

AGENDA

MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101

THURSDAY, AUGUST 11, 2016 - 9:00 A.M.**

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

COMMITTEE MEMBERS:

Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of July 14, 2016

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by James Beasley, Administrative Services Analyst: That the Committee recommend the Board of Retirement approve the purchase of Fiduciary Liability Insurance for the October 6, 2016 renewal with Hudson Insurance Company. (Memorandum dated August 3, 2016)

IV. FOR INFORMATION

A. LACERA Operations Briefing
Robert Hill/JJ Popowich

B. Technology Staffing and Hiring
Robert Hill

IV. FOR INFORMATION (Continued)

C. Overpayment & Forgery Receivables (Period Ended June 30, 2016)
David Bayha

D. Office Renovations
Cynthia Guider

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not 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 a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any 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, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626)-564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE MEETING OF THE
OPERATIONS OVERSIGHT COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

THURSDAY, JULY 14, 2016, 11:25 A.M. – 11:55 A.M.

COMMITTEE MEMBERS

PRESENT: Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum (*left at 11:40 a.m.*)
David L. Muir, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
William de la Garza
Vivian H. Gray
Shawn R. Kehoe
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Robert Hill	Johanna Fontenot
JJ Popowich	James Pu
James Beasley	Steven Rice
Kimberly Hines	

The meeting was called to order by Chair Kelly at 11:25 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of June 9, 2016

Mr. Chery made a motion, Mr. Okum seconded, to approve the minutes of the regular meeting of June 9, 2016. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Committee recommend the Board of Retirement approve the "Policy for Processing Correspondence Addressed to Board of Retirement Members." (Memorandum dated July 1, 2016)

Mr. Okum left the meeting before the vote was taken. The Chair announced that Mr. Muir, as the alternate, would be a voting member of the Committee.

Mr. Kelly made a motion, Mr. Chery seconded, that the Committee recommend the Board of Retirement approve the Policy for Processing Correspondence Addressed to Board of Retirement Members, with revisions/changes as proposed by the Committee. The motion passed unanimously.

B. Recommendation as submitted by James Beasley, Administrative Services Analyst: That the Committee recommend the Board of Retirement approve the Records and Information Management (RIM) Policy dated July 1, 2016. (Memorandum dated July 1, 2016)

Mr. Kelly made a motion, Mr. Chery seconded, that the Committee recommend the Board of Retirement approve the Records and Information Management (RIM) Policy, with revisions/changes as proposed by the Committee. The motion passed unanimously.

IV. FOR INFORMATION

A. LACERA Operations Briefing
Robert Hill/JJ Popowich

Messrs. Hill and Popowich presented the monthly briefing on LACERA's operations. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 11:55 a.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not 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 a subsequent meeting of the Board.**



August 3, 2016

TO: Operations Oversight Committee
 Joseph Kelly, Chair
 Yves Chery, Vice Chair
 Anthony Bravo
 Ronald Okum
 David Muir, Alternate

FROM: James Beasley 
 Administrative Services Analyst III

FOR: August 11, 2016 Operations Oversight Committee Meeting

SUBJECT: Fiduciary Liability Insurance Renewal

RECOMMENDATION

That your Committee recommends the Board of Retirement approve the purchase of Fiduciary Liability Insurance for the October 6, 2016 renewal with the following insurance carrier:

Fiduciary Insurance - LACERA Trust Fund

- Hudson Insurance Company; Limit: \$25 million \$199,500 Premium

EXECUTIVE SUMMARY

For over a decade, LACERA has been purchasing Fiduciary Liability Insurance for the organization to protect the Trust Funds against potential losses resulting from any breach of fiduciary duty claims. Board members and certain LACERA employees can also be held personally liable for these claims. The following Trust Funds require separate fiduciary insurance coverage to provide the necessary protection for the organization.

	LACERA Trust Fund	County OPEB Trust Fund	Superior Court OPEB Trust Fund	Master OPEB Trust Fund
Fiduciary Limit	\$25 million	\$5 million	\$5 million	TBD*
Premium	\$199,500	\$15,000	\$14,401	TBD*
Coverage Period	10/6/15-10/5/16	10/6/15-10/5/16	7/13/16-10/5/16	7/13/16-10/5/16

* The policy is currently in the process of being purchased through Hudson and will be retroactive from July 13, 2016.

**Fiduciary Liability Insurance Renewal
Operations Oversight Committee
Page 2 of 4**

The fiduciary insurance policy for LACERA's Trust Fund is set to expire on October 6, 2016. LACERA contracts with an insurance broker to research appropriate insurance plans, conduct the competitive bidding process, and provide recommendations on packages for LACERA to consider. LACERA directed our current broker, Kaercher Campbell & Associates Insurance (KCAIB) to solicit alternate quotes to obtain the most comprehensive coverage for the most competitive price.

Based on the Procurement Policy, the fiduciary insurance premium for the LACERA Trust Fund exceeds the CEO's signature authority of \$75,000 and requires Board approval prior to purchasing the policy. The remaining OPEB Trust Fund premiums do not exceed the CEO's signature authority; therefore they do not require Board approval.

RENEWAL CRITERIA/SELECTION

The LACERA Trust Fund requires a total of \$25M coverage to protect any person acting in a fiduciary capacity in an event of a breach of fiduciary duty. LACERA requested KCAIB to seek quotes utilizing standard industry criteria which enabled them to successfully negotiate competitive options for renewal. Fiduciary Liability limits, retentions, and premiums are primarily based on the following factors, as of June 30, 2015:

- Amount of net plan assets - \$48.8 Billion
- Number of participants – 167,409
- Funding status – 83.3%

In the past, the highest limit that any of the fiduciary insurance carriers were willing to underwrite for the coverage was \$15M; therefore, LACERA needed an additional \$10M excess from another carrier to reach the desired coverage of \$25M. For this renewal, Hudson has agreed to underwrite the policy for the total coverage of \$25M, thereby saving LACERA 11% over the expiring premium.

Hudson decreased the premiums due to the increase in the plan funding status. Based on the 2015 Milliman actuarial valuation report, the funding status has improved from 79.5% to 83.3%. Hudson's underwriters view this as a positive direction in LACERA's overall funding status, which lowers the risk overall to the insurance company. In addition to the premium rate reduction for the LACERA Trust Fund, Hudson is providing lower premiums in consideration for the multiple policies that are in place for the OPEB Trust Funds.

**Fiduciary Liability Insurance Renewal
Operations Oversight Committee
Page 3 of 4**

KCAIB's marketing strategy focused on obtaining the most comprehensive coverage for the most competitive price. To achieve the desired results, KCAIB sought quotes from various insurance carriers for consideration.

Below are three options that offer quotes of \$25M coverage in a combined or single limit:

<u>Carrier</u>	<u>Coverage</u>	<u>Premium</u>
• Chubb/Hartford	Combined Limit	\$196,411/\$70,000
• Hudson/Hartford	Combined Limit	\$152,250/\$70,000
• Hudson	Single Limit	\$199,500

Based on coverage requirements for LACERA's fiduciary insurance program, Administrative Services conducted a comparative analysis of each proposed carrier policy against the expiring policies using the following criteria:

- Cost (most comprehensive coverage for the most competitive price)
- Thorough review of each policy (side-by-side comparison)
- Best protects the Board Members and LACERA employees

When comparing the policy forms, the Hudson Insurance Company's policy was more comprehensive than the other quoted carriers identified above. Below are additional advantages offered by Hudson Insurance Company that the other insurance carriers lack in policy form:

- Choice of legal counsel versus being required to use carrier panel counsel
- Offers \$100K of Cyber Restoration and Notification Coverage
- Cancellation - Non rescindable nor cancellable by Insurer during the policy year (except nonpayment of premium)
- Coverage for Benefits Miscalculation (overpayment)

The recommendation for the LACERA Trust Fund is to purchase the Hudson Insurance Company policy with the policy limits of \$25 million. The annualized premium for the policy is \$199,500.00, an 11% decrease in premium over the current expiring rates.

ADDITIONAL PROTECTION

Waiver of Recourse

A waiver of recourse is an endorsement to a fiduciary liability insurance policy that prevents an insurance carrier from exercising its subrogation rights against an insured fiduciary (employee/Board Member). Unlike most other forms of insurance, under fiduciary liability policies, insurers have the right to exercise subrogation rights against insureds for non-willful or criminal acts.

Members of both Boards and specific staff may have some exposure to fiduciary liability since they make decisions impacting all the Trust Funds. Per government code, trust fund assets cannot be used to purchase a waiver of recourse endorsement. In the past, Board Members and staff paid \$25.00 per trust fund for the coverage; for this renewal period, Hudson Insurance Company has reduced the price to purchase the Waiver of Recourse coverage. The cost of the coverage is a \$100.00 flat fee for each Trust Fund. The fee per person is dependent on the number of enrollees and will be determined and communicated to Board Members and staff at a later date.

IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE recommends the Board of Retirement approve the purchase of Fiduciary Liability Insurance for the October 6, 2016 renewal with the following insurance carrier:

Fiduciary Insurance - LACERA Trust Fund

- Hudson Insurance Company; Limit: \$25 million \$199,500 Premium

Noted and Approved:





JJ Popowich
Assistant Executive Officer

FOR INFORMATION ONLY

August 2, 2016

TO: Operations Oversight Committee
Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FROM: Robert R. Hill, Assistant Executive Officer 
JJ Popowich, Assistant Executive Officer 

FOR: August 11, 2016 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

The purpose of this briefing is to share insights on staff activities, updates on goals, and discuss opportunities and/or concerns. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed
- OPEB Valuation Update

DATE RECEIVED	REQUESTER	DOCS REQUESTED
07-01-16	T. Sturrock, FundFire	<p>Requesting all memos sent from the LACERA' consultants Meketa to board members as part of regular meeting materials over the last 12 months.</p> <p>Transmitted via email 6 documents.</p> <ol style="list-style-type: none"> 1. Investment Beliefs Development: Review of Best Practices Globally presented on April 13, 2016; 2. Role of Commodities presented on June 8, 2016; 3. Memorandum dated May 10, 2016 re Hedge Funds: Review of Role and Implementation; 4. Memorandum dated May 10, 2106 re Asset Allocation: "Other Opportunities" Recommendation; 5. Asset Allocation and Investment Policy Statement Reviews presented on June 8, 2016; and 6. Asset Allocation: Opportunistic Bucket / Risk Parity Review, 2016.
07-05-16	B. Shkurko, VR Research	<p>Requested complete list of portfolio holdings by the pension fund. Also requesting the complete list of stock holdings.</p> <p><i>Transmitted via email 2 documents.</i> <i>US equity Holdings as of Dec. 31, 2015 Report and Non U.S. Equity Holdings as of Dec. 31, 2015 Report.</i></p>
07-05-16	M. Myers, Merced County Counsel	<p>Requested contract language for NDE contract.</p> <p>Response via email: LACERA does not have any contractual relationship with National Disability Advisors. We have no responsive documents to your request.</p>
07-06-16	M. Zachariason Ipreo	<p>Provide managers for pension fund holdings.</p> <p><i>Transmitted via email 3 documents.</i> <i>Sent Fixed Income Positions as of Dec. 31, 2015 report; US equity Holdings as of Dec. 31, 2015 Report and Non U.S. Equity Holdings as of Dec. 31, 2015 Report.</i></p> <p><i>Also informed Requestor via email:</i> <i>LACERA is invested in commingled equity funds with BlackRock (9 portfolios), Acadian (1 portfolio), and AQR, we own shares in the fund and not in individual securities. Neither of the attached Public Markets holding reports do we include look through holdings, only our share of the commingled funds. The third document is the fixed income holdings report by managers.</i></p>
07-07-16	G. Eubanks, Funston Advisors	<p>Requested agenda packet for BOI meeting held on Wednesday, July 13, 2016</p> <p><i>Transmitted information via email.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
07-07-16	Fred, Magna Capital Group	Requested agenda packet for BOI meeting held on Wednesday, July 13, 2016 <i>Transmitted information via email.</i>
07-07-16	A. Poe, Reed Smith	Requested agenda packet for BOI meeting held on Wednesday, July 13, 2016 <i>Transmitted information via email.</i>
07-07-16	M. Keehn, LA County	Requested agenda packet for BOI meeting held on Wednesday, July 13, 2016 <i>Transmitted information via email.</i>
07-07-16	D. Kushner, Individual	Requested agenda packet for BOI meeting held on Wednesday, July 13, 2016 <i>Transmitted information via email.</i>
07-07-16	V. Desikan, SEIU	Requested agenda packet for BOI meeting held on Wednesday, July 13, 2016 <i>Transmitted information via email.</i>
07-07-16	K. Edds, Director of Communication and Public Affairs Association of Orange County Deputy Sheriffs	Requested employee contribution rates for LA Sheriff's deputies for 2006, 2007 and 2008. Transmitted 2 documents. <i>Emailed to Requestor Plan A Rates, 2005 and 2008, and Plan B Rates, 2005 and 2008. Informed Requestor that rates for 2005, 2006 and 2007 were the same.</i>
07-11-16	G. Chung, Financial Investment News	Requested agenda packet for BOI meeting held on Wednesday, July 13, 2016 <i>Transmitted information via email.</i>
07-13-16	S. Sutton, Buyouts Insider	Requested copies of the 4 documents listed below. 1. Private Equity Performance Review (Agenda Item VIII C) 2. Private Equity Emerging Manager Program (Agenda Item VIII E) 3. Private Equity Performance Report (Agenda Item VIII F) 4. Assembly Bill 2823 (Agenda Item VIII-H)
07-13-16	D. Gregory, Public Plan IQ	Requested agenda packet for BOI and BOR meeting held on Wednesday, July 13, 2016 <i>Transmitted information via email.</i>


DATE RECEIVED	REQUESTER	DOCS REQUESTED
07-18-16	T. Sturrock, FundFire	<p>Did the CEO recommendations on the CIO Salary receive approval? This still must be approved by the Board of Supervisors? And the salary range would make the CIO the highest paid county work?</p> <p><i>Response transmitted via email: Recommendation was approved.</i></p> <p><i>Responded via Media Contact. Reporter requested information on the Board actions and recruiting firm.</i></p> <p><i>News story which is a web-based publication published on July 19, 2016</i></p>
07-14-16	D. Kushner, Individual	<p>Requested agenda packet for BOR Disability/Administrative and Committee meetings held Thursday, July 14, 2016.</p> <p><i>Executive office electronically submitted website link for the BOR Administrative/Disability meeting.</i></p>
07-15-17	J. Peterson SBC Global	<p>Requesting RE Performance Measure Report for the 4th Quarter 2015.</p> <p><i>Transmitted 2 documents via email.</i></p> <p><i>BOI Memo dated June 21, 2016 re Real Estate Performance Measurement report, 4th Quarter 2015 (postpones this item to July) and RE Committee memo dated June 28, 2016 re Real Estate Debt Investments.</i></p> <p>Q: <i>What was the outcome of the presentations by the debt managers?</i> Answer: <i>This was an educational presentation in order to learn more about the risks and rewards that may be achieved from making these types of loans. The outcome was an indication of interest in learning more about the two opportunities.</i></p> <p>Q: <i>Was anything approved or will the new debt strategies be approved at a later date?</i> Answer: <i>Nothing was approved. Further study and discussions will be conducted that may result in a recommendation to the Board of Investments at a future date No timetable has been set for such follow up.</i></p> <p>Q: <i>Is the sample transaction on the property in Healdsburg, Calif. a transaction that is still in process? I noticed that under the closing date it had a N/A figure? Please let me know what that means for this transaction.</i></p> <p>Answer: <i>Cornerstone provided information about the Healdsburg transaction for illustrative purposes. LACERA has not further information about the transaction.</i></p>
07-17-16	K. Kansal, Individual	<p>Requested Q4 2015 Private Equity Report.</p> <p><i>Transmitted via email</i> <i>07-27-16</i> <i>Document not yet available.</i></p> <p><i>One document transmitted via email.</i> <i>Q4 2015 Private Equity Report.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
07-19-16	R. Weaver, As Your Sow	Requested updated copy of LACERA public pension funds proxy votes. <i>Transmitted via email 1 document. Proxy Voting Summary October 1, 2014 through September 30, 2015</i>
07-20-16	Abby Sewell, Los Angeles Times	Is Mr. Noguez (Juan Renaldo Rodriguez) collecting a county pension now, and if so, how much is his monthly benefit" <i>Response via email: Mr. Noguez withdrew the money he contributed into the retirement system on January 1, 2016.</i> <i>Email information transmitted on 07-28-16 re Mr. Noguez withdrew his employee contributions plus interest in the amount of \$286,285.31 to the question of what was the amount he withdrew.</i>
07-21-16	G. Flintoft, TFG Capital Partners	Request LACERA Quarters Portfolio Investment Reports from 2013 to 2015. <i>Email response on 07-21-16 LACERA can produce data by year-end numbers and not by transactions.</i> <i>Transmitted 12 documents via email on 08-02-16.</i> LACERA Q4 2015 LACERA Q2 2015 LACERA Q1 2015 LACERA Q3 2015 LACERA Q4 2014 LACERA Q3 2014 LACERA Q2 2014 LACERA Q1 2014 LACERA Q4 2013 LACERA Q3 2013 LACERA Q2 2013 LACERA Q1 2013
07-29-16	Gar Chung, Financial Investment News	Requested latest LACERA Sub manager lists. <i>Transmitted via email 3 documents. LACERA Sub-Manager List 06-30-16. LACERA Sub-Managers List 03-31-16 and LACERA Sub-Managers List 12-31-15.</i>

FOR INFORMATION ONLY

July 28, 2016

TO: Operations Oversight Committee
Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FROM: Robert H. Hill, Assistant Executive Officer 

FOR: August 11, 2016 Operations Oversight Committee Meeting

SUBJECT: TECHNOLOGY STAFFING AND HIRING

Upholding our Vision of Excellence—*our members deserve the best*, we have accordingly always strived to hire the best. Amid the technology arena, hiring the best is particularly important. With our ever expanding technology portfolio and saddled by equally escalating security threats, we cannot afford to hire just “good enough.”

Staff have expressed to your Board our challenges with hiring and retaining qualified technology professionals. Attributable to the pervasive and increasing demand for expertise, this “tech talent war” has rendered LACERA uncompetitive in the marketplace. Staff have been working from different angles in search of relief. As part of this effort, we visited several County Departments to better understand the overall landscape.

During this discussion, staff will provide information on the following:

- A history of our efforts
- What we learned from other County Departments
- What we learned from the private sector
- How LACERA is unique
- Hiring from a technology and an HR perspective
- The role of contract workers
- Next steps

At your pleasure, following the meeting, staff will be available to provide your Committee with a walking tour of our technology centers and critical infrastructures.

**FOR INFORMATION ONLY**

August 2, 2016

TO: Each Member
Operations Oversight Committee

FROM: David Bayha
Benefits Division 

FOR: August 11, 2016 - Operations Oversight Committee Meeting

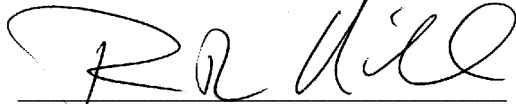
**SUBJECT: OVERPAYMENT & FORGERY RECEIVABLES 6-MONTH PERIOD MONTH ENDED
06/30/2016.**

Staff will be providing your committee with an update of the Overpayment & Forgery Receivables as of June 30, 2016. Some of the highlights of the presentation include the following:

- Cola Plan E Legacy cases clean-up.
- Reduction in percentage of Incorrect Computation and Miscellaneous cases.

Staff will be happy to answer any questions you may have regarding this matter at the meeting.

REVIEWED AND APPROVED:



ROBERT HILL
Assistant Executive Officer

OOC OP & Forgery Receivables
RH:AC:db

Overpayment & Forgery Receivables 6 Month Period Ended June 30, 2016

A Strategic Partnership Between:
Benefits Division
Member Services
Financial & Accounting Services
Legal Office



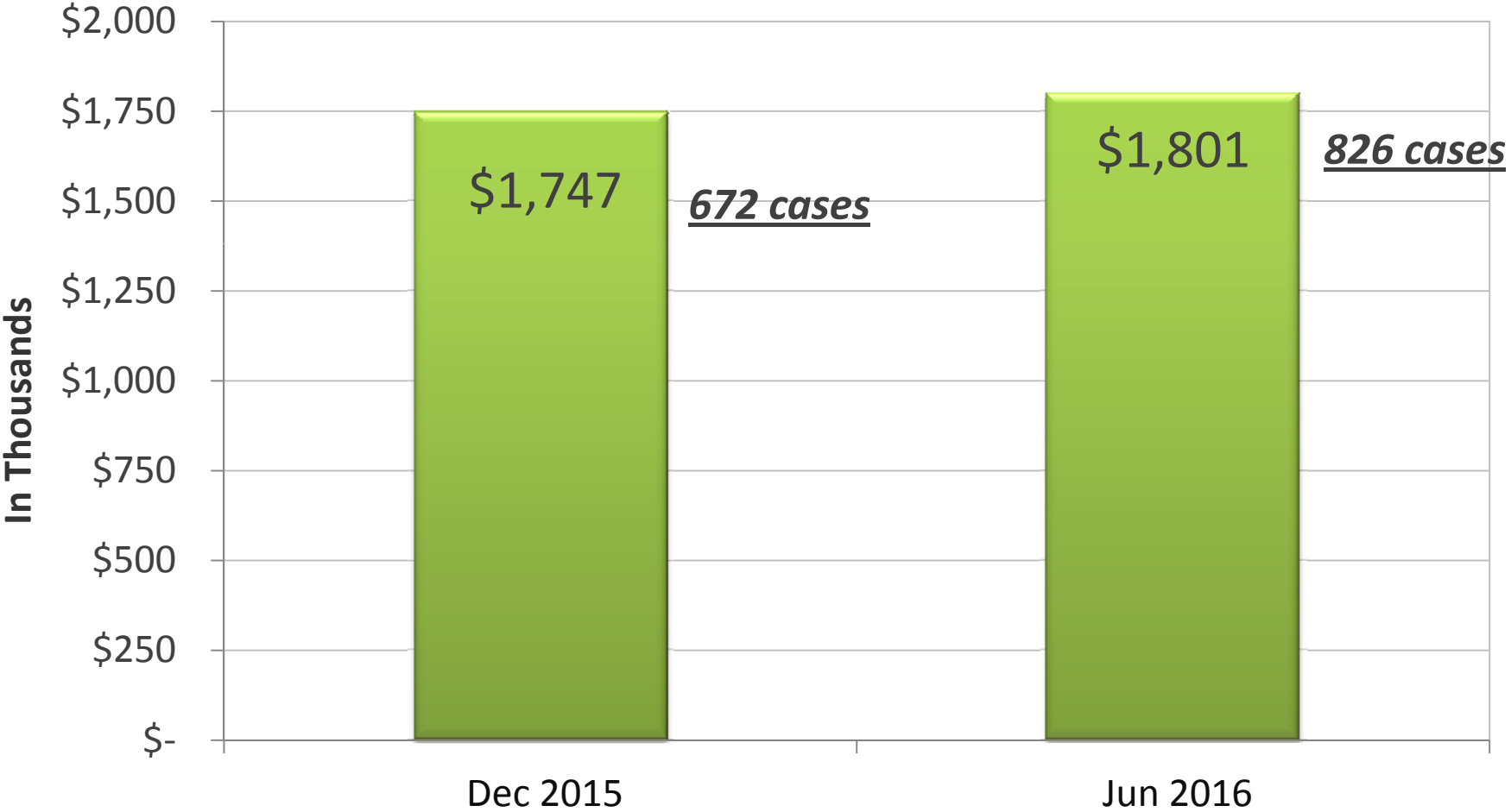
Presented by:

David Bayha – *Benefits Division*

August 11, 2016

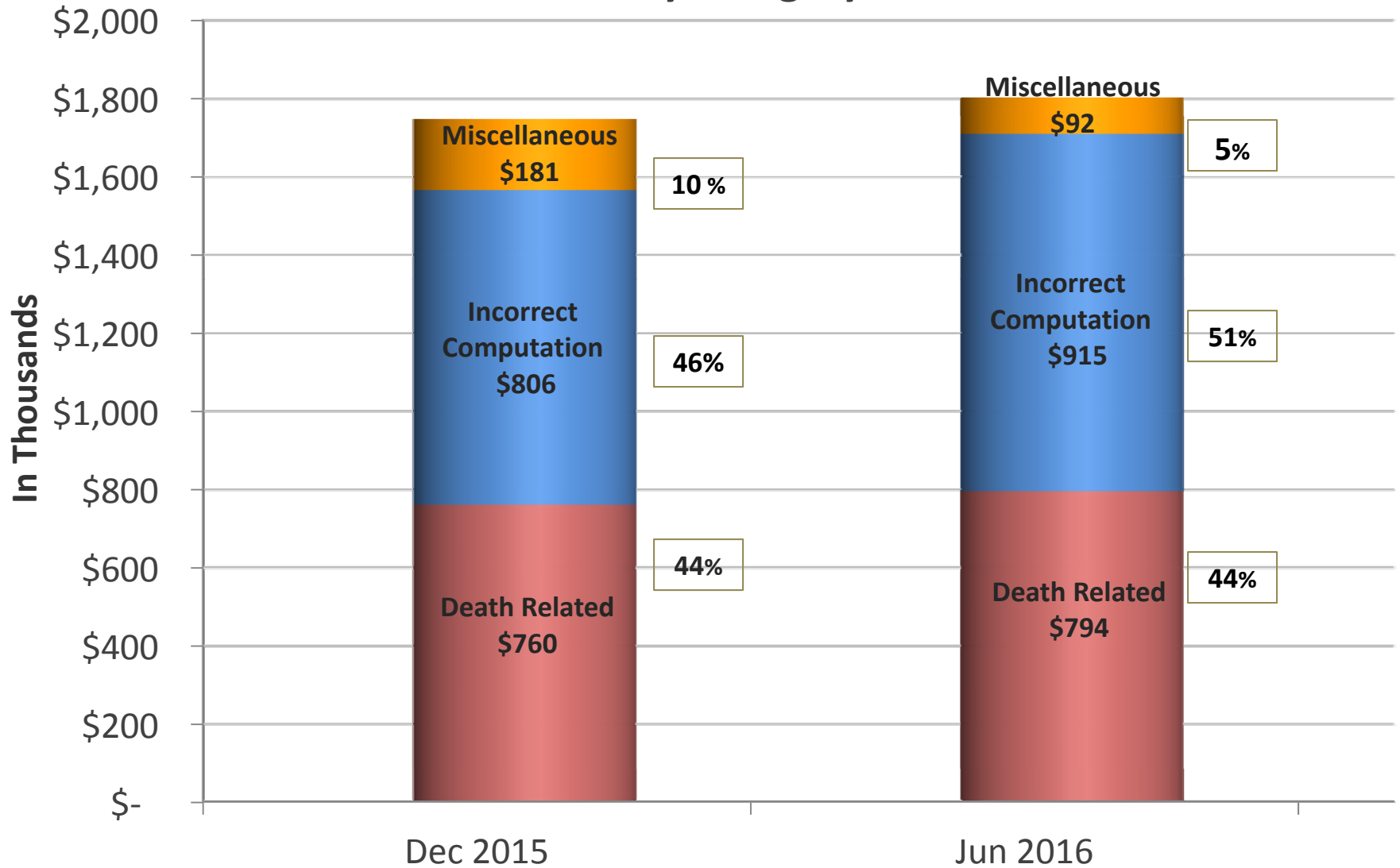
Overpayment & Forgery Receivables

Ending Balance Comparison



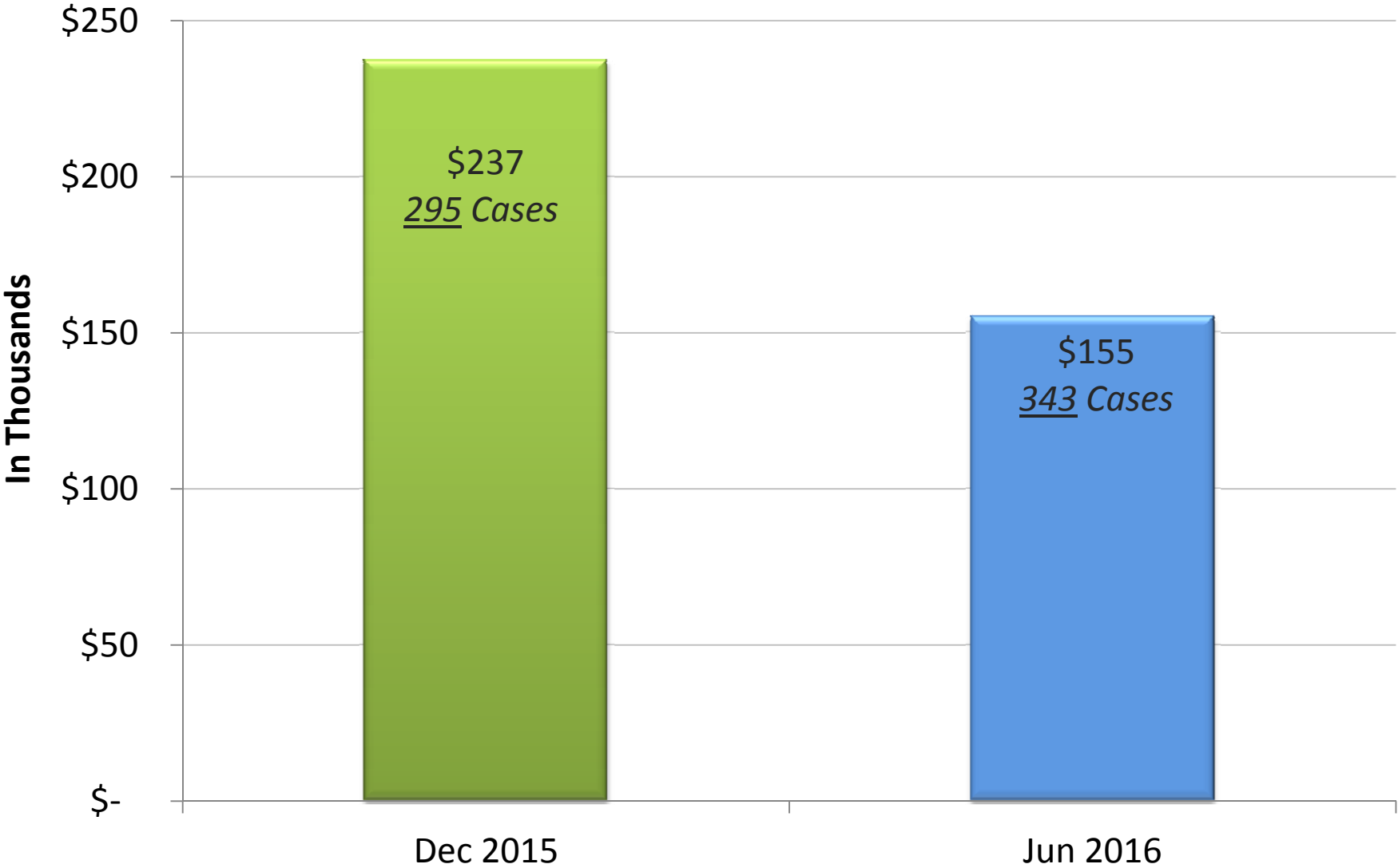
Overpayment & Forgery Receivables

Balance by Category



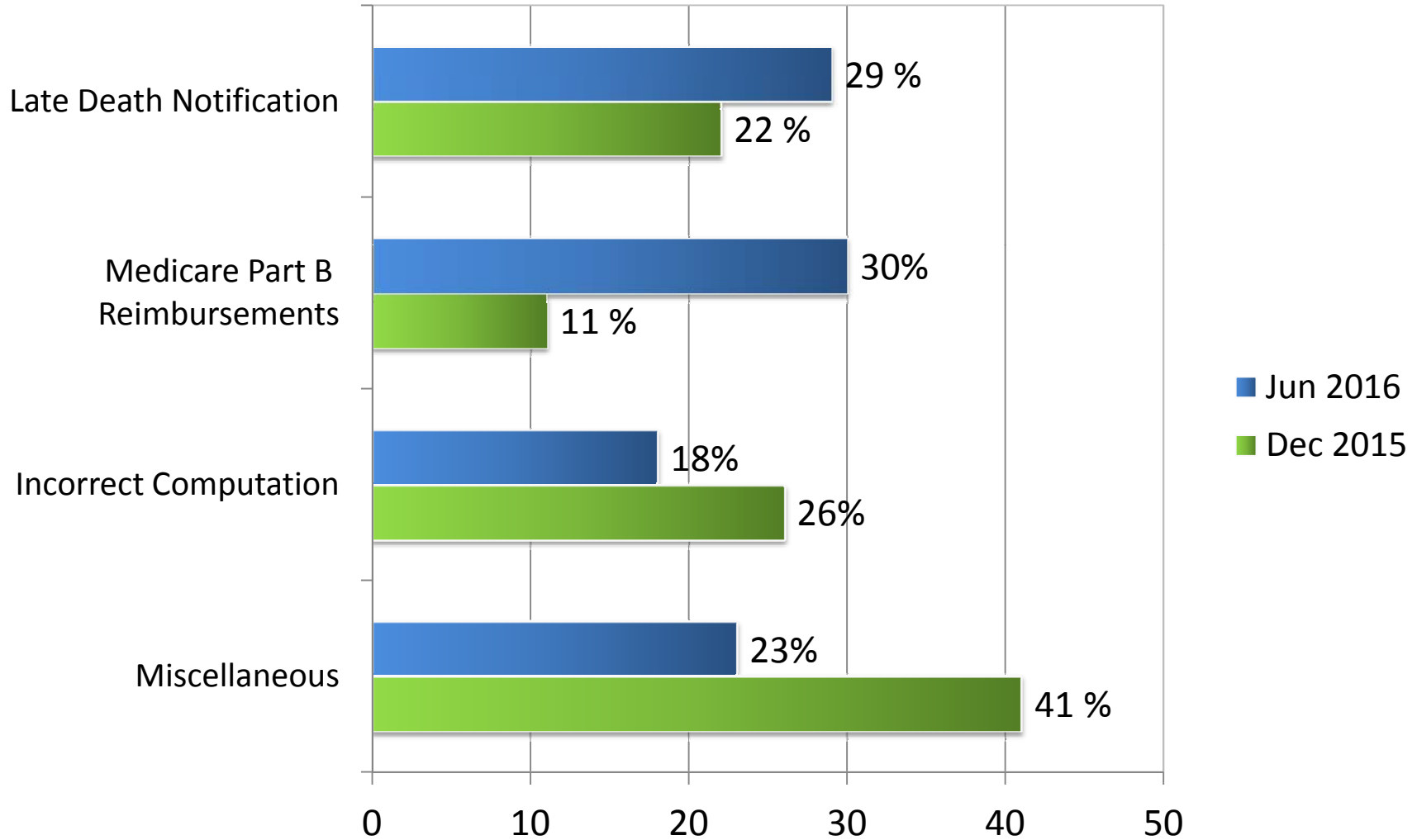
Overpayment & Forgery Receivables

New Cases Added Each Period Ended



Overpayment & Forgery Receivables

Breakdown of New Cases



Overpayment & Forgery Receivables

What have we been doing?

Medicare Part B Reimbursements

- 275 cases - \$46,000

Late Death Notification

- 16 cases - \$45,000

Incorrect Computation

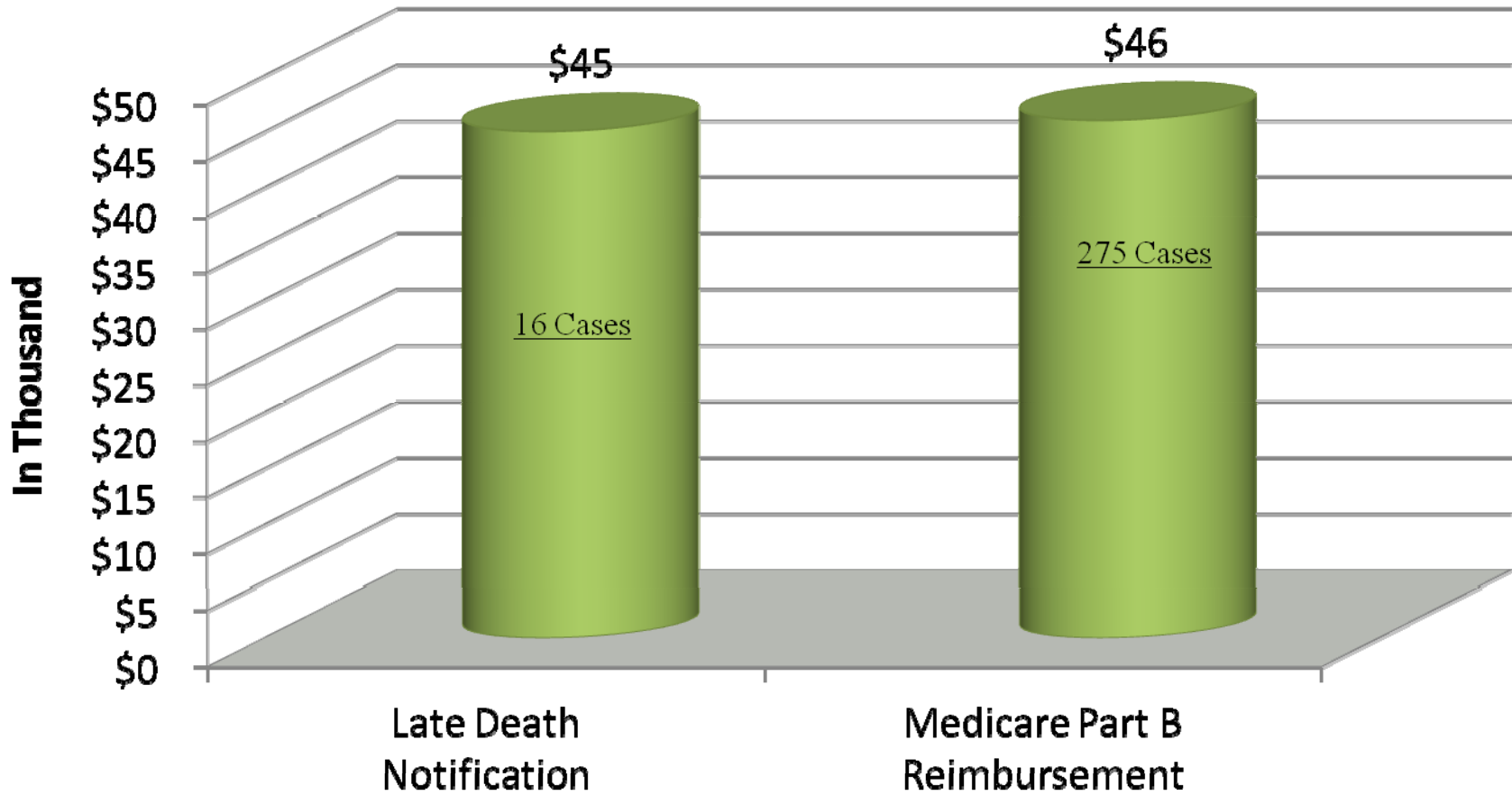
- 14 cases - \$29,000

Miscellaneous

- 38 cases - \$35,000

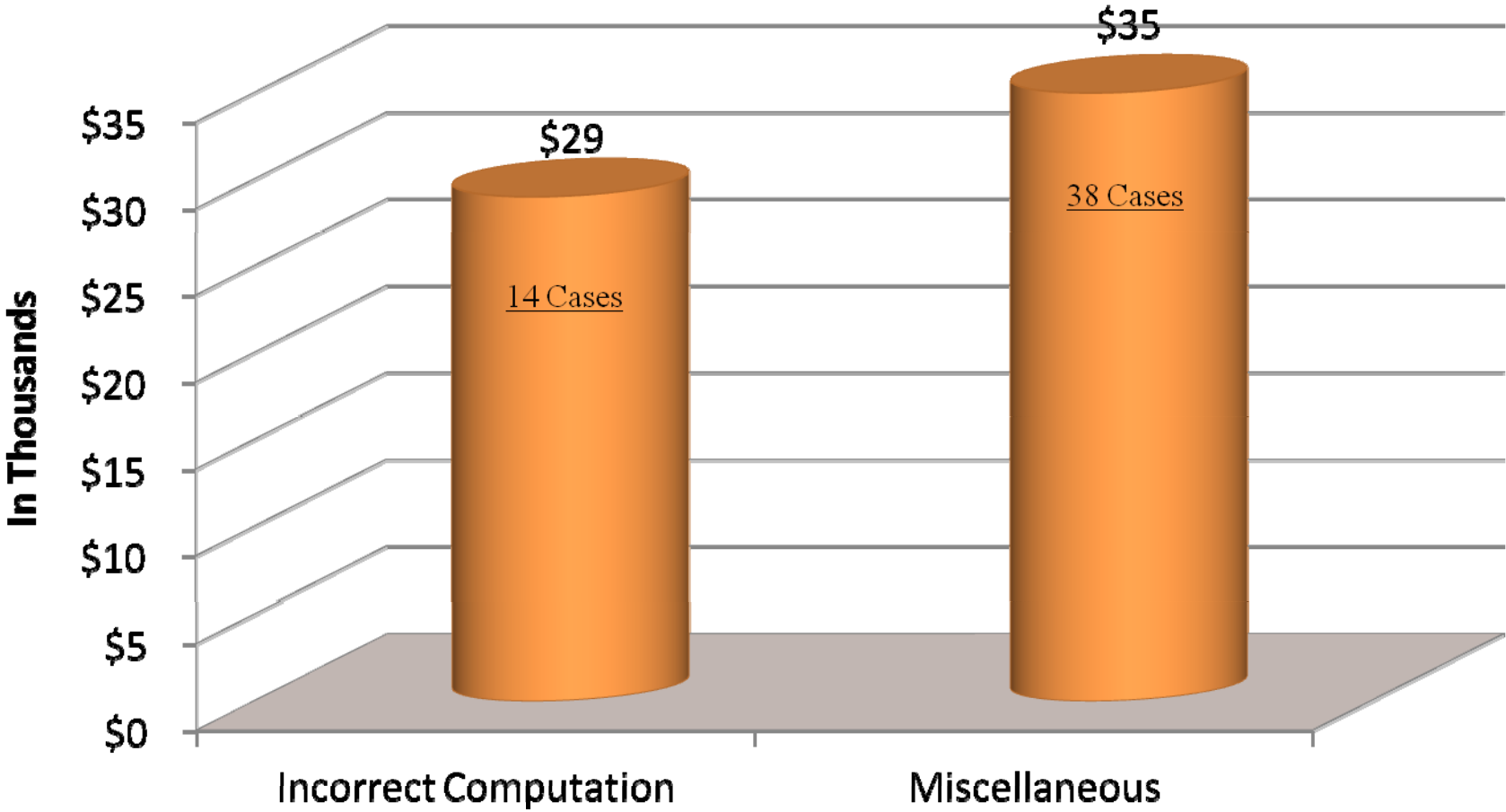
Overpayment & Forgery Receivables

New Cases – Beyond LACERA's Control



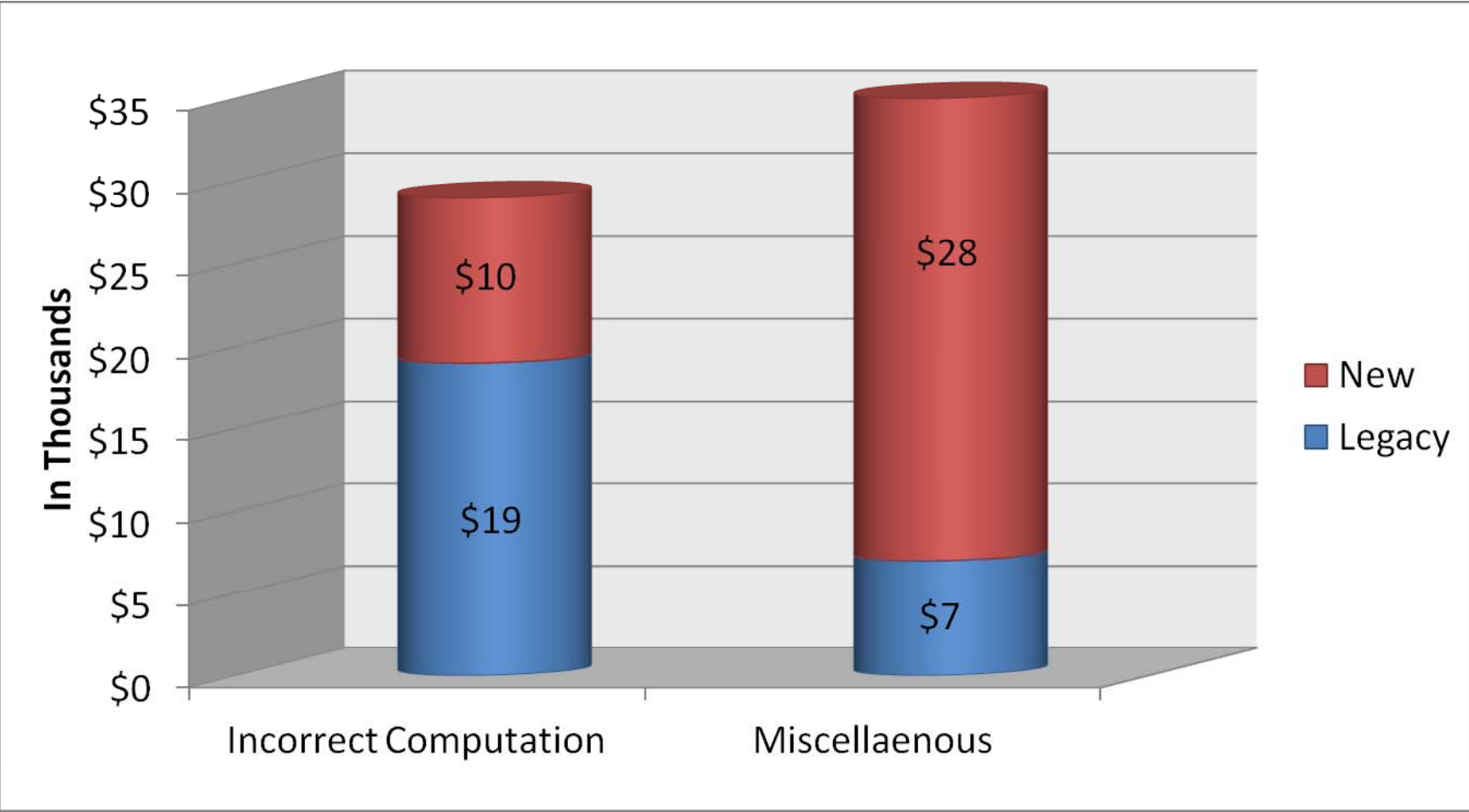
Overpayment & Forgery Receivables

New Cases – Within LACERA’s Control



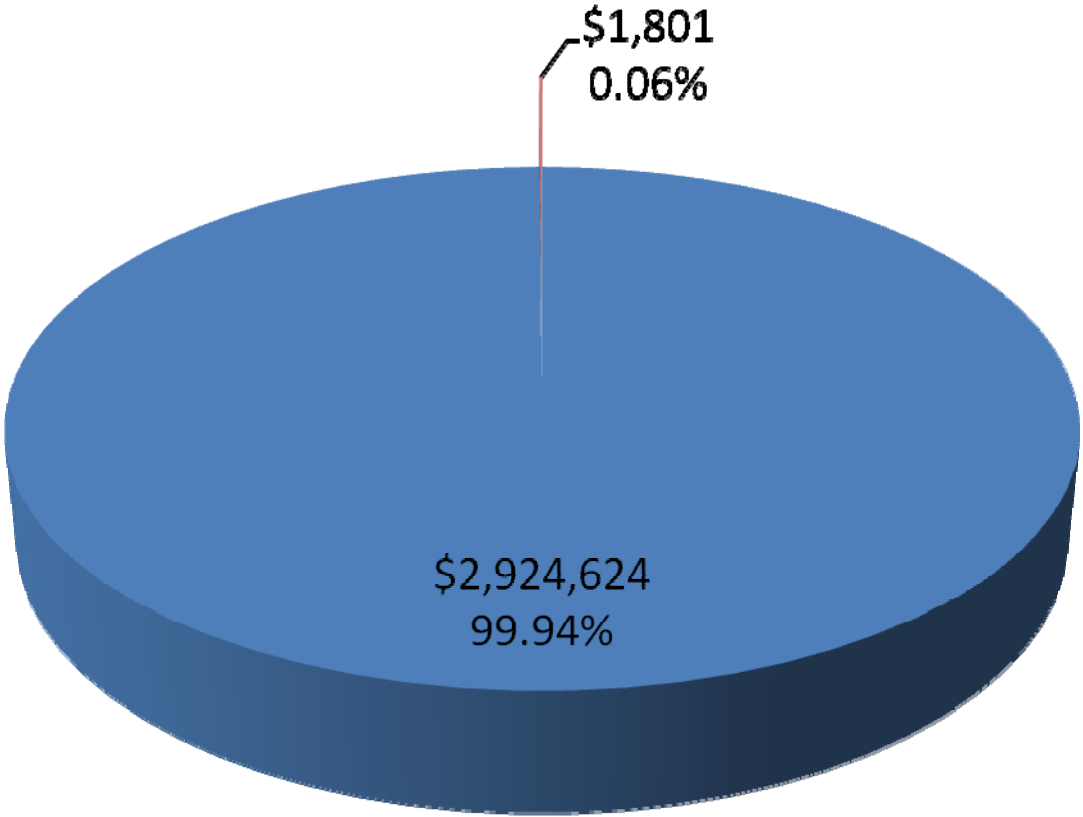
Overpayment & Forgery Receivables

New Cases – Within LACERA’s Control



Overpayment & Forgery Receivables

Balance as a Percentage of Payroll



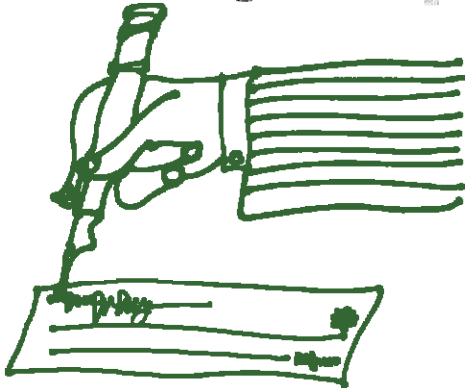
■ Payroll ■ Overpayment
(Dollars in Thousands)

Overpayment & Forgery Receivables

Collections for this Period



\$ 81,000 – Automatic Deduction/TTC



\$ 18,000 – Over the Counter Checks

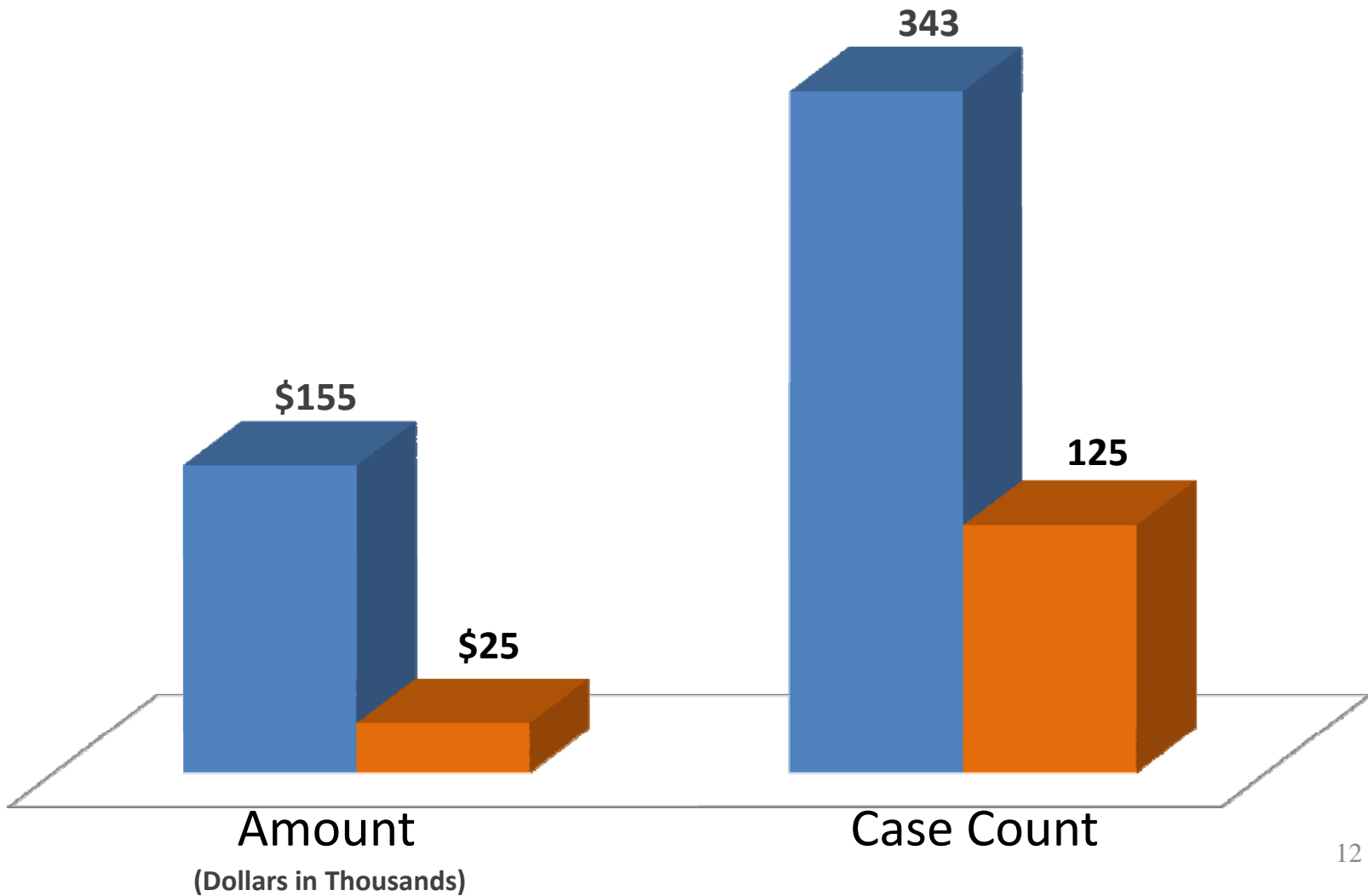
\$ 99,000

Overpayment & Forgery Receivables

Collection Status: New Cases

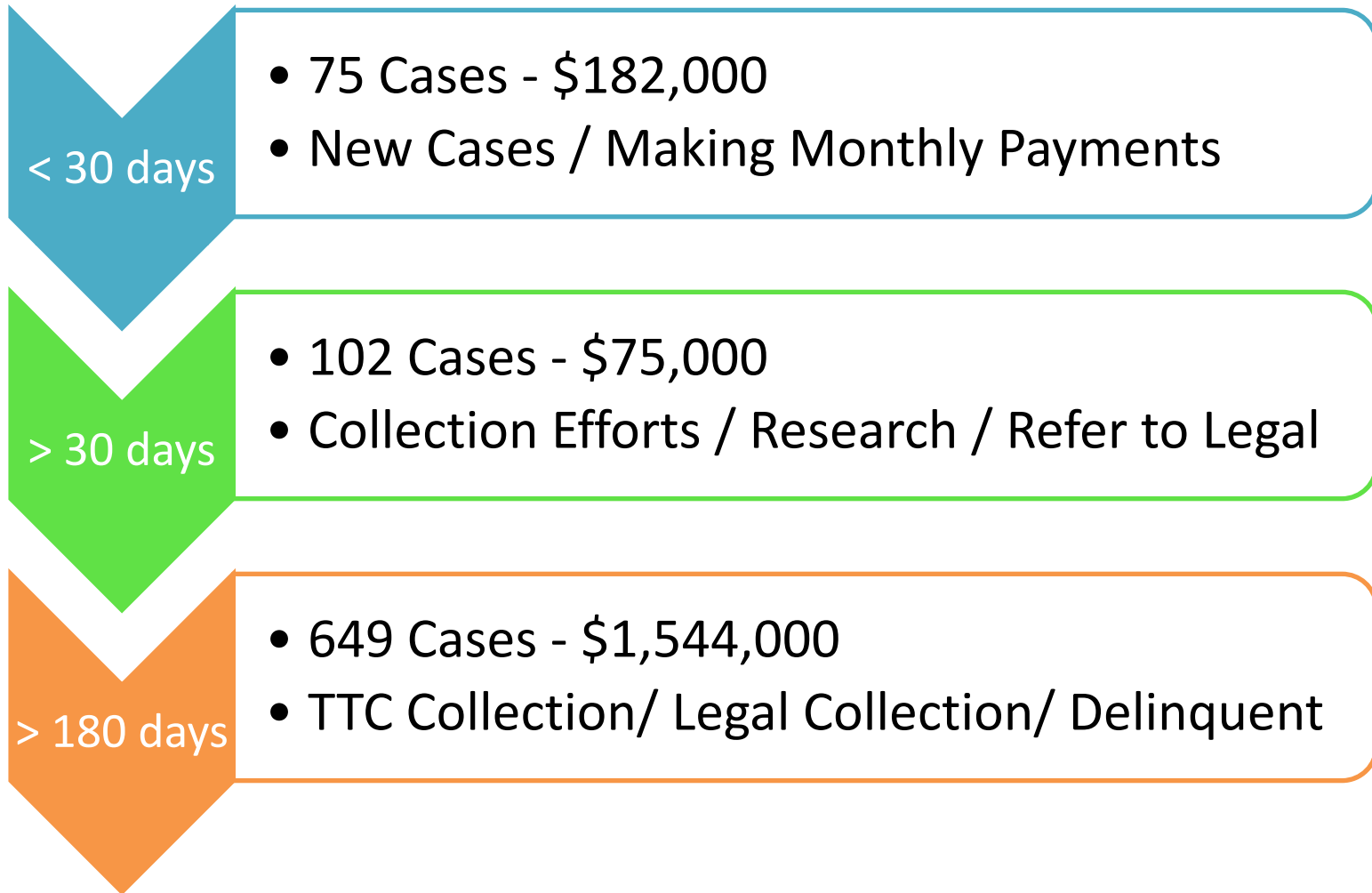
For This Period

■ Set-up ■ Collected



Overpayment & Forgery Receivables

Aging Report



Overpayment & Forgery Receivables

Breakdown of Cases



Underpayment of Contributions

Update for the current period

Waiver of Interest


Questions . . .



**INFORMATION ONLY**

August 2, 2016

TO: Operations Oversight Committee
Joe Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David Muir, Alternate

FROM: Cynthia Guider 
Administrative Services Division

FOR: August 11, 2016 Operations Oversight Committee

SUBJECT: Office Renovations

EXECUTIVE SUMMARY

Renovations to LACERA workspaces are made to ensure we maintain a safe, compliant, and efficient work environment. Project management is provided by Administrative Services Division staff and oversight of the process is by a steering committee comprised of staff from the Executive Office, Systems, and Administrative Services.

Each year during the development of the administrative budget, Division Managers meet with Administrative Services staff to determine changes to their space needs based upon changes in the business plan, strategic goals, staffing levels, business process, and compliance requirements. The requests are compiled and vetted with the Steering Committee for priority determination and a budget is developed based upon the initial analysis with the divisions. This amount becomes part of the Administrative Budget allocation.

DISCUSSION

In 2016 we have undertaken renovation projects that include the expansion of the Retiree Healthcare Division (RHC), renovating the Administrative Services Division,

and the 8th floor restrooms. The expansion project for RHC will be complete by mid-August; the Administrative Services renovation is projected to start by mid-September, and the 8th floor restrooms will take place later this year.

Additionally, LACERA has secured approximately 8,000 square feet of space on the second floor to use as a Systems Division staging area during the workstation replacement project, and by the Administrative Services Division while renovating their sixth floor work area.

Retiree Healthcare Expansion

The Retiree Healthcare Division (RHC) was last renovated in 2009 when it was relocated to the third floor. At that time it was determined there was sufficient space to accommodate the projected growth over the next several years.

Recently, a business plan was developed for the division to provide greater privacy and a quiet work area for the RHC Call Center team. In order to accommodate the new business plan, a common area conference room was integrated into the RHC work area.

The expansion project resulted in the following:

- Six (6) Call Center cubicles configured for increased privacy
- A sound abatement solution added to the Call Center area
- Three (3) additional cubicles
- One (1) additional office
- Reconfiguration of the division workroom
- Addition of a second door to the suite

This project is 95% complete with a small list of items that LACERA's furniture vendor will be providing in the near future.

Administrative Services Division Renovation

The Administrative Services Division was last renovated approximately 15 years ago. Over the years there have been various changes to processes and staffing additions without the need to renovate the division.

The Administrative Services Division provides services in the following areas:

- Administrative Services is the starting point for member documents and the Document Processing Center (DPC) intakes all mail and segregates member mail in order to scan and index the documents for Benefits, Disability Retirement Services, Member Services, and Retiree Healthcare divisions. The DPC also provides additional member document scanning services for Retiree Healthcare and Disability Retirement Services in addition to Board agendas and notes and other non-member related documents. Additionally, the DPC is the hub for all mail and copy services to the organization.
- Procurement
- Facilities Management
- Budget Development and Monitoring
- Records Management
- Contract Monitoring
- Employee Health and Safety Programs
- Liability Insurance Program
- Business Continuity Planning
- Corporate Reception and Switchboard

With LACERA's continuing efforts to protect the privacy of member information it has become evident that Administrative Services needs to enhance the privacy of member documents by functionally restricting access to the Document Processing Center (DPC) work area. Since the DPC Unit will have limited access for all LACERA staff, there will be a service window accessible from the hall where staff can

drop off their scanning and copy requests without the need to enter the space. The DPC also has specific technology and furnishing needs to support the business process that includes specialized equipment necessary for the day-to-day operation.

Other changes to further limit the need to enter the Division's work area include relocating the conference room to provide accessibility from the hallway, a procurement customer service window accessible from the hallway, and securing the corporate reception area.

As part of the renovation plan, the entire division will be relocated to vacant space on the second floor in order to provide expediency during the construction process. By relocating the division to temporary work space, the need to complete the project in more than one phase is eliminated. Phasing a project increases the overall project time line by 6 to 8 weeks and increases project costs by approximately 20%.

8th Floor Restrooms

The restrooms on the 8th floor are in need of a plumbing overhaul and must be brought into compliance with the City of Pasadena's ADA regulations.

The restrooms will be closed for approximately 10-12 weeks while the work is being done, which includes replacing pipes and installing new fixtures. This renovation will affect Board operations on meeting days since there will be no restroom available on the 8th floor. Restrooms are available on floors 7, 6, 5, 3, and 1.

The date for this project has not yet been determined and the goal is to schedule the work for a time that least disrupts board days. We will keep you apprised in advance of the start of this project.

REVIEWED AND APPROVED

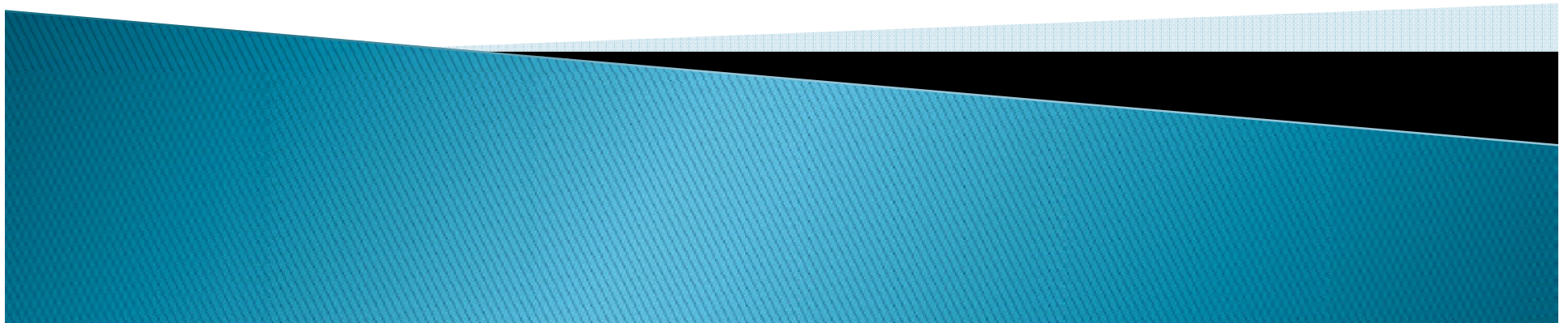


JJ Popowich
Assistant Executive Officer

Attachment

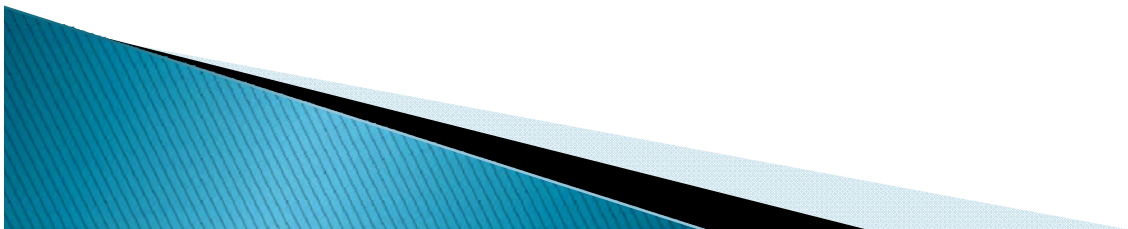
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RENOVATION PROJECTS UPDATE August 11, 2016



OVERVIEW

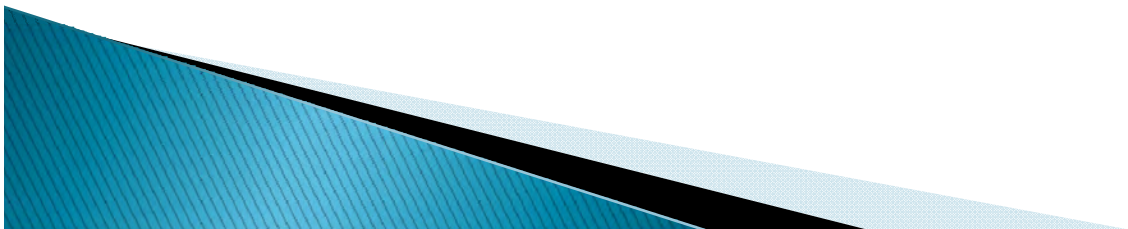
- ▶ Each year the Administrative Services Division identifies renovation projects for the fiscal year. The 2016 projects include:
 - Expansion of Retiree Healthcare Division
 - Renovation of Administrative Services Division
 - Renovation of 8th floor restrooms
- ▶ Secured approximately 8,000 square feet of space on the 2nd floor to be used as a staging area by Systems during the workstation upgrade and temporary space for the Administrative Services Division during renovation



Retiree Healthcare Expansion

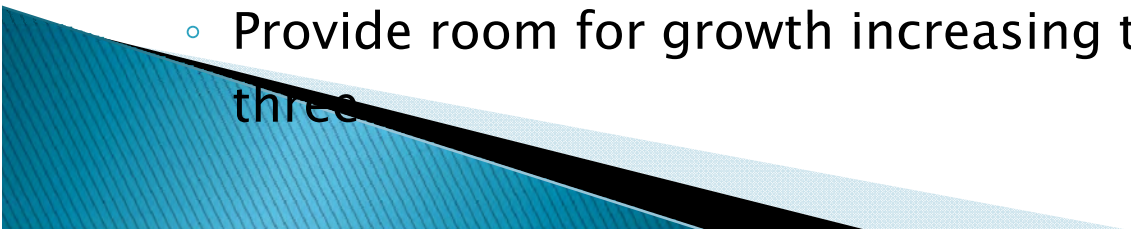
Project Highlights

- Six Call Center cubicles reconfigured for increased privacy and sound dampening “carpet” applied to the wall to absorb sound
 - Add three new staff cubicles
 - Add one private office
 - Reconfiguration of the workroom
 - Add a second suite door
- ▶ Projected Completion Date is mid-August



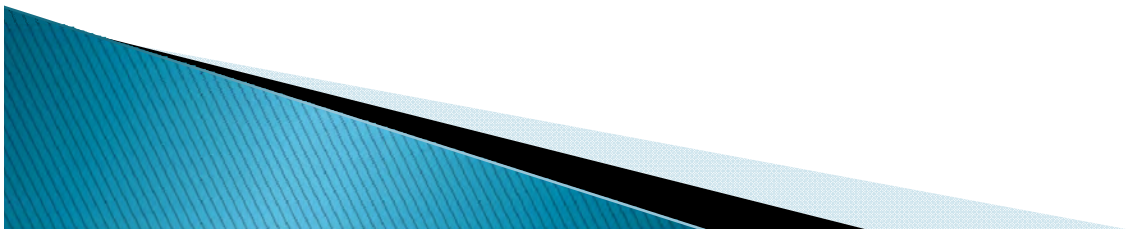
Administrative Services Renovation

▶ Project Highlights

- Create a separate and secure work area for the Document Processing Center (DPC), Mail Room, and Copy Room for increased security, privacy and confidentiality of documents. Access to this work area will be limited to DPC staff and Division Management.
 - Relocate the conference room to be accessible from the corridor
 - Provide a customer window for the Procurement Unit and the Mail Room
 - Secure the corporate reception area
 - Provide room for growth increasing the staff cubicle count by three
- 

Administrative Services Renovation

- Temporarily relocate all division staff, including corporate reception, to space located on the 2nd floor to provide expediency during the construction process. Relocating the division eliminates the need to have multiple construction phases. Phasing a project increases the overall project time line by 6 to 8 weeks and increases project costs by approximately 20%
- ▶ Projected Completion Date of 12 weeks after the start of the project



8th Floor Restroom Renovation

- ▶ Project Highlights

- Renovate both restrooms on the 8th floor to be in compliance with the City of Pasadena ADA regulations
- Redo the plumbing in both restrooms
- Redo the finishes (tile, etc) in both restrooms
- Restrooms will be closed for approximately 10 to 12 weeks to complete the work
- Restrooms will be available on floors 7, 6, 5, 3 and 1

- ▶ Target Start Date is Undetermined at this time



Questions or Comments?

