August 7, 2023

Re: LACERA DPA and SA Classification and Compensation Study

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## SUMMARY OF PROPOSED CLASSIFICATION AND COMPENSATION CHANGES

Current Classification Title	Current Salary Schedule	Proposed Classification Title	Proposed Salary Schedule
Disability Retirement Support Specialist I, LACERA	96C NMO	Disability Retirement Support Specialist, LACERA	<b>94L NMO</b>
Document Processing Coordinator, LACERA	86B NMO	<b>Document Processing Supervisor, LACERA</b>	<i>Pending</i>
Document Processing Assistant, LACERA	83B NMO	<b>Document Processing Specialist, LACERA</b>	<i>Pending</i>
Staff Assistant II, LACERA	94L NMO	No Change	No Change
Staff Assistant I, LACERA	87L NMO	No Change	No Change

\*Note: LACERA Compensation effective 1/1/2023. Proposed compensation will be adjusted based on future MOU Agreements.

## PROCEDURE FOR ESTABLISHING CLASSIFICATIONS AND PAY RANGES

Upon approval from the Board of Retirement and Board of Investments, Human Resources (HR) will prepare a memorandum to the Los Angeles County's Chief Executive Office (LACCEO) which will include the class specification and salary schedule. The LACCEO Class and Compensation staff will review the submitted documents to assure all necessary information is provided in order to revise the classification title and salary schedule in the County's Payroll System. HR staff, with the LACERA Legal Office's oversight, will prepare and submit an ordinance amending Sections 6.28.050 and 6.127.010 of LACERA's Salary Code to the Los Angeles County Counsel's Office and the Board of Supervisors for adoption. These actions will modify the Disability Retirement Support Specialist, LACERA classification title, class descriptions, and compensation, and delete the Disability Retirement Support Specialist II, LACERA classification.

## RECOMMENDATION

That the Committee recommend the proposed classification and compensation changes to the Boards for adoption:

- Title change, description revision and salary change for the Disability Retirement Support Specialist, LACERA classification; and
- Delete the Disability Retirement Support Specialist II, LACERA classification.

cc: Steven P. Rice  
Luis Lugo  
Laura Guglielmo  
JJ Popowich  
Carly Ntoya

Attachment





Koff & Associates  
A Gallagher Company



# Los Angeles County Employees Retirement System

## Classification & Compensation Study for Document Processing Staff

Joint Organization Governance  
Committee Presentation  
August 17, 2023



# Agenda

- Introduction
- Classification Study
- Compensation Study
- Questions?





# Introduction



# Introduction

- Koff & Associates (a Gallagher company) is a Human Resources consulting firm specializing in classification and compensation studies for public agencies in California.
- In May 2019, LACERA entered an agreement with K&A to conduct a Classification and Compensation Study for LACERA's Document Processing Staff.
- These Studies began in June 2019 and concluded in January 2020.
- K&A conducted a "refresher" salary survey in July 2023.
- Purpose of the Classification Study was to review & update classifications and job descriptions and ensure relevance and accuracy.
- Purpose of the Compensation Study was to ensure competitiveness when recruiting and recognize external and internal value of jobs.



A close-up, warm-toned photograph of a person's hands writing on a document. The document features a bar chart with blue bars and a table with numerical data. The person is holding a gold pen. In the background, another person's hands are visible near a laptop. The scene is brightly lit, suggesting a window with blinds.

# Classification Study Overview

Year	2011	2012	2013	2014	2015
1	0.19	0.65	2.272	3.620	10.773
2	75.9	2.272	8.384	10.773	10.773
3	0.19	0.65	2.272	3.620	10.773
4	0.19	0.65	2.272	3.620	10.773
5	0.19	0.65	2.272	3.620	10.773
6	0.19	0.65	2.272	3.620	10.773
7	0.19	0.65	2.272	3.620	10.773
8	0.19	0.65	2.272	3.620	10.773
9	0.19	0.65	2.272	3.620	10.773
10	0.19	0.65	2.272	3.620	10.773



# Classification Study Methodology



# Classification Study

## KOFF Recommendations

Current Classification Title	# of Incumbents	Proposed Classification Title
Document Processing Assistant	0	Document Processing Specialist I
Document Processing Assistant	5	Document Processing Specialist II
Document Processing Assistant	2	Senior Document Processing Specialist
Document Processing Coordinator	2	Document Processing Supervisor
Staff Assistant II	5	Disability Retirement Support Specialist I
Staff Assistant II	2	Senior Typist Clerk
Staff Assistant I	2	Staff Assistant I (No Change)

# Classification Study

## LACERA Recommendations

- LACERA management approved moving forward with the following recommendations:
  - Upgrade of the Document Processing Coordinator classification to a Document Processing Supervisor, responsible for providing full administrative and technical supervision
  - Title change for the Document Processing Assistant to Document Processing Specialist (Equivalent to the Document Processing Specialist II)
  - Reclassification of recommended Staff Assistant II positions to the revised Disability Retirement Support Specialist based on duties performed
  - No title changes for the Staff Assistant I or II classifications.



# Classification Study Recommendations Not Utilized by LACERA

- Create a Document Processing Specialist I classification to serve as a trainee. Intermediate Typist-Clerks were determined to be an appropriate feeder for the DPC.
- Reclass two (2) Staff Assistant II positions found performing at the level of Senior Typist-Clerk.



# Classification Study

## Recommendations Not Utilized by LACERA

- Create a Senior Document Processing Specialist classification.
  - DPC has a need for bona-fide supervisors to perform full-administrative and technical supervision. The Document Processing Supervisor is a working supervisor, technical expert, and responsible for administrative and technical supervision including providing formal training.
  - There are insufficient subordinate staff to support a lead level position. Currently, there are three (3) budgeted Document Processing Coordinators being reclassified to Supervisor, with a total of eleven (11) subordinate Document Processing Assistants - less than a 4:1 ratio.
  - Assisting with training is already included in the existing Document Processing Assistant class specification and in the proposed Document Processing Specialist.

# Classification Study Budgeted Position Title Map

Current Classification Title	# of Positions	Proposed Budgeted Position
Document Processing Assistant	0	Intermediate Typist-Clerk
Document Processing Assistant	11	Document Processing Specialist
Document Processing Coordinator	3	Document Processing Supervisor
Staff Assistant II	6	Disability Retirement Support Specialist I
Staff Assistant II	2	No Change
Staff Assistant I	2	No Change

# Compensation Study Overview



Year	2013	2014	2015
1	1,273	2,048	2,272
2	314	8,384	3,620
3	479	2,898	10,773
4	6,038	8,384	10,773
5	1,273	2,048	2,272
6	314	8,384	3,620
7	479	2,898	10,773
8	6,038	8,384	10,773
9	1,273	2,048	2,272
10	314	8,384	3,620



COMPARATOR  
AGENCIES



BENCHMARK  
CLASSIFICATIONS

Base  
Salary  
Survey –  
Survey  
Elements

# LACERA Survey Comparator Agencies

1. California Public Employees' Retirement System
2. California State Teachers' Retirement System
3. City of Pasadena
4. County of Los Angeles
5. Economic Research Institute (database)
6. Los Angeles City Employees' Retirement System
7. Los Angeles Fire and Police Pensions
8. Metropolitan Water District of Southern California
9. Orange County Employees' Retirement System
10. San Bernardino County Employees' Retirement Association
11. San Diego County Employees Retirement Association
12. San Francisco Employees' Retirement System
13. State Compensation Insurance Fund

# LACERA Benchmark Classifications included in Salary Survey

- Disability Retirement Support Specialist
- Document Processing Specialist
- Document Processing Supervisor
- Staff Assistant I
- Staff Assistant II



# Data Collection

- Job/class descriptions
- MOU's (Labor Agreements)
- Organizational charts
- Salary information
- Description-to-description
- 70% match
- Follow-up

All analyses completed in-house

No questionnaires

# 2019 Market Findings - Overall

- Overall, LACERA's **Base Salaries** in 2020 for these surveyed classifications were an average of **8.1% *above the market average***
- Overall, LACERA's **Base Salaries** for these surveyed classifications were an average of **10.5% *above the market median***
- Overall, LACERA's **Base Salaries** for these surveyed classifications were an average of **-7.1% *below the 75<sup>th</sup> percentile in the market***



## 2019 Market Findings for Average

Classification Title	# of Matches	Current Max Salary	Average Max Salary	Top Monthly Salary % Above or Below Average
Disability Retirement Support Specialist	8	\$ 6,790	\$ 5,445	19.8%
Document Processing Specialist (DPA)	9	\$ 4,761	\$ 4,505	5.4%
Document Processing Supervisor (DPC)	6	\$ 5,165	\$ 5,369	-3.9%
Staff Assistant I	13	\$ 5,426	\$ 4,939	9.0%
Staff Assistant II	10	\$ 6,560	\$ 5,887	10.3%
<b>AVERAGE</b>				<b>+8.1%</b>

## 2019 Market Findings for Median

Classification Title	# of Matches	Current Max Salary	Median Max Salary	Top Monthly Salary % Above or Below Median
Disability Retirement Support Specialist	8	\$ 6,790	\$ 5,418	20.2%
Document Processing Specialist (DPA)	9	\$ 4,761	\$ 4,709	1.1%
Document Processing Supervisor (DPC)	6	\$ 5,165	\$ 4,762	7.8%
Staff Assistant I	13	\$ 5,426	\$ 4,713	13.1%
Staff Assistant II	10	\$ 6,560	\$ 5,896	10.1%
<b>AVERAGE</b>				<b>+10.5%</b>

## 2019 Market Findings for 75<sup>th</sup> Percentile

Classification Title	# of Matches	Current Max Salary	75 <sup>th</sup> Percentile Salary	Top Monthly Salary % Above or Below 75 <sup>th</sup> Percentile
Disability Retirement Support Specialist	8	\$ 6,790	\$ 6,744	0.7%
Document Processing Specialist (DPA)	9	\$ 4,761	\$ 4,716	0.9%
Document Processing Supervisor (DPC)	6	\$ 5,165	\$ 6,943	-34.4%
Staff Assistant I	13	\$ 5,426	\$ 5,497	-1.3%
Staff Assistant II	10	\$ 6,560	\$ 6,640	-1.2%
<b>AVERAGE</b>				<b>-7.1%</b>

# 2022 Compensation Study LACERA Recommendations

- Effective January 1, 2021, all studied classifications received a 2.75% half-step increase to their salary range in addition to a 2.5% cost of living adjustment (COLA).
- All market-data was aged based on LACERA's negotiated COLAs; however, the half-step pushed all studied classifications except for the Document Processing Supervisor above the target 75th percentile.
- As a result, no upward salary adjustments were proposed in 2022 except for the Document Processing Supervisor, which was recommended a standard 15% supervisor: subordinate salary differential.
- A salary adjustment to the Disability Retirement Support Specialist was recommended to align with the Staff Assistant II so there will be no reduction negatively impacting positions identified for reclassification.

# 2022 LACERA Recommendations Union Concurrence

- On December 22, 2022, SEIU provided verbal concurrence on classification and compensation changes proposed for Disability Retirement Support Specialist I, Document Processing Coordinator, Staff Assistant I, and Staff Assistant II, and deletion of the Disability Retirement Support Specialist II. SEIU did not provide concurrence for Document Processing Assistant.
- On January 30, 2023, SEIU proposed a 10% salary increase for Document Processing Assistant. On April 3, 2023, SEIU proposed a 5% salary increase for Document Processing Assistant. LACERA did not agree to the proposals as the MOU did not have a reopener and the increase was not supported by market-data.
- On April 14, 2023, SEIU provided a written concurrence for the classification and compensation changes for the Document Processing Supervisor and the Disability Retirement Support Specialist I. Written concurrence is not required to revised the class specifications for Staff Assistant I and II, or Document Processing Assistant as there was no change in terms of employment or salary proposed.

# April 27, 2023 JOG-C Meeting

- Classification and Compensation Recommendations were presented to the Board Trustees for approval and implementation.
- Based on concerns presented by the Document Processing Assistants, the Executive Office was directed to meet with staff, refresh the market data, and reassess the compensation study recommendations.

# 2023 Compensation Study

## Other Considerations

- On May 3, 2023, the Executive Office met with the Document Processing Assistants to discuss the compensation study recommendations provided by K&A.
- Staff compared duties performed by:
  - Office and Administrative Specialists at Minnesota Public Employees Retirement Association (MNPERA)
  - Intermediate Typist-Clerks and Ownership Clerks at the LA County Office of the Assessor, which use the same document processing equipment as LACERA
- It was found that although both agencies perform scanning and indexing of member documents and/or business records, they were not comparable due to specialized knowledge and responsibilities related to processing of retirement and refund applications or real property assessments.
- Updated July 2023 Market Data collected by K&A is in the next slides.

# July 2023 Market Findings - Overall

- Overall, LACERA's **Base Salaries** in **2023** for these surveyed classifications were an average of **9.1% *above the market average***
- Overall, LACERA's **Base Salaries** for these surveyed classifications were an average of **10.8% *above the market median***
- Overall, LACERA's **Base Salaries** for these surveyed classifications were an average of **-1.8% *below the 75<sup>th</sup> percentile in the market***
- The next slides reflect the survey results – these are sorted by classifications which are furthest above the median to those that are furthest below the median



# July 2023 Market Findings for Average

Classification Title	# of Matches	Current Max Salary	Average Max Salary	Top Monthly Salary % Above or Below Average
Disability Retirement Support Specialist (SA II)	8	\$7,402	\$6,029	18.5%
Document Processing Specialist (DPA)	8	\$5,372	\$5,027	6.4%
Document Processing Supervisor (DPC)	6	\$5,828	\$6,016	-3.2%
Staff Assistant I	13	\$6,122	\$5,420	11.5%
Staff Assistant II	10	\$7,402	\$6,491	12.3%
<b>AVERAGE</b>				<b>9.1%</b>

## July 2023 Market Findings for Median

Classification Title	# of Matches	Current Max Salary	Median Max Salary	Top Monthly Salary % Above or Below Median
Disability Retirement Support Specialist (SA II)	8	\$7,402	\$6,126	17.2%
Document Processing Specialist (DPA)	8	\$5,372	\$5,041	6.2%
Document Processing Supervisor (DPC)	6	\$5,828	\$5,458	6.3%
Staff Assistant I	13	\$6,122	\$5,288	13.6%
Staff Assistant II	10	\$7,402	\$6,607	10.7%
<b>AVERAGE</b>				<b>10.8%</b>

## July 2023 Market Findings for 75<sup>th</sup> Percentile

Classification Title	# of Matches	Current Max Salary	75 <sup>th</sup> Percentile Salary	Top Monthly Salary % Above or Below 75 <sup>th</sup> Percentile
Disability Retirement Support Specialist (SA II)	8	\$7,402	\$7,191	2.9%
Document Processing Specialist (DPA)	8	\$5,372	\$5,281	1.7%
Document Processing Supervisor (DPC)	6	\$5,828	\$7,188	-23.3%
Staff Assistant I	13	\$6,122	\$5,943	2.9%
Staff Assistant II	10	\$7,402	\$6,907	6.7%
<b>AVERAGE</b>				<b>-1.8%</b>

# 2023 Compensation Study LACERA Update

- All studied classifications except for the Document Processing Supervisor are above the target 75th percentile.
- A salary adjustment to the Disability Retirement Support Specialist is still recommended to align with the Staff Assistant II so there will be no reduction negatively impacting positions identified for reclassification.
- Markets are imperfect and may not reflect the value of this classification to LACERA; Changes to LACERA's compensation philosophy may be warranted.
- LACERA plans to meet with SEIU on potential impacts.



Koff & Associates  
A Gallagher Company

Questions and Comments

Thank you!



August 11, 2023

TO: Joint Organizational Governance Committee  
Herman B. Santos (BOI) Chair  
David Green (BOI) Vice Chair  
Gina Sanchez (BOI)  
Onyx Jones (BOI)  
Shawn Kehoe (BOR)  
Alan Bernstein (BOR)  
Elizabeth Greenwood (BOR)  
Ronald Okum (BOR)

FROM: Santos H. Kreimann <sup>SHK</sup>  
Chief Executive Officer

FOR: August 17, 2023 Joint Organizational Governance Committee Meeting

SUBJECT: **Revision of Trustee Education Policy—Preapproved External Educational Conferences**

## **RECOMMENDATION**

That the Joint Organizational Governance Committee recommend that the Board of Retirement and Board of Investments approve the deletion of the following conferences from the list of Approved External Educational Conferences in the Trustee Education Policy:

1. Government Finance Officers Association (GFOA); and
2. Milken Institute.

## **BACKGROUND**

The purpose of the Trustee Education Policy is to assist LACERA's Trustees in obtaining the necessary knowledge to enhance their understanding of issues that LACERA faces and thereby enable them to discharge their fiduciary duties for the benefit of LACERA's members and beneficiaries.

The Trustee Education Policy identifies a number of educational conferences as being preapproved, which enables the Trustees to pursue that external education without additional approval, subject to the Trustee Education Policy. These preapproved educational conferences are enumerated within the Trustee Education Policy to support required education, Trustee Competencies, and educational assessment and planning.

## **DISCUSSION**

Based on a review of the pre-approved conference list, and recent discussions between the Chief Executive Officer and the Board of Investment (BOI) leadership, the following conferences should be considered for deletion as preapproved conferences in the Trustee Education Policy.

Government Finance Officers Association (GFOA)

The GFOA conferences have generally been attended by staff in the Financial and Accounting Services Division (FASD) and are valuable to FASD staff. However, a review of travel records indicates that Trustees have not attended this conference in over eight years. Although the GFOA conferences directly relate to the subject-matter interests of the FASD staff and should continue to be approved as an educational opportunity for staff, it is recommended that this conference be deleted as a preapproved conference for Trustees.

Milken Institute

The Milken Institute hosts its annual Global Conference, which in the past has been attended by Trustees and staff. The membership rate has increased periodically in recent years. The current membership rate for the conference provides for 10 passes for \$80,000, which is \$8,000 per pass. Recently, we were informed that the Milken Institute will raise its membership rate in 2024 to the following:

- 5 passes at a discounted rate of \$15,000 per pass (\$75,000 total)
- 3 passes at the market rate of \$25,000 per pass (\$75,000 total)

The new membership rate is thus 8 passes for \$150,000, which is almost double in cost for 2 fewer passes. This rate can be locked in for 3 years starting in 2024.

The current budget allocates \$80,000 for the conference. Consequently, possible options can include purchasing 5 passes at the discounted rate of \$15,000 per pass to remain within budget or reallocating this budget item for other conferences. However, the sentiment among management and some of the trustees is that the reduced number of passes and increase in price may no longer provide the same value for trustee education as other conferences and thus should be removed from the preapproved list of educational conferences.

**IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE** recommend that the Board of Retirement and Board of Investments approve the deletion of the following Approved External Educational Conferences from the Trustee Education Policy:

1. Government Finance Officers Association (GFOA); and
2. Milken Institute

**Attachment**

Trustee Education I Policy (redlined)

cc: Jon Gabel  
Luis Lugo  
JJ Popowich  
Laura Guglielmo  
Steven P. Rice  
Ted Granger



# TRUSTEE EDUCATION POLICY

LACERA Board of Retirement & Board of Investments

Adopted ~~May 12, 2022~~



## TRUSTEE EDUCATION POLICY

### I. PURPOSE

The purpose of this policy is to align the elements of LACERA's Trustee education program with the Mission, Vision, Values, and work culture of the organization. More specifically, the program is intended to assist all Trustees to obtain knowledge and receive relevant information that will enhance their understanding of the issues facing LACERA and equip the Trustees to discharge and further their fiduciary duties for the sole benefit of active members, retirees, and their beneficiaries under a framework compliant with applicable law and policy, including the 24-hour biennial education requirement of Government Code Section 31522.8 and the beliefs set forth in LACERA's Investment Policy Statement. The program will be administered in a manner that can be overseen by the Board of Retirement and Board of Investments and understood by LACERA's members and other stakeholders as reasonable and cost-effective in fulfilling LACERA's Mission to Produce, Protect, and Provide the Promised Benefits. This policy applies to LACERA Trustees only.

"Educational Conferences" are those conferences, seminars, and meetings that have an educational purpose. "Administrative Meetings" are meetings attended by Trustees in their LACERA capacity and furthers LACERA's interests, including legislative advocacy, speaking engagements, including a domestic and international Educational Conference at which a Trustee gives a speech, positions in the administration of pension related organizations, and similar events.

### II. PRINCIPLES

The following principles shall govern what, why, when, where, and how Trustee education is obtained and the interpretation of this policy.

**A. *Performance of Fiduciary Duty.*** Education is necessary and should be encouraged and undertaken in order that Trustees may obtain knowledge relevant to the proper performance of their fiduciary duty under the California Constitution, the County Employees Retirement Law of 1937 (CERL), and other applicable laws by a reasonable method and at reasonable cost for the value received, and further LACERA's interests. Specifically:

1. Duty of Loyalty. Education must assist the Trustees to perform their fiduciary duty of loyalty to "discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty." Cal. Const., art. XVI, § 17(b); see Cal. Gov't Code § 31595(a).
2. Duty of Prudence. Education must assist the Trustees to perform their fiduciary duty of prudence to "discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like

capacity and familiar with these matters would use in the conduct of an enterprise with a like character and like aims.” Const., art. XVI, § 17(c); see Cal. Gov’t Code § 31595(b).

- B. Further a Common Foundation of Knowledge.** A foundation of common knowledge, or Trustee Competencies, relevant to LACERA and its Mission is necessary among all Trustees to fulfill their fiduciary duty.
- C. Opportunities for Enrichment.** The fiduciary value of education includes alternatives and choices for individual Trustees to pursue enrichment in areas of interest and specialization related to LACERA and its Mission, and to stay abreast of current developments.
- D. Sharing of Information.** Because education a group effort as well as an individual endeavor, Trustees are encouraged to share information and perspectives concerning the education they separately pursue with fellow Trustees. For this reason, education should also include the flexibility and opportunities for Trustees to network with and obtain relevant knowledge from others in the public pension and investment communities.
- E. Leverage LACERA Resources.** A concerted effort should be made to present educational presentations in the boardroom to take advantage of the expertise of LACERA staff, LACERA consultants, and other outside experts to create a shared educational environment for all Trustees to interact, question, and receive common benefit.
- F. Annual Review of Education and Needs.** The fiduciary value of Trustee education is enhanced by each Trustee, on an individual basis, reviewing their past education each year and planning in advance when possible, for how to meet their educational goals in the coming year. An annual review process recognizes that Trustees and their individual educational needs evolve over time, and no single method of educating Trustees is optimal. Instead, the ability of Trustees to develop flexible education plans for themselves and to employ a variety of methods is necessary and appropriate and will assist staff to source and provide appropriate choices and opportunities that meet Trustee needs.
- G. Transparency and Monitoring.** Trustee education and its fiduciary value and cost should be transparent to LACERA’s members and other stakeholders. The Boards should be provided with information on a periodic and consistent basis to enable effective oversight of the Trustee education program.

### III. NEW TRUSTEE ORIENTATION AND SUPPORT

- A. Attendance.** Each new Trustee and alternate, including the Treasurer and Tax Collector’s Chief Deputy, shall attend orientation.
- B. Timing for Orientation.** Orientation should occur before a new Trustee attends their first Board meeting.
- C. Development and Content.** Orientation will be developed and overseen by the Chief Executive Officer. Orientation will, at a minimum, include an overview

of LACERA's independence, Mission, organizational structure, and key functions, Board and Trustee responsibilities and fiduciary duty, pension benefits and member services, retiree healthcare and the OPEB Trust, investments, legal issues, conflicts of interest and ethics, strategic planning, budget, and accounting, actuarial matters and contribution-setting, internal audit, Trustee education, and Trustee technology, resources, and support.

**D. Orientation Materials.** At or before orientation, the following materials shall be made available to new Trustees in electronic format or such other format as a Trustee request:

1. A confidential roster of names, addresses, and contact information for the Board Trustees.
2. A confidential roster of names, addresses, and contact information for the Executive Management team.
3. Board agendas, minutes, policies and procedures, the strategic plan, applicable law, and other available resources, and how to access them.
4. Other relevant material requested by the new Trustee or deemed appropriate by the Chief Executive Officer, including a binder of materials covering the orientation topics listed in Section III(C).

**E. Mentoring.** The Chief Executive Officer will establish a formal mentorship program to assist interested Trustees. Any new Trustee may request a mentor to assist them in becoming familiar with their responsibilities on the Board. If a request is made, the Board Chair(s) will designate one experienced Trustee to be a mentor to the new Trustee for a period of one year.

**F. Returning Trustees.** Trustees who have previously served non-consecutive terms on the Boards shall attend orientation to refamiliarize themselves with the content described in Section III.C and changes to the system during their absence. The content of returning Trustee orientation will be developed by the Chief Executive Officer in collaboration with each returning Trustee.

#### IV. ONGOING TRUSTEE EDUCATION

**A. Required Education.** CERL requires that all Trustees receive a minimum of 24 hours of Trustee education within the first two years of assuming office and for every subsequent two-year period the Trustee continues to serve on the Board. This requirement sets a minimum standard. Trustees may obtain additional education consistent with the provisions of this policy.

**B. Appropriate Subject Matter.** All education must be relevant to the duties and responsibilities of Trustees. In accordance with CERL, the Boards identify knowledge in the matters and areas set forth in the Trustee Competencies stated in Appendix A as appropriate for required education. All Trustees must seek education in and should strive to have knowledge in these areas to assist in the performance of their fiduciary duty and delivering on LACERA's Mission. In addition to these areas, Trustees may obtain education in other areas relevant to their fiduciary responsibilities. Members of Board committees are

encouraged to focus a portion of their education on the subject matter of their committee.

**C. *Methods of Education.*** Since no one method of education is optimal, a Trustee's annual education should include various methods. In considering the various methods, Trustees should weigh the costs and benefits of each method. Trustee education may be obtained through the following:

1. In-House Education. The Chief Executive Officer will obtain annual Board approval for a program of in-house education for Trustees during regularly scheduled Board meetings, offsites, and other settings as may be permissible under the Brown Act. Such education will be provided by staff, LACERA consultants, and outside experts, except that the Chief Investment Officer will be responsible to plan and oversee investment-related education. LACERA consultants will be required in their contracts to provide Trustee education.

In addition to such other in-house education as may be provided, the Trustees shall receive regular training from fiduciary counsel in (1) fiduciary duty, (2) ethics and conflicts of interest, (3) governance, and (4) the Brown Act and Public Records Act. The Chief Executive Officer will develop a fiduciary counsel training schedule.

2. In-Person External Educational Conferences. Trustees may pursue in-person external education as provided in this policy, including conferences, seminars, and meetings. The Chief Executive Officer will obtain annual Board approval, maintain, and update on a current basis, a list of external educational options, organized by subject matter, appropriate for Trustees. The conferences listed in Appendix B are pre-approved. Trustees may attend external education that meets the criteria of this policy without additional approval, subject to the Boards' Trustee Travel Policy, provided that all international education must be approved by the applicable Board. For purposes of this policy Mexico and Canada are not considered international locations.

Every Trustee is authorized to attend up to 4 in-person external education opportunities per fiscal year (of which no more than 1 may be international), and up to 6 if the Trustee is serving simultaneously on both Boards at any time during the fiscal year (of which no more than 1 may be international), except that a Board may approve education in excess of these limits upon good cause. External education must have at least 5 hours of educational content per day. "International" education is all education that takes place outside the United States, except Mexico and Canada. Two conferences separated by no more than one day, with no additional travel, count as one conference.

Conferences located in California are not subject to the hour and number limits stated in the preceding paragraph.

The Chief Executive Officer will maintain Domestic and International Education Priority Lists for each Board for use when attendance at an event is limited. Trustees will be offered the opportunity to attend based on their place on the appropriate priority list. Trustees on each Board initially will be placed on applicable lists in order of the start date of their earliest term of continuous service on the Board (for appointed Trustees, a gap of 18 months or less will not break continuity of service). Trustees with the same priority date will be given priority in alphabetical order. A Trustee who attends an event based on their priority will be placed at the bottom of the list. New Trustees with no prior Board service or a gap of more than 18 months will be placed at the top of the list to facilitate their education.

Prior to attending an international benefits conference, a Trustee is required to attend an American Health Insurance Plans (AHIP) National Policy Forum or World Health Care Congress. Prior to attending an international investment conference, a Trustee is required to attend the State Association of County Retirement Systems (SACRS) Public Pension Investment Management Program or the University of Pennsylvania Wharton School of Business Portfolio Concepts and Management course. These courses are within the limits described above in this Section IV.C.2.

3. Virtual Education and Self-Study. Trustees are encouraged to attend webinars and other forms of virtual education, self-study, and other forms of education that do not require travel relating to LACERA and the performance of a Trustee's duties, including the conferences described in Section IV.C.2 above and Appendix B when offered virtually. If attendance is limited at a such education, the same priority list as described in Section IV.C.2 will be used. Attendance at such education is exempt from the limits stated in Section IV.C.2 as to the number of in-person educational opportunities that may be attended. Virtual education and self-study are not limited by cost.
4. Periodicals. Trustees are encouraged to read periodicals related to the performance of their fiduciary duties as a valuable method of keeping current on relevant news and pension and investment trends, including but not limited to those selected from a list of pension and investment-related periodicals maintained by the Chief Executive Officer. All subscriptions must be arranged through the Executive Office, and LACERA will bear the expense. The Chief Executive Officer will annually review and update the periodical list with input from Trustees.
5. Evaluation. Trustees may complete and submit to the Chief Executive Officer for distribution to all Trustees, an evaluation or syllabus of all in-person external conferences and virtual education attended. A suggested sample evaluation form is attached as Appendix C. Trustees are also encouraged to share knowledge from education at Board meetings during a Report on Trustee Education agenda item or when relevant during specific agenda items.



**D. Assessment and Planning.** Trustees are encouraged to assess their educational status and needs against the Trustee Competencies in Appendix A at the beginning of each calendar year and to use such information as the basis for establishing the Trustee's own self-development goals and education plan for the year. A suggested sample education plan format is attached as Appendix D.

**E. Reporting and Monitoring.** All Trustee education will be reported to the Chief Executive Officer. The Chief Executive Officer shall provide the Boards quarterly reports concerning the amount and type of Trustee education and post them on lacera.com. In addition, in compliance with CERL, the Chief Executive Officer will annually provide the Boards and post on lacera.com a report of each Trustee's compliance with the education requirement described in Section IV.A of this policy.

## **V. ADMINISTRATIVE MEETINGS**

The relevant Board will be informed of a Trustee's need to attend Administrative Meetings and provide advance approval on such terms as deemed appropriate.

## **VI. BROWN ACT COMPLIANCE**

Attendance at external education and Administrative Meetings by more than four members of a Board is not a violation of this provision, provided that the members may not discuss any item of LACERA business.

## **VII. GIFTS AND CONFLICTS**

The Boards desire to avoid even the appearance of impropriety in connection with education, and related expenses. The Boards acknowledge that acceptance of gifts of education and related expenses, such as registration, transportation, meals, and lodging by a public agency, though permitted under certain circumstances by applicable law, can create the appearance that LACERA encourages "pay to play" and may, unwittingly, create opportunities for undue influence on Trustees. This policy therefore does not permit LACERA as an entity to accept gifts of education, and related expenses. This policy does not prohibit certain payments for education and/or related expenses as part of the negotiated consideration under agreements with vendors, consultants, and managers, although all such payments should be reviewed in advance with the Legal Division to ensure compliance with applicable law, regulations, and reporting.

Items provided during education may constitute reportable gifts.

Trustees should be familiar with the provisions of LACERA's Code of Ethical Conduct as it may apply to education and interaction with and items received from the sponsors or other attendees.

## **VIII. TRAVEL POLICY AND PROCEDURES**

This policy is subject to and will be read and interpreted in conjunction with the Trustee Travel Policy.

## IX. OTHER CHARTERS AND POLICIES

To reconcile this policy with the Board Charters and other Board policies:

- A. *Prevention of Sexual Harassment.*** Training will be obtained by Trustees as provided in the Boards' Policy on Sexual Harassment Prevention Training for Board Members.
- B. *Board Charters.*** This policy constitutes the development policy and addresses Trustee education programs, as referenced in Section 6.1.4 of the Board of Retirement Charter, and Reserve Power 5 of the Board of Investments Powers Reserved and Delegated Authorities and Powers Reserved Defined.
- C. *Prior Board Educational Requirements Policies.*** This policy supersedes and replaces the LACERA Board of Retirement Board Member Educational Requirements Policy and LACERA Board of Investments Board Member Educational Requirements Policy, which are of no further force or effect.

## X. POLICY PROVISIONS AND APPLICABLE LAW

- A. *Waiver of Policy Provisions.*** For good cause presented in writing, and in the exercise of its sound discretion, the Board of Retirement or the Board of Investments may waive compliance with specific requirements of this policy when in the best interest of LACERA.
- B. *Applicable Law.*** This policy is to be implemented in compliance with the relevant provisions of the California Government Code and other applicable law, and in harmony with existing philosophy, objectives, policies, and guidelines previously approved by the Board of Retirement and the Board of Investments.

## XI. REVIEW

This policy shall be reviewed by the Joint Organizational Governance Committee, the Board of Retirement, and the Board of Investments every three years or as needed and may be amended by both Boards at any time.

**Policy History:** Restated and Approved by the Board of Retirement and Board of Investments on December 16, 2020, and updated and approved by the Board of Retirement and Board of Investments on May 5, 2022 and May 12, 2022, respectively. Prior versions are superseded and of no effect as of the stated approval date.



## **APPENDIX A TRUSTEE COMPETENCIES**

- **Governance**
  - Understanding Board function, processes, committee structure, exercise of discretion, delegation of responsibilities and oversight role.
  - Understanding the organizational structure and roles of staff and consultants, including the actuary, auditors, healthcare consultant, investment consultants, and fiduciary counsel,
  - Understanding the laws and rules governing the system.
  - Understanding the Boards' governing documents.
  - Understanding the system's independence under applicable laws.
  - Understanding best practices for public pension board governance.
  - Understanding information technology and data security.
  - Understanding the meaning and role of diversity, equity, and inclusion.
  - Understanding Robert's Rules of Order.
  
- **Fiduciary Duties and Responsibilities**
  - Understanding the duty of loyalty.
  - Understanding the duty of prudence.
  - Understanding the paramount fiduciary duty to members and beneficiaries.
  - Understanding the fiduciary duty to minimize employer contributions.
  - Understanding the fiduciary duty to defray the reasonable costs of administering the system.
  - Understanding how to delegate authority while retaining appropriate oversight.
  
- **Benefits Administration**
  - Service Retirement
    - Understanding the different plans available to employees and retirees.
    - Understanding how the system communicates with members.
    - Understanding the difference between the responsibility for plan design (plan sponsor) and plan administration (LACERA).
    - Understanding the administrative appeal process.
  - Disability Retirement
    - Understanding the qualifications for a disability retirement and the benefits that are provided.
    - Understanding the process that is followed in disability applications, from intake through determination of eligibility.
    - Understand the medical and legal issues that are discussed during consideration of disability matters.
    - Understanding the disability hearing and appeal process.
    - Understanding fair hearings and decision-making standards.
  - Retiree Healthcare
    - Understanding the healthcare program structure.

- Understanding the history, agreements, and relationship with the County and other participating employers in connection with the funding and administration of the program.
- ***Ethics, Conflicts of Interest, and Disclosures***
  - Understanding the Form 700 process, and Conflict of Interest Code.
  - Understanding applicable conflict of interest laws and the duty to avoid participating in a decision that affects a Trustee's economic interests.
  - Understanding the LACERA Code of Ethical Conduct.
  - Understanding the RFP quiet period and Trustee disclosure obligations.
- ***Open Meeting and Public Records***
  - Understanding the importance of transparency to stakeholders.
  - Understanding the notice requirement for meetings, including teleconference meetings under the Brown Act.
  - Understanding the limitations on discussing matters that have not been noticed on the agenda.
  - Understanding the circumstances under which communications outside of noticed meetings can be deemed to be a prohibited meeting under the law.
  - Understanding what may and may not be discussed during a closed session.
  - Understanding what constitutes a “public record” under the law and circumstances under which records must be disclosed or withheld.
- ***Financial Controls and Audits***
  - Understanding the role of LACERA staff, Internal Audit, the outside financial auditor, and the Audit Committee.
  - Understanding the Comprehensive Annual Financial Report (CAFR).
  - Understanding the concepts of “risk assessment” and developing internal controls to address those risks.
  - Understanding the responsibility for maintaining the security of confidential information kept by the system, including privacy rights.
  - Understanding vendor selection policy and practices.
- ***Pension Funding and Actuarial Process***
  - Understanding of how assets and liabilities of the system are calculated on an actuarial basis, and the role of actuarial consultants.
  - Understanding the difference and relationship between the actuarial value of assets and the market value of assets and the asset smoothing process.
  - Understanding how changes in actuarial assumptions have an impact on system assets and liabilities.
  - Understanding the nature of the plan sponsors' funding obligations and the responsibility of the Board of Investments to determine the annual required contribution and employee contributions and provide oversight of the actuarial process.
  - Understanding OPEB pay-as-you-go and trust funding mechanisms for retiree healthcare, and the Board of Retirement's oversight role.

- **Investments**

- Understanding the comprehensive nature of the investment process.
- Understanding portfolio construction.
- Understanding different asset categories and portfolio complexity.
- Understanding responsible stewardship of LACERA's investments in a manner that promotes and safeguards the economic interests of LACERA and its members, including robust investor rights, strong corporate governance practices and policies at the firms in which LACERA invests, and sound public policies governing financial markets help generate long-term economic performance.



## **APPENDIX B APPROVED EXTERNAL EDUCATIONAL CONFERENCES**

The following list of approved external Educational Conferences is provided under Section IV.C.2 of the Trustee Education Policy as a resource to Trustees in selecting pre-approved education that will support required education, Trustee Competencies, and educational assessment and planning. Education is organized by primary subject matter, although some events may provide education in multiple areas. All conferences on this list are intended only to refer to domestic U.S. events.

### ***Governance***

National Association of Corporate Directors (NACD) conferences, seminars, and meetings

### ***Pension Benefits and System Administration***

California Association of Public Employee Retirement Systems (CALAPRS) conference, seminars, and meetings, including Principles of Pension Management Course

~~Government Finance Officers Association (GFOA) conferences, seminars, and meetings~~

Harvard Law School Labor and Worklife Program conferences, seminars, and programs

Koried conferences, seminars, and programs

National Conference on Public Employees Retirement Systems (NCPERS) conferences, seminars, and meetings

National Institute on Retirement Security (NIRS) conferences, seminars, and meetings

Public Retirement Journal conferences, seminars, and meetings

State Association of County Retirement Systems (SACRS) conferences, seminars, and meetings

### ***Retiree Healthcare***

America's Health Insurance Plans (AHIP) conferences, seminars, and meetings, including Annual Institute, Annual Medicare Conference, and Annual National Policy Forum

California Retired County Employees Association (CRCEA) semi-annual conferences

Federal and state legislative hearings on pension and retirement health care issues

International Foundation of Employee Benefit Plans (IFEBC) conferences, seminars, and meetings, including Annual Employee Benefits Conference, Annual Benefits Conference for Public Employees, Annual Health Care Cost Management Conference, Annual Investments Institute, and Annual Washington Legislative Update Conference

## ***Investments***

Association of Asian American Investment Managers conferences, seminars, and meetings

Association for Private Capital Investment in Latin America (LAVCA) conferences, seminars, and meetings

ColCapital educational conferences, seminars, and meetings

Council of Institutional Investors (CII) conferences, seminars, and meetings

Harvard Kennedy School, Trustee Leadership Forum for Retirement Security and Initiative for Responsible Investment

Harvard Law School Forum on Corporate Governance

Information Management Network (IMN) Beneficial Owners' International Securities Lending Summit Annual Conference

International Corporate Governance Network (ICGN) conferences, seminars, meetings

Institutional Limited Partners Association (ILPA) conferences, seminars, and meetings

~~Milken Institute conferences, seminars, and meetings~~

National Association of Investment Companies conferences, seminars, and meetings

National Association of Securities Professionals (NASP) conferences, seminars, and meetings, including Annual Pension and Financial Services Conference

New America Alliance conferences, seminars, and meetings

Pacific Pension & Investment Institute (PPI) conferences, seminars, and meetings

Pension Bridge conferences, seminars, and meetings

Pension Real Estate Association (PREA) annual spring and fall conferences and institute

United Nations Principals of Responsible Investing (UNPRI) conferences, seminars, and meetings

University of Pennsylvania Wharton School's Pension Fund and Investment Management and the Portfolio Concepts and Management courses

Women in Institutional Investments Network conferences, seminars, and meetings

**APPENDIX C  
SUGGESTED SAMPLE CONFERENCE EVALUATION FORM**

Under Section IV.C.5 of the Trustee Education Policy, Trustees are encouraged to complete an evaluation form or provide a syllabus for all in-person external conferences and virtual education attended.

**TRUSTEE NAME:**

**CONFERENCE NAME:**

**CONFERENCE DATE:**

**RANKING 1-10:**

1 (lowest)    2    3    4    5    6    7    8    9    10 (highest)

**DO YOU RECOMMEND THE COURSE TO OTHER TRUSTEES?    Yes    No**

**WHY?**

**DESCRIPTION OF SUBJECT MATTER (attach syllabus if available):**

**HIGHLIGHTS:**

**WEAKNESSES:**

**Return to:**

Board Offices

[BoardOffices@lacera.com](mailto:BoardOffices@lacera.com)

**APPENDIX D  
SUGGESTED TRUSTEE EDUCATION PLAN**

Under Section IV.D of the policy, Trustees are encouraged to assess their personal educational status and needs as against the Trustee Competencies in Appendix A at the beginning of each calendar year and to use such information as the basis for establishing the Trustee's own self-development goals and education for the year.

**TRUSTEE NAME:**

**PLAN FOR YEAR:** 20\_\_\_\_

**HAVE I COMPLETED MY 24 HOURS OF CERL-REQUIRED EDUCATION EVERY TWO YEARS?**    Yes    No

**FIVE AREAS WHERE I WOULD LIKE TO GET ADDITIONAL EDUCATION THIS YEAR TO HELP IN THE PERFORMANCE OF FIDUCIARY DUTY:**

- 1.
- 2.
- 3.
- 4.
- 5.

**SUGGESTIONS FOR INTERNAL EDUCATION I WOULD LIKE TO SEE THIS YEAR** (you may email them to the CEO, [skreimann@lacara.com](mailto:skreimann@lacara.com)):

**IDEAS FOR EXTERNAL EDUCATION I WOULD LIKE TO PURSUE THIS YEAR:**

**ARE THERE ANY ADDITIONAL EDUCATIONAL RESOURCES I NEED FROM THE EXECUTIVE OFFICE THIS YEAR** (you may email them to the CEO, [skreimann@lacara.com](mailto:skreimann@lacara.com)):





August 8, 2023

TO: Each Trustee  
Joint Organizational Governance Committee

FROM: Santos H. Kreimann *SHK*  
Chief Executive Officer

FOR: Joint Organizational Governance Committee Meeting on August 17, 2023

SUBJECT: Information Systems Acceptable Use and Mobile Device Policies for Trustees

## **RECOMMENDATION**

It is recommended the Joint Organizational Governance Committee (JOGC) direct the development of an Information Systems Acceptable Use Policy and a Mobile Device Policy that is uniform for all LACERA Trustees and that addresses the use of LACERA email addresses, private email addresses, LACERA-issued devices, and personal devices to conduct LACERA business for review by the Committee for recommendation to the Board of Retirement and Board of Investments.

## **BACKGROUND**

In August 2020, LACERA established an Information Security Office, separate from the Systems Division. The Information Security Office's primary responsibility is to establish policies and procedures within LACERA that follow industry recognized security standards. The Security Office selected the National Institute of Standards and Technology (NIST) framework on Security and Privacy Controls for Information Systems and Organizations<sup>1</sup> as LACERA's standard. This framework provides a common language so that LACERA staff members and Trustees have a shared understanding of our cybersecurity risks. The framework also addresses how our association can reduce these risks as well as respond to and recover from a cybersecurity attack or unintentional data breach.

With the business need to mobilize the workforce with a Cloud based approach, LACERA enhanced our device security to allow further control of devices accessing LACERA data, including the LACERA email system. In a cloud-based environment, it is critical to add controls to ensure the confidentiality and integrity of the data. High profile individuals (such as Trustees and executives) are more likely to be targets of cyber-attacks and phishing campaigns due to the nature of their positions, thus requiring stricter adherence to controls.

<sup>1</sup> The specific standard selected is NIST Special Publication (SP) 800-53 Rev. 5, Security and Privacy Controls for Information Systems and Organizations.

Following the selection of NIST, the Security Office used the framework to compose Information Security and Technology policies for LACERA staff members. These policies protect the security of LACERA staff members, the security of LACERA applications, and the privacy of LACERA member data. The security framework became paramount given the need to transition from on-site servers to cloud-based servers and applications required to facilitate remote access to critical business systems by staff.

LACERA has implemented an “Acceptable Use and Mobile Device” policy for LACERA Staff members. All LACERA employees are required to use LACERA email addresses to conduct LACERA business; since July 2022 all LACERA employees have been required to use LACERA issued and managed computers to connect to LACERA resources; and in the next two months, all LACERA employees will be required to use a LACERA issued and managed phone or a managed, personal phone to connect to Microsoft Outlook and Teams.

Now that the LACERA staff member policies have been drafted and are being implemented, it is important that we consider policies for LACERA Trustees. These policies will further protect the privacy and security of our Trustees as well as the privacy and personal information entrusted to LACERA by our retired and active members and other confidential and sensitive LACERA information; however, the Information Security Office can only begin to draft such policies with the input, collaboration and support of our Trustees.

There are two important issues to consider when drafting Acceptable Use and Mobile Device Policies:

1. Using private email or data storage to conduct LACERA business

The use of personal email addresses or data storage to conduct LACERA business can create privacy issues. Personal email and data sit on servers that are not subject to the same security and governance policies enforced at LACERA. These servers fall outside the control of the LACERA IT security framework and can be scanned and compromised without user knowledge or proper disclosure, risking the leakage of confidential information.

The use of personal email addresses or data storage to conduct LACERA business can create legal risks. Personal email and data sit on servers outside of the control of LACERA. Data on external servers can create difficulty in complying with document retention standards as well as challenges in collecting documents in response to Public Records Act requests and discovery in litigation, creating legal risks to our organization. While the California Supreme Court has stated that LACERA can legally rely on Trustees to search their own devices in response to Public Records Act requests (*City of San Jose v. Superior Court* (2017) 2 Cal.5th 608), this does not resolve the security issue nor address the issue of LACERA having control of its own information without the

need to collect records from all the Trustees and organize them to ensure full and timely responses to requests. Trustees may also prefer not to have this search responsibility. However, as noted above, the dominant concern raised by this memo is the security risk associated with Trustee's separate personal devices and accounts.

## 2. Using unmanaged, personal devices to conduct LACERA business

The use of an unmanaged, personal device to conduct LACERA business can lead to accidental data loss and exposure. The use of personal devices allows the ability to download sensitive data for business purposes. If an unmanaged, personal device is lost or stolen, LACERA cannot remotely erase and/or contain the sensitive data.

The use of an unmanaged, personal device to conduct LACERA business can lead to unintentional data loss. Separate devices and accounts will have varied storage, retention, and deletion practices, threatening not only data security but loss of organizational information and records. The use of personal devices also allows the ability to download or forward sensitive data without a record of the action.

Although Trustees are not LACERA employees, they are fiduciaries with a paramount fiduciary duty of prudence and loyalty, under Article XVI, Section 17 of the California Constitution and California Government Code Section 31595 of the County Employees Retirement Law of 1937 (CERL), to protect the interests of members and their beneficiaries. Maintaining sound information security practices with respect to LACERA business, all of which affect the interests of members and beneficiaries, is consistent with the expectations of prudent fiduciaries. Such practices are also consistent with Government Code Section 31532 of CERL ("Sworn statements and individual records of members shall be confidential and shall not be disclosed to anyone except" as necessary for fund administration, as required by court order, or upon written member authorization). Numerous exemptions to the Public Records Act (California Government Code Section 7920.000 *et seq.*) and provisions of the Brown Act (California Government Code Section 54950 *et seq.*) also protect many categories of LACERA information, including, by way of only a few examples, personnel information, attorney-client communications, investment due diligence and other investment information, and closed session memos. Therefore, staff's proposal here is consistent with fiduciary and statutory duties in that LACERA's Information Security Office has advised that acceptable use and mobile device policies for Trustees are appropriate to protect the security of LACERA information, including member and business information.

## **CONCLUSION**

LACERA established an Information Security Office to increase awareness of LACERA's cybersecurity risks, protect LACERA applications, protect Trustee privacy, and protect member privacy. Creating cybersecurity policies is an essential role of the Information Security Office.

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It is recommended that the Joint Organizational Governance Committee (JOGC) direct the development of an Information Systems Acceptable Use Policy and a Mobile Device Policy that is uniform for all LACERA Trustees and that addresses the use of a LACERA email address, private email addresses, LACERA-issued devices, and personal devices to conduct LACERA business for review by the Committee for recommendation to the Board of Retirement and Board of Investments.

SHK:kd