

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., THURSDAY, OCTOBER 12, 2017

*The Board 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. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of September 6, 2017
- IV. REPORT ON CLOSED SESSION ITEMS
- V. OTHER COMMUNICATIONS
 - A. For Information
 - 1. August 2017 All Stars
 - 2. Interim Chief Executive Officer's Report
(Memo dated October 3, 2017)
- VI. PUBLIC COMMENT
- VII. CONSENT AGENDA
 - A. Request of Service Retirement and Survivor Benefit Application Approvals
 - B. Request for an administrative hearing before a referee
(Memo dated October, 2, 2017)

VII. CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice **Adele O. Campbell's** appeal for a service-connected disability retirement. (Memo dated September 27, 2017)
- D. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice **Esther Mankowski's** appeal for service-connected disability retirement. (Memo dated September 28, 2017)
- E. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice **Donna E. Lopez'** appeal for service-connected disability retirement. (Memo dated September 28, 2017)
- F. Recommendation as submitted by Robert Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the Healthcare Information and Management Systems Society Conference & Expo on March 5-9, 2018 in Las Vegas, Nevada and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated September 20, 2017)
(Placed on the agenda at the request of Mr. Kehoe)
- G. Recommendation as submitted by Robert Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the InfoSecWorld Conference & Expo 2018 on March 19-21, 2018 in Lake Buena Vista, Florida and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated September 22, 2017)
(Placed on the agenda that request of Mr. Kehoe)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by William de la Garza, Chair, Insurance, Benefits & Legislative Committee: That the Board adopt an "Oppose" position on ACA 15, which would enact The Protecting Schools and Keeping Pension Promises Act of 2018. (Memo dated September 6, 2017)

VIII. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by William de la Garza, Chair, Insurance, Benefits & Legislative Committee: That the Board approve the Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit Policy. (Memo dated September 11, 2017)
- C. Recommendation as submitted by Vivian H. Gray, Chair, Disability Procedures & Services Committee: That the Board terminate LACERA's Late-Filed Application Policy. (Memo dated September 27, 2017)
- D. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board approve reinstatement for physician, Edward Green III, M.D. – Board Certified Orthopedist, to the LACERA Panel of Physicians for the purpose of examining disability retirement applicants. (Memo dated September 28, 2017)
- E. Recommendation as submitted by Robert Hill, Interim Chief Executive Officer: That the Board review the December 2017 meeting schedule and consider rescheduling the Wednesday, December 6, 2017 meeting. (Memo dated September 26, 2017)
- F. Recommendation as submitted by John Nogales, Director, Human Resources: That the Board 1) Approve compensation for Interim Chief Executive Officer, Robert Hill, including monthly salary of \$21,521 and "L" Item Benefits, excluding the automobile allowance, Mr. Hill will retain his existing LACERA vehicle; 2) Ratify the Employment Agreement with Mr. Hill as Interim Chief Executive Officer. (Memo dated October 2, 2017)
- G. Recommendation as submitted by John Nogales, Director, Human Resources: That the Board:

- 1. Approve the following new LACERA classification and salary recommendation:

Classification

Salary Schedule

Executive Board Assistant, LACERA
(Memo dated October 3, 2017)

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IX. REPORTS

- A. As submitted by Steven P. Rice, Chief Counsel: Report on Work Plan for Proposal that Chief Counsel Report Jointly to Board of Retirement and Board of Investments.
(Memo dated October 2, 2017)
- B. As submitted by Steven P. Rice, Chief Counsel: Report on Work Plan for Proposal that Chief Investment Officer Report to Board of Investments.
(Memo dated October 2, 2017)
- C. For information only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the Application Processing Time Snapshot Reports. (Memo dated September 20, 2017)
- D. For Information only as submitted by Barry Lew, Legislative Affairs Officer, regarding the 2017 Year-End Legislative Report.
(Memo dated October 2, 2017)

X. REPORT ON STAFF ACTION ITEMS

XI. GOOD OF THE ORDER
(For information purposes only)

XII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

XIII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

- A. Applications for Disability
- B. Staff Recommendations
 - 1. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Board approve the service provider invoice for Gutierrez, Preciado & House, LLP. (Memo dated September 28, 2017)

XIV. EXECUTIVE SESSION

- A. Conference with Legal Counsel - Anticipated Litigation
Significant Exposure to Litigation (Pursuant to Paragraph 2 of Subdivision (d) of California Government Code Section 54956.9)

- 1. Administrative Appeal of Glenn T. Zoppa

- B. Conference Legal Counsel - Pending Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

- 1. United States of America v. Gary Ordog
Case No. CV 17-1664-FMO (C.D. Cal.)

- 2. Sarah Marks v. LACERA
Case No. BC598957 (L.A. Super.)
Case No. B281110 (Ct. App. 2nd Dist.)

XV. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement 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 Board of Retirement 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.

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 REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., WEDNESDAY, SEPTEMBER 6, 2017

PRESENT: Shawn R. Kehoe, Chair
Vivian H. Gray, Vice Chair
Marvin Adams
Alan Bernstein (Left the meeting at 9:01 a.m.)
Anthony Bravo
Joseph Kelly
David L. Muir (Alternate Retired)
Ronald A. Okum
William Pryor (Alternate Member)

ABSENT: William de la Garza, Secretary

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Dr. Vito Campese, Medical Advisor

Fern M. Billingsy, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Barry W. Lew, Legislative Affairs Officer

Bernie Buenaflor, Division Manager

Jamey Beasley, Administrative Service Analyst

Ricki Contreras, Division Manager
Disability Retirement Services

Tamara Caldwell, Specialist Supervisor
Disability Retirement Services

Francis J. Boyd, Senior Staff Counsel
Legal Division

Milliman

Robert Schmidt, Principal & Consulting Actuary
Janet Jennings, Associate Actuary

Segal Consulting

Paul Angelo, Principal Actuary
Dave Bergerson, Vice President & Actuary

I. CALL TO ORDER

The meeting was called to order by Chair Kehoe at 9:05 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Pryor led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of August 2, 2017

Mr. Okum made a motion, Mrs. Gray seconded, to approve the minutes of the regular meeting of August 2, 2017. The motion passed with Mr. Kehoe abstaining.

B. Approval of the Minutes of the Regular Meeting of August 10, 2017

Mr. Adams made a motion, Mr. Pryor seconded, to approve the minutes of the regular meeting of August 10, 2017. The motion passed with Mr. Muir abstaining.

IV. REPORT ON CLOSED SESSION ITEMS

No items were reported.

V. OTHER COMMUNICATIONS

A. For Information

1. July 2017 All Stars

Mr. Hill announced the eight winners for the month of July: Eduardo Ascencio, Remigio Feliciano, Sandy Pang, Richard Creamer, Felisa Valdepenas, Indee Brooke, Courtney Cook, and Ricki Contreras for the Employee Recognition Program and Mr. Joe Kelly for the Webwatcher Program. Steven Alexander, Diana Huang, Bernard Edwards, and Brittany Moyer were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report (Memo dated August 28, 2017)

Mr. Rademacher congratulated Roberta Van Nortrick, Barry Lew and Linda Ghazarian in receiving their Master in Public Administration degree with a focus on

V. OTHER COMMUNICATIONS (Continued)

2. Chief Executive Officer's Report
(Memo dated August 28, 2017)

Public Sector Management and Leadership from California State University, Northridge.

Mr. Rademacher announced if Board members would like to adjourn any meeting in honor or memory of someone to please inform the Executive Office in advance to allow time to prepare a letter from the Board Chairs.

VI. PUBLIC COMMENT

LACERA member, Agneta Dobos, addressed the Board regarding her pension.

(This item was held out of order before IX.A)

VII. CONSENT AGENDA

Mr. Pryor made a motion, Mrs. Gray seconded, to approve the following agenda items. The motion passed unanimously.

- A. Ratification of Service Retirement and Survivor Benefit Application Approvals.
- B. Request for an administrative hearing before a referee.
- C. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for a service-connected disability retirement in the case of **Diana Cazares**. (Memo dated August 22, 2017)
- D. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for an earlier effective date in the case of **Duane G. Johnson**. (Memo dated August 24, 2017)

VII. CONSENT AGENDA (Continued)

- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Toigo Groundbreakers Summit: Women in Leadership on October 27, 2017 in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated August 28, 2017)
(Placed on the agenda at the request of Ms. Gray)

- F. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the USC Marshall School of Business and NACD Southern California Chapter at the annual Corporate Directors Symposium on November 8, 2017 in Los Angeles and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated August 30, 2017)
(Placed on the agenda at the request of Ms. Gray)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted Alan Bernstein, Operations Oversight Committee Chair: That the Board approve the purchase of Fiduciary Liability Insurance effective October 6, 2017 with the Hudson Insurance Company insurance carrier. (Memo dated August 7, 2017)

Mr. James Beasley was present and answered questions from the Board.

Mr. Pryor made a motion, Mr. Adams seconded, to approve the agenda item. The motion passed unanimously.

- B. Recommendation as submitted by William de la Garza, Insurance, Benefits and Legislative Committee Chair: That the Board adopt a "Support" position on Senate Bill 915, which would enact the "Social Security Fairness Act of 2017." (Memo dated August 10, 2017)

Mr. Lew was present and answered questions from the Board.

Mrs. Gray made a motion, Mr. Bravo seconded, to approve the agenda item. The motion passed unanimously.

VIII. NON-CONSENT AGENDA (Continued)

- C. Recommendation as submitted by William de la Garza, Insurance, Benefits and Legislative Committee Chair: That the Board adopt a “Support” position on H.R. 1205, which would enact the “Social Security Fairness Act of 2017.” (Memo dated August 10, 2017)

Mr. Lew was present and answered questions from the Board.

Mrs. Gray made a motion, Mr. Adams seconded, to approve the agenda item. The motion passed unanimously.

- D. Recommendation as submitted by Bernie Buenaflor, Division Manager, Benefits Division: That the Board 1) Determine, based upon medical evaluation conducted June 8, 2017, that Jill L. Gottlieb is not incapacitated for the duties assigned to her in the position of Mental Health Clinical Supervisor; and, 2) Grant the application of Jill L. Gottlieb for reinstatement to active membership. (Memo dated August 10, 2017)

Mr. Buenaflor was present and answered questions from the Board.

Mr. Okum made a motion, Mr. Muir seconded, to approve the agenda item. The motion passed unanimously.

- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board review the October 2017 meeting schedule and consider rescheduling the Wednesday, October 4, 2017 meeting. (Memo dated August 10, 2017)

Mrs. Gray made a motion, Mr. Adams seconded, to approve rescheduling the Wednesday, October 4, 2017 meeting to a combined Disability and Administrative meeting on Thursday, October 12, 2017. The motion passed unanimously.

IX. FOR INFORMATION ONLY

- A. Presentation and Report as submitted by Gregg Rademacher, Chief Executive Officer, regarding Los Angeles County Other Postemployment Benefits Program – Experience Study and Actuarial Valuation.
(Memo dated August 21, 2017)

(Privileged and Confidential Memo Dated August 28, 2017 for Board members only)*

Mr. Schmidt and Mrs. Jennings of Milliman and Mr. Angelo and Mr.

Bergerson of Segal Consulting provided a presentation and answered questions from the Board.

- B. For Information Only as submitted by John Nogales, Director Human Resources, regarding Board Secretary Classification Study.
(Memo dated August 29, 2017)

Mr. Nogales was present and answered questions from the Board.

- C. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the 2018 Star Cola Program.
(Memo dated August 18, 2017)

- D. For Information Only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the Application Processing Time Snapshot Reports. (Memo dated August 25, 2017)

X. REPORT ON STAFF ACTION ITEMS

The Board requested for staff to follow up with Mrs. Agneta Dobos regarding her concerns.

XI. GOOD OF THE ORDER

(For information purposes only)

There is nothing to report.

XII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement
Service-Connected Disability Applications

On a motion by Mrs. Gray, seconded by Mr. Pryor, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
687C*	JAVIER A. CLIFT
688C	BRIAN L. NELSON
689C**	EDWARD D. RAULSTON
690C	DAVID C. HARRISON
691C	LU'WANA H. SODEMANN
692C	KELAND M. JOHNSON
693C	CYNTHIA A. GONZALES
694C*	KATHY SULLIVAN-LACY
695C	MARCOS R. DE LA RIVA
696C***	PATRICK E. MAXWELL

* Granted SCD – Employer Cannot Accommodate

** Granted SCD – Retroactive Since Employer Cannot Accommodate

*** This case was pulled from the agenda by the request of staff.

XII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement (Continued)
Service-Connected Disability Applications

On a motion by Mr. Kehoe, seconded by Mr. Okum, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
697C*	LA TONYA R. HARRIS
698C	LUIS C. SIORDIA
699C	ISMAEL CHAVEZ
700C	KIRK K. PETERSEN

*Granted SCD – Employer Cannot Accommodate

XII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety-Fire, Lifeguard
Service-Connected Disability Applications

On a motion by Mr. Pryor, seconded by Mr. Bravo, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
1889A	ERIC B. RODRIGUEZ
1890A	DAVID W. MCKIBBIN
1891A	PAUL A. SOTELO
1892A	EDWARD L. SALDIBAR
1893A	LAWRENCE J. BURKE
1894A*	HALL STRATTON
1895A	DAVID T. LEARY
1896A	JOHN E. HENTSCH
1897A	MIKE DIMITRI KRECU
1898A	JEFFREY K. BURKE
1899A	RAFAEL A. ORTIZ

*Granted SCD – Retroactive

XII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

General Members

Service-Connected Disability Applications

On a motion by Mr. Okum, seconded by Mr. Muir, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
2743B *	ROBERT DELGADO
2744B *	SUZANNE F. JAYNES
2745B	ANNKA E. GEORGE
2746B *	MARIA E. BLANCARTE
2747B	DAVID MARTINEZ
2748B	CECILIA HOUSE DEL VALLE

* Granted SCD – Retroactive Since Employer Cannot Accommodate

XIII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

APPLICATION NO. & NAME

BOARD ACTION

6961A – JANICE EPPERSON

Mrs. Gray made a motion, Mr. Pryor seconded, to grant a non-service connected disability retirement pursuant to Government Code Sections 31720 and 31724. The motion passed unanimously.

6962A – EMMA B. M. CAPARROS*

Mr. Muir made a motion, Mr. Okum seconded, to grant a non-service connected disability retirement pursuant to Government Code Sections 31720. The motion passed unanimously.

6963A – CAROLYN A. CELESTINE

Mr. Muir made a motion, Mr. Pryor seconded, to find the applicant not permanently incapacitated and to deny without prejudice. The motion passed unanimously.

6964A – KENNETH L. TAYLOR

Mr. Adams made a motion, Mrs. Gray seconded, to grant a non-service connected disability retirement pursuant to Government Code Sections 31720 and 31724. The motion passed unanimously.

6965A – SHAWN F. FLOWERS-CLARK

Mr. Pryor made a motion, Mrs. Gray seconded, to grant a non-service connected disability retirement pursuant to Government Code Sections 31720.

Mrs. Gray made a substitute motion, Mr. Kehoe seconded to return to staff for additional information. The motion passed unanimously.

*Applicant Present

XIII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

<u>APPLICATION NO. & NAME</u>	<u>BOARD ACTION</u>
6966A – LATOYA L. JACKSON	Mrs. Gray made a motion, Mr. Adams seconded, to find the applicant not permanently incapacitated. The motion passed unanimously.
6967A – GERALDINE A. BECHARD	Mr. Kehoe made a motion, seconded by Mrs. Gray to return to staff for additional information. The motion passed unanimously.
6968A – WES M. SUTTON*	Mr. Kehoe made a motion, Mr. Muir seconded to grant a service connected disability retirement pursuant to Government Code Section 31724. The motion was based on the opinion of the Board's medical advisor, Vito Campese, M.D. The motion passed unanimously.
6969A – MICHAEL A. ETTER	This case was pulled from the agenda by the request of staff.
6970A – SHARON R. ALLEN	Mr. Pryor made a motion, Mr. Okum seconded, to find the applicant not permanently incapacitated. The motion passed unanimously. (Mr. Bernstein returned to the Board room at 10:25 a.m.)
6971A – MARY A. BONOMO	Mr. Pryor made a motion, Mrs. Gray seconded to grant a service connected disability retirement pursuant to Government Code Section 31724. The motion passed with Mr. Okum voting no.

*Applicant Present

XIII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

APPLICATION NO. & NAME

BOARD ACTION

6972A – PRIMITIVA A. ULEP*

(Per applicant's request this item was held in open session under Item XII.)

Mr. Muir made a motion, Mr. Okum seconded, to find the applicant not permanently incapacitated. The motion passed unanimously.

6973A – TRACY E. ERTEL

Mr. Pryor made a motion, Mr. Adams seconded to grant a service connected disability retirement pursuant to Government Code Sections 31724.

Mr. Pryor made a substitute motion, Mr. Muir seconded to return to staff for additional information.

After a brief discussion, Mr. Pryor withdrew his motion.

The motion to grant a service connected disability retirement pursuant to Government Code Section 31724 passed unanimously. The motion was based on the opinion of the Board's medical advisor, Vito Campese, M.D.

6941A – ARETHA L. BROOKS

Mr. Pryor made a motion, Mr. Muir seconded, to grant a service connected disability retirement since the employer cannot accommodate pursuant to Government Code Section 31720. The motion passed unanimously.

*Applicant Present

XIII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports

APPLICATION NO. & NAME

BOARD ACTION

TOMASZ KRZSZTOFIK –

In Pro Per
Allison E. Barrett for the respondent

Mr. Adams made a motion, Mr. Bernstein seconded, to grant a non-service connected disability retirement. The motion passed unanimously.

EDWARD V. MARQUEZ

This case was pulled from the agenda by the request of staff.

XIII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

C. Staff Recommendations

1. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board adopt the Proposed Findings of Fact and Conclusions of Law granting **Peggy A. Foster** a service-connected disability pursuant to Government Code section 31720. (Memo dated August 22, 2017)

Mr. Muir made a motion, Mr. Okum seconded, to approve the agenda item. The motion passed unanimously.

2. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board grant **Michelle D. Wright** the option of an earlier effective date pursuant to Government Code Section 31724. (Memo dated August 25, 2017)

Mr. Okum made a motion, Mr. Muir seconded, to approve the agenda item. The motion passed unanimously.

3. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Board approve the service provider invoice for Gutierrez, Preciado & House, LLP. (Memo dated August 3, 2017)

Mr. Muir made a motion, Mr. Okum seconded, to approve the agenda item. The motion passed unanimously.

XIV. CLOSED SESSION

- A. Conference Legal Counsel - Pending Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

1. United States of America v. Gary Ordog
Case No. CV 17-1664-FMO (C.D. Cal.)

XIV. CLOSED SESSION (Continued)

The Board met in Closed Session pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report at this time.

2. Sarah Marks v. LACERA (For Information Only)
Case No. BC598957 (L.A. Super.)
Case No. B281110 (Ct. App. 2nd Dist.)

The Board met in Closed Session pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report at this time.

- B. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation (Pursuant to Paragraph 2 of Subdivision (d) of California Government Code Section 54956.9)

1. Administrative Appeal of Trudy Olins

The Board met in Closed Session pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9. Mr. Kehoe made a motion, Mr. Okum seconded, the Board voted unanimously 8-0 to deny the administrative appeal of Trudy Olins.

XV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned in memory of Mr. Alan Bernstein's mother, Edith Bernstein at 11:30 a.m.

September 6, 2017

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Green Folder Information (Information distributed in each Board Member's Green Folder at the beginning of the meeting)

1. Annual Survivor Income Benefit Notice Meeting (Memo dated September 5, 2017)
2. Trend Analysis of Administrative Costs FY 2011-12 through FY 2017-18
3. Retirement Board Listing dated August 31, 2017
4. LACERA Retirees Newsletter: Staying Healthy Together – Fall Workshop


WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR



October 3, 2017

TO: Each Member
Board of Retirement
Board of Investments

FROM: Robert R. Hill 
Interim Chief Executive Officer

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT**

I am pleased to present the Chief Executive Officer's Report that highlights a few of the operational activities that have taken place during the past month, key business metrics to monitor how well we are meeting our performance objectives, and an educational calendar.

LACERA's Response to Recent Natural Disasters

The last few months have been a trying time for many throughout the United States and surrounding countries due to several major natural disasters. Our thoughts and well wishes are sent out to all of the people and their families who have been impacted by these terrible events.

While many LACERA retired and deferred members are located in California, we recognize we have members of our extended LACERA family throughout the US and the world – including in those areas hardest hit by recent natural disasters. We understand these are trying times and our team is committed to ensuring we do everything possible to help our members continue to receive the promised benefit with minimal interruptions.

The Member Services, Benefits, and Systems' teams worked together to identify over 170 members living in the impacted areas of Texas, Florida, Louisiana, Puerto Rico, the U.S. Virgin Islands, and Mexico. A majority of these members receive their benefits via direct deposit, but a handful receive benefits by check. A special alert was placed on each member's account to help staff immediately identify the member may have been impacted by one of these disasters. Staff have been asked to escalate any impacted member's request so it receives priority processing. As of the date of this report we have not received any requests from impacted members.

LACERA's Annual Wellness and Employee Benefits Program

LACERA proudly hosted our 19th Annual Wellness and Employee Benefits Event on September 27th and 28th. This year's two-day event focused on "Healthy Living: Feel Good, Exercise Regularly, Eat Better, and Think Positive." This interactive program supports the preventive interventions our staff can take to foster better health in the workplace and at home with their families.

Staff had an opportunity to attend a number of workshops where they could gather information about their health and financial benefits ahead of the annual October benefit open enrollment period. Day 1 of this year's program offered 18 different workshops ranging from health awareness topics such as "Diabetes Awareness", "Weight Management", "Your Own Exercise Plan" to financial well-being topics including "Car Buying", Identity Theft Seminar", and "How Social Security Works with Retirement".

Day 2 of the program included health screenings that support the Health Care Providers' recommendation for preventive interventions and focusing on the "Know Your Numbers" campaign. Health screenings included Blood Pressure, Cholesterol, and Glucose Screenings. Each employee who participated in the health screenings received their health screening results and consultation by health professionals on what their numbers mean.

Our employees are one of LACERA's most important assets and we strongly believe in helping each other create and maintain a healthy work-life environment so our LACERA family can continue working together to fulfill the promise of our mission to our members and each other.

Sharing and Providing Leadership throughout the California Pension Community

LACERA is a learning organization and recognizes the benefits of participating in engaged and active communities of pension professionals such as CALAPRS and SACRS, among others. These organizations allow LACERA to share the collective knowledge of our pension professionals with their peers and in turn learn from those peers as they share their knowledge.

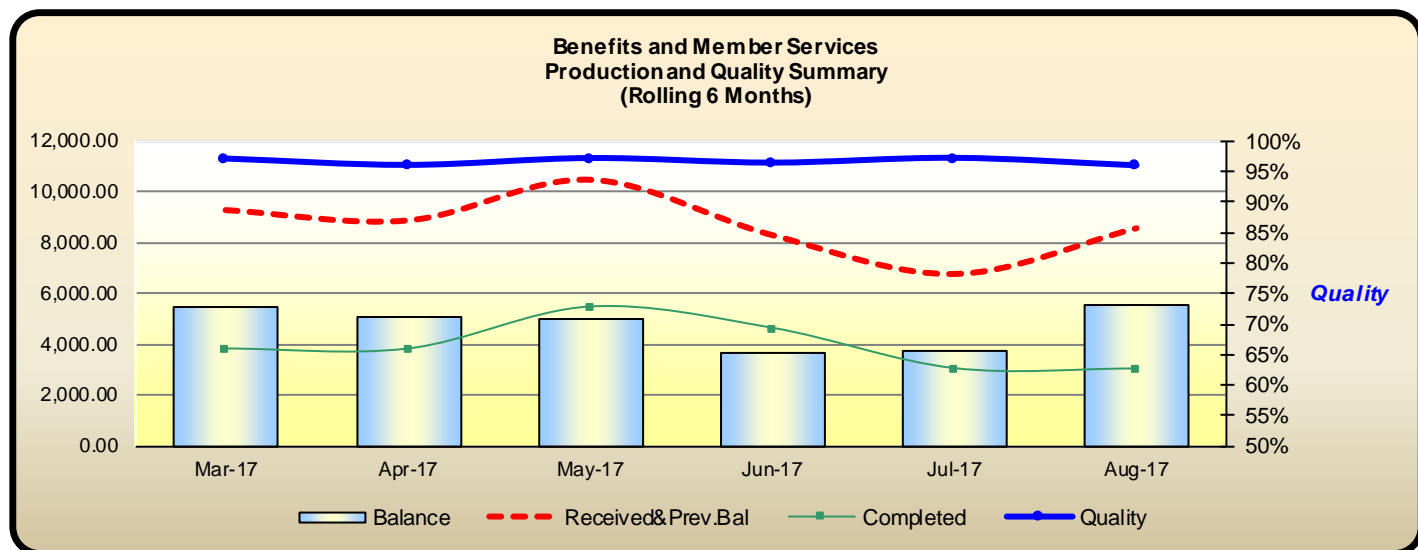
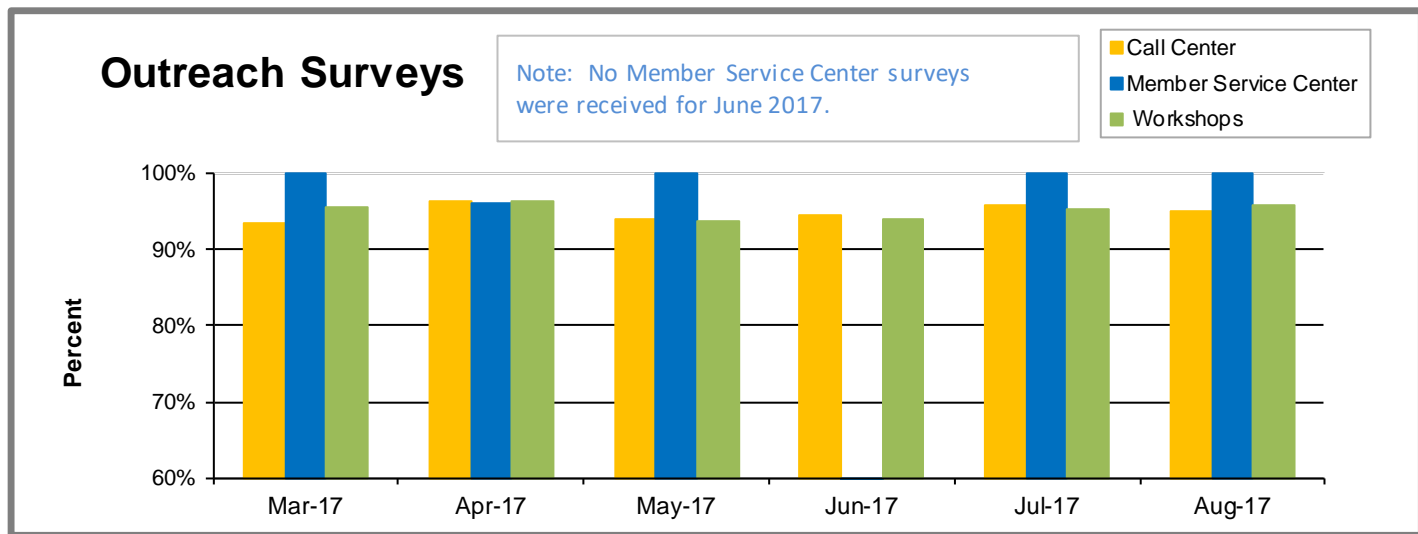
Over the last several years, LACERA staff in Disability Retirement Services, Disability Litigation, and the Legal Offices have had the honor of leading the Disability Retirement Administration courses offered by CALAPRS. This three-module program (the topics vary annually) is geared towards educating front line administrators/investigators in disability retirement matters. This year the team developed and delivered a program focused on the art of interviewing disability retirement applicants. The program delivered on September 14th, in San Jose was well received by the 11 pension systems represented, and lead to some excellent discussions among the participants.

I would like to take a moment to recognize and thank the following staff for their leadership and participation in this year's program: Vince Lim, Frank Boyd, Alison Barrett, Jason Waller, Eugenia Der, Tamara Caldwell, Hernan Barrientos, Justin Stewart, Michelle Yanes, Ricardo Salinas, Ruby Minjares, and Maria Silva.

LACERA's KEY BUSINESS METRICS

OUTREACH EVENTS AND ATTENDANCE

Type	# of WORKSHOPS		# of MEMBERS	
	Monthly	YTD	Monthly	YTD
Benefit Information	12	25	377	864
Mid Career	1	1	19	19
New Member	14	26	280	582
Pre-Retirement	9	14	219	358
General Information	0	1	0	100
Retiree Events	0	0	0	0
Member Service Center	Daily	Daily	1,516	2,806
TOTALS	36	67	2,411	4,729



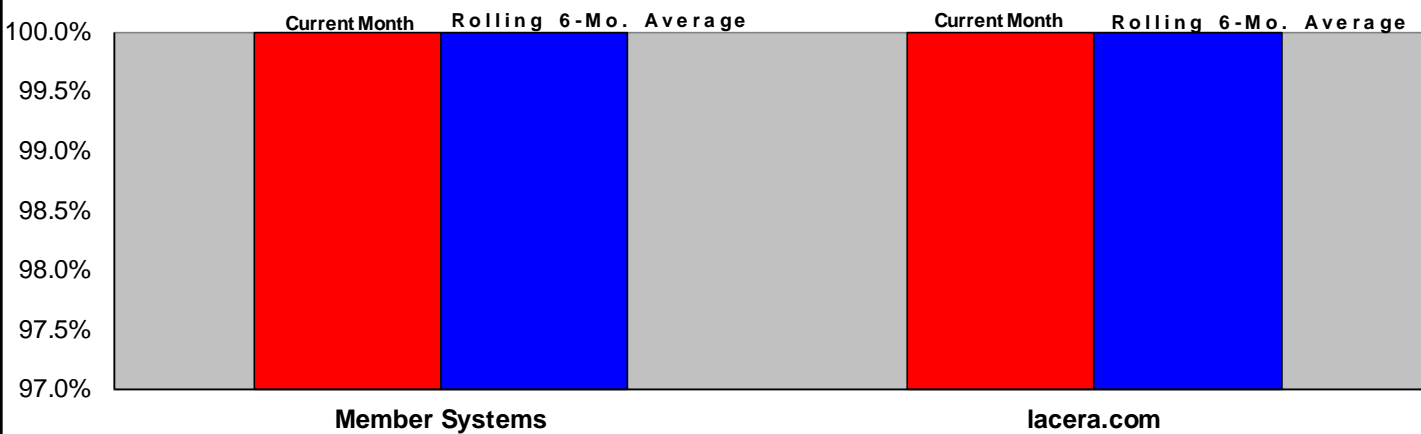
Member Services Contact Center			RHC Call Center	Top Calls
Overall Key Performance Indicator (KPI)		93.30%		
Category	Goal	Rating		Member Services
Call Center Monitoring Score	95%	93.98%	99%	1) Workshop Info/Appointments Inquiry
Grade of Service (80% in 60 seconds)	80%	58%	41%	2) Benefit Paymts: Gen. Inq. /Payday info.
Call Center Survey Score	90%	95.00%	xxxxx	3) Retirement Counseling: Estimates
Agent Utilization Rate	65%	69%	83%	
Number of Calls		11,088	3,879	Retiree Health Care
Number of Calls Answered		10,2071	3,457	1) Medical Benefits - General Inquiries
Number of Calls Abandoned		881	422	2) Medical-New Enroll./Change/Cancel
Calls-Average Speed of Answer (hh:mm:ss)		00:01:57	00:03:15	3) General Inquiries (RHC)
Number of Emails		279	162	
Emails-Average Response Time (hh:mm:ss)		05:45:36	(Days) 1	Adjusted for weekends

LACERA's KEY BUSINESS METRICS

Fiscal Years	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assets-Market Value	\$40.9	\$38.7	\$30.5	\$33.4	\$39.5	\$41.2	\$43.7	\$51.1	\$51.4	\$50.9
Funding Ratio	93.8%	94.5%	88.9%	83.3%	80.6%	76.8%	75.0%	79.5%	83.3%	79.4%
Investment Return	19.1%	-1.4%	-18.2%	11.8%	20.4%	0.3%	12.1%	16.8%	4.3%	1.1%

DISABILITY INVESTIGATIONS						
APPLICATIONS	TOTAL	YTD		APPEALS	TOTAL	YTD
On Hand	598	xxxxxxx		On Hand	124	xxxxxxx
Received	50	101		Received	6	6
Re-opened	1	1		Administratively Closed/Rule 32	4	4
To Board – Initial	41	77		Referee Recommendation	1	2
Closed	13	19		Revised/Reconsidered for Granting	1	1
In Process	595	595		In Process	124	124

SYSTEMS AVAILABILITY - AUGUST 2017



Active Members as of 9/27/17		Retired Members/Survivors as of 9/27/17			Retired Members	
		Retirees	Survivors	Total		
General-Plan A	172	18,321	4,607	22,928	Monthly Payroll	263.00 Million
General-Plan B	59	690	66	756	Payroll YTD	0.5 Billion
General-Plan C	68	423	61	484	No. Monthly Added	263
General-Plan D	45,003	13,051	1,223	14,274	Seamless %	99.25%
General-Plan E	19,412	11,822	1,004	12,826	No. YTD Added	528
General-Plan G	20,110	8	0	8	Seamless YTD %	99.62%
Total General	84,824	44,315	6,961	51,276	Direct Deposit %	95.00%
Safety-Plan A	7	5,626	1,569	7,195		
Safety-Plan B	10,721	4,864	252	5,116		
Safety-Plan C	2,107	3	0	3		
Total Safety	12,835	10,493	1,821	12,314		
TOTAL ACTIVE	97,659	TOTAL RETIRED	54,808	8,782		

Health Care Program (YTD Totals)		
	Employer Amount	Member Amount
Medical	79,030,563	6,706,060
Dental	7,034,036	727,224
Med Part B	9,360,823	xxxxxxxxxx
Total Amount	\$95,425,422	\$7,433,284

Funding Metrics as of 6/30/16	
Employer Normal Cost	9.97%
UAAL	9.73%
Assumed Rate	7.25%
Star Reserve	\$614 million
Total Assets	\$47.8 billion

Health Care Program Enrollments (Monthly)	
Medical	48,870
Dental	49,954
Med Part B	32,424
Long Term Care (LTC)	714

Member Contributions as of 6/30/16	
Annual Additions	\$458.7 million
% of Payroll	6.65%

Employer Contributions as of 6/30/16	
Annual Addition	\$1,443.1 million
% of Payroll	19.70%

Date	Conference
November, 2017	
5-7	Pacific Pension Institute (PPI) Executive Seminar (PES) New Delhi, India
7-8	11 th Annual gCM Grosvenor Small and Emerging Managers Conference Chicago, IL
8	USC Marshall School of Business and NACD Corporate Directors Symposium Los Angeles, CA
8-9	Institutional Limited Partners Association (ILPA) Summit New York, NY
8-10	Pacific Pension Institute (PPI) Asia Roundtable Mumbai, India
14-17	SACRS Burlingame, CA
30-Dec. 1	Nossaman's Public and Investments Fiduciaries' Forum San Francisco, CA
December, 2017	
4-5	NACD (National Association of Corporate Directors) Advanced Director Professionalism Foundation Course Miami, FL
5-6	2017 SuperReturn Africa Cape Town, South Africa
6-7	International Corporate Governance Network (ICGN) Paris Conference Paris, France
January, 2018	
28-30	NCPERS (National Conference on Public Employee Retirement Systems) Legislative Conference Washington D.C.
February, 2018	
1-2	IMN (Information Management Network) Annual Beneficial Owners' Intl. Securities Finance & Collateral Mgmt. Conference Fort Lauderdale, FL
March, 2018	
3-6	CALAPRS (California Association of Public Retirement Systems) General Assembly Meeting Indian Wells, CA
8-9	PREA (Pension Real Estate Association) Spring Conference Beverly Hills, CA



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**



October 2, 2017

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Division Manager
Disability Retirement Services

SUBJECT: **APPEALS FOR THE BOARD OF RETIREMENT'S MEETING
OF OCTOBER 12, 2017**

IT IS RECOMMENDED that your Board grant the appeals and requests for administrative hearing received from the following applicants, and direct the Disability Retirement Services Manager to refer each case to a referee:

6956A	Ofelia Santoyo-Hurtado	In Pro Per	Deny SCD – Employer Can Accommodate
6957A	Janis M. Raiford	In Pro Per	Deny SCD – Grant NSCD Option of Earlier Effective Date

RC:kw

Memo. New Appeals.docx



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Pasadena, CA 91101**



September 20, 2017

TO: Each Member
Board of Retirement

FROM: Robert Hill 
Interim Chief Executive Officer

FOR: Board of Retirement Meeting of October 12, 2017

SUBJECT: Healthcare Information and Management Systems Society (HIMSS) 2018 Annual
Conference & Expo
March 5 – 9, 2018 in Las Vegas, Nevada

The HIMSS 2018 Annual Conference and Expo will be held on March 5 – 9, 2018 at the Venetian – Palazzo Sands Expo Center in Las Vegas, Nevada. The HIMSS Annual Conference & Exhibition brings together 40,000+ health IT professionals, clinicians, executives and vendors from around the world. Exceptional education, world-class speakers, cutting-edge health IT products and powerful networking are hallmarks of this industry-leading conference.

The main conference highlights include the following:

- Enhancing Innovation and Mitigating Risks
- Compliance, Risk Management & Program Integrity
- Leadership, Governance, Strategic Planning
- Public Policy

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. HIMSS has negotiated special rates for delegates attending the conference, the discounted hotel rates range from \$220.00 to \$350.00 plus applicable resort fees and taxes and the registration fee to attend is \$795.00.

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at the Healthcare Information and Management Systems Society Conference & Expo on March 5 – 9, 2018 in Las Vegas, Nevada and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

RH/lg
Attachment

Schedule-at-a-Glance

HIMSS18 takes place Monday - Friday with opening keynote on Monday, March 5th, 5:00p.m.

All activities are at Venetian – Palazzo – Sands Expo Center unless otherwise noted. All times are Pacific Time (PT).

Sunday, March 4

Registration: Hotels**	12:00 pm – 8:00 pm
Registration: Convention Center	3:00 pm – 6:00 pm
CIO Forum Opening Reception* <i>At Wynn Las Vegas</i>	6:00 pm – 8:00 pm

Monday, March 5

Registration: Convention Center & Hotels**	6:45 am – 8:00 pm
CIO Forum* <i>You must be a CHIME member to attend at At Wynn Las Vegas</i>	8:00 am – 4:30 pm
Cybersecurity Forum* <i>at Wynn Las Vegas</i>	8:00 am – 4:30 pm
Preconference Symposia & Programs*	8:00 am – 4:30 pm
AMDIS/HIMSS Physicians' Executive IT Symposium*	8:00 am – 4:30 pm
Nursing Informatics Symposium*	8:00 am – 4:30 pm
First Timers Conference Orientation	12:30 pm – 1:30 pm
About HIMSS Orientation	3:30 pm – 4:30 pm
Opening Keynote	5:00 pm – 6:30 pm
HIMSS18 Opening Reception	6:30 pm – 8:00 pm

Tuesday, March 6

Registration: Convention Center & Hotels**	7:00 am – 6:00 pm
Concurrent Education Sessions	8:30 am – 9:30 am
First Timers Conference Orientation	9:00 am – 10:00 am
Exhibition Open	9:30 am – 6:00 pm
Interoperability Showcase™	9:30 am – 6:00 pm
For Students Only: An Orientation	10:00 am – 11:00 am
Concurrent Education Sessions	10:00 am – 11:00 am
Concurrent Education Sessions	11:30 am – 12:30 pm
Concurrent Education Sessions	1:00 pm – 2:00 pm
Concurrent Education Sessions	2:30 pm – 3:30 pm
Concurrent Education Sessions	4:00 pm – 5:00 pm
Fellows Reception <i>By Invitation Only</i>	4:30 pm – 5:30 pm
Views From the Top Session	5:30 pm – 6:30 pm
Communities Open House	5:30 pm – 6:30 pm
Millennials Reception*	
<i>Location TBD</i>	6:30 pm – 8:00 pm

Wednesday, March 7

Registration: Convention Center	7:30 am – 5:00 pm
Concurrent Education Sessions	8:30 am – 9:30 am
HIMSS Career Fair*	
<i>at Wynn Las Vegas</i>	9:00 am – 3:00 pm
Exhibition Open	9:30 am – 6:00 pm
Interoperability Showcase™	9:30 am – 6:00 pm
Concurrent Education Sessions	10:00 am – 11:00 am
About HIMSS Orientation Session	11:30 am – 12:30 pm
Concurrent Education Sessions	11:30 am – 12:30 pm
Concurrent Education Sessions	1:00 pm – 2:00 pm
Concurrent Education Sessions	2:30 pm – 3:30 pm
Concurrent Education Sessions	4:00 pm – 5:00 pm
Exhibition Social Hour	4:30 pm – 6:00 pm
Views From the Top Session	5:30 pm – 6:30 pm
Women in HIT Reception*	
<i>Venatian Pool Deck</i>	6:30 pm – 8:00 pm

Thursday, March 8

Registration: Convention Center	7:30 am – 5:00 pm
Concurrent Education Sessions	8:30 am – 9:30 am
Exhibition Open	9:30 am – 4:00 pm
Interoperability Showcase™	9:30 am – 4:00 pm
Concurrent Education Sessions	10:00 am – 11:00 am
Concurrent Education Sessions	11:30 am – 12:30 pm
Concurrent Education Sessions	1:00 pm – 2:00 pm
Concurrent Education Sessions	2:30 pm – 3:30 pm
Concurrent Education Sessions	4:00 pm – 5:00 pm
Education Social Hour	5:00 pm – 6:00 pm
Views From the Top Session	5:30 pm – 6:30 pm
Awards Gala*	6:30 pm – 9:00 pm
<i>at Wynn Hotel Las Vegas</i>	

Friday, March 9

Registration: Convention Center	7:30 am – 11:00 am
Keynote Session	8:30 am – 10:00 am
Concurrent Education Sessions	10:30 am – 11:30 am
Concurrent Education Sessions	12:00 pm – 1:00 pm
Closing Keynote Speaker:	
Earvin "Magic" Johnson, Jr., Role Model, Sports Legend and Successful Entrepreneur	1:15 pm – 2:30 pm



September 22, 2017

TO: Each Member
Board of Retirement

FROM: Robert Hill *RH*
Interim Chief Executive Officer

FOR: Board of Retirement Meeting of October 12, 2017

SUBJECT: InfoSecWorld Conference & Expo 2018
March 19 – 21, 2018 in Lake Buena Vista, Florida

Learn about solutions in today's security problems, from both a strategy and technology perspective at the InfoSecWorld Conference & Expo 2018 on March 19 – 21, 2018 at Disney's Contemporary Resort in Lake Buena Vista, Florida. InfoSec World features seven dynamic tracks and hands-on workshops, summits or roundtable discussions that allows you to dive deep into specific technologies or management challenges in a collaborative, participatory way.

The main conference highlights include the following:

- Management & Strategies
- Hackers & Threats
- Governance, Risk & Compliance
- Infrastructure & Operations

The conference will be issuing the agenda mid-November and will mirror last year's meeting agenda, which meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The standard hotel rate at Disney's Contemporary Resort and Disney's Grand Floridian Resort & Spa is \$249.00 per night plus applicable taxes and the registration fee ranges between \$2,100.00 to \$3,400.00 (depending on preferred courses).

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at the InfoSecWorld Conference & Expo 2018 on March 19 – 21, 2018 in Lake Buena Vista, Florida and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

RH/lg
Attachment



MIS|TI™ PRESENTS

InfoSecWorld

Conference & Expo 2017

APRIL 3-5, 2017 | OMNI ORLANDO RESORT AT CHAMPIONSGATE | CHAMPIONSGATE, FL

70+ SESSIONS | 10 WORKSHOPS | 7 DYNAMIC TRACKS | 3 CO-LOCATED SUMMITS

CISO LEADERSHIP SUMMIT

April 2, 2017

CLOUD SECURITY SUMMIT

April 6, 2017

RISK MANAGEMENT SUMMIT

April 6, 2017

EARN UP TO
47 CPEs
WITH OUR WORLD PASS

FEATURED KEYNOTES



CORY DOCTOROW

Author, Blogger
Electronic Frontier
Foundation &
Boing Boing



RICH MOGULL

Chief Executive
Officer
Securosis



JIM ROUTH

Chief Security Officer
Aetna



CRAIG SMITH

Founder
Open Garages;
Research Director
Rapid7

 #INFOSECWORLD

FOR AGENDA UPDATES VISIT: INFOSECWORLD.MISTI.COM

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MISTI PRESENTS

InfoSecWorld

Conference & Expo 2017

en-tre-pre-neur-ship

noun

1. The willingness to take risks and develop, organize and manage a business venture in a competitive global marketplace that is constantly evolving.

The infosec space is constantly changing, and today's security practitioners have no choice but to become more entrepreneurial about finding solutions to problems, not just at a technical level, but at a management and leadership level. InfoSec World 2017 Conference & Expo provides practitioners with the ideal forum for learning about the latest advances and most cutting-edge strategies for ensuring optimal security within their organizations, despite the progressive threat landscape. Join your peers from around the globe for two and a half days of learning, peer sharing, networking and hands-on education.

CONFERENCE HIGHLIGHTS

EXPO HOURS: MONDAY, APRIL 3 5:00 PM - 6:30 PM | TUESDAY, APRIL 4 11:30 AM - 6:15 PM | WEDNESDAY, APRIL 5 8:00 AM - 11:00 AM

NETWORKING EVENTS: MONDAY, APRIL 3 5:00 PM - 6:30 PM | TUESDAY, APRIL 4 4:45 PM - 6:15 PM | WEDNESDAY, APRIL 5 9:30 AM - 11:00 AM

NETWORKING

InfoSec World isn't JUST about the in-depth breakout sessions. We know networking is just as important, which is why this year we are holding THREE networking receptions. Plus, we've added huddle spaces around the Expo floor to help facilitate even more informal brainstorming with your peers.

ONE-ON-ONE LEADERSHIP STRATEGY SESSIONS

Are you valued for your leadership as much as your security skills? Explore how to recognize your leadership value in a private, one-on-one coaching session customized for you. Spend twenty minutes with Michael Santarcangelo, Founder of Security Catalyst, to assess your situation and determine your best next step as a security leader. Known for his leadership and communication development, Michael elevates leaders and accelerates their journeys, infused with the mindset of success. And he's offering his services to you – complimentary for conference attendees.

BOOK SIGNINGS

Each year a new break-through book is released in the infosec industry, and we have the authors of the latest titles! Meet and greet with these authors and bring home a signed copy of their books. This year's book signings include titles from keynote speakers Craig Smith and Cory Doctorow, as well as Raef Meeuwisse, Director of Cybersecurity and Data Privacy Governance at Cyber Simplicity Ltd.

HANDS-ON

Want to get down into the nitty gritty of mainframes, threat hunting or malware analysis? This year we have more hands-on sessions and workshops than ever before. Join us for an extra day or two to get full access to our experts in our pre- and post-conference workshops and get all of your toughest questions answered. Plus earn extra CPEs while you're at it!

KEYNOTE SPEAKERS

MONDAY, APRIL 3, 8:30 AM - 9:30 AM



RADICAL REMODELING: RENOVATING SECURITY FOR TODAY'S PROBLEMS AND TOMORROW'S OPPORTUNITIES

Rich Mogull, Chief Executive Officer, Securosis

The practice of information security is in the midst of the most tumultuous changes in our history. As threats become global socioeconomic challenges, we are adopting new technologies at a pace never before seen. Security professionals face the unenviable challenge of protecting decades' worth of decisions while building a safe foundation as we transition into a world dominated by cloud and mobile technologies. This keynote will lay out a roadmap for adapting your security for current requirements while still preparing yourself for the future.

TUESDAY, APRIL 4, 8:30 AM - 9:30 AM



REBOOTING THE AUTO INDUSTRY: WHEN SECURITY AFFECTS SAFETY

Craig Smith, Founder, Open Garages; Research Director, Rapid7

We are surrounded by 2-ton IoT devices on wheels. The auto

industry has rapidly evolved in the last five years; vehicles now have phone apps for remote control, built-in Wi-Fi hot spots, heads-up displays, lane correction systems and other Advanced Driver Assistance Systems. These convenience and road safety features are in high demand, but they also introduce cybersecurity concerns.

Automakers are now software companies, and this talk will address some of the cybersecurity-related issues faced by the transportation industry. Mr. Smith will share techniques currently used by hackers and show some of the security defenses being put into place. You will see the vulnerabilities of vehicles on the road today, as well as take a peek into the future of fully autonomous cars.

TUESDAY, APRIL 4, 1:30 PM - 2:30 PM



1998 CALLED AND IT WANTS ITS STUPID INTERNET LAW BACK...BEFORE IT DESTROYS THE WORLD

Cory Doctorow; Science fiction author, activist, journalist and blogger; Electronic Frontier Foundation & Boing Boing
In 1998, Congress passed the Digital Millennium Copyright

CISO LEADERSHIP SUMMIT

SUNDAY, APRIL 2

SPONSORED BY



**Hewlett Packard
Enterprise**

Presenters: **Michael Santarcangelo**, Founder, Security Catalyst; **Bhavesh Bhagat**, Co-Founder, Confident Governance

Are you valued as much for your leadership as you are for your technical skills? Most security leaders (reluctantly) say “no.” In this interactive summit you will gain access to universal insights and frameworks that you can use to accelerate your journey.

No decoder ring required. It’s not designed only for security—which is why it is the right, powerful approach to address and advance security leaders. The key of this effort is to connect leadership, communication, and the security mindset for success. Attend this summit to learn and practice how to advance your leadership journey.

- Debunking leadership misconceptions
- Five essential elements for exceptional leadership and communication
- Mastering the rapid velocity of change in the CISO world by leveraging core principles
- Finding your unique leadership path

Presenters: **Andrew Hay**, CISO, Data Gravity; **Jason Wood**, Hunt Team Operations; **John Menerick**, Gap, Inc.

Cloud computing has had a huge impact on IT, but in many ways security has fallen behind IT. While we were busy watching our network IDS, technology moved out of the datacenter and to cloud providers. Companies have hundreds—if not thousands—of connected cloud services where organizational data resides. Just because the data isn’t hosted internally, security can’t shirk responsibility for its protection.

This interactive summit will help attendees work through common cloud-based challenges and offer expert insights for managing operations, provider relationships, testing the security of your data in the cloud and more.

- Adapting your operations for the cloud
- Migrating business data into the cloud
- Incident response in the cloud
- Generating your own file-based cyber threat intelligence (CTI)

Presenters: **Jack Jones**, Co-Founder and EVP, R&D, RiskLens; **Ron Wormer**, Director of CyberSecurity Studies, Bellevue University; **Evan Wheeler**, Vice President, Operational Risk, Depository Trust & Clearing Corp. (DTCC)

As with any other aspect of operating a business, managing cyber risk well is predicated on making informed decisions, and then executing reliably within the context of those decisions. Unfortunately today, too many security teams still don’t understand how to effectively translate technical security issues into risk language the business can use.

During this summit we’ll disprove some of the myths about what risk is and what it isn’t. Attendees will walk away with new tools and methodologies that will help them align security and risk with business goals, and help elevate security as a strategic and trusted partner.

- Fundamentals of risk management
- Recognizing, avoiding and correcting analytical mistakes
- Improving the quality of risk measurement
- Communicating risk analysis results to management

CLOUD SECURITY SUMMIT

THURSDAY, APRIL 6

RISK MANAGEMENT SUMMIT

THURSDAY, APRIL 6

Act, which made it a felony to reconfigure any system that has digital rights management (DRM) in it. While this began as a way to keep people from changing their DVD players to be region-free, now it’s an all-purpose tool for maximizing profits for any software enabled gadgets and systems: just insert the minimum viable DRM between the customer and your business model, and anything that disrupts the model is a felony.

Worse: any security vulnerability in a DRM-encumbered system is potentially helpful to people who want to bypass the DRM, so courts (and legal advisors) treat vulnerability disclosure as a potential felony.

So DRM has metastasized: it’s in everything from voting machines, to phones, tablets, and computers.

Combine the new reach of computerized devices with the legal jeopardy for security researchers who audit them and we’re hurtling towards The Internet of Things on Fire That Spy on You and Destroy Your Life.

The Electronic Frontier Foundation is working on the Apollo 1201 project, whose objective is to kill all the DRM in the world, forever, within a decade. Attend this talk to hear about the project and how it will affect the security industry.

WEDNESDAY, APRIL 5, 8:30 AM - 9:30 AM



THE THREE “Ts” OF SECURITY: TALENT, TOOLS & TECHNIQUES: WHICH IS MOST IMPORTANT FOR CISOs?

Jim Routh, Chief Security Officer, Aetna

The diversity of threats facing the healthcare industry are now similar to what the banking industry has dealt with for decades: skilled nation state threat actors and criminal fraud syndicates. Mr. Routh will share examples of specific controls implanted in innovative ways that add trust to email, allow teams to monitor privileged users and help operations and security teams migrate from binary authentication to behavioral-based authentication.

This keynote will explore the relationship between cybersecurity and privacy, identifying the most effective principles and techniques for leading a risk-driven cybersecurity program.

PRE- AND POST-CONFERENCE WORKSHOPS

PRE-CONFERENCE WORKSHOPS

ONE DAY 8 CPEs

SATURDAY, APRIL 1

W1 DEVSECOPS SYMPOSIUM

Bill Burns, Chief Trust Officer and VP, Cloud Business Transformation, Informatica;

Mahesh Kandru, Application Security Architect, Informatica; **Shannon Lietz**,

Director of DevSecOps and Chief Security Architect, Intuit; **Jayne Groll**, COO, DevOps Institute; **Alan Shimel**, Founder and Editor-in-Chief, DevOps.com; **Chris Hawley**,

Founding Partner, Blackrock 3 Partners;

Ron Vidal, Partner, Blackrock 3 Partners;

Lawrence Embil, Miami-Dade County;

Rob Schnepf, Partner, Blackrock 3 Partners; **Ben Tomhave**, Security Architect, New Context

1. Lessons learned forming a DevSecOps program
2. Culture hacking lessons needed to succeed in building safer software
3. Building a SecDevOps program to help with cybersecurity resources shortage
4. Improving security operations by leveraging orchestration, automation and DevOps practices
5. Incident Management System as a framework for solving high-severity problems
6. Tools and processes that enable the further blending of development, operations and security roles
7. Building a roadmap for integrating security into DevOps
8. Measuring the transition of an application behavior from normal to malicious while lowering false positives
9. Implementing an end-to-end security lifecycle from visibility and detection to responses and remediation in an immutable infrastructure
10. Changing human behavior and organizational culture to better account for security

TWO DAYS 16 CPEs

SATURDAY, APRIL 1 - SUNDAY, APRIL 2

W2 MAINFRAME SECURITY: HANDS-ON AUDIT AND COMPLIANCE HANDS-ON

Philip Young, Founder, Level 6 Security

- z/OS operating system basics
- Understanding z/OS operating system paradigms
- Mainframe security auditing
- RACF/Top Secret/ACF2 security review

- TSO and UNIX security
- VTAM hardening
- CICS security and exploitation
- System enumeration

Day 1 - Mainframe Basics

- Mainframe history
- Operating system introduction
- z/OS basics
- System startup
- Security

Day 2 - Networking/Patch Management

- Networking
- Patching/patch management
- CICS
- Auditing

Requirements:

Participants must bring a laptop capable of running a virtual machine. See website for technical details and requirements.

W3 RED VS. BLUE TEAM TECHNIQUES WITH HUNT TEAMING HANDS-ON

Larry Spohn, Senior Principal Security Consultant, TrustedSec

Paul Koblitz, Senior Principal Security Consultant, TrustedSec

Day 1

- Introduction to attacker techniques
- Common methods for exploitation
- Methods for persistence and evasion
- Lateral movement and pivoting
- Circumventing security defenses
- Understanding attacker mindsets
- Performing an adversarial simulation
- Simulated attack scenario on live network

Day 2

- Developing a common defense
- Introduction to hunt teaming
- Performing a hunt team exercise
- Tools, tricks and free scripts!
- Identifying threats on the network and at the endpoint
- Using existing technology in the network
- Defending the network – live network defense

Requirements:

Participants must bring their own laptop. See website for technical details and requirements.

ONE DAY 8 CPEs

SUNDAY, APRIL 2

W4 HOW TO PREPARE FOR, RESPOND TO AND RECOVER FROM A SECURITY INCIDENT

John Pironti, President, IP Architects, LLP

A risk-based and business-aligned approach to design, implementation and operation of comprehensive and proactive defensive programs and capabilities can be easily introduced, sustained and matured within organizations of any size or complexity. This workshop will explore a risk-based and pragmatic approach to defending information infrastructure and data assets.

- Module 1: Key elements of an information risk profile
- Module 2: Threat and vulnerability analysis
- Module 3: Key elements of a vulnerability management program
- Module 4: Pay me or you lose your data! – five key considerations when preparing for a ransomware incident
- Module 5: Key considerations for business resiliency

POST-CONFERENCE WORKSHOPS

HALF DAY 5 CPEs

WEDNESDAY, APRIL 5

W5 MALWARE ANALYSIS 101 - MALWARE DETECTED, NOW WHAT? HANDS-ON

Paul Lewis, VP Technology Risk, T&M Protection Services

Kyle Poppenwimer, Sr. Digital Forensic Examiner, T&M Protection Services

Through basic malware analysis, learn how to identify business critical threat intelligence, respond to security incidents and strengthen security defense systems. This workshop will teach attendees the basics of both static and behavioral malware analysis utilizing real-world malware samples.

- Configure an isolated virtual environment to safely dissect and analyze malware
- Learn what makes malware malicious, how it spreads and what it does behind the scenes
- Analyze actual malware embedded in Microsoft Office files and Adobe PDF files
- Analyze real malicious portable executable files
- Perform behavioral analysis of real-world malware samples
- Identify and document indicators of compromise (IOCs) and drive threat intelligence

This is an entry level malware analysis course. Attendees will need to be comfortable navigating Microsoft Windows. A very basic understanding of a Linux environment is a plus.

Requirements:

Participants must bring their own laptop. Prior to the workshop, participants will need to download and install VMware Workstation Pro (Windows) or VMware Fusion (Mac OS X). See website for technical details and requirements.

W6 LEVERAGING CASB TO TAME YOUR CLOUD

George Gerchow, VP Security & Compliance, Sumo Logic

The Cloud Access Security Broker (CASB) market is the hottest market in security tools today and for good reason.

CASBs deliver a central point of monitoring and control across network services for cloud services, enabling organizations to find discover in the cloud, monitor their usage and prevent further activity.

This interactive workshop will cover deployment details, specific use cases and requirements to consider when choosing a CASB, and provide recommendations for ensuring the proper controls are in place for SaaS-based business applications.

Be prepared to:

- Learn about the CASB landscape
- Discuss what CASBs really do
- Look at deployment models and architecture
- Walk through SaaS-based application use cases
- Deploy a CASB solution

W7 BINARY EXPLOITATION 101 HANDS-ON

Lilith Wyatt, Security Engineer, Cisco ASIG

This class will explain exactly what an exploit is, the tools and skills needed to create one, and the theory of what is going on “under the hood” during the course of an exploit. Participants will view a live demonstration of the development of a buffer overflow and hear a detailed explanation of the process from beginning to end.

- Metasploit (msfvenom in particular)
- Linux memory management and layout
- Fuzzing (Mutiny fuzzing framework and sulley)
- Basic buffer overflows
- Linux memory protections (ASLR, DEP, Fortify Source)
- Advanced exploitation techniques (encoding/ret2libc/Egg hunters/ROP)

Prerequisites:

Familiarity with C programming, x86 Assembly, and a bit of Python. This is an advanced class for those wishing to hone their skills.

Recommendation:

Participants should bring a laptop that can run VMware Workstation, VMware Fusion or Virtualbox. See website for technical details and requirements.

W8 KEYS TO CREATING AN EFFECTIVE CYBERSECURITY CULTURE

Dr. Jane LeClair, President, Washington Center for Cybersecurity Research & Development

This workshop will provide participants with an understanding of the key components in establishing an effective cybersecurity culture within their organizations. Cybersecurity is more than independently functioning hardware and the people that operate it; rather, it is about the synergy that must be created within an organization that combines people, processes and technology into a capable, high-functioning operation.

- The role of technology
- Policies and processes that serve as guidelines
- New learning opportunities to offer
- Identifying key roles in the organization's culture

ONE DAY 8 CPES

THURSDAY, APRIL 6

W9 CRAFTING AN EXCITING AND EFFECTIVE SECURITY TRAINING AND AWARENESS PROGRAM

George Dolicker, CISO, INC Research

This workshop will discuss key factors to successfully develop and deploy a balanced information security program that will increase compliance within your particular regulatory environment, and result in improved employee behaviors that are more resistant to both internal and external attacks.

- Identifying and meeting the individual training needs of your varied audience
- Evolving your message as your organization evolves and matures
- Separating arcane topics from the things everybody needs to know
- Delivering messages in stand-up, PowerPoints, posters, videos and publications
- Turning good sources of ideas, hints, tips and guidance into quality programs
- Developing programs on a shoestring
- Making the message memorable

W10 INTRODUCTION TO THREAT HUNTING WITH ELK

HANDS-ON

Fred Matrippolito, President & CEO, Polito, Inc.

Ben Hughes, Senior Security Engineer, Polito, Inc.

- Introduction to log monitoring and analysis
 - Security Information and Event Management (SIEM)
 - Different types of event logs
 - Log ingestion, indexing and searching
 - Log correlation and enrichment using additional data sources
 - How network perimeter and endpoint security logs complement each other
- Introduction to threat hunting
 - Where threat hunting fits into your security program
 - Proactive monitoring/hunting vs. dead box forensics
 - Understanding the malware kill chain
 - The role of threat intelligence
 - Identifying and hunting for Indicators of Compromise (IOCs)
- Relevant tools including mostly open source or otherwise free tools:
 - ELK stack (popular open source log management platform)
 - Sysmon (free Microsoft Sysinternals endpoint logging tool)
- Threat hunting with logs
 - How to search logs to find anomalous/malicious events
 - How to build and use dashboards, automation and alerting capabilities
 - How to integrate threat intelligence feeds and enrich data

Requirements:

Participants must bring a Windows, Mac, or Linux laptop with at least 6 GB and a web browser. See website for technical details and requirements.




CONFERENCE AT-A-GLANCE

TECHNICAL LEVEL DESIGNATIONS

LOW
MEDIUM
HIGH

	TOOLS & DEMOS ✂	INFORMATION PROTECTION 🛡	MANAGEMENT & STRATEGIES 📊
MONDAY, APRIL 3, 2017			
7:30 AM - 8:30 AM	<i>Registration and Continental Breakfast</i>		
8:30 AM - 9:30 AM	WELCOME KEYNOTE Radical Remodeling: Renovating Security for Today's Problems and Tomorrow's Opportunities, presented by Rich Mogull		
9:30 AM - 9:45 AM	Tech Spotlight presented by HP		
9:45 AM - 10:00 AM	<i>Refreshment Break</i>		
10:00 AM - 10:50 AM	A1 Ninja Looting Like A Pirate <i>William Lumpkin</i> ■	B1 Data Protection - How to Sleep Better at Night <i>Steven Sheinfeld</i> ■	C1 Management Hacking 101: Leading High Performance Security Teams <i>Tom Eston</i> ■
11:00 AM - 11:50 AM	A2 Pentesting Yourself to DEBT <i>Chris Nickerson</i> ■	B2 Do You Have a Mega Breach Brewing? <i>Raef Meeuwisse</i> ■	C2 Late-breaking session
12:00 PM - 1:15 PM	<i>Networking Lunch, sponsored by Lieberman Software</i>		
1:15 PM - 2:05 PM	A3 Everything is Code: Why Should You Worry About Software Security and Coding Standards? <i>Dan Creed</i> ■	B3 Late-breaking session	C3 It's Not If, But When: How to Create Your Cyber Incident Response Plan <i>Lucie Hayward & Michael Quinn</i> ■
2:15 PM - 3:05 PM	A4 Scouting AWS Accounts for Security Gaps <i>Loïc Simon</i> ■	B4 Secure Development for the Cloud <i>Randall Brooks</i> ■	C4 I Have Phish I's For You <i>Mike Saurbaugh</i> ■
3:05 PM - 3:20 PM	<i>Refreshment Break</i>		
3:20 PM - 4:10 PM	A5 The Exploits Used in Ransomware Campaigns <i>Brad Antoniewicz</i> ■	B5 Secure Data Logistics: How Information Security Can Learn from Armored Cars <i>Chris Ensey & David Etue</i> ■	C5 Cutting Through the Security Analytics Hype <i>Stu Bradley</i> ■
4:15 PM - 5:00 PM	Panel: Cyber Liability Insurance: Misinformation Everywhere! moderated by Jake Kouns		
5:00 PM - 6:30 PM	<i>Opening Party in the Expo</i>		
TUESDAY, APRIL 4, 2017			
7:30 AM - 8:30 AM	<i>Continental Breakfast</i>		
8:30 AM - 9:30 AM	KEYNOTE ADDRESS Rebooting the Auto Industry: When Security Affects Safety, presented by Craig Smith		
9:40 AM - 10:30 AM	A6 Everything I Know About Security I Learned from Watching Kung Fu Movies <i>Paul Asadoorian</i> ■	B6/B7 Your Data was Breached, Now What? An Interactive Incident Response Tabletop Experience <i>Diana Kelley & Ed Moyle</i> ■	C6 Becoming Bi-lingual: Community Cybersecurity as a Business Impact <i>Summer Fowler</i> ■
10:40 AM - 11:30 AM	A7 Excuse Me, Server, Do You Have the Time? <i>Brian Cardinale</i> ■		C7 Late-breaking session
11:30 AM	<i>Expo opens</i>		
12:00 PM	<i>Lunch in the Expo</i>		
1:30 PM - 2:30 PM	KEYNOTE ADDRESS 1998 Called and It Wants Its Stupid Internet Law Back...Before It Destroys the World, presented by Cory Doctorow		
2:30 PM - 2:40 PM	Tech Spotlight		
2:40 PM - 3:00 PM	<i>Refreshment Break in the Expo</i>		
3:00 PM - 3:50 PM	A8 Late-breaking session	B8 Pi in the Sky: The Push Towards Cloud-Based Applications <i>Nicholas Takacs</i> ■	C8 Fast, Cheap or Good? How a Fortune 500 Picked All Three in Assessing Enterprise to Cloud Application Migration Risks <i>Jon-Michael Brook</i> ■
4:00 PM - 4:50 PM	A9 Abnormal Behavior Detection in Large Environments <i>David Kennedy</i> ■	B9 Late-breaking session	C9 Information Security Assessments: Building Bridges Instead of Making Enemies <i>Jaret Preston</i> ■
4:45 PM - 6:15 PM	<i>Networking Reception in the Expo</i>		
WEDNESDAY, APRIL 5, 2017			
8:00 AM - 8:30 AM	<i>Rise'n Shine Breakfast in the Expo</i>		
8:30 AM - 9:30 AM	KEYNOTE ADDRESS The Three T's of Security: Talent, Tools & Techniques, presented by Jim Routh		
9:30 AM - 11:00 AM	<i>Refreshment Break in the Expo; Enjoy Mimosas while we announce Passport-to-Prizes!</i>		
10:30 AM - 11:20 AM	A10 Hacking Blockchain <i>Konstantinos Karagiannis</i> ■	B10 Patients Have Lost Patience for Data Breaches <i>Ray Potter</i> ■	C10 What We Learn from Hackers ... and the Government <i>Erez Liebermann & Andrew Pak</i> ■
11:30 AM - 12:15 PM	Panel: You're in a Leadership Position, Now What? moderated by Michael Santarcangelo		

*To enable an interactive learning environment these roundtable sessions are limited to 30 attendees on a first-come, first-served basis.

THREAT MANAGEMENT	GOVERNANCE, RISK & COMPLIANCE	OPERATIONS & APPLIED SECURITY	SECURITY ROUNDTABLES*
THIS TRACK SPONSORED BY 			
D1 Launch, Detect, Evolve: The Mutation of Malware <i>Adam Kujawa</i>	E1 Watch Out! Yet Another Regulator Is Asking Questions! <i>Randy Sabett</i>	F1 Incident Response: The First 48 <i>Nick Selby</i>	G1 Protecting Dollars for Pennies: Improving Organizational Security with Effective, Inexpensive Solutions <i>Kevin Johnson</i> <i>This session ends at 11:30 AM</i>
D2 Applying Analytics to Cyber Threat Intelligence <i>Steve Orrin</i>	E2 Insider Risk: Attacking the Threat From Within <i>George McBride</i>	F2 Behavioral Analysis Using DNS, Network Traffic and Logs <i>Josh Pyorre</i>	
D3 Developing a Threat and Vulnerability Management Program: A Pentester's Perspective <i>Robert Thibodeaux</i>	E3 Vendor Vetting: Who's Touching Your Stuff? <i>Angie Singer Keating & Connie Mastovich</i>	F3 Application Security: From the Ground Up <i>James Jardine</i>	G2 Risk vs. Threat: Threat Intelligence Exposed <i>Kristy Westphal</i> <i>This session ends at 2:45 PM</i>
D4 Forensics and Discovery Obligations vs. International Privacy Law <i>Darrin Reynolds</i>	E4 Self-Audits: Applying User Context to Activity Anomalies <i>Leslie Lambert</i>	F4 Late-breaking session	
D5 Late-breaking session presented by Cylance	E5 An Aflac Case Study: Moving a Security Program From Defense to Offense <i>Tim Callahan</i>	F5 Rise of Cyber Hunting: Not Falling Victim to Undetected Breaches <i>Kris Lovejoy</i>	G3 Securing Innovation <i>Kerry Matre</i> <i>This session ends at 4:45 PM</i>
D6 Corporate Cannabis: Lessons Learned in Modeling a Controversial Threat Profile <i>Grant Sewell</i>	E6 Late-breaking session	F6 Mutiny on the Bounty: Handling Security in a Bug Bounty World <i>Kevin Johnson</i>	G4 IoT Security and Its Impact on Your Job <i>Chad Childers</i> <i>This session ends at 11:10 AM</i>
D7 The Details of Forensic Case Studies <i>Bill Dean</i>	E7 Creating a Relevant Cyber Security Governance Framework: Supporting Business Digital Transformation <i>Dominic Vogel</i>	F7 Getting Off the Back Foot – Employing Active Defense <i>Rafal Lós</i>	
D8 Threat Modeling Wearables by 2019 <i>David Lindner</i>	E8 Moving Mountains Through Measurement <i>Chris Clymer, Jack Nicholson & Jason Middaugh</i>	F8 Victory in 100 Battles: How to Perform a Successful Asset Inventory <i>Chris Poulin</i>	G5 The Technology is Worth 5% <i>Joshua Marpet & Scott Lyons</i> <i>This session ends at 4:15 PM</i>
D9 Facing Emerging Threats - Evolving from Penetration Testing to Capability Effectiveness Testing <i>Paul Rohmeyer</i>	E9 Case Study: Atlassian's Journey Through CSA Certification <i>Craig Davies</i>	F9 The Phishing Kill Chain <i>Ira Winkler</i>	
D10 Social Engineering: It's Not Just for Suckers Anymore <i>Erich Kron</i>	E10 Cyber Liability Insurance 101 - What You Should Know Before and After a Breach <i>Brian Kelly</i>	F10 Dealing with Cyberextortion, Ransomware and Other Bad Stuff <i>Ben Rothke</i>	G6 Is Enterprise Resiliency the New Security Strategy? <i>Gary Sheehan</i> <i>This session ends at 11:45 AM</i>

CONFERENCE AGENDA

MONDAY, APRIL 3

10:00 AM – 10:50 AM 

A1 NINJA LOOTING LIKE A PIRATE

William Lumpkin, Sr. Information Janitor, Data Housekeeping Services

- How to hunt for data repositories and apply search techniques
- Security issues that exist in media- or multimedia-driven environments
- The positive and negatives of collecting this information

10:00 AM – 10:50 AM 

B1 DATA PROTECTION - HOW TO SLEEP BETTER AT NIGHT

Steven Sheinfeld, Vice President, Internal Assurance Services, Rite Aid Corp.

- Consequences of not properly protecting customers' and associates' personal information
- The regulatory environment surrounding data protection
- Selecting a data security framework that fits your company's business and culture

10:00 AM – 10:50 AM 

C1 MANAGEMENT HACKING 101: LEADING HIGH PERFORMANCE SECURITY TEAMS

Tom Eston, Manager, Penetration Testing, Veracode

- Techniques for hiring the right team members
- Understanding your role as a leader: coaching and motivation methods
- Improving communication and maximizing the performance of a technical team to achieve results

10:00 AM – 10:50 AM 

D1 LAUNCH, DETECT, EVOLVE: THE MUTATION OF MALWARE

Adam Kujawa, Head of Malware Intelligence, Malwarebytes

- New malware tactics researchers and analysts are confronting daily
- How cyber criminals are using Crypters to evade detection
- How to proactively protect your business from future challenges

10:00 AM – 10:50 AM 

E1 WATCH OUT! YET ANOTHER REGULATOR IS ASKING QUESTIONS!

Randy Sabett, Vice Chair, Privacy & Data Protection Practice, Cooley LLP


- Discuss which regulators have typically involved in cybersecurity (e.g., HHS and FTC)
- Address the areas of privacy and cybersecurity often at issue
- Determine how to deal with regulator inquiries

10:00 AM – 10:50 AM 

F1 INCIDENT RESPONSE: THE FIRST 48

Nick Selby, Operations & Applied Security, Secure Ideas


- The key roles that must be filled
- The crucial strategies that drive the IR visibility - by hook or by crook
- Whack-a-mole post-incident clean up

10:00 AM – 11:30 AM 

G1 PROTECTING DOLLARS FOR PENNIES: IMPROVING ORGANIZATIONAL SECURITY WITH EFFECTIVE, INEXPENSIVE SOLUTIONS

Kevin Johnson, CEO, Secure Ideas


- Dive into today's new and complex security issues
- Learn new techniques to prevent breaches
- Discover how to inexpensively monitor and alert for security issues

11:00 AM – 11:50 AM 

A2 PENTESTING YOURSELF TO DEBT

Chris Nickerson, CEO, LARES


- How technical debt is created during a pentest and how it relates to testing debt
- Potential guidelines to use that can reduce or eliminate debt
- How to test in a collaborative manner to increase the security of a program

11:00 AM – 11:50 AM 

B2 DO YOU HAVE A MEGA BREACH BREWING?

Raef Meeuwisse, Director Cybersecurity & Data Privacy Governance, Cyber Simplicity Ltd

- How to tell if your organization is vulnerable to a mega breach
- How to socialize the risk without appearing sensationalist
- How to change cyber behaviors and organizational cultural obstacles to mitigate risks

11:00 AM – 11:50 AM 

C2 LATE-BREAKING SESSION

11:00 AM – 11:50 AM 

D2 APPLYING ANALYTICS TO CYBER THREAT INTELLIGENCE

Steve Orrin, Chief Technologist, Intel Corp.


- How to make sense of the various technologies and approaches to threat intelligence and analytics
- How to have better-informed risk tolerance discussions
- How to better set security priorities, develop capital and operational expenditure budgets, and identify potential security solutions and practices

11:00 AM – 11:50 AM 

E2 INSIDER RISK: ATTACKING THE THREAT FROM WITHIN

George McBride, Vice President, Stroz Friedberg

- Necessary components of an insider risk management program
- Specific legal and human resource considerations
- Recent technical advancements

11:00 AM – 11:50 AM 

F2 BEHAVIORAL ANALYSIS USING DNS, NETWORK TRAFFIC AND LOGS

Josh Pyorre, Security Researcher, OpenDNS/Cisco


- Methods of performing behavioral analysis to observe and create a baseline in any environment
- New methods of BA to apply to monitor and secure networks

1:15 PM – 2:05 PM 

A3 EVERYTHING IS CODE: WHY SHOULD YOU WORRY ABOUT SOFTWARE SECURITY AND CODING STANDARDS?

Dan Creed, Security & Infrastructure Management, Morgridge Institute for Research

- How SWAMP can help with writing, testing and delivering secure code
- Developing the policy and procedures to make code security part of your culture is also critical
- A look at threat vectors and the current landscape of tools to mitigate those threats

1:15 PM – 2:05 PM 

B3 LATE-BREAKING SESSION

1:15 PM – 2:05 PM

**C3 IT'S NOT IF, BUT WHEN: HOW TO CREATE YOUR CYBER INCIDENT RESPONSE PLAN****Lucie Hayward**, Managing Consultant, Kroll
Michael Quinn, Associate Managing Director, Kroll

- Understand the difference between an event and an incident, and why the distinction is important
- Learn how to build out your Incident Response Team (IRT) and who should be included
- Experience a walk-through of a cyber incident scenario and discuss possible actions and outcomes

1:15 PM – 2:05 PM

**D3 DEVELOPING A THREAT AND VULNERABILITY MANAGEMENT PROGRAM: A PENTESTER'S PERSPECTIVE****Robert Thibodeaux**, Security Operations Director, DefenseStorm

- Current threat actors and see a cyber kill chain and exploit example
- Insider view of the network
- Open source tools for building a threat and vulnerability program

1:15 PM – 2:05 PM

**E3 VENDOR VETTING: WHO'S TOUCHING YOUR STUFF?****Angie Singer Keating**, CEO, Reclamere, Inc.
Connie Mastovich, Senior Security Compliance Analyst, Reclamere, Inc.

- The security impact of thorough vendor vetting
- How to effectively use information security questionnaires and pre-screening questionnaires
- How to build a strong business associate agreement

1:15 PM – 2:05 PM

**F3 APPLICATION SECURITY: FROM THE GROUND UP****James Jardine**, CEO, Jardine Software

- Understand why an AppSec program is critical to the organization
- Identify first steps and goals of an AppSec program
- Help identify resources and how the entire organization relates to the program

1:15 PM – 2:45 PM

**G2 RISK VS. THREAT: THREAT INTELLIGENCE EXPOSED****Kristy Westphal**, Senior Manager, Charles Schwab

- Risks versus threats and what threat intelligence should really accomplish
- The correct size of the TI program to support requirements
- Reporting opportunities

2:15 PM – 3:05 PM

**A4 SCOUTING AWS ACCOUNTS FOR SECURITY GAPS****Loïc Simon**, Principal Security Consultant, NCC Group

- Strategy to follow when assessing the security of AWS accounts
- Scout2 and how to use some powerful non-default options of Scout2
- Uncommon IAM-related security risks

2:15 PM – 3:05 PM

**B4 SECURE DEVELOPMENT FOR THE CLOUD****Randall Brooks**, Engineering Fellow, Raytheon

- What happens when applications are moved to the cloud?
- How do cloud technologies such as elasticity, containers and microservices come into play?
- How does one get started with applying application security to cloud?

2:15 PM – 3:05 PM

**C4 I HAVE PHISH I'S FOR YOU****Mike Saurbaugh**, Director, Technical Alliances, PhishMe

- Investigate potential successful phishing campaigns
- Learn the "I's" of a successful phishing incident response program
- Immersion, incident response, investigation, intelligence, integration
- Be better prepared to organize, analyze and respond to phishing

2:15 PM – 3:05 PM

**D4 FORENSICS AND DISCOVERY OBLIGATIONS VS. INTERNATIONAL PRIVACY LAW****Darrin Reynolds**, Owner/Chief Privacy Officer, Reynolds Privacy, LLC

- Legal landmines to consider during a security incident or other litigation
- Strategies that allow organizations to hit both targets with a single shot and avoid consequences of non-compliance and violation of international law
- Tactical measures or technical tools available to address this situation

2:15 PM – 3:05 PM

**E4 SELF-AUDITS: APPLYING USER CONTEXT TO ACTIVITY ANOMALIES****Leslie Lambert**, Chief Security and Strategy Office, Gurukul

- Why traditional security methods cannot detect these attacks
- What alternative protections are available and how effective they are
- The definition of "self-audit" and how it works to help detect account compromise

2:15 PM – 3:05 PM

**F4 LATE-BREAKING SESSION**


CONFERENCE AGENDA

3:20 PM – 4:10 PM  

A5 THE EXPLOITS USED IN RANSOMWARE CAMPAIGNS

Brad Antoniewicz, Security Researcher, OpenDNS/Cisco

- Ransomware can be defended against and identified early in the attack chain
- It is possible to automate a defense with a few simple tools
- Exploits used to deliver ransomware contain clues about their authors

3:20 PM – 4:10 PM  

B5 SECURE DATA LOGISTICS: HOW INFORMATION SECURITY CAN LEARN FROM ARMORED CARS

Chris Ensey, Chief Operating Officer, Dunbar Armored

David Etue, Vice President for Managed Services, Rapid7


- How concepts from armored logistics can be applied to data protection
- Ways to use data tagging, classification, encryption and other security tools to create data telemetry
- How to use open source intelligence without breaking the bank

3:20 PM – 4:10 PM  

C5 CUTTING THROUGH THE SECURITY ANALYTICS HYPE

Stu Bradley, Vice President, SAS Institute

- How to evaluate whether security analytics can be a force multiplier to current detection/response efforts
- Why you should be skeptical of claims of predictive analytics
- Which key components of an analytics initiative are often overlooked

3:20 PM – 4:10 PM 

D5 LATE-BREAKING SESSION

presented by Cylance

3:30 PM – 4:20 PM  

E5 AN AFLAC CASE STUDY: MOVING A SECURITY PROGRAM FROM DEFENSE TO OFFENSE

Tim Callahan, Senior Vice President, Global Security Chief Security Officer, Aflac

- Three proven methods to show the strategic value of moving from a traditional defensive in-depth posture to an offensive approach
- Alternative forms of internal data, internal system intelligence and external intelligence sharing
- The importance of distinguishing intelligence from information or data and how this analysis process can include manual, human analysis, or a system analytics engine for parsing information

3:20 PM – 4:10 PM  

F5 RISE OF CYBER HUNTING: NOT FALLING VICTIM TO UNDETECTED BREACHES

Kris Lovejoy, President, Acuity Solutions

- Steps to take for a successful cyber hunting mission
- How security architecture and traditional security operators can bear a greater portion of hunting efforts
- How to empower the cyber hunters and achieve greater ROI

3:20 PM – 4:45 PM  

G3 SECURING INNOVATION

Kerry Matre, Sr. Manager, HPE Security Portfolio, HP

- What IT innovations cause weaknesses that attackers can exploit?
- How can we effectively plan to deploy new IT innovations securely?
- How should we prioritize addressing innovation risk vs. fighting traditional external and internal threats?

4:15 PM – 5:00 PM

PANEL: CYBER LIABILITY INSURANCE: MISINFORMATION EVERYWHERE!

Moderator: Jake Kouns, CISO, Risk-Based Security

- Available types of coverage
- Underwriting, pricing, legal and claims
- Cyber insurance “gotchas” and risk management services

TUESDAY, APRIL 4

9:40 AM – 10:30 AM  

A6 EVERYTHING I KNOW ABOUT SECURITY I LEARNED FROM WATCHING KUNG FU MOVIES

Paul Asadoorian, CEO, Security Weekly & Offensive Countermeasures

- What your teacher may be reluctant to teach you
- The consequences of taking shortcuts in your training
- The “soft” skills that will more likely than not lead you to victory

9:40 AM – 11:30 AM  

B6/B7 YOUR DATA WAS BREACHED, NOW WHAT? AN INTERACTIVE INCIDENT RESPONSE TABLETOP EXPERIENCE

Diana Kelley, Executive Security Advisor (ESA), IBM Security

Ed Moyle, Director of Thought Leadership and Research, ISACA

- Tabletop exercise on how to strategically approach a post-breach investigation and response
- Consequences of high-stakes decisions about response that can impact your organization
- How to respond when surprises arise

9:40 AM – 10:30 AM  

C6 BECOMING BI-LINGUAL: COMMUNITY CYBERSECURITY AS A BUSINESS IMPACT

Summer Fowler, Technical Director, Carnegie Mellon University Software Engineering Institute

- Effective measures and metrics when communicating cybersecurity posture
- Best practices in communicating cybersecurity to senior management
- Lessons learned in cybersecurity crisis communications

9:40 AM – 10:30 AM  

D6 CORPORATE CANNABIS: LESSONS LEARNED IN MODELING A CONTROVERSIAL THREAT PROFILE

Grant Sewell, Manager, Global Information Security Strategy

- Barriers and obstacles observed in creating a threat profile
- Unique threats and actors identified to the industry
- Indicators and metrics to determine exposure; key controls that support a secure environment

9:40 AM – 10:30 AM 

E6 LATE-BREAKING SESSION

9:40 AM – 10:30 AM  

F6 MUTINY ON THE BOUNTY: HANDLING SECURITY IN A BUG BOUNTY WORLD

Kevin Johnson, CEO, Secure Ideas

- Pros and cons of bug bounties for individuals partaking and organizations evaluating bug bounties
- How organizations can determine if they need a bug bounty program
- Necessary skill sets for individuals to participate in a bug bounty program

9:40 AM – 11:10 AM

G4 IOT SECURITY AND ITS IMPACT ON YOUR JOB**Chad Childers**, Consultant, Ford Motor Co.

- Learn from early and recent incidents to help avoid repeating the same mistakes
- Lists of common controls and risk decision guidelines
- Projects and needs for future IoT security research and development

10:40 AM – 11:30 AM

A7 EXCUSE ME, SERVER, DO YOU HAVE THE TIME?**Brian Cardinale**, Senior Penetration Tester, Veracode

- Common developer bad practices and real-life examples of predictable tokens
- How to identify time-based tokens during black box testing in active and passive fashion
- Methodology on reversing tokens to interact with protected resources or defeat protections

10:40 AM – 11:30 AM

C7 LATE-BREAKING SESSION

10:40 AM – 11:30 AM

D7 THE DETAILS OF FORENSIC CASE STUDIES**Bill Dean**, Senior Manager, LBMC

- How digital forensics provides value
- Details of tools and approaches to be successful, including commercial and open source forensics tools
- Case studies of success

10:40 AM – 11:30 AM

E7 CREATING A RELEVANT CYBER SECURITY GOVERNANCE FRAMEWORK: SUPPORTING BUSINESS DIGITAL TRANSFORMATION**Dominic Vogel**, Chief Security Strategist, Cyber.SC

- Digital transformations are magnifying cybersecurity challenges
- We have a pressing need for formal guidance to help with cybersecurity challenges
- Practical steps for establishing relevant governance that aligns with and supports business strategy

10:40 AM – 11:30 AM

F7 GETTING OFF THE BACK FOOT – EMPLOYING ACTIVE DEFENSE**Rafal Łós**, Director of Solutions Research & Development, Optiv

- A clear definition of active defense and its role in the modern enterprise security program
- The practical application of threat intelligence to enhance and enable enterprise security
- Optimizations of the cyber threat intelligence lifecycle and framework

3:00 PM – 3:50 PM

A8 LATE-BREAKING SESSION

3:00 PM – 3:50 PM

B8 PI IN THE SKY: THE PUSH TOWARDS CLOUD-BASED APPLICATIONS**Nicholas Takacs**, Chief Technology Officer, Bethlehem Area School District

- Capabilities and flexibility of the Raspberry Pi architecture
- Processes for scaling the technology within an enterprise
- Framework for "selling" the capabilities to upper management

3:00 PM – 3:50 PM

C8 FAST, CHEAP OR GOOD? HOW A FORTUNE 500 PICKED ALL THREE IN ASSESSING ENTERPRISE TO CLOUD APPLICATION MIGRATION RISKS**Jon-Michael Brook**, Principal, Guide Holdings, LLC

- A deep dive into the CSA's Cloud Controls Matrix
- How publicly available tools are useful in assessing cloud risks
- Successful processes and techniques used by a Fortune 500 company for risk identification and mitigation

3:00 PM – 3:50 PM

D8 THREAT MODELING WEARABLES BY 2019**David Lindner**, Vice President of Solutions, nVisium

- History and future of wearables
- Security of wearables
- Threat landscape of wearables and common attacks against wearables

3:00 PM – 3:50 PM

E8 MOVING MOUNTAINS THROUGH MEASUREMENT**Chris Clymer**, Director of Security, MRK Technologies

Jason Middaugh, Director of Infrastructure, Cliffs Natural Resources
Jack Nicholson, Director, IT Infrastructure & Security, Chart Industries

- How to show security progress and present to senior leadership
- Real-world security metrics: Identifying and using easily collected data
- Aligning with existing organizational metrics

3:00 PM – 3:50 PM

F8 VICTORY IN 100 BATTLES: HOW TO PERFORM A SUCCESSFUL ASSET INVENTORY**Chris Poulin**, Research Strategist, IBM X-Force

- How to overcome analysis paralysis and start with asset tracking, data discovery and continuous awareness
- Tools available and skills required to build and maintain an effective asset inventory
- How to optimize an identity and access control program around assets and applications

3:00 PM – 4:15 PM

G5 THE TECHNOLOGY IS WORTH 5%**Scott Lyons**, VP Business Development, Warcollar**Joshua Marpet**, SVP Compliance and Managed Services, CyberGRC

- Learn to distinguish (and communicate the difference) between a tool, a product and a service
- The signs of a company with a good product, and more importantly, an amazing implementation
- Figure out which products are investable, and utilize that to your benefit at the negotiating table



4:00 PM – 4:50 PM

A9 ABNORMAL BEHAVIOR DETECTION IN LARGE ENVIRONMENTS

David Kennedy, Founder, Principal Security Consultant, TrustedSec LLC

- Learn techniques for defending against some of the most common attack vectors
- Understand how to identify abnormal behavior in the network
- Catch early warning indicators of compromise within your infrastructure

4:00 PM – 4:50 PM

B9 LATE-BREAKING SESSION

4:00 PM – 4:50 PM

C9 INFORMATION SECURITY ASSESSMENTS: BUILDING BRIDGES INSTEAD OF MAKING ENEMIES

Jaret Preston, Information Security Officer, Caterpillar

- How to partner with independent facilities and baseline expectations of security
- Awareness and engagement opportunities
- How to focus on risk awareness and not non-compliance

4:00 PM – 4:50 PM

D9 FACING EMERGING THREATS - EVOLVING FROM PENETRATION TESTING TO CAPABILITY EFFECTIVENESS TESTING

Paul Rohmeyer, Associate Professor, Stevens Institute of Technology

- The value of introducing realistic, time-bound drills and tests
- Enhancement of test team activities to mimic realistic adversary tactics
- Effective governance and oversight mechanisms to embed capability effectiveness testing in enterprise risk management practices

4:00 PM – 4:50 PM

E9 CASE STUDY: ATLIASSIAN'S JOURNEY THROUGH CSA CERTIFICATION

Craig Davies, Head of Security, Atlassian

- The benefit of adhering to Cloud Security Alliance (CSA) guidelines over competing standards
- How companies can improve processes, techniques and policies as a result
- How “automating everything” can help companies operate with a high degree of efficiency and security

4:00 PM – 4:50 PM

F9 THE PHISHING KILL CHAIN

Ira Winkler, President, Secure Mentem

- Understand the complete phishing lifecycle and kill chain
- Understand how technology is a failsafe for poor awareness
- How to implement kill chain analysis for other areas of awareness

WEDNESDAY, APRIL 5

10:30 AM – 11:20 AM

A10 HACKING BLOCKCHAIN

Konstantinos Karagiannis, CTO, BT Americas

- The basics of how blockchain and variants work
- The risk of current/proposed blockchain applications in digital assets, identity, verifiable data and smart contracts
- How to modify blockchain to protect cryptocurrencies and newly emerging adaptations of the technology

10:30 AM – 11:20 AM

B10 PATIENTS HAVE LOST PATIENCE FOR DATA BREACHES

Ray Potter, CEO, SafeLogic

- Assess the security compliance levels of deployed technology in your organization
- Distinguish between compliant and non-compliant encryption to determine whether Safe Harbor is in effect
- Develop a strategy to ensure that only compliant technology is approved for future use

10:30 AM – 11:20 AM

C10 WHAT WE LEARN FROM HACKERS ... AND THE GOVERNMENT

Erez Liebermann, Chief Counsel, Cybersecurity & Privacy, Prudential Financial

- Andrew Pak**, Trial Attorney, Computer Crimes and Intellectual Property, Department of Justice
- What the government has learned from talks with hackers
 - How information sharing is affected by new legislation
 - The government's new directive about hacking investigations

10:30 AM – 11:20 AM

D10 SOCIAL ENGINEERING: IT'S NOT JUST FOR SUCKERS ANYMORE

Erich Kron, Security Awareness Advocate, KnowBe4

- The latest techniques designed to social engineer users
- Best practices for training users not to fall for social engineering attacks
- Technical and non-technical solutions to address threats

10:30 AM – 11:20 AM

E10 CYBER LIABILITY INSURANCE 101 - WHAT YOU SHOULD KNOW BEFORE AND AFTER A BREACH

Brian Kelly, Chief Information Security Officer, Quinnipiac University

- Overview and understanding of cyber liability insurance policies
- Risk analysis perspectives
- Resources available through cyber liability policy before and after a breach

10:30 AM – 11:20 AM

F10 DEALING WITH CYBEREXTORTION, RANSOMWARE AND OTHER BAD STUFF

Ben Rothke, Senior eGRC Consultant, Nettitude

- Different types of attacks, attacker targets and patterns, and ransomware
- Maximizing cyberdefense effectiveness to avoid being a victim
- Countermeasures and best practices to avoid ransomware

10:30 AM – 11:45 AM

G6 IS ENTERPRISE RESILIENCY THE NEW SECURITY STRATEGY?

Gary Sheehan, Chief Security Officer, ASMGi

- Discuss key resiliency concepts, strategies and techniques
- Understand how security impacts and complements enterprise resiliency
- Discover how to contribute to their organization's resiliency strategy

11:30 AM – 12:15 PM

PANEL: YOU'RE IN A LEADERSHIP POSITION, NOW WHAT?

Moderator: Michael Santarcangelo

- Leadership vs. management
- The startup mindset
- Real-world experiences as a new leader coming from an individual contributor role

EXPO

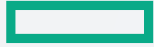
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Tuesday, April 4, 11:30 AM - 6:15 PM

Wednesday, April 5, 8:00 AM - 11:00 AM

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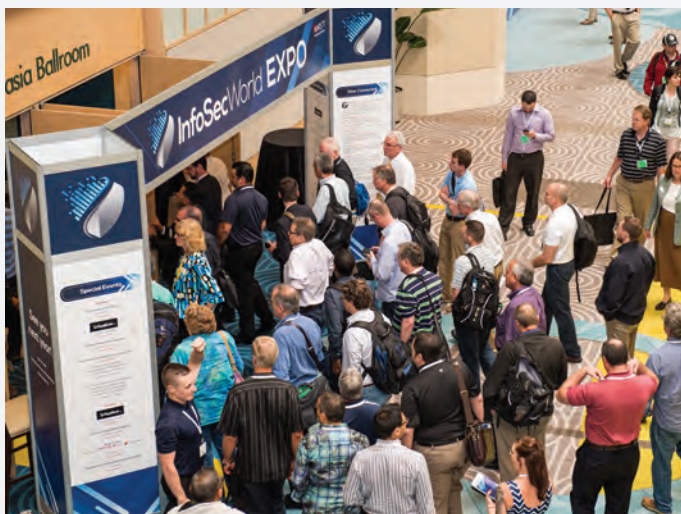


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One-day Workshop	8	One-day workshop and lunch	\$795	\$895	\$995
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September 6, 2017

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Ronald Okum
Alan Bernstein
David Muir, Alternate

FOR: October 12, 2017 Board of Retirement Meeting

SUBJECT: **Assembly Constitutional Amendment 15—The Protecting Schools and Keeping Pension Promises Act of 2018**

Author: Brough [R]
Sponsor: Author-sponsored
Introduced: May 9, 2017
Status: Read first time. To print. (05/09/2017)

IBLC Recommendation: Oppose (09/06/2017)
Staff Recommendation: Oppose

RECOMMENDATION

That the Board of Retirement adopt an “Oppose” position on ACA 15, which would enact The Protecting Schools and Keeping Pension Promises Act of 2018.

LEGISLATIVE POLICY STANDARD

The Board of Retirement’s legislative policy standard is to oppose proposals that infringe on the Board of Retirement’s plenary authority or fiduciary responsibility (Legislative Policy, page 6). ACA 15 would infringe on the Board’s plenary authority with respect to determining the rate of cost-of-living adjustments and determining the categories of pay included in pension calculations. Moreover, ACA 15’s requirement for voter approval of financial conditions imposed on a government employer that proposes to close a defined benefit plan to new members would also infringe on the Board’s fiduciary responsibility to ensure the actuarial soundness of the retirement system.

SUMMARY

ACA 15 is a legislatively referred constitutional amendment that would prohibit a government employer—unless approved by voters of the applicable jurisdiction—from providing a benefit enhancement to a new government employee, enrolling a new government employee in a defined benefit plan, or paying more than one-half the total costs of retirement benefits for a new government employee. Additionally, retirement

boards—unless approved by voters of the applicable jurisdiction—would be prohibited from imposing termination fees, accelerating payments on existing debt, or imposing other financial conditions on government employers that propose to close a defined benefit plan to new members.

ANALYSIS

Background

ACA 15 is virtually identical to the Voter Empowerment Act of 2016 (Initiative No. 15-0076), a citizen-initiated constitutional amendment that was introduced in 2015 and failed to qualify for the ballot. A citizen-initiated constitutional amendment requires that a sufficient number of signatures be gathered from the electors in order for the measure to appear on the ballot of the next general election. In contrast, ACA 15 is a legislatively referred constitutional amendment that requires passage by a two-thirds vote in each chamber of the Legislature in order to appear on the ballot of the next general election.

The measure is also similar to SCA 10 (Moorlach, 2017), which would prohibit a government employer from providing any retirement benefit increase to public employees, unless the increase is approved by a two-thirds vote of the electorate of the applicable jurisdiction. The Board of Retirement adopted an “Oppose” position on SCA 10. ACA 15 would provide that approval is by majority vote rather than by a vote of two-thirds.

Applicability

ACA 15 defines “government employer” as the state and any political subdivisions of the state, including but not limited to various public entities. A charter county such as the County of Los Angeles, LACERA’s plan sponsor, would be included in the definition of a government employer and thus would be subject to the constraint of voter approval.

“Retirement benefits” would include defined benefit pension plans, defined contribution plans, retiree health care plans, or any form of deferred compensation offered by a government employer. LACERA’s pension and retiree health care plans would be included within ACA 15’s definition of retirement benefits.

Eligibility for Defined Benefit Plans

As specified by ACA 15, an individual who becomes a member for the first time on or after January 1, 2021 would not be eligible to enroll in a defined benefit plan without approval from the voters of that jurisdiction.

An earlier version of the Voter Empowerment Act of 2016 (Initiative No. 15-0033) provided that the definition of “new government employee” was without regard to the prior employment status with his or her prior government employer or any other government employer. That element regarding prior employment status appeared to restrict the rights of members who leave and then return to government employment—

whether with the same or a different employer—with regard to plan restoration and establishment of reciprocity.

The definition of a “new government employee” under ACA 15 is similar to the definition of “new member” under the California Public Employees’ Pension Reform Act of 2013 (PEPRA), except that it would apply to individuals who become members for the first time on or after January 1, 2021. Since ACA 15 does not contain the element regarding prior employment status and aligns with the definition of “new member” under PEPRA, members who leave and then return to the same employer will retain their plan (if they left their contributions on deposit) or will be eligible for redeposit and restoration rights (if they withdrew their contributions). Members who leave to another public employer would also be eligible to establish reciprocity with that employer’s public retirement system—even if that system no longer offers a defined benefit plan for new government employees.

Cost Sharing

ACA 15 specifies that government employers shall not pay more than one-half of the total costs of retirement benefits for new government employees unless the voters of the applicable jurisdiction approve. It appears total costs would also include unfunded liability costs, even though this is not explicitly specified as it was in the earlier version of the Voter Empowerment Act of 2016 (Initiative No. 15-0033). As a point of comparison, PEPRA requires the equal sharing of normal costs between employers and employees.

Since “retirement benefits” are defined to include also retiree healthcare plans, this provision on cost sharing would affect not just pension benefits but also the subsidies in the retiree healthcare program. Members currently accrue a health care subsidy for the premiums of the retiree health care plans that begins at 40 percent of the benchmark premium cost with 10 years of service credit. For each additional year of service credit, members receive an additional 4-percent subsidy, up to a maximum of 100 percent for 25 years of service credit. ACA 15 would limit the health care subsidy to a maximum of 50 percent unless voters approve paying a higher proportion.

Benefit Enhancements

A “benefit enhancement” is defined in ACA 15 as any change in a defined benefit pension plan that increases the value of the benefit, including but not limited to:

- Reducing an employee’s share of cost.
- Increasing a benefit formula.
- Increasing the rate of cost-of-living adjustments.
- Expanding categories of pay included in pension calculations.
- Reducing a vesting period.
- Lowering the eligible retirement age.

- Otherwise providing an economic advantage for a government employee in a defined benefit plan.

Benefit enhancements generally result from a process of collective bargaining between employee organizations and employers. The agreements reached under the collective bargaining process are embodied in a memorandum of understanding. Legislative changes to applicable law are often necessary to implement the enhancements. For example, in 2001, the County of Los Angeles and its employee organizations reached agreement on several enhancements to retirement benefits administered by LACERA that were implemented under AB 399 (Chapter 778, Statutes of 2001). ACA 15 would not alter any provisions of existing labor agreements in effect as of the effective date of the act but would require voter approval for any benefit enhancements agreed upon after the effective date.

One significant provision in the County Employees Retirement Law of 1937 (CERL) that might be interpreted to require voter approval is the Open Window Plan Transfer, which becomes operative only if mutually agreed upon between the employer and employee representatives in a memorandum of understanding. The Open Window Plan Transfer enables a noncontributory Plan E member to transfer to contributory Plan D, which offers higher benefits than Plan E, most notably pre-retirement death and disability benefits.

Other methods that employees can use to enhance their benefits include the Prospective Plan Transfer, plan restorations, and purchase of service credit. It is unclear whether the restriction on benefit enhancements means that voters must approve the addition of a future provision that provides the enhancement or that voters must approve the exercise of an existing provision that provides the enhancement. If it is the latter, then members will no longer be able to elect a Prospective Plan Transfer, elect a plan restoration, or purchase service credit.

If Plan E members cannot elect an Open Window Plan Transfer or a Prospective Plan Transfer, then they will be unable to qualify for disability retirement under Plan D.

As provided by ACA 15, the disability component of a defined benefit plan would be exempt from the restriction on benefit enhancements. For example, a service-connected disability retirement benefit is the greater of 50 percent of final compensation or the amount equal to a service retirement allowance. Thus, the 50-percent component may be increased without voter approval. It is unclear whether the amount equal to a service retirement can be considered a disability component in this case and enhanced without voter approval.

Disability and Death Benefits

ACA 15 would provide that nothing in it shall be interpreted to modify or limit any disability or death benefits and that voter approval is not required for disability or death benefits.

However, since the service retirement formula is a component of disability retirement and death benefits, these benefits may be indirectly limited if a member is unable to participate in a defined benefit plan. For example, a service-connected disability retirement is the greater of 50 percent of final compensation or the amount equal to a service retirement allowance. Pre-retirement death benefits for surviving spouses of members in contributory plans currently include an optional monthly allowance that is equal to 65 or 100 percent of what a member would have received had he or she retired for disability. The optional monthly allowance is in lieu of the basic death benefit of a refund of the member's accumulated contributions and interest plus an amount of up to 6 months of salary. If a new member is unable to enroll in a defined benefit plan without voter approval and thus not accrue service credit toward a service retirement, any disability or death benefits that would have been based on a service retirement would be limited.

There also appears to be a conflict between this provision, which would not limit any disability and death benefits provided for government employees, and the provision on benefit enhancements, which would limit the ability of Plan E members to avail themselves of disability benefits by transferring to Plan D. Moreover, Plan E members are not entitled to pre-retirement death benefits or disability benefits unless they transfer to Plan D.

Infringement on Plenary Authority and Fiduciary Responsibility

Two of the items specified as "benefit enhancements" may infringe on the Board of Retirement's plenary authority. The Board of Retirement has the authority to determine before April 1 of each year whether there has been an increase or decrease in the cost of living. The Board of Retirement also has the authority to determine whether pay items are includible as compensation earnable or pensionable compensation in the calculation of pensions. ACA 15 would require that increasing the rate of cost-of-living adjustments and expanding the categories of pay included in pension calculations would be subject to approval by the voters of the applicable jurisdiction.

Pursuant to Section 31564.2 of CERL, districts that withdraw participation in the retirement system are liable for the district's share of any unfunded actuarial liability that is attributable to the district's employees who have retired or are eligible to retire. Section 31564.2 provides a calculation methodology for determining a district's share of the unfunded actuarial liability, but the Board of Retirement may approve an alternative calculation. The Board of Retirement also has the authority to determine a schedule for the payment of the unfunded actuarial liability. Section 31564.2 outlines the

responsibilities of a district to pay off its unfunded actuarial liability and the authority of the Board of Retirement to take whatever steps are necessary in this regard to maintain the actuarial soundness of the retirement system. ACA 15's prohibition on a retirement board to be able to impose financial conditions on a government employer that closes a defined benefit plan to new members would infringe upon the Board of Retirement's fiduciary responsibility to administer and maintain an actuarially sound retirement system.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt an "Oppose" position on ACA 15, which would enact The Protecting Schools and Keeping Pension Promises Act of 2018.

Attachments

Attachment 1—Board Positions Adopted on Related Legislation

Attachment 2—Support and Opposition

ACA 15 (Brough) as introduced on May 9, 2017

cc: Robert Hill
James Brekk
JJ Popowich
Bernie Buenaflor
Steven Rice
Fern Billingsy
Johanna Fontenot
Michael Herrera
Jill Rawal
Joe Ackler, Ackler & Associates

BOARD POSITIONS ADOPTED ON RELATED LEGISLATION

SCA 8 (Moorlach, 2017) would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the California Constitution or any other law. The measure would prohibit it from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed. The Board of Retirement adopted an “Oppose” position.

SCA 10 (Moorlach, 2017) would prohibit a government employer from providing public employees any retirement benefit increase until that increase is approved by a 2/3 vote of the electorate of the applicable jurisdiction. The Board of Retirement adopted an “Oppose” position.

AB 340 (Chapter 296, Statutes of 2012) enacted the California Public Employees’ Pension Reform Act of 2013. Among other provisions, it provided for benefit enhancements to apply only to service performed on or after the operative date of the enhancement and not to service performed prior to the operative date. The Board of Retirement adopted a “Watch” position.

ACA 15
Attachment 2—Support and Opposition
Board of Retirement
September 6, 2017
Page 1

SUPPORT

None

OPPOSITION

California State Teachers' Retirement System

(Note: This is not a comprehensive listing of support and opposition since a committee staff analysis by the applicable policy committee on ACA 15 is not available. The committee staff analysis normally lists officially registered support or opposition by interested parties.)

Assembly Constitutional Amendment

No. 15

Introduced by Assembly Member Brough

May 9, 2017

Assembly Constitutional Amendment No. 15—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 24 to Article XVI thereof, relating to public employee retirement benefits.

LEGISLATIVE COUNSEL'S DIGEST

ACA 15, as introduced, Brough. Public employee retirement benefits.

Existing statutory law establishes various public agency retirement systems, including, among others, the Public Employees' Retirement System, the State Teachers' Retirement System, the Judges' Retirement System II, and various county retirement systems pursuant to the County Employees Retirement Law of 1937, and these systems provide defined pension benefits to public employees based on age, service credit, and amount of final compensation. The California Constitution permits a city or county to adopt a charter for purposes of its governance that supersedes general laws of the state in regard to specified subjects, including compensation of city or county employees. The California Constitution establishes the University of California as a public trust with full powers of organization and government, subject only to specified limitations. Under their respective independent constitutional authority, charter cities and counties and the University of California may and have established retirement systems. The California Public Employees' Pension Reform Act of 2013 (PEPRA) generally requires the retirement systems to which it applies to modify their provisions to conform with its requirements. PEPRA excepts from its provisions

retirement systems established by charter cities and counties and the University of California. PEPRA requires the retirement systems that it regulates and that offer defined benefit plans to provide specified defined benefit formulas and prescribes requirements regarding employer and employee contributions to defined benefit pension plans.

This measure would enact the Protecting Schools and Keeping Pension Promises Act of 2018. The measure would prohibit a government employer from enhancing employee pension benefits, as defined, without approval by the voters of the jurisdiction, and would prohibit a government employer from enrolling a new government employee, as defined, in a defined benefit pension plan without approval by the voters of the jurisdiction. The measure also would prohibit a government employer from paying more than $\frac{1}{2}$ of the total cost of retirement benefits, as defined, for new government employees without approval by the voters of the jurisdiction. The measure would prohibit retirement boards from imposing charges or other financial conditions on a government employer that proposes to close a defined benefit pension plan to new members unless the voters or the sponsoring government employer approve those charges or conditions. The measure would require challenges to the legality of actions taken by a government employer or a retirement board to comply with its provisions to be brought in state or federal courts. The measure would prohibit its provisions from being interpreted to modify or limit disability benefits provided for government employees or death benefits for families of government employees, even if provided as part of a retirement benefits system, or from requiring voter approval of disability or death benefits. The measure would prescribe various requirements and prohibitions regarding its interpretation and the effect of any other competing measures, among other things.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

- 1 WHEREAS, Government has an obligation to provide essential
- 2 services that protect the safety, health, welfare, and quality of life
- 3 enjoyed by all Californians. State and local governments face
- 4 elimination or reduction of essential services because of costly,
- 5 unsustainable retirement benefits granted to government
- 6 employees; and
- 7 WHEREAS, Actuarial analyses conducted by the California
- 8 Public Employees' Retirement System (CalPERS) and the

1 California State Teachers’ Retirement System (CalSTRS) project
2 that school contributions for employee pensions will more than
3 double from \$4.8 billion in the 2015–16 fiscal year to \$11.3 billion
4 in the 2022–23 fiscal year. These cost increases are expected to
5 force school districts statewide to divert billions of dollars from
6 helping children in classrooms; and

7 WHEREAS, California local government contributions to
8 CalPERS are on track to nearly double over the next five years.
9 According to data collected by the California Policy Center, local
10 government contributions will increase by 84 percent, from about
11 \$5.3 billion in the 2017–18 fiscal year to \$9.8 billion in the
12 2022–23 fiscal year; and

13 WHEREAS, City managers, county supervisors, and mayors
14 throughout the state are very concerned that rapidly increasing
15 pension contributions will crowd out resources available for critical
16 public services such as public safety, fire protection, park
17 maintenance, and waste collection and management; and

18 WHEREAS, CalPERS declared the City of Loyalton and the
19 East San Gabriel Valley Human Services Consortium in default
20 and was forced to cut retirement benefits to 201 retirees from the
21 cities of Loyalton, West Covina, Covina, Azusa, and Glendora.
22 These cuts will be catastrophic for some retirees who worked many
23 years for these communities, but may now be unable to afford rent,
24 pay bills, or put food on their tables; and

25 WHEREAS, On April 20, 2017, CalPERS adopted new
26 projections that increase contribution rates by an average of 35
27 percent over the next five years. Growth in mandatory pension
28 contribution increases will crowd out funding for critical programs
29 millions of Californians depend on, including health care,
30 education, transportation, and the social safety net; and

31 WHEREAS, Without real reform, more than 1.8 million
32 members and beneficiaries of CalPERS and nearly one million
33 members and beneficiaries of CalSTRS will face financial
34 insecurity in their golden years. California’s state and local
35 governments need to protect schools and public services for their
36 residents and keep the pension promises they have already made;
37 and

38 WHEREAS, Given the negative impacts associated with rapidly
39 escalating pension contributions, voters statewide should have the
40 opportunity to reevaluate their spending priorities, protect public

1 pensions that have already been promised, and maintain critical
2 core public services for their communities; now, therefore, be it
3 *Resolved by the Assembly, the Senate concurring*, That the
4 Legislature of the State of California at its 2017–18 Regular
5 Session commencing on the fifth day of December 2016, two-thirds
6 of the membership of each house concurring, hereby proposes to
7 the people of the State of California, that the Constitution of the
8 State be amended to reform retirement benefits granted to new
9 government employees and to require that voters approve or reject
10 increases in defined benefits proposed for any government
11 employees, as follows:

12 First—That Section 24 is added to Article XVI thereof, to read:

13 SEC. 24. (a) A government employer shall not provide a
14 benefit enhancement to a new government employee in a defined
15 benefit pension plan unless the voters of that jurisdiction approve
16 that enhancement.

17 (b) A government employer may enroll a new government
18 employee in a defined benefit pension plan only if the voters of
19 the applicable jurisdiction approve enrollment in such a plan.

20 (c) A government employer shall not pay more than one-half
21 of the total cost of retirement benefits for a new government
22 employee unless the voters of the applicable jurisdiction have
23 approved paying a higher proportion.

24 (d) A retirement board shall not impose termination fees,
25 accelerate payments on existing debt, or impose other financial
26 conditions upon a government employer that proposes to close a
27 defined benefit pension plan to new members, unless voters of the
28 applicable jurisdiction or the sponsoring government employer
29 approve the fees, accelerated payment, or financial conditions.

30 (e) A challenge to the action taken by a government employer
31 or a retirement board to comply with requirements of this section
32 shall only be brought in a California court exercising judicial power
33 as provided in Article VI or in a federal court.

34 (f) This section does not alter any provisions of a labor
35 agreement in effect as of the effective date of this act, but this
36 section shall apply to any successor labor agreement, renewal, or
37 extension entered into after the effective date of this section. This
38 section shall not be interpreted to amend or modify Section 9 of
39 Article I.

1 (g) This section shall not be interpreted to modify or limit any
2 disability benefits provided for government employees or death
3 benefits for beneficiaries of government employees, even if those
4 benefits are provided as part of a retirement benefits system. This
5 section shall not be interpreted to require voter approval for death
6 or disability benefits.

7 (h) For purposes of this section:

8 (1) “Benefit enhancement” means any change in a defined
9 benefit pension plan that increases the value of an employee’s
10 benefit including, but not limited to, reducing an employee’s share
11 of cost, increasing a benefit formula, increasing the rate of
12 cost-of-living adjustments, expanding the categories of pay
13 included in pension calculations, reducing a vesting period,
14 lowering the eligible retirement age, or otherwise providing an
15 economic advantage for government employees in a defined benefit
16 plan, except for the disability component of a defined benefit plan.

17 (2) “Defined benefit pension plan” means a plan that provides
18 lifetime payments to retirees and beneficiaries based upon a
19 formula using factors such as age, length of service, and final
20 compensation.

21 (3) “Government employer” means the State, or a political
22 subdivision of the State, including, but not limited to, counties,
23 cities, charter counties, charter cities, a charter city and county,
24 school districts, special districts, boards, commissions, the Regents
25 of the University of California, the Trustees of the California State
26 University, and agencies thereof.

27 (4) “New government employee” means any of the following:

28 (A) An individual who becomes a member of any public
29 retirement system for the first time on or after January 1, 2021,
30 and who was not a member of any other public retirement system
31 prior to that date.

32 (B) An individual who becomes a member of a public retirement
33 system for the first time on or after January 1, 2021, and who was
34 a member of another public retirement system prior to that date,
35 but who was not subject to reciprocity under subdivision (c) of
36 Section 7522.02 of the Government Code, as it existed on the date
37 that this measure is enacted.

38 (C) An individual who was an active member in a retirement
39 system and who, after a break in service of more than six months,
40 returned to active membership in that system with a new employer.

1 For purposes of this subparagraph, a change in employment
2 between state entities or from one school employer to another shall
3 not be considered as service with a new employer.

4 (5) “Retirement benefit” means any postemployment benefits
5 including, but not limited to, benefits provided through defined
6 benefit pension plans, defined contribution plans, retiree health
7 care plans, or any form of deferred compensation offered by
8 government employers.

9 (i) In the event the measure adding this section and one or more
10 other measures relating to the same subject shall appear on the
11 same statewide election ballot, the provisions of the other measure
12 or measures shall be deemed to be in conflict with the measure
13 adding this section. In the event that the measure adding this section
14 receives a greater number of affirmative votes, the provisions of
15 that measure shall prevail in their entirety, and all provisions of
16 the other measure or measures shall be null and void.

17 (j) If any provision of this section, or part thereof, or the
18 applicability of any provision or part to any person or
19 circumstances, is for any reason held to be invalid or
20 unconstitutional, the remaining provisions and parts shall not be
21 affected, but shall remain in full force and effect, and to this end
22 the provisions and parts of this section are severable. The voters
23 hereby declare that this section, and each portion and part, would
24 have been adopted irrespective of whether any one or more
25 provisions or parts are found to be invalid or unconstitutional.

26 (k) This section shall be liberally construed to effectuate its
27 purposes.

28 (l) Notwithstanding any other law, if the State, a government
29 agency, or any of its officials fail to defend the constitutionality
30 of this section following its adoption by the voters, any other
31 government employer or any citizen of this State shall have the
32 authority to intervene in any court action challenging the
33 constitutionality of this section for the purpose of defending its
34 constitutionality, whether the action is in trial court, on appeal, or
35 on discretionary review by the Supreme Court of California or the
36 Supreme Court of the United States. The fees and costs of
37 defending the action shall be a charge on funds appropriated to
38 the Attorney General, which shall be satisfied promptly.

- 1 Second—This measure shall be known and may be cited as “The
- 2 Protecting Schools and Keeping Pension Promises Act of 2018.”

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September 11, 2017

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
William de la Garza, Chair
Vivian H. Gray, Vice Chair
Alan Bernstein
Ronald Okum
David Muir, Alternate

FOR: October 12, 2017 Board of Retirement Meeting

SUBJECT: **LACERA Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit Policy**

RECOMMENDATION

Approve the Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit Policy.

INTRODUCTION

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 and Statement No. 75, which govern new accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. The implementation of these complex GASB statements requires a high degree of coordination and alignment between the plan administrator (LACERA) and the employers (i.e., County, Superior Court, outside districts). As such, in February 2016, LACERA established a GASB 74/75 Task Force (Task Force) comprised of key stakeholders from the employer groups and external professional service providers to discuss requirements for implementing the new standards. This strategic partnership provides the opportunity to open the lines of communication among the parties involved and collectively work towards establishing timelines and a framework for implementation decisions.

Attached is a proposed policy, incorporating feedback from the Task Force, on the OPEB actuarial projects necessary to meet all objectives of a prudent plan and its administration.

SUMMARY

GASB Statements 74 and 75 reflect a fundamental overhaul in the standards for accounting and financial reporting for post-employment benefits other than pensions (OPEB). GASB 74 is for OPEB plans (LACERA) and is effective beginning for plan fiscal year as of June 30, 2017. GASB 75 is for employers that sponsor OPEB plans and is effective beginning for employer fiscal year as of June 30, 2018. The information required to be noted and disclosed as a result of GASB 74 is a foundational basis for the information required by GASB 75.

Currently the OPEB actuarial valuation is performed biennially and the related investigation of experience and assumption study is performed triennially. The associated independent audit of the actuarial valuation, as well as the audit of the experience and assumption study are conducted every six years. With the advent of GASB 75, the Task Force needed to revisit the timing of these reporting requirements.

GASB 75 requires that the reporting date can be a maximum of 30 months (and a day) after the actuarial valuation date. The Task Force believed this requirement, coupled with the one-year lag period stipulated by the County's GASB 75 implementation schedule, imposes a tight timeline that leaves no room for unforeseen issues or adversity for all parties concerned. Increasing the OPEB valuation schedule from every other year (biennial) to every year (annual) effectively eliminates this critical risk and highly improves compliance with GASB 75 firm reporting requirements, including the ability to conduct audits of the OPEB information which will be included in the County's financial statements. Note that the new GASB standards promote annual valuations. Similarly, as we are improving the OPEB actuarial valuation frequency, the timing of the associated OPEB audits also require enhancement. More frequent updates provide more recent information to decision-makers, plan sponsors, and program administrators.

The proposed policy includes the following value-added OPEB actuarial projects:

- Increasing the OPEB Actuarial Valuation to an annual valuation.
- Increasing the Audit of OPEB Valuation to every three years.
- Increasing the Audit of OPEB Experience and Assumption Study to every three years.

The adoption of the proposed policy provides formal documentation for undertaking the modified OPEB actuarial projects and demonstrates LACERA's continuing commitment to excellence.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve the Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit Policy.

RH:BSA:TG:EW:ms

Attachments



Los Angeles County Employees Retirement Association

Board of Retirement

Policy Statement

Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit

Adopted: November 2010

Revised: October 2017

Purpose

LACERA administers the retiree medical, dental/vision, and death benefits covering the retired Los Angeles County (County) workers who also participate in the Los Angeles County Employees Retirement Association (LACERA) retirement benefits plan. Collectively these health-related benefits are referred to as the Los Angeles County Other Post-Employment Benefits (OPEB) program. This document establishes the OPEB Actuarial Valuation and Audit Policy (OPEB Policy) of actuarial valuations and audits, which estimate future liabilities relating to the OPEB program.

Statement of Policy

LACERA will periodically perform all OPEB actuarial projects to:

- Establish the actuarially determined values of the County's OPEB program liabilities.
- Validate that such an appraisal reflects actual experiences and appropriate assumptions.
- Certify the appraisal is determined in accordance with all legislative, regulatory and professional standards.

Policy Objectives

The objectives that provide the guiding principles in the development and implementation of the OPEB Policy include the following:

- Comply with the financial reporting requirements mandated by the Governmental Accounting Standards Board (GASB).
- Ensure data and assumptions used in the valuation are, when appropriate, consistent with those used in the valuation of retirement benefits.
- Promote operating effectiveness and optimize cost efficiencies where possible.
- Mirror the policy and principles guiding the retirement benefits actuarial projects.
- Coordinate consistently and efficiently with external audits of LACERA's financial statements when appropriate.



Types and Frequency of OPEB Actuarial Projects

- **Valuation:** A calculation of the actuarial values in accordance with all relevant legislative, regulatory, and professional requirements and standards.
 - Required By: GASB
 - Performed By: OPEB Consulting Actuary
 - Frequency: Every year (annual)
 - Rationale:
 - GASB requires the net OPEB liability measured as the total OPEB liability, less the amount of the OPEB program's fiduciary net position.
 - The total OPEB liability is generally required to be determined through an actuarial valuation.
 - Actuarial valuations of the total OPEB liability must be performed at least every two years, with more frequent valuations encouraged.
 - All assumptions underlying the determination of the total OPEB liability must conform to the guidance in Actuarial Standards of Practice issued by the Actuarial Standards Board.
 - To ensure data and assumptions used in the OPEB valuation are consistent with the retirement benefits valuation, the OPEB Policy requires each annual OPEB valuation immediately after the annual retirement benefits valuation for the same fiscal year ending.
 - The OPEB Policy promotes operating efficiency by leveraging the efforts of the consulting actuary to complete two projects with each mobilization.

- **Experience and Assumption Study:** An investigation of the experience and review of the assumptions used in the valuation.
 - Required By: OPEB Policy
 - Performed By: OPEB Consulting Actuary
 - Frequency: Every three years (triennial)
 - Rationale:
 - The 1937 Act requires an investigation of experience and assumption study (experience study) on LACERA retirement benefit assumptions performed triennially (every three years) to reset member contribution rates as appropriate. Certain experience data and assumptions from the retirement benefits valuation provide essential input variables to the experience study for the OPEB program.
 - To ensure data and assumptions common to both experience studies are used consistently, the OPEB Policy requires an experience study for the OPEB program immediately follow each experience study for the retirement benefits plan.
 - The OPEB Policy promotes operating efficiency by leveraging the efforts of the consulting actuary to complete two projects with each mobilization.



- **Audit of Valuation:** A triennial audit of the OPEB valuation, including a parallel valuation (i.e., an independent reproduction of the detailed valuation results).
 - Required By: OPEB Policy
 - Performed By: OPEB Audit Actuary
 - Frequency: Every three years (triennial)
 - Rationale:
 - The 1937 Act requires the LACERA retirement benefits valuation be performed triennially. The Retirement Benefit Funding Policy (dated February 13, 2013 as amended) currently in effect between the County and LACERA requires the retirement benefits valuation to be performed annually.
 - As a recognized leader in public pension plan administration, LACERA has long implemented the prudent policy and practice of performing triennial audits of the retirement benefits valuation.
 - In combination, these requirements dictate an audit of the annual retirement benefits valuation, triennially.
 - Governmental Finance Officers Association (GFOA) best practices recommend a comprehensive audit performed by an independent actuary of a pension plan's actuarial valuations at least once every five years.
 - Consistent with policy and practice of the retirement benefits valuation and audit cycle, this OPEB Policy requires an audit of OPEB valuation performed triennially. This policy is consistent with GFOA best practices.

- **Audit of Experience and Assumption Study:** An audit of the investigation of experience and assumption study(experience study) is performed in conjunction with the audit of the OPEB valuation.
 - Required By: OPEB Policy
 - Performed By: OPEB Audit Actuary
 - Frequency: Every three years (triennial)
 - Rationale:
 - The 1937 Act requires an experience study performed triennially for the LACERA retirement benefits plan.
 - As a recognized leader in public pension plan administration, LACERA has long implemented the prudent policy and practice of performing an audit of each triennial experience study for the retirement benefits plan.
 - Consistent with policy and practice of the retirement benefits valuation and audit cycle, and for cost-benefit optimization, the OPEB Policy requires an audit of the experience study performed each time a triennial experience study is completed (see the previous section thereof).
 - Promoting operating efficiency by leveraging the efforts of the audit actuary teams in completing two projects with each mobilization, the OPEB Policy requires an audit of the OPEB valuation immediately after an audit of the experience study.

**Roles and Responsibilities**

- LACERA Board of Retirement, the Governance of the Plan Administrator, establishes and adopts the Policy relating to the OPEB actuarial practices of LACERA, and provides oversight of Policy implementation.
- LACERA Executive Office implements the Policy under the guidance and direction of the Board of Retirement.
- The OPEB Consulting Actuary under the guidance and direction of LACERA Executive Office performs in accordance with contractual terms and conditions the annual valuation and the triennial experience study. The OPEB Consulting Actuary submits work products to the Audit Actuary for every triennial valuation and each time a triennial experience study is completed.
- The OPEB Audit Actuary under the guidance and direction of the LACERA Audit Committee performs in accordance with contractual terms and conditions an audit of every valuation and an audit of every experience study, triennially.
- LACERA Internal Audit, under the general guidance of the Audit Committee, provides independent consultation to LACERA Executive Office to facilitate the effective and efficient implementation of the OPEB Policy.

Implementation

LACERA will implement the policy through the prescribed schedule as shown in Exhibit A.

Policy Review

The policy is subject to periodic reviews to identify and incorporate necessary updates and revisions.



Background

GASB 43 and 45

The Governmental Accounting Standards Board (GASB) issued Statement No. 43 in April 2004. This statement covers financial reporting for Post-Employment Benefits Other Than Pension Plans (commonly referred to as OPEB programs). LACERA was required to adopt Statement No. 43 when preparing financial statements for periods beginning after December 15, 2005.

GASB issued Statement No. 45 in July 2004. This statement covers accounting and financial reporting by employers for Post-Employment Benefits Other Than Pension. Los Angeles County (the County) is required to adopt Statement No. 45 for periods beginning after December 15, 2006.

The financial reporting under GASB Statement No. 43 and GASB Statement No. 45 requires the Schedule of Funding Progress be actuarially determined. At a minimum, the actuarial valuation for plans with total membership of 200 or more must be performed biennially (every 2 years). A new valuation should be performed if, since the previous valuation, significant changes have occurred which affect the results of the valuation, including significant changes in benefit provisions, the size or composition of the population covered by the plan, or other factors impacting long-term assumptions.

To comply with GASB 43, LACERA, in collaboration with the County, engaged Milliman to perform the first OPEB actuarial valuation, as of July 1, 2006^{1,2}, of the retiree medical, dental/vision, and life insurance benefits covering the retired County workers who also participated in the LACERA retirement benefits plan. The valuation was completed and report issued in May 2007 (2006 OPEB valuation). Consistent with the policy and practice in the actuarial undertakings on the retirement benefits plan, LACERA again in coordination with the County, engaged Segal in 2007 to perform a full scope audit of Milliman's 2006 OPEB Valuation. The audit, although not required either by GASB or by law, was completed in 2008.

¹ The valuation as of July 1, 2006 was conducted and reported by LACERA, in accordance with Paragraph 33 of GASB 43, in the Comprehensive Annual Financial Report for the year ended June 30, 2007, the initial required reporting period. The County reported the same valuation, in accordance with Paragraph 12 of GASB 45, in its Comprehensive Annual Financial Report for the year ended June 30, 2008, the initial required reporting period.

² With reference to GASB 43 and GASB 45, a July 1 valuation date, instead of a June 30 valuation date, maximizes the flexibility to use the valuation for reporting the annual required contributions (ARC) in future fiscal years. GASB 45 Paragraph 12 refers to the beginning of the fiscal year for which the ARC is being reported being not more than 24 months after the date of the valuation.



GASB 74 and 75

The Governmental Accounting Standards Board (GASB) issued Statement No. 74 in June 2015. This statement covers financial reporting for Post-Employment Benefits Other Than Pension Plans (commonly referred to as OPEB programs). LACERA is required to adopt Statement No. 74 when preparing financial statements for fiscal years beginning June 30, 2017.

GASB issued Statement No. 75 in June 2015. This statement covers accounting and financial reporting by employers for Post-Employment Benefits Other Than Pension. Los Angeles County (County) is required to adopt Statement No. 75 for fiscal years beginning June 30, 2018 or in other words one year after LACERA implements GASB 74. The information required to be noted and disclosed as a result of GASB 74 is a foundational basis for the information required by GASB 75.

GASB 75 requires that the reporting date can be a maximum of 30 months (and a day) after the actuarial valuation date. This requirement coupled with the one-year lag period imposed by the County's GASB 75 implementation schedule imposes a tight timeline that leaves no room for unforeseen issues or adversity. Increasing the OPEB valuation schedule from every other year (biennially) to every year (annually) effectively eliminates this risk and improves compliance with GASB 75 reporting requirements. More frequent updates provide more recent information to decision-makers, plan sponsors, and program administrators.

Annual OPEB program valuations are consistent with the frequency performed for the retirement benefits plan schedule.

A triennial OPEB experience and assumptions study is consistent with the frequency performed for the retirement benefits plan schedule.

Triennial OPEB audits (i.e., valuation audit and experience study audit) are consistent with the frequency performed for the retirement benefits plan schedule.

Exhibit A

Schedule of LACERA OPEB Actuarial Valuation and Audit Projects

	OPEB Actuarial Projects			
	Valuation	Experience & Assumption Study	Audit of Valuation	Audit of Experience & Assumption Study
Frequency	Every 2 Years	Every 3 Years	Every 6 Years	Every 6 Years
Fiscal Year Ending				
2006	X		X	
2007				
2008	X	X		
2009				
2010 ⁽¹⁾	X	X	X	X
2011				
2012	X			
2013		X		
2014	X			
2015				
2016 ⁽²⁾	X	X	X	X
Frequency	Every Year	Every 3 Years	Every 3 Years	Every 3 Years
Fiscal Year Ending				
2017	X			
2018 ⁽³⁾	X	X	X	X
2019	X			
2020 ⁽⁴⁾	X	X	X	X
2021	X			
2022	X			
2023 ⁽⁴⁾	X	X	X	X
2024	X			
2025	X			
2026 ⁽⁴⁾	X	X	X	X
2027	X			
2028	X			

Schedule of LACERA OPEB Actuarial Valuation and Audit Projects

	OPEB Actuarial Projects			
	Valuation	Experience & Assumption Study	Audit of Valuation	Audit of Experience & Assumption Study
Frequency	Every Year	Every 3 Years	Every 3 Years	Every 3 Years
Requirement	OPEB Policy	OPEB Policy	OPEB Policy	OPEB Policy
OPEB Policy Primary Objectives	Consistency with Retirement Benefits Policy.	Consistency with Retirement Benefits Policy. For operating efficiency, lagged one year from Retirement Benefits Experience and Assumption Study.	Consistency with Retirement Benefits Policy. For operating efficiency, lagged one year from Audit of Retirement Benefits Valuation.	Consistency with Retirement Benefits Policy. For operating efficiency, lagged one year from Audit of Retirement Benefits Experience and Assumption Study.

Footnotes

- (1) For fiscal year ended on June 30, 2010, all OPEB actuarial projects were performed for the same fiscal year-end for the first time.
- (2) For fiscal year ended on June 30, 2016, the full 6-year cycle (of the prior policy) repeated.
- (3) For fiscal year ending on June 30, 2018, the catch-up 2-year cycle is planned to make efficient use of the Experience Study during the 4 year gap between the old and new policy.
- (4) For fiscal years ending on June 30, 2020, June 30, 2023, and June 30, 2026, the full 3-year cycle repeats. During the intervening years, various projects will be performed as scheduled.



DRAFT

Los Angeles County Employees Retirement Association

Board of Retirement**Policy Statement**

Other Post-Employment Benefits (OPEB) Actuarial Valuation and Audit

November 4, 2010 August 23, 2017

Purpose

The Los Angeles County Employees Retirement Association (LACERA) hereby establishes the policy on actuarial valuations and audits of assets and liabilities relating to other post-employment benefits (the OPEB Policy) of Los Angeles County (the County).

Statement of Policy

LACERA will periodically undertake all OPEB actuarial projects to effectuate the following:

- Establish the actuarially determined values of the County's OPEB assets and liabilities.
- Validate that such values reflect actual experiences and appropriate assumptions.
- Certify that such values are determined in accordance with all legislative, regulatory and professional standards.

Policy Objectives

The objectives that provide the guiding principles in the development and implementation of the OPEB Policy include the following:

- Comply with the financial reporting requirements mandated by Governmental Accounting Standards Board Statement No. 43 (GASB 43).
- Ensure data and assumptions used in the valuation are, when appropriate, consistent with those used in the Pension Valuation.
- Promote operating efficiency when appropriate.
- Optimize cost efficiency when appropriate.
- Mirror the policy and principles guiding the Pension actuarial projects.
- Coordinate consistently and efficiently with external audits of LACERA financial statements when appropriate.

**DRAFT****Types and Frequency of OPEB Actuarial Projects**

- **Valuation:** A calculation of the actuarial values in accordance with all relevant legislative, regulatory and professional requirements and standards.
 - Required By: GASB 43, 74 & 75
 - Performed By: OPEB Valuation Actuary
 - Frequency: Every ~~two~~ years (~~Biennial~~Annual) at a minimum or when significant changes have occurred since the previous valuation
 - Rationale:
 - GASB 43 requires that the Schedule of Funding Progress in LACERA's Financial Statements be actuarially determined. Paragraph 33 of GASB 43 further requires that the actuarial valuation for plans with total membership of 200 or more be performed, at a minimum, biennially (every two years); or when significant changes have occurred, since the previous valuation, that affect the results of the valuation.
 - GASB 75 requires the reporting date can be a maximum of 30 months (and a day) after the actuarial valuation date. GASB 74 is required to be implemented one year prior to that of GASB 75.
 - ~~The OPEB Policy ensures compliance with GASB 43 by requiring that the OPEB Valuation be performed every other year at a minimum or when significant changes have occurred since the previous valuation.~~
 - Annual valuations are encouraged under GASB 74 and 75.
 - To ensure that data and assumptions used in the OPEB Valuation are consistent with those used in the Pension Valuation, the OPEB Policy requires that each ~~biennial~~annual OPEB Valuation immediately follow the annual Pension Valuation for the same fiscal year ending. Further, the OPEB Policy promotes operating efficiency by leveraging the efforts of the teams to completing two projects with each mobilization.

- **Experience and Assumption Study:** An investigation of the experience and review of the assumptions used in the Valuation.
 - Required By: The OPEB Policy
 - Performed By: OPEB Valuation Actuary
 - Frequency: Every three years (Triennial)
 - Rationale:
 - The 1937 Act requires that an Experience and Assumption Study on LACERA Pension Valuation be performed triennially (every three years) to reset member contribution rates as appropriate. Certain experience data and assumptions from the Pension Valuation provide essential input variables to the Experience and Assumption Study on the OPEB Valuation.
 - To ensure that data and assumptions common to both Studies are used consistently, the OPEB Policy requires that an Experience and Assumption

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Study on OPEB Valuation immediately follow each Experience and Assumption Study on Pension Valuation.

- The OPEB Policy promotes operating efficiency by leveraging the efforts of the teams to completing two projects with each mobilization.
-
- **Audit of Valuation:** An audit of every third ~~biennial~~-Valuation, including a parallel valuation (i.e., an independent reproduction of the detailed valuation results).
 - Required By: The OPEB Policy
 - Performed By: OPEB Audit Actuary
 - Frequency: Every ~~six~~ three years
 - Rationale:
 - The 1937 Act requires that LACERA Pension Valuation be performed triennially. The Retirement Benefit Funding Policy dated December 9, 2009 currently in effect between the County and LACERA requires that the Pension Valuation be performed annually.
 - A recognized leader in the public pension plan administration community, LACERA has long implemented the prudent policy and the practice of a triennial Audit of the Pension Valuation.
 - These requirements, in combination, require that an Audit be performed on every third annual Pension Valuation.
 - Governmental Finance Officers Association (GFOA) best practices recommend that a comprehensive audit of a pension plan's actuarial valuations be performed by an independent actuary at least once every five to eight years.
 - To be consistent with the policy and practice in Pension Valuation and Audit, the OPEB Policy requires that an Audit of Valuation be performed on every third ~~biennial~~-OPEB Valuation. This policy is consistent with GFOA best practices.

 - **Audit of Experience and Assumption Study:** An audit, in conjunction with the Audit of Valuation, of the Experience and Assumption Study.
 - Required By: The OPEB Policy
 - Performed By: OPEB Audit Actuary
 - Frequency: Every ~~6~~-three years
 - Rationale:
 - The 1937 Act requires that an Experience and Assumption Study on LACERA Pension Valuation be performed triennially.
 - A recognized leader in the public pension plan administration community, LACERA has long implemented the prudent policy and the practice of an Audit of each triennial Experience and Assumption Study on Pension Valuation.
 - To be consistent with the policy and practice in Pension Valuation and Audit and to optimize cost-benefit considerations, the OPEB Policy requires that an



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Audit of the Experience and Assumption Study be performed on every other triennial Experience and Assumption Study (see the previous section thereof).

- To promote operating efficiency by leveraging the efforts of the teams to completing two projects with each mobilization, the OPEB Policy requires that an Audit of Experience and Assumption Study follow immediately each Audit of the OPEB Valuation.

Roles and Responsibilities

- LACERA Board of Retirement, the Governance of the Plan Administrator, establishes and adopts the Policy relating to the OPEB actuarial practices of LACERA, and provides oversight of Policy implementation.
- LACERA Executive Office implements the Policy under the guidance and direction of the Board of Retirement.
- OPEB Valuation Actuary, under the guidance and direction of LACERA Executive Office, performs, in accordance with contractual terms and conditions, the biennial Valuation, and the triennial Experience and Assumption Study. The OPEB Valuation Actuary submits work products to the Audit of every third biennial Valuation, and the Audit of every other triennial Experience and Assumption Study.
- OPEB Audit Actuary, under the guidance and direction of LACERA Audit Committee, performs, in accordance with contractual terms and conditions, an Audit of every third ~~biennial~~ Valuation and the Audit of every ~~other~~ triennial Experience and Assumption Study.
- LACERA Internal Audit, under the general guidance of the Audit Committee, provides independent consultation to LACERA Executive Office to facilitate the effective and efficient implementation of the OPEB Policy.

Implementation

LACERA will implement the policy through the prescribed schedule in Exhibit A.

Policy Review

The policy is subject to periodic reviews to identify and incorporate necessary updates and revisions.

**Background****GASB 43 and 45**

The Governmental Accounting Standards Board (GASB) issued Statement No. 43 in April 2004. This statement covers financial reporting for Post-Employment Benefits Other Than Pension Plans (commonly referred to as OPEB). LACERA is required to adopt Statement No. 43 when preparing financial statements for periods beginning after December 15, 2005.

GASB issued Statement No. 45 in July 2004. This statement covers accounting and financial reporting by employers for Post-Employment Benefits Other Than Pension. Los Angeles County (the County) is required to adopt Statement No. 45 for periods beginning after December 15, 2006.

The financial reporting under GASB Statement No. 43 and GASB Statement No. 45 requires that the Schedule of Funding Progress be actuarially determined. The actuarial valuation for plans with total membership of 200 or more is to be performed, at a minimum, biennially (every 2 years). A new valuation should be performed if, since the previous valuation, significant changes have occurred that affect the results of the valuation, including significant changes in benefit provisions, the size or composition of the population covered by the plan, or other factors that impact long-term assumptions.

To comply with GASB 43, LACERA, in collaboration with the County, engaged Milliman to perform the first OPEB actuarial valuation, as of July 1, 2006^{1,2}, of the retiree medical, dental/vision, and life insurance benefits covering the retired County workers who also participated in the LACERA Pension Plan. The valuation was completed and report issued in May 2007 (2006 OPEB Valuation). Consistent with the policy and practice in the actuarial undertakings on the Pension Plan, LACERA, again in coordination with the County, engaged Segal in 2007 to perform a full scope audit of Milliman's 2006 OPEB Valuation. The audit, although not required either by GASB or by law, was completed in 2008.

¹ The valuation as of July 1, 2006 was conducted and reported by LACERA, in accordance with Paragraph 33 of GASB 43, in the Comprehensive Annual Financial Report for the year ended June 30, 2007, the initial required reporting period. The County reported the same valuation, in accordance with Paragraph 12 of GASB 45, in its Comprehensive Annual Financial Report for the year ended June 30, 2008, the initial required reporting period.

² With reference to GASB 43 and GASB 45, a July 1 valuation date, instead of a June 30 valuation date, maximizes the flexibility to use the valuation for reporting the annual required contributions (ARC) in future fiscal years. GASB 45 Paragraph 12 refers to the beginning of the fiscal year for which the ARC is being reported being not more than 24 months after the date of the valuation.

**DRAFT**GASB 74 and 75

The Governmental Accounting Standards Board (GASB) issued Statement No. 74 in June 2015. This statement covers financial reporting for Post-Employment Benefits Other Than Pension Plans (commonly referred to as OPEB). LACERA is required to adopt Statement No. 74 when preparing financial statements for fiscal years beginning after June 15, 2016.

GASB issued Statement No. 75 in June 2015. This statement covers accounting and financial reporting by employers for Post-Employment Benefits Other Than Pension. Los Angeles County (the County) is required to adopt Statement No. 75 for fiscal years beginning after June 15, 2007 or in other words, one year after LACERA implements GASB 74. GASB 74 is a foundational basis for GASB 75.

GASB 75 requires that the reporting date can be a maximum of 30 months (and a day) after the actuarial valuation date. This requirement coupled with the one-year lag period imposed by the GASB 75 implementation schedule imposes a tight timeline that leaves no room for unforeseen issues or adversity. Increasing the OPEB valuation schedule from every other year (biannual) to every year (annual) effectively eliminates this risk and improves compliance with GASB 75 reporting requirements.

Annual OPEB valuations is consistent with the frequency performed with the pension schedule.

Triannual Experience and Assumptions Studies is consistent with the frequency performed with the pension schedule.

Triennial Audits (i.e., Valuation Audit and Experience Study Audit) is consistent with the frequency performed with the pension schedule.

LACERA has initiated various discussions with the various plan sponsor stakeholders over the past 24 months to facilitate the implementation of GASB 74 and 75 and the development of a policy on OPEB actuarial projects necessary to meet all the objectives of a prudent plan. The formalization of this policy and the associated schedule integrate and culminate these joint efforts.

~~LACERA Executive Office has initiated various discussions over the past eighteen months to facilitate the development of a policy on OPEB actuarial projects necessary to meet all the objectives of a prudent plan. The formalization of this policy and the associated schedule integrate and culminate these joint efforts.~~



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Exhibit A



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Schedule of LACERA OPEB Actuarial Valuation and Audit Projects

Frequency	OPEB Actuarial Projects			
	Valuation	Experience and Assumption Study	Audit of Valuation	Audit of Experience and Assumption Study
	Every 2 Years	Every 3 Years	Every 6 Years	Every 6 Years
Fiscal Year Ending				
2006	X		X	
2007				
2008	X	X		
2009				
2010 ⁽¹⁾	X	X	X	X
2011				
2012	X			
2013		X		
2014	X			
2015				
2016 ⁽²⁾	X	X	X	X
2017				
2018	X			
2019		X		
2020	X			
2021				
2022 ⁽²⁾	X	X	X	X

Summary of LACERA OPEB Policy and Objectives

Frequency	OPEB Actuarial Projects			
	Valuation	Experience and Assumption Study	Audit of Valuation	Audit of Experience and Assumption Study
	Every 2 Years	Every 3 Years	Every 6 Years	Every 6 Years
Requirement	GASB 43	OPEB Policy	OPEB Policy	OPEB Policy
OPEB Policy Primary Objectives	Compliance	Data Consistency and Operating Efficiency - Immediately Following Pension Experience and Assumption Study	Consistency with Pension Policy - Audit of Every 3rd Valuation	Consistency and Efficiency - In Conjunction with Audit of Valuation

Footnotes

(1) For fiscal year ending on June 30, 2010, all OPEB actuarial projects will be performed for the same fiscal year-end for the first time.

(2) For fiscal years ending on June 30, 2016 and on June 30, 2022, the full 6-year cycle will repeat. During the intervening years, various projects will be performed as scheduled.

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Schedule of LACERA OPEB Actuarial Valuation and Audit Projects

OPEB Actuarial Projects				
	Valuation	Experience & Assumption Study	Audit of Valuation	Audit of Experience & Assumption Study
Frequency	Every 2 Years	Every 3 Years	Every 6 Years	Every 6 Years
Fiscal Year Ending				
2006	X		X	
2007				
2008	X	X		
2009				
2010 ⁽¹⁾	X	X	X	X
2011				
2012	X			
2013		X		
2014	X			
2015				
2016 ⁽²⁾	X	X	X	X
Frequency	Every Year	Every 3 Years	Every 3 Years	Every 3 Years
Fiscal Year Ending				
2017	X			
2018 ⁽³⁾	X	X	X	X
2019	X			
2020 ⁽⁴⁾	X	X	X	X
2021	X			
2022	X			
2023 ⁽⁴⁾	X	X	X	X
2024	X			
2025	X			
2026 ⁽⁴⁾	X	X	X	X
2027	X			
2028	X			

Schedule of LACERA OPEB Actuarial Valuation and Audit Projects

OPEB Actuarial Projects				
	Valuation	Experience & Assumption Study	Audit of Valuation	Audit of Experience & Assumption Study
Frequency	Every Year	Every 3 Years	Every 3 Years	Every 3 Years
Requirement	OPEB Policy	OPEB Policy	OPEB Policy	OPEB Policy
OPEB Policy Primary Objectives	Consistency with Pension Policy.	Consistency with Pension Policy. For operating efficiency, lagged one year from Pension Experience and Assumption Study.	Consistency with Pension Policy. For operating efficiency, lagged one year from Audit of Pension Valuation.	Consistency with Pension Policy. For operating efficiency, lagged one year from Audit of Pension Experience and Assumption Study.

Footnotes

- (1) For fiscal year ended on June 30, 2010, all OPEB actuarial projects were performed for the same fiscal year-end for the first time.
- (2) For fiscal year ended on June 30, 2016, the full 6-year cycle (of the prior policy) repeated.
- (3) For fiscal year ending on June 30, 2018, the catch-up 2-year cycle is planned to make efficient use of the Experience Study during the 4 year gap between the old and new policy.
- (4) For fiscal years ending on June 30, 2020, June 30, 2023, and June 30, 2026, the full 3-year cycle repeats. During the intervening years, various projects will be performed as scheduled.

OPEB Valuation and Audit Policy

BOARD OF RETIREMENT
OCTOBER 12, 2017

ROBERT HILL
TED GRANGER

GASB 74/75 Task Force

Established: February 2016

LACERA = 10

County

CEO Office = 4

Auditor-Controller = 4

Superior Court = 1

LAFCO = 2

SCAQMD = 2

Little Lake Cemetery District = 1

Plante Moran = 2

MGO = 4

Platinum Consulting Group = 1

BCA Watson Rice = 1

Milliman = 2

Cheiron = 4

Scenario A
Biennial Valuation
Lagged GASB Reporting

	Cycle 1	Cycle 2
Valuation Date	7/1/2016	7/1/2016*
LACERA GASB 74 Reporting Date	6/30/2017	6/30/2018
County GASB 75 Reporting Date	6/30/2018	6/30/2019*

*Not GASB 74/75 compliant. Reporting Date can be a maximum of 30 months (and a day) after the Valuation Date.

Scenario B
Biennial Valuation
Unlagged GASB Reporting

	Cycle 1	Cycle 2
Valuation Date	7/1/2016	7/1/2016
LACERA GASB 74 Reporting Date	6/30/2017	6/30/2018
County GASB 75 Reporting Date	N/A	6/30/2018

Scenario B (Continued)
 Biennial Valuation
 Unlagged GASB Reporting
 Estimated Reporting Complications

	<u>Due Dates</u>			
	LACERA		County	
	F/S	GASB 74	F/S	GASB 75
LACERA Financial Statement Close	8/31			
LACERA Actuary completes GASB 74 Report		9/27		
LACERA External Auditor issues LACERA Financial Statement Opinion	10/15			
County Financial Statement Close			10/31	
LACERA Actuary completes GASB 75 Report				11/15*
LACERA Auditing Actuary completes GASB 75 Review				11/15*
LACERA External Auditor issues GASB 75 Report Opinion				11/30*
County External Auditor reviews GASB 75 Report Opinion				11/30*
County External Auditor issues County Financial Statement Opinion			12/10	

*Biennial Valuation and Unlagged Reporting imposes a timeline that leaves no room for unforeseen issues or adversity. Potential delays at any point in the process increases the risk of untimely actuarial reporting which could derail LACERA Auditor's opinion of the GASB 75 Report, thereby delaying the County Auditor's review and adversely impacting the County's Financial Statement Opinion.

Scenario C
 Annual Valuation
 Lagged GASB Reporting

	Cycle 1	Cycle 2
Valuation Date	7/1/2016	7/1/2017
LACERA GASB 74 Reporting Date	6/30/2017	6/30/2018
County GASB 75 Reporting Date	6/30/2018	6/30/2019

Scenario C (Continued)
 Annual Valuation
 Lagged GASB Reporting
 Estimated Reporting Schedule

	<u>Due Dates</u>			
	LACERA		County	
	F/S	GASB 74	F/S	GASB 75
LACERA Financial Statement Close	8/31			
LACERA Actuary completes GASB 74 Report		9/27		
LACERA External Auditor issues LACERA Financial Statement Opinion	10/15			
LACERA Actuary completes GASB 75 Report				11/1 - 5/31
LACERA Auditing Actuary completes GASB 75 Review				11/1 - 5/31
LACERA External Auditor issues GASB 75 Report Opinion				6/30
County External Auditor reviews GASB 75 Report Opinion				6/30
County Financial Statement Close			10/31	
County External Auditor issues County Financial Statement Opinion			12/10	



September 27, 2017

To: Each Member,
Board of Retirement

From: Disability Procedures & Services Committee
Vivian H. Gray, Chair
Marvin Adams, Vice Chair
Alan Bernstein
Ronald Okum
David Muir, Alternate

For: October 12, 2017 Board of Retirement Meeting

Subject: **LATE-FILED APPLICATION POLICY
GOVERNMENT CODE SECTION 31722**

RECOMMENDATION

That the Board of Retirement terminate LACERA's Late-Filed Application Policy.

INTRODUCTION

On October 1, 2013, the Board of Retirement implemented a new policy for accepting late-filed applications for disability retirement. As will be explained below, this policy does not comply with Government Code section 31722 and potentially could violate due process.

LEGAL AUTHORITY

The Board of Retirement has the plenary authority and fiduciary responsibility to administer the retirement system, and it holds executive, legislative, and quasi-judicial powers. It has the sole authority to determine eligibility for a disability retirement. In administering its duties, the Board has the authority to promulgate rules, regulations, and policies.¹

BACKGROUND

I. "Discontinuance of Service" under Section 31722

Government Code section 31722 provides:

¹ Cal. Const., art. XVI, § 17, subd. (a) and (b); Gov. Code Sec. 31725; *Preciado v. County of Ventura* (1982) 143 Cal.App.3d 783, 789.

The application shall be made while the member is in service, within four months after his or her discontinuance of service, within four months after the expiration of any period during which a presumption is extended beyond his or her discontinuance of service, or while, **from the date of discontinuance of service to the time of the application**, he or she is continuously physically or mentally incapacitated to perform his or her duties. (Emphasis added.)

Section 31722 instructs that applications filed more than four months "**from the date of discontinuance of service**" require proof of continuous incapacity from the date of discontinuance of service to the time of the application.

Understanding the legal definition of "discontinuance of service" under the statute is critical in implementing a policy that comports with the law.

"County service" is defined under Section 31640 as follows:

'County service' means the employment of a person by a county, district, municipal court, or superior court.

"Service" under the CERL is defined in Section 31641 as follows:

'Service' means uninterrupted employment of any person appointed or elected for that period of time:

- (a) For which deductions are made from his earnable compensation from the county or district for such service while he is a member of the retirement association.
- (b) In military service for which the county or district or member is authorized by other provisions of this chapter to make, and does make contributions.
- (c) For which he receives credit for county service or for public service or for both pursuant to the provisions of this article.
- (d) Allowed for prior service.

Two decisions, *Weissman v. L.A. County Employees' Ret. Ass'n.*,² a 1989 case involving LACERA, and *Cameron v. Sacramento County Employees' Retirement System*³ a 2016 case involving Sacramento County, held that "discontinuance of service" under Section 31722 occurs when a member ceases work for a salary from

² *Weissman v. L.A. County Employees Ret. Ass'n.* (1989) 211 Cal.App.3d 40.

³ *Cameron v. Sacramento County Employees' Retirement System* (2016) 4 Cal.App.5th 1266.

which deductions were made, not when the member ceases "county service" under Section 31640. Historically, LACERA has considered members in service for purposes of measuring timeliness under Section 31722 if they are still in "county service."

II. LACERA's Current Late-Filed Application Policy

On October 1, 2013, the Board of Retirement implemented a new policy for accepting late-filed applications for disability retirement. A copy of the policy is attached.

According to the policy, applications filed more than four months after service has ended are only accepted under the following circumstances:

- A. A physician's statement from the member's treating physician who was treating the member at the time member **went off work**, stating the member has been continuously incapacitated for duty **from the time s/he left work to present, OR**
- B. A physician's statement from a current treating physician, in the specialty for which the member asserts incapacity for duty, dated within 6 months of the date the application is filed, stating the member has been continuously incapacitated for duty **from the time s/he left work to present AND a copy of the report, or off-work-slip, [sic]** from the member's prior treating physician, which [sic] took the member off work.

Applications which do not include the above information **will be rejected by staff** for processing. (Emphasis added.)

DISCUSSION

I. LACERA's late-filed application process does not comply with Section 31722.

Our current policy for late-filed applications, which requires applicants to prove continuous incapacity from the time the member "went off work" instead of the time the member "discontinued service," does not comply with Section 31722.

A. "Discontinuance of Service" vs. "Went off Work."

As noted earlier, Section 31722 instructs that applications filed more than four months **"from the date of discontinuance of service"** require proof of continuous incapacity from the date of discontinuance of service to the time of the application. The *Weissman* and *Cameron* decisions confirm that the term "service" as used in the statute turns on the point in time when the member stopped being compensated for his employment and

consequently, stopped making contributions to the retirement system, not the time the member went off work. Oftentimes, members continue to receive compensation, such as sick leave and vacation pay, after they stop working. Because deductions are made from this compensation, the member would still be considered in service under Section 31722 after they went off work.

B. Proof of a physician taking a member off work is not a prerequisite for a disability retirement under Section 31720.

Option B of our policy applies when the physician completing the physician's statement was not treating the member when they stopped working. In addition to having this doctor attest that the member was continuously incapacitated from the time they left work to the time the application is filed, the physician statement form must include "a copy of the report, or off-work-slip [sic], from the member's prior treating physician, which [sic] took the member off work."

Entitlement to a disability retirement is established when members meet their burden to prove by a preponderance of evidence that they are permanently incapacitated for the performance of their usual duties.⁴ Neither Section 31720 nor any case requires that a member produce an off-work slip or a report from a doctor removing the member from work as a prerequisite for a disability retirement. LACERA's policy therefore should not require a member to produce such a document to prove the threshold issue of whether or not an application is filed timely.

C. The Board of Retirement should determine whether or not an application meets the requirements under Section 31722, not staff.

LACERA's late-filed application policy states that applications which do not meet the criteria of either option A or B will be rejected by **staff** for processing. In doing so, members are denied an opportunity of having a hearing to prove their case.

The case of *Piscioneri v. City of Ontario*⁵ is on point. *Piscioneri* involved application of Government Code section 21154, a statute of limitations applicable to employees in the Public Employees Retirement System, which is similar to Government Code section 31722. The Court of Appeal held that the city could not deny a hearing in reliance on the fact that the application was not filed while the applicant was in service or within four months of discontinuance of service and ignore the fact that the application would be timely if the applicant was, from the date of discontinuance of service, continuously physically or mentally incapacitated to perform his or her duties. The court stated that

⁴ Government Code section 31720; *Lindsay v. County of San Diego Retirement Board* (1964) 231 Cal.App.2d 156, 160; *Glover v. Board of Retirement* (1989) 214 Cal.App.3d 1327, 1332; *Mansperger v. Public Employees' Retirement System* (1970) 6 Cal.App.3d 873, 876; *Harmon v. Board of Retirement* (1976) 62 Cal.App.3d 689, 694-696; *Schrier v. San Mateo County Employees' Ret. Ass'n* (1983) 142 Cal.App.3d 957, 961-962.

⁵ *Piscioneri v. City of Ontario* (2002) 95 Cal.App.4th 1037.

the applicant must be given an opportunity to develop the facts to support his contention of continuous incapacity. The court specifically stated:

But we agree with the trial court that the question of incapacity is a factual question to be determined at the administrative hearing. It would be premature to decide it as a legal issue before a hearing was held. . .⁶

Likewise, the question of whether or not a LACERA member was continuously incapacitated from the date service discontinued through the date the application was filed is a factual question which should be heard and decided by the Board of Retirement. And the member should be afforded the right to appeal the Board's decision and have an administrative hearing.

D. Discontinuance of Service

As explained above, "discontinuance of service" under Section 31722 occurs when a member last receives compensation from which deductions were contributed into the retirement system. It is not based on whether a member is in "county service" as defined under Section 31640. LACERA's practice of using "county service" for purposes of measuring the timeliness of the application under Section 31722 is contrary to law as interpreted by the courts in *Weissman* and *Cameron*.

The *Weissman* and *Cameron* definition of "discontinuance of service" under Section 31722 is in line with the discussion of a member's last day of regular compensation contained in *Katosh v. Sonoma County Employees Retirement Assn.*,⁷ *Porter v. Board of Retirement of Orange County Employees Retirement System*,⁸ and *Astorga v. Retirement Bd. of Santa Barbara County Employees Retirement System*⁹ which determined that members' earned benefits from which contributions were made constitute regular compensation under Section 31724.

However, there are circumstances where applying the *Weissman* and *Cameron* definition of "discontinuance of service" would pose certain challenges. In some circumstances, the member's service status can be a moving target. For example, if a member still in "county service" files a disability-retirement application more than four months after he or she ceases to work for a salary from which deductions are made, but still has unused leave balances, the member may elect to receive the unused leave balances—this would put them back into "service" and make their application timely.

⁶ *Id.* at 1044-1045.

⁷ *Katosh v. Sonoma County Employees' Retirement Assn.* (2008) 163 Cal.App.4th 56, 78.

⁸ *Porter v. Board of Retirement of Orange County Employees Retirement System* (2013) 222 Cal.App.4th 335, 342-343.

⁹ *Astorga v. Retirement Bd. of Santa Barbara County Employees Retirement System* (2016) 245 Cal.App.4th 386, 391.

II. LACERA's late-filed application policy should be terminated.

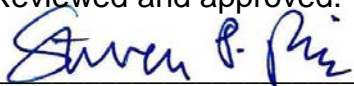
Considering the potential complexities in determining discontinuance of service and the *Piscioneri*¹⁰ holding that an application must be processed by a retirement association so that the applicant has an opportunity to develop the facts to support his or her contention of continuous incapacity, the Board of Retirement should terminate its current late-filed application policy. This would allow staff to evaluate late-filed applications on a case-by-case basis and counsel out-of-service members about using their leave balances.

CERL and the case law provide adequate guidance for addressing the timeliness of applications, and staff cannot take any action on a late-filed application without Board approval, allowing the Board final authority to address the issue on a case-by-case basis. This allows more oversight by the Board than our current policy which authorizes staff to reject an application.

CONCLUSION

The Board of Retirement has the fiduciary responsibility to administer the plan in accordance with County Employees Retirement Law of 1937. As demonstrated above, LACERA's current late-filed application policy does not comply with Section 31722. It is therefore recommended that the Board of Retirement terminate LACERA's Late-Filed Application Policy.

Reviewed and approved.



Steven P. Rice, Chief Counsel

Attachment

¹⁰ *Piscioneri v. City of Ontario* (2002) 95 Cal.App.4th 1037, 1044-1045.

LACERA POLICY STATEMENT**CRITERIA FOR ACCEPTANCE OF LATE FILED APPLICATIONS FOR A
DISABILITY RETIREMENT****(Effective October 1, 2013)****Purpose**

A member is entitled to a disability retirement when the member's County career is cut short by incapacity for duty (County Employees Retirement Law of 1937, GC §31720, GC §31451). CERL GC §31722 provides direction on when a member can submit their application for a disability retirement.

The application shall be made while the member is in service, within four months after his or her discontinuance of service, within four months after the expiration of any period during which a presumption is extended beyond his or her discontinuance of service, or while, from the date of discontinuance of service to the time of the application, he or she is continuously physically or mentally incapacitated to perform his or her duties.

This policy will provide direction to staff on what forms of documentation will be acceptable in order to determine whether an application filed more than 4 months after the discontinuance of service provided in the law will be accepted for processing.

I. Statement of Policy

LACERA will accept an application for a disability retirement benefit in accordance with Section 31722. Applications filed after the statutory deadline of 4 months after discontinuance of service, will be accepted if accompanied by the following documents:

- A. A physician's statement from the member's treating physician who was treating the member at the time member went off work, stating the member has been continuously incapacitated for duty from the time s/he left work to present, OR
- B. A physician's statement from a current treating physician, in the specialty for which the member asserts incapacity for duty, dated within 6 months of the date the application is filed, stating the member has been continuously incapacitated for duty from the time s/he left work to present AND a copy of the report, or off-work-slip, from the member's prior treating physician, which took the member off work.

Applications which do not include the above information will be rejected by staff for processing.

II. Implementation

This policy is established pursuant to the Board of Retirement's fiduciary responsibility to administer the retirement plan in accordance with the County Employees Retirement Law of 1937 and the Board of Retirement Bylaws. This policy may be modified in the future by Board of Retirement action.

Adopted: July 3, 2013



September 28, 2017

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager *RC*

FOR: October 12, 2017 Board of Retirement Meeting

SUBJECT: **CONSIDER REINSTATEMENT APPLICATION FOR LACERA PANEL OF EXAMINING PHYSICIANS**

On December 3, 2008, the Board of Retirement approved Edward Green III, M.D. for the LACERA Panel of Examining Physicians for the purpose of examining disability retirement applicants. On May 21, 2015, LACERA was notified that Dr. Green's Board Certification had lapsed; therefore, the Disability Procedures and Services Committee concurred with staff not to use Dr. Green any longer.

On September 1, 2017, Dr. Green requested reinstatement to the LACERA Panel of Examining Physicians and advised that he is now Board Certified with the American Board of Orthopaedic Surgeons.

LACERA Policy Statement "**HIRING OF PANEL PHYSICIANS: QUALIFICATIONS, LICENSING, CERTIFICATION, AND INSURANCE REQUIREMENTS FOR BOARD APPOINTED PANEL PHYSICIANS**", page 2, under BOARD OF RETIREMENT, states that "The Board may place a Physician on temporary probation or rescind any contractual agreement upon notification of a violation of this policy. The Board reserves the right to reinstate a Physician once a violation has been corrected to its satisfaction. Physicians will undergo an expedited reinstatement process, applications for reinstatement will be submitted directly to the Board of Retirement."

IT IS THEREFORE RECOMMENDED THAT the Board approve reinstatement for the following physician to the LACERA Panel of Physicians for the purpose of examining disability retirement applicants.

EDWARD GREEN III, M.D. - Board Certified Orthopaedist

Attachments

RC:mb

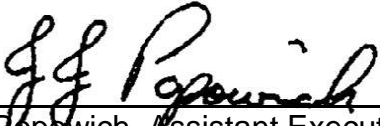
Each Member, Board of Retirement

September 28, 2017

Consider Reinstatement Application for Lacera Panel of Examining Physicians

Page 2 of 2

NOTED AND REVIEWED:



JJ Popowich, Assistant Executive Officer

Date: 9/28/17



September 28, 2017

To: Ricki Contreras, Manager
Disability Retirement Services

From: Debbie Semnanian *D.S.*
Disability Retirement Specialist Supervisor

Subject: Dr. Edward Green, III - ORTHOPEDIC BOARD RECERTIFICATION

Dr. Edward Green, III, received his orthopedic Board Certification in 2003 and was approved as a LACERA panel orthopedic physician in 2008. Dr. Green provided examinations for LACERA members from that time until May 2015. At that time, due to family issues, Dr. Green was unable to fulfill the requirements in order to become recertified by the American Board of Orthopedics in 2014. To be recertified, a physician must complete extensive preparation with studies, and the Board re-certification examination is held only once a year.

On May 21, 2015, we were advised that Dr. Green's Board Certification had lapsed. We advised Dr. Green at that time, due to the requirement that all orthopedists on the LACERA panel be Board Certified, we had suspended scheduling any further examinations with his office. Staff advised Dr. Green that we would be discussing the lapse in his Board Certification with the Board of Retirement at the July 1, 2015, meeting. At that time, staff informed the Disability Committee that Dr. Green's Board Certification had lapsed as of January 1, 2014. After discussion, the Committee agreed with staff's decision so stop using Dr. Green. The Committee agreed that staff should follow the existing Board's policy and only use doctors with Board Certification. We advised Dr. Green accordingly.

In order to become recertified, Dr. Green advised that he was required to complete 50 hours of Mandatory Continuing Education credits, take an oral examination before the Board, and take several additional courses that require travel outside of California for 3-4 days at a time. He would also need to complete a mock Board Review Examination.

On August 22, 2017, staff received an email from Dr. Green's marketing representative, Rick Albert, who advised that Dr. Green has completed all of the recertification requirements, and is now once again Board Certified. He attached proof of Dr. Green's current orthopedic Board Certification, and advised staff that Dr. Green would very much like to become active on the LACERA medical panel.

On September 1, 2017, staff received a letter from Dr. Edward Green requesting reinstatement to the LACERA Medical Panel as an examining physician. He indicated

that he has recently completed his Board Re-certification with the American Board of Orthopedic Surgeons.

From 2008 until May 2015, we were very satisfied with the quality and timeliness of Dr. Green's reports, as well as his ability to provide a positive examination experience for our members. Dr. Green also serves locations in which we are in need of qualified orthopedists. Therefore, at this time, we are requesting that Dr. Green once again be placed on active status for the LACERA medical panel, as we would like to schedule future orthopedic examinations with him.

DS:mb

GREEN ORTHOPEDIC MEDICAL GROUP, INC.

EDWARD GREEN, III, M.D.

ORTHOPAEDIC AND RECONSTRUCTIVE
JOINT SURGERY
SPORTS MEDICINE
ARTHROSCOPIC SURGERY

DIPLOMATE OF THE AMERICAN ACADEMY OF
ORTHOPAEDIC SURGEONS

FELLOW OF THE AMERICAN ACADEMY OF
ORTHOPAEDIC SURGEONS

FELLOWSHIP TRAINED IN SPORTS MEDICINE

QUALIFIED MEDICAL EXAMINER
INDEPENDENT MEDICAL EXAMINER

[] 1040 ELM AVENUE, SUITE 100
LONG BEACH, CALIFORNIA 90813

[] 9555 FOOTHILL BOULEVARD
RANCHO CUCAMONGA, CALIFORNIA 91730

[] 756 WEST TOWN & COUNTRY ROAD
ORANGE, CALIFORNIA 92868

[] 1405 RANCHO VISTA BOULEVARD
PALMDALE, CALIFORNIA 93551

[] 1314 WEST AVENUE J
LANCASTER, CALIFORNIA 93534

[] 600 WEST SANTA ANA BOULEVARD, SUITE 214-A
SANTA ANA, CALIFORNIA 92701

[] 3791 KATELLA AVENUE, SUITE 107
LOS ALAMITOS, CALIFORNIA 90720

Appointment Phone (844) 511-4879
Information Phone (562) 606-0711
Fax (562) 436-7350 or (888) 838-3749

September 1, 2017

Debbie Semnamian
LACERA Retirement Board

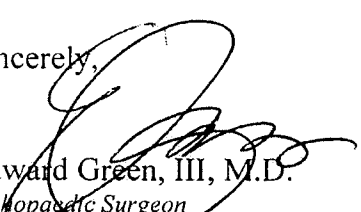
Dear Ms. Semnamian:

I would like to apply for reinstatement to the LACERA Medical Panel as an examining physician.

I have recently completed my Board Re-certification with the American Board of Orthopaedic Surgeons. My re-certification status is available on the AAOS website showing my status as active and currently participating in the maintenance of certification.

Thank you very much for your consideration.

Sincerely,


Edward Green, III, M.D.
Orthopaedic Surgeon
Qualified Medical Examiner

EG/lme

Congratulations on successfully completing the requirements of your ten-year Maintenance of Certification (MOC) cycle. Your new certificate(s) will be in effect for an additional ten years starting at the conclusion of your current ten-year MOC cycle. Your new certificate(s) will be sent to you in the next few months.

AMERICAN BOARD OF ORTHOPAEDIC SURGERY
Maintenance of Certification for Edward Green, III, MD

Your participation in Maintenance of Certification (MOC) is subject to the following terms and conditions:

By the end of the third calendar year of your 10-year MOC cycle you will need to earn, submit and have approved documentation of the completion of 120 Category 1 continuing medical education (CME) credits relevant to orthopaedic surgery, of which a minimum must include 20 ABOS approved scored and recorded self-assessment examinations (SAE) or approved self-assessment activities such as Practice Improvement Modules (PIM) or Registries.

Complete information regarding the MOC requirements, procedures, and deadlines can be found by clicking on the MOC tab on ABOS's website (www.abos.org).

Please note that it is your responsibility to keep track of the dates and deadlines that must be met, to provide the ABOS, by the applicable reporting deadlines, the necessary information to document your completion of the MOC requirements and for a proper evaluation by the Board of your credentials. Failure to timely satisfy the applicable MOC requirements and reporting deadlines may result in the public reporting of your status as "Participating in MOC: No"

I hereby attest that I have read the above MOC requirements and agree to the terms and conditions above.

LACERA POLICY STATEMENT

HIRING OF PANEL PHYSICIANS: QUALIFICATIONS, LICENSING, CERTIFICATION, AND INSURANCE REQUIREMENTS FOR BOARD APPOINTED PANEL PHYSICIANS

(Effective November 4, 2015)

Purpose

The purpose of this policy is to establish the governance concerning the qualifications, hiring, licensing, certification and insurance requirements for all Board Appointed Panel Physicians ("Physician(s)") and to clearly define the auditing mechanism to ensure that all requirements are maintained throughout the life of the contractual relationship with the physicians. This policy will also establish actions in the event a Physician is unable to maintain the Board required licensing, certification, or insurance coverage.

I. Statement of Policy

The Board of Retirement requires all Physicians, wishing to be appointed to the Board of Retirement's Panel of Physicians, to hold and maintain a valid California medical license, board certification when available within a specialty, and medical malpractice insurance coverage.

Medical License

All Physicians shall, at all times during the term of their contractual agreement with LACERA, maintain a valid medical license issued by the State of California Medical Board and shall maintain a medical record free of significant disciplinary actions, malpractice judgments/settlements, and criminal charges.

Board Certification

All Physicians shall, at all times during the term of their contractual agreement with LACERA, be a member of the American Board of Medical Specialties, a specialty board with the Accreditation Council for Graduate Medical Education accredited postgraduate training program, or a specialty board approved by the Medical Board of California's Licensing Program or its equivalent when available within a specialty.

Insurance Coverage

All Physicians shall, at all times during the term of their contractual agreement with LACERA, maintain insurance coverage and limits as specified in the individual contract. Physicians will provide LACERA with proof of such insurance coverage upon entering into a contract and annually thereafter.

Physician Requirements Regarding Reporting of Lapses and Resulting Penalties for Non-Compliance

All Physicians shall immediately notify LACERA if any license, certification, or insurance coverage is lapsed, suspended, or revoked, or if any proceeding or investigation is commenced by an agency relating to the Physician's license or certification.

In the event a Physician no longer meets the Board of Retirement's requirements as outlined above the Physician's contract with LACERA will be immediately suspended. Notification to the panel physician will be sent via certified mail.

All Physicians will be required to respond within 30 business days upon any LACERA inquiry regarding licensing, certification, or insurance coverage, or any reports of an investigation. Failure to respond shall result in the Physician's contract with LACERA to be suspended. Any inquiry will be made in writing to the panel physician and will be sent via certified mail.

Physicians in non-compliance who correct the non-compliance issue, shall be allowed to request an expedited reinstatement review by the Board of Retirement.

Disability Retirement Services Physician Compliance Audit Procedures

Upon entering a contractual agreement with LACERA, all Physicians shall supply staff with proof of licensing, certification, and insurance coverage as set forth in this policy. Staff shall maintain a record of all expiration dates and conduct quarterly audits to ensure that all licensing, certification, and insurance coverage are current. If a Physician is unable to provide proof upon request within 30 business days of the request, the Physician will be suspended until all policy requirements are met.

DISABILITY RETIREMENT SERVICES

The Board grants staff the authority to suspend services of any Physician that is suspected of violating this policy. Staff shall commence a preliminary inquiry to confirm the validity of the violation. Staff shall notify the Board of any lapses, suspensions, revocations, or any proceedings/investigations commenced by a licensing or certifying agency at the next available Board of Retirement meeting.

BOARD OF RETIREMENT

The Board may place a Physician on temporary probation or rescind any contractual agreement upon notification of a violation of this policy. The Board reserves the right to reinstate a Physician once a violation has been corrected to its satisfaction. Physicians will undergo an expedited reinstatement process, applications for reinstatement will be submitted directly to the Board of Retirement.


II. Implementation

The policy is established pursuant to the Board of Retirement's fiduciary responsibility to prudently administer the retirement plan in accordance with the County Employees Retirement Law of 1937, and replaces the previous policy titled "Hiring of Panel Physicians". This policy may be modified in the future by Board of Retirement action.

Adopted: _____

September 26, 2017

TO: Each Member
Board of Retirement

FROM: Robert Hill 
Interim Chief Executive Officer

FOR: Board of Retirement Meeting of October 12, 2017

SUBJECT: **BOARD OF RETIREMENT MEETING CALENDAR**

RECOMMENDATION

It is recommended the Board of Retirement review the December 2017 meeting schedule and consider rescheduling the Wednesday, December 6, 2017 meeting.

DISCUSSION

The Board approved attendance at the NACD Advanced Director Professionalism Foundation Course on December 4 – 5, 2017 in Miami, Florida and the International Corporate Governance Network Conference on December 6 – 7, 2017 in Paris, France. The conference dates overlap with the Board of Retirement's December 6, 2017 disability agenda meeting date. Staff understands there may be one or more Board members attending the conferences.

Following are potential meeting dates for our December 2017 disability agenda meeting.

Tuesday, December 12, 2017

Thursday, December 14, 2017 (combined with the Board of Retirement Administrative agenda)

Wednesday, December 20, 2017

A copy of the December educational calendar is attached for your planning convenience.

BOARD OF RETIREMENT 2017 MEETING CALENDAR

As of September 26, 2017

The rescheduled Board of Retirement meetings are in **bold**.

MONTH	MEETING	DATE
January	Administrative, Disability & Committees	Wednesday, January 4
January	Disability & Committees	Thursday, January 12
February	Disability & Committees	Wednesday, February 1
February	Administrative & Committees	Thursday, February 9
March	Administrative, Disability & Committee	Friday, March 3
April	Disability & Committees	Wednesday, April 5
April	Administrative & Committees	Thursday, April 13
May	Administrative, Disability & Committees	Thursday, May 11
June	Disability & Committee	Thursday, June 1
June	Administrative & Committees	Thursday, June 15
July	Disability & Committee	Wednesday, July 5
July	Administrative & Committees	Thursday, July 13
August	Disability & Committee	Wednesday, August 2
August	Administrative & Committees	Thursday, August 10
September	Administrative, Disability & Committee	Wednesday, September 6
October	Administrative, Disability & Committee	Thursday, October 12
November	Administrative, Disability & Committee	Thursday, November 9
December	Disability & Committee	Wednesday, December 6
December	Administrative & Committees	Thursday, December 14
January	Administrative, Disability & Committees	Thursday, January 11, 2018


December 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	BOR (Disability/OOC Committees)	Audit Committee	8	9
	NACD Conference – Miami, FL		ICGN Conference – Paris			
	SuperReturn – South Africa					
10	11	12	BOI (Committees)	BOR (IBL Committee)	15	16
17	18	19	20	21	22	23
		<i>Case Mailing</i>				
24	25 Christmas Day	26	27	28	29	30
31						

October 2, 2017

TO: Each Member,
Board of Investments

Each Member,
Board of Retirement

FROM: John Nogales 
Director, Human Resources

FOR: October 11, 2017 Board of Investments Meeting
October 12, 2017 Board of Retirement Meeting

SUBJECT: **INTERIM CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT
AND COMPENSATION**

RECOMMENDATION

That the Boards:

- (1) Approve compensation for Interim Chief Executive Officer (CEO) Robert Hill, including monthly salary of \$21,521 and "L" Item Benefits, excluding the automobile allowance. Mr. Hill will retain his existing LACERA vehicle.
- (2) Ratify the Employment Agreement with Mr. Hill as Interim Chief Executive Officer.

LEGAL AUTHORITY

Under Government Code Section 31522.2, the CEO is not subject to County Civil Service or Merit System Rules and is an at will employee serving at the will of the Boards. The CEO's compensation must be set forth in the Los Angeles County Salary Ordinance. Los Angeles County Salary Ordinance Section 6.127.020 A provides that the CEO "shall be compensated as determined by the Boards of Retirement and Investments." Section 6.127.020 A also provides that the CEO shall receive "L" Item Benefits. Salary Ordinance Section 6.127.030 B 1 provides that the Boards may enter into an Employment Agreement with the CEO.

The Brown Act provides in Government Code Section 54953(c)(3) that action on senior executive compensation must be taken in open session and that a summary of the terms of the compensation, including benefits, must be orally announced before final action is taken.

DISCUSSION

On September 11, 2017, the Boards voted to approve Mr. Hill as Interim CEO effective October 1, 2017, and directed the Board Chairs to enter into an Employment Agreement with Mr. Hill. The Chairs thereafter negotiated and executed an Agreement with Mr. Hill. A copy of the Agreement is attached. The compensation terms proposed for Mr. Hill are the same as those in place with the previous CEO before his retirement.

Compensation includes a monthly salary of \$21,521 and "L" Item Benefits, excluding automobile allowance. As was the case with the prior CEO, Mr. Hill will receive a LACERA supplied vehicle instead of an automobile allowance. "L" Item Benefits are the same benefits accorded to the Los Angeles County Senior Executives and includes membership in the LACERA Retirement Plan; participation eligibility to the Los Angeles County's 457 and 401(K) Deferred Compensation Plans; Mega Flex Cafeteria Benefits which provides Health, Dental, Life and Disability Insurance benefit options; and Paid Leave.

CONCLUSION

Based on the above information and legal authority, staff recommends that the Boards:

- (1) Approve compensation for Interim Chief Executive Officer Robert Hill, including monthly salary of \$21,521 and "L" Item Benefits, excluding the automobile allowance. Mr. Hill will retain his existing LACERA vehicle.
- (2) Ratify the Employment Agreement with Mr. Hill as Interim Chief Executive Officer.

Attachment:

Employment Agreement

cc. Robert Hill
James P. Brekk
John Popowich
Bernie Buenaflor
Steven P. Rice
Annette Cleary

EMPLOYMENT AGREEMENT
INTERIM CHIEF EXECUTIVE OFFICER

This Agreement (“Agreement”) is made and entered into as of October 1, 2017 at Pasadena, California by and between the Los Angeles County Employees Retirement Association (“LACERA”) and Robert Hill (“Hill”).

WHEREAS, the Boards of Retirement and Investments (“Boards”) of LACERA have implemented the provisions of Government Code Section 31522.2 by designating a person to act as retirement administrator for LACERA; and

WHEREAS, the retirement administrator position has been designated in Los Angeles County Code Section 6.127.020 with the title of Chief Executive Officer, LACERA (“CEO”); and

WHEREAS, Sections 6.127.020 and 6.127.030 of the County Code provide that the person designated CEO for LACERA may be compensated with salary and benefits as determined by written agreement between LACERA, through its Boards, and the CEO; and

WHEREAS, LACERA’s current CEO announced his resignation on September 11, 2017 and his intention to retire effective October 1, 2017; and

WHEREAS, LACERA intends to conduct a national search for its new CEO; and

WHEREAS, LACERA desired to appoint an Interim CEO, on a temporary basis, pending the employment of a permanent CEO, to assure continuity in the administration of LACERA and to assure that the functions of the CEO continue to be performed in an effective manner; and

WHEREAS, Robert Hill (“Hill”) is currently serving as Assistant Executive Officer for LACERA; and

WHEREAS, LACERA desires to designate Hill as Interim CEO on a temporary basis and have Hill perform all of the duties of the CEO, and to compensate Hill accordingly, and Hill desires to accept such designation, duties and compensation, as more particularly set forth in this Agreement.

NOW THEREFORE, LACERA and Hill agree as follows:

1. APPOINTMENT. LACERA hereby appoints Hill as Interim CEO effective October 1, 2017, subject to the terms and conditions of this Agreement, and Hill hereby accepts and agrees to such appointment.

2. TERM. Hill’s appointment shall commence October 1, 2017 (“Effective Date”) and shall be temporary in nature. As provided by Government Code Section 31522.2, the position of CEO is not subject to county civil service or merit system rules, and Hill shall serve at the pleasure of, and may be dismissed at the will of, the Boards, with or without cause.

Specific charges, a statement of reasons, or good cause shall not be required as a basis for dismissal. Dismissal by the Boards shall constitute a termination of this Agreement.

Subject to the foregoing, Hill shall serve as CEO on an interim basis until the appointment of a permanent CEO following LACERA's nationwide search. Upon such appointment, the parties understand that Hill has a right to return to his current position of Assistant Executive Officer, except as otherwise jointly agreed to by the parties at that time.

3. DUTIES. Hill shall perform all of the duties of the CEO, as directed by the Boards.

4. COMPENSATION. Subject to Paragraph 6, Hill shall be compensated at a base salary of \$ 21,521 per month, commencing as of the Effective Date of his appointment as Interim CEO, during the time he serves as CEO, pro rated on a daily basis. Hill may receive salary increases as the Boards may determine in their sole and exclusive judgment.

5. BENEFITS. Subject to Paragraph 6, during the term of his appointment as Interim CEO, Hill shall be entitled to all benefits provided for those persons occupying positions designated as "L" by Section 6.28.020B of the County Code and shall be paid as a LACERA officer under the common law rule that salary is an incident of the office, except that auto allowance is intentionally omitted. Hill shall retain his current LACERA vehicle.

6. BOARD APPROVAL. Salary and benefits as provided in Paragraphs 4 and 5 are subject to approval of the Boards at a public meeting and are not payable until such approval is given. If approved by the Boards, salary shall be retroactive to the Effective Date. Until the Board gives its approval to Paragraphs 4 and 5, Hill will receive his current salary and benefits as Assistant Executive Officer.

7. DISQUALIFICATION FROM PERMANENT CEO POSITION. Hill agrees that in consideration of the terms of this Agreement, he will not seek appointment as LACERA's permanent CEO, and understands that LACERA will not consider him for that position. The parties intend that Hill will participate actively in the search and recruitment process for the permanent CEO and accordingly will be disqualified from entering into any agreement with LACERA to become CEO on a permanent basis.

8. TERMINATION. Either party may terminate this agreement at any time with or without cause, upon delivering written notice to the other party. Upon termination, Hill will cease to have the duties of the CEO office. Except as provided in Sections 4 and 5 of this Agreement, no termination, severance or other benefits will be payable to Hill upon termination.

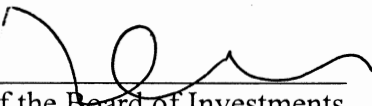
IN WITNESS WHEREOF, on behalf of LACERA, the Boards of Retirement and Investments each have authorized and caused this Agreement to be subscribed by the Chair of the Board, and Hill has signed this Agreement as of the dates set forth below.

[Signatures appear on following page]

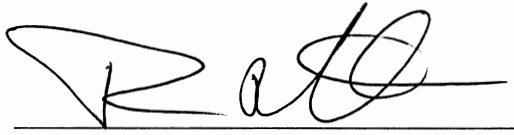
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

By: 
Chair of the Board of Retirement

Dated: 09-18-17

By: 
Chair of the Board of Investments

Dated: 9.18.17


Robert Hill

Dated: 9/18/17



October 4, 2017

TO: Each Member
Board of Retirement
Board of Investments

FROM: John Nogales *JK*
Director Human Resources

FOR: Board of Investment Meeting, October 11, 2017
Board of Retirement Meeting, October 12, 2017

SUBJECT: NEW CLASSIFICATION AND SALARY RECOMMENDATION

RECOMMENDATION

Approve the following new LACERA classification and pay range:

<u>Classification</u>	<u>Salary Schedule</u>
Executive Board Assistant, LACERA	100F (\$6,384.64 - \$8,373.18)

INTRODUCTION

Presented for the consideration of the Board of Retirement and the Board of Investments are:

1. The results of the classification and compensation study of LACERA's Board Administrative Staff and
2. A recommendation for approval of a new Executive Board Assistant, LACERA, classification, based on the study findings.

As a premier public pension system, LACERA continuously strives to be an industry leader for our administrative strategies, demonstrated excellence and effective results. To accomplish this goal, it is LACERA's philosophy to pay fair and competitive wages that will attract, retain and motivate a highly skilled workforce to support its Mission to Produce, Protect and Provide the Promised Benefits to its' Members.

It is a compensation best practice to periodically study and market price LACERA positions to ensure accurate classifications and competitive salaries. In keeping with

LACERA's desire to adhere to best practices, LACERA's Human Resources completed a classification and compensation study of LACERA Board's Administrative Staff.

BACKGROUND

Civil Service Rule 5.01 requires development and maintenance of a class specification for each class in the classified service to meet the needs of the service for the allocation of new positions and the reallocation of existing positions. A fundamental principle in the classification process is that a class specification should accurately describe and define the nature and scope of responsibilities, work activities, qualifications, and other level defining characteristics of the class so that it is properly classified within the classification structure. Classes, and jobs within them, evolve for many reasons and under many influences and should be reviewed periodically.

In addition, it is a compensation best practice to market price salaries on a periodic basis. A current classification and compensation study was necessary to determine the current and prevalent market demands in order to ensure fair and appropriate compensation.

CLASSIFICATION STUDY

Human Resources conducted a classification study of two (2) Executive Secretary, LACERA, positions currently assigned to provide full-time administrative support to LACERA's Boards. According to the class specification for Executive Secretary, LACERA, all LACERA Secretarial classes perform duties comprised of essentially the same basic activities for the purpose of providing full-time secretarial support to a manager. The level of secretary allocated to provide support for a manager or executive and is related primarily to the level of supervisor served. Currently, the studied positions share the same classification of Executive Secretary, LACERA, with LACERA's Executive Office staff.

The following actions were taken in the review of the position:

- The incumbents completed and submitted a Position Description Questionnaire (PDQ) for Human Resources' review.
- The incumbents were interviewed to further clarify duties.
- Research was conducted along with review of the essential functions performed by the incumbent in relation to the operations of the Division assigned.
- The Executive Secretary, LACERA Class Specification was reviewed for comparison.

A review of the duties and responsibilities of the studied positions revealed the incumbents perform duties unique in terms of character, difficulty and responsibility when compared to those performed by other incumbents holding the title of Executive Secretary, LACERA. The studied positions dedicate a significant portion of their time performing highly specialized duties related to Board support functions, including coordinating, preparing and distributing Board Agenda packages, drafting and finalizing Board minutes, preparing and posting public notices, and setting up and preparing for Board meetings. The studied positions also perform record management functions related to highly sensitive and confidential Board documents; fields and resolves inquiries from members, County Officials, and outside parties; ensures Board compliance with LACERA policies; and provides after hours support to Board members.

CSR 5.01 allows for establishment of a new classification when it is determined that duties and responsibilities of a position or positions, assigned by competent authority, are unique in terms of character, difficulty and responsibility. Therefore, to accurately classify and compensate the studied positions for their unique and highly specialized duties and responsibilities, LACERA's Human Resources created a new class specification for Executive Board Assistant, LACERA (Attachment A).

COMPENSATION STUDY

Based on the findings of the Classification Study, LACERA'S Human Resources identified comparable positions among a diverse peer group made up of:

- The following 1937 Retirement Act County Retirement Systems,
 - Orange County
 - Santa Barbara County
 - San Diego County
- CalPERS
- CalSTRS
- Los Angeles City Employees Retirement System (LACERS)
- Los Angeles Fire and Police Pensions
- Metropolitan Water District
- San Diego County Water Authority
- Calleguas Municipal Water District
- MERCER Compensation Survey Data*

*The Mercer Compensation Survey provided private sector salary data for comparable positions in the Los Angeles Metropolitan area.

A summary of the compensation study findings titled "Executive Board Assistant Comparables" is attached (Attachment B).

COMPENSATION RECOMMENDATION

It has been LACERA's Human Resources practice to utilize the 75th percentile to establish the salary range maximum for its job classifications in order to stay competitive in the open job market and attract, retain, and motivate talent.

The study found the Los Angeles City Employees Retirement System and Los Angeles City Fire and Police Pensions' Commission Executive Assistant II positions to be most comparable in location and board size to LACERA. The salary paid to this position closely corresponds to the 75th percentile of the compensation study's peer group.

Additionally, it was also found the Los Angeles County's Executive Secretary V classification, which provides confidential administrative support to a member of the Board of Supervisors, to be the County's most comparable classification. The Executive Secretary V's salary is set at the 100L salary schedule level with a maximum monthly salary of \$8,476.

Based on these findings, LACERA's Human Resources recommends the proposed new Executive Board Assistant classification be paid at the salary schedule level 100F (maximum monthly salary of \$8,373) as this salary schedule falls closest to the peer group's 75th percentile (see Attachment B).

LEGAL AUTHORITY

The authority to add classifications and implement proposed salary adjustments rests jointly with the Board of Retirement and the Board of Investments. Such authority is provided in the California Government Code Sections 31522.1, 31522.2, and 31522.4, and will require the Board of Supervisors (BOS) to amend the County Salary Ordinance.

PROCEDURES FOR ESTABLISHING CLASSIFICATIONS AND PAY RANGES

Upon approval from the Board of Retirement and Board of Investments, Human Resources will prepare a memorandum to the County Chief Executive Office (County CEO) which will include the new class specification, salary schedule, and physical class. The County CEO's Classification and Compensation staff will review the submitted documents to assure all necessary information is provided in order to add the classification to the County payroll system and issue LACERA item numbers for the new classification. Once the item number is received, LACERA's Human Resources staff, with LACERA Legal Office's oversight, will prepare and submit an Ordinance, incorporating the new job classification and salary recommendation amending Sections 6.28.050 and 6.127.010 of LACERA's Salary Code, to the Los Angeles County Counsel for their approval. Upon County Counsel's approval, Human Resources will present the proposed Ordinance to the Board of Supervisor Deputies Operations Cluster and upon approval submit the Ordinance to the Los Angeles County Board of Supervisors for adoption.

COUNTY SALARY CODE

California Government Code Sections 31522.1, 31522.2, and 31522.4 in California Employees Retirement Law provide that employees of the retirement system be included in the salary ordinance (code) adopted by the BOS. In the past, the County Counsel has advised that the BOS has a ministerial duty to adopt the positions and salary levels that are determined necessary by the LACERA Boards. As such, LACERA has a separate section within the County Salary Code documenting the LACERA Boards' approved compensation provisions.

The Los Angeles County Code Section 6.28.050 will be amended to list the new LACERA classification and new/revised pay range. The proposed amendments (as underlined) are as follows upon the Board of Supervisor approval:

Item Number	Title	Effective Date	Note	Salary Schedule
<u>TBD</u>	<u>Executive Board Assistant, LACERA</u>	<u>TBD</u>	<u>NM</u>	<u>100F</u>

The Los Angeles County Code Section 6.127.010 will need to be revised to include the new LACERA classifications. This code section lists all available LACERA classifications and their respective item numbers and the number of positions available to be filled. The proposed amendments (as underlined) are as follows:

Item Number	Number of Ordinance Positions	Title
<u>TBD</u>	<u>2</u>	<u>Executive Board Assistant, LACERA</u>

CONCLUSION

The recommended new classification and salary range serves to bring the Executive Board Assistant, LACERA, closer to compensation levels provided by the private sector and public sector agencies for alignment to market levels.

IMPLEMENTATION PROCESS

All new job classifications need to be added to the Los Angeles County Code. Therefore, upon your approval of the class specification and the recommended salary range, LACERA's Human Resources will prepare all necessary paperwork and follow all necessary steps to bring forward the approved recommendation to the BOS to add the new positions to the County Code.

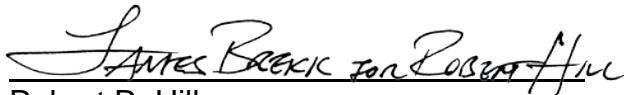
As the proposed new classification's salary will be greater than a one (1) pay schedule difference than the current incumbents' job classification, the new classification positions will need to be filled through the Civil Service process.

RECOMMENDATION

It is recommended that your Boards approve:

The new Executive Board Assistant, LACERA, class specification and salary range.

Noted and Approved:



Robert R. Hill
Interim Chief Executive Officer

October 3, 2017

Date

Attachments:

- A. Executive Board Assistant, LACERA, Class Specification
- B. Summary of Compensation Study Findings

cc:

Robert Hill
James P. Brekk
JJ Popowich
Bernie Buenaflor
Steven Rice
Annette Cleary
Connie Chan

ATTACHMENT A

CLASSIFICATION TITLE: Executive Board Assistant, LACERA

ITEM NO: NEW

APPROVAL DATE: TBD

DEFINITION/STANDARDS:

Acts as Administrative Assistant to the Board of Investments or the Board of Retirement (Boards) of the Los Angeles County Employees Retirement Association (LACERA).

CLASSIFICATION STANDARDS:

The Executive Board Assistant provides a wide variety of complex and confidential administrative support to the Board of Retirement or the Board of Investments, under administrative direction of the Chief Executive Officer (CEO) or designee. The positions perform a variety of duties involving a high degree of accuracy, confidentiality, and independent judgment on the administration of Board processes. The positions may serve as liaison between the Boards and LACERA Executive Office, LACERA Staff, LACERA Committees or outside parties. The incumbent is responsible for coordinating travel arrangements; researching, interpreting, and recommending changes to procedures and/or guidelines; scheduling appointments and Board meetings; preparing, assembling and distributing Agendas and Board Packages; and notifying the Public and LACERA Employees of Board actions as required by governing laws, policies and procedures and following up with staff on Board action items. Incumbents must possess a thorough knowledge of operations, procedures, rules, regulations, and policies related to Board functions or activities and the ability to apply that knowledge while exercising tact, diplomacy, and discretion.

EXAMPLES OF ESSENTIAL JOB FUNCTIONS:

The following examples are intended to describe the general nature and level of work performed by persons assigned to each classification. Depending on the assignment, duties may include, but are not limited to the following:

Provides highly responsible, confidential and complex administrative support to LACERA Boards.

Responds to Board Members' inquiries and requests related to administrative matters.

Maintains Board schedules and calendars.

Coordinates, prepares, assembles and distributes Board Agenda packages and posts public notices in accordance with legal requirements.

Coordinates and attends Board Meetings, Executive Sessions and Ad Hoc Committees, prepares and verifies minutes, tracks action items, and records Board votes.

Performs records management functions including the safeguarding of all confidential materials and archiving of Agendas, Minutes, and other Board-related documents.

Identifies and gathers records to comply with Public Records Requests.

Implements and provides direction on Board procedures to ensure compliance with applicable laws, regulations, policies, and procedures.

Composes letters and memorandums in response to correspondence and inquires.

Screens telephone calls, visitors and mail received.

Responds to sensitive requests for information, resolves complaints and concerns, and escalates inquiries to appropriate parties as necessary.

Makes travel and conference arrangements, prepares conference approval requests, maintains travel and conference attendance records, prepares travel itineraries, and facilitates application processes for required travel documents.

Verifies and submits Board members' travel expense reimbursements, processes payment of credit cards and billing invoices, and reconciles travel expenditures.

Performs onboarding and new Board Member orientation functions including I-9 verification and explanation of Board policies, procedures, stipend payment process, board meeting schedule and other related information.

Recommends organizational and procedural changes affecting administrative support activities.

Plans and coordinates meetings and events including location, meals and overnight arrangements.

Provides after hours on-call support to Board members.

Performs other related duties as assigned.

MINIMUM REQUIREMENTS:

OPTION 1: One (1) year of highly complex and highly responsible secretarial experience at the level of Senior Secretary, LACERA, or Senior Management Secretary, LACERA.

OPTION 2: One (1) year of experience at the level of Staff Assistant II, LACERA.

OPTION 3: Two (2) years' complex and highly responsible secretarial experience at the level of Secretary, LACERA or Management Secretary, LACERA.

KEYBOARDING RATE: 40 net words per minute.

LICENSE: A valid California Class C Driver License or the ability to utilize an alternative method of transportation when needed to carry out job-related essential functions.

ADDITIONAL INFORMATION:

PHYSICAL CLASS: 2 - Light. Incumbents constantly sit, and use repetitive hand motions including simple grasping, fine manipulation, and pushing and pulling. Occasionally, incumbents walk, bend, twist the neck and waist, and reach above and below shoulder level. Work is performed in an office environment; a controlled climate.

ATTACHMENT B

Executive Board Assistant Comparables

	Most Comparable Classification	Monthly Min.	Monthly Max.	Size of Board	Comments
LACERA	Executive Secretary, LACERA	5,643	7,402	11	Salary as of 1/1/2016
Calleguas Municipal Water District	Executive Secretary	5,824	7,766	5	
CalPERS	Staff Services Manager I	5,689	7,068	13	
CalSTRS	Staff Services Manager II	6,245	7,760	12	
LACERS	Commission Executive Assistant II	5,718	8,359	7	
LACFPP	Commission Executive Assistant II	5,718	8,359	9	
LA COUNTY	Executive Secretary V	6,463	8,476	5	Board of Supervisors utilizes the Supervisor's Deputy Series (UC) and not the comparable Executive Secretary V classification. Deputy positions are used for various unrelated functions and therefore, not found to be a good comparison for LACERA's study.
Metro Water District	Senior Board Specialist	7,233	9,497	38	
OCERS	Executive Secretary II	4,293	5,737	10	
SBCERA	Executive Assistant	5,427	8,065	9	
SDCERA	Retirement Executive Secretary	4,500	6,087	7	
San Diego Co Water Authority	Deputy Clerk of the Board	5,170	6,953	10	
MERCER	Secretary to the Head of Org - Specialist	6,869	8,927	Various	Private Sector Market Data

MEAN	5,762	7,755
MEDIAN	5,718	7,916
75TH PERCENTILE	6,300	8,388

October 2, 2017

TO: Each Member,
Board of Investments

Each Member,
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: October 11, 2017 Board of Investments Meeting
October 12, 2017 Board of Retirement Meeting

SUBJECT: **REPORT ON WORK PLAN FOR PROPOSAL THAT CHIEF COUNSEL
REPORT JOINTLY TO BOARD OF RETIREMENT AND BOARD OF
INVESTMENTS**

The Joint Organizational Governance Committee (JOGC), on August 28, 2017, directed the JOGC Chair to work with Staff to develop a proposal that LACERA's Chief Counsel report jointly to the Board of Retirement (BOR) and Board of Investments (BOR) (collectively, Boards). This memo reports to the Boards on Staff's work plan with regard to the issue. No action is required at this time.

LEGAL AUTHORITY

A. Chief Counsel Role.

Government Code Section 31529.1 is a LACERA-specific provision providing that the Boards "may elect to secure legal representation, on such matters as the board of retirement or the board of investments may specify, from other than county counsel. The cost of legal representation shall not exceed one-hundredth of 1 percent of system assets in any budget year." Many years ago, under authority of Section 31529.1, the Boards authorized an in house LACERA legal department, led by the Chief Counsel.

The job classification for the Chief Counsel position broadly states that Chief Counsel "Serves as general counsel to the Los Angeles County Employees Retirement Association (LACERA)." The classification provides examples of the essential job functions, including: providing "legal advice during public and closed sessions of" the Boards; providing "advice and assistance on legal problems within the other divisions of LACERA;" conferring "with the Chief Executive Officer, and LACERA management staff;" directing "the work of divisional counsel;" and coordinating "the work of outside counsel." This description captures the broad mandate of the Chief Counsel to advise the Boards and Staff and oversee the resources necessary to accomplish that goal.

Chief Counsel owes a duty to LACERA, as an organization, including the Boards and Staff. LACERA and Staff act in furtherance of the same fiduciary duties described for the Boards under the California Constitution, Article XVI, Section 17 (see below).

B. *Appointment of Chief Counsel and Civil Service Status.*

Under Government Code Section 31522.4, the Boards may elect to appoint a chief legal officer; the position must be included in the Los Angeles County Salary Ordinance. Appointees under Section 31522.4 need not be subject to the County Civil Service Rules and may serve at the will of the Boards. However, the LACERA Boards elected to delegate their appointing authority under Section 31522.4 to the Chief Executive Officer (CEO); the Boards also determined that the Chief Counsel position is a civil service position subject to the Civil Service Rules.

These decisions are confirmed in the County Code. Section 6.127.040 B 1 of the Los Angeles County Salary Ordinance provides that the CEO is the “Appointing Authority” for the Chief Counsel and other staff; other sections of the Salary Ordinance provide that salary determinations, discipline, and dismissal are functions of the Appointing Authority. The published Class Specification for the Chief Counsel position provides that the Chief Counsel reports to the CEO. The Table of Classes of Positions in Section 6.28.050 of the Salary Ordinance shows that it is a classified position. Classified positions are subject to the Civil Service Rules in Appendix 1 to Title 5 of the County Code.

The Boards have the authority under Section 31522.4 to change the reporting structure. By action of both Boards, and with the approval of the Board of Supervisors as to necessary Salary Ordinance changes, the Chief Counsel may be assigned to report jointly to the BOR and BOI, as proposed. Under Section 31522.4, the Boards also have the authority to change the civil service status of the Chief Counsel by creating a new unclassified position that would be applicable prospectively as to future holders of the Chief Counsel position.

C. *Fiduciary Standards.*

In considering a change in the Chief Counsel reporting structure, the Boards will exercise their plenary authority and discretion over administration of the system and their fiduciary duties of prudence and loyalty under Article XVI, Section 17 of the Constitution and Government Code Section 31595.

Article XVI, Section 17 provides, in relevant part:

- (a) The retirement board of a public pension or retirement system shall have the sole and exclusive fiduciary responsibility over the assets of the public pension or

retirement system. The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.

(b) The members of the retirement board of a public pension or retirement system shall 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.

(c) The members of the retirement board of a public pension or retirement system shall 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 of a like character and with like aims.

Section 31595 contains similar language.

WORK PLAN

The proposed change represents a major shift in LACERA's longstanding governance model. The change affects many existing LACERA governance documents, policies, procedures, and practices. Accordingly, the change should be considered by means of a careful, deliberate, and thorough process that will enable potential issues to be identified, discussed, and addressed up front before the change is effective, if approved, and that is consistent with the Boards' fiduciary duties as outlined above.

Staff has considered the issues involved in the proposed change and will employ the following work plan in evaluating the issues and then presenting the proposal for discussion and action to the JOGC, the LACERA Boards, and ultimately the Board of Supervisors. The tasks and completion dates will be modified as needed based on information obtained as the process moves forward. However, it is reasonable for the Boards to expect that all tasks will be completed in time to permit implementation, if the proposal is approved, on July 1, 2018, which is the beginning of the 2018-2019 fiscal year and is also the beginning of the Staff Evaluation Year:

///

TASK	COMPLETION
<p>Step 1: Staff Analysis</p> <ul style="list-style-type: none"> • The Role of Chief Counsel and the Legal Division • Survey of Peer Systems • 2008 LACERA Fiduciary Review by EnnisKnupp & Associates • Review of Available Literature on Best Practices, including Stanford’s Clapman Report on Public Pension Governance, AFSCME Best Pension Practices Report, San Diego City Pension Governance Reports, and Others • Ethics and Conflict of Interest Issues • Review and Analysis of Fiduciary Issues and Implications in Performing Appointing Authority Role <ul style="list-style-type: none"> ○ Independence ○ Checks and Balances • Review of Civil Service Considerations <ul style="list-style-type: none"> ○ New Unclassified Position? • Elements of Appointing Authority’s Responsibilities <ul style="list-style-type: none"> ○ Hiring ○ Performance Standards ○ Goals ○ Supervision and Monitoring ○ Evaluation ○ Feedback ○ Compensation Setting ○ Discipline • Ramifications of Dual Board Reporting Structure, Including Coordination of Board Evaluations • Effect on Chief Counsel Supervision of Legal Division Staff, including Administrative Policies and Procedures • Effect on Chief Counsel Responsibilities for Counseling the Boards 	<p>November 2017</p>

<ul style="list-style-type: none"> • Effect on Chief Counsel Responsibilities for Counseling Staff on LACERA Administration, Including Benefits, Disabilities, Investments, Human Resources, Facilities Management, Cybersecurity, Audit, Compliance, and Other Functions of LACERA's Divisions and Business Units • Review and Analysis of Relevant Existing Documents, including Class Specification, JOGC Charter, Board Charters, and Other LACERA and Board Policies and Procedures • Consultation with Legal Division Staff • Consultation with CEO • Consultation with Outside Fiduciary Counsel <ul style="list-style-type: none"> ○ Implications of Fiduciary Counsel Policy 	
<p>Step 2: Draft Supporting Documents</p> <ul style="list-style-type: none"> • Class Specification • Salary Ordinance • JOGC Charter • Board Charters and Other Governance Documents • New Legal Division Charter • New Board Policy Setting Forth Hiring, Supervision, Reporting, Evaluation, and Discipline Standards and Processes • Other Documents, As Needed 	January 2018
<p>Step 3: JOGC Discussion and Recommendation</p>	March 2018
<p>Step 4: BOR and BOI Discussion and Action, If Recommended by JOGC</p> <ul style="list-style-type: none"> • Joint Meeting, which will also include proposed Chief Investment Officer reporting change 	April 2018
<p>Step 5: Board of Supervisors Approval of Salary Ordinance Changes, If Approved by LACERA Boards</p>	June 2018
<p>Step 6: Implementation, If Approved</p>	July 1, 2018

CONCLUSION

Staff believes this plan is prudent and will facilitate full and deliberate consideration of all the issues associated with this major proposed change and a smooth implementation, if

the change is approved. Staff will report back to the Boards monthly as to the progress on the work plan.

cc. Robert Hill

James Brekk

Jonathan Grabel

John Popowich

Bernie Buenaflor

Johanna Fontenot

Fern Billingsy

Frank Boyd

Michael Herrera

Christine Roseland

John Nogales

Annette Cleary

October 2, 2017

TO: Each Member,
Board of Investments

Each Member,
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: October 11, 2017 Board of Investments Meeting
October 12, 2017 Board of Retirement Meeting

SUBJECT: **REPORT ON WORK PLAN FOR PROPOSAL THAT CHIEF
INVESTMENT OFFICER REPORT TO BOARD OF INVESTMENTS**

On August 28, 2017, the Joint Organizational Governance Committee (JOGC) voted to direct the JOGC Chair to work with Staff on a proposal that LACERA's Chief Investment Officer (CIO) report to the Board of Investments (BOI). This memo reports to both the Board of Retirement (BOR) and the Board of Investments (collectively, Boards) on Staff's work plan with regard to the issue. No action is required at this time.

LEGAL AUTHORITY

Under Government Code Section 31522.4, the Boards may elect to appoint a CIO; the position must be included in the Los Angeles County Salary Ordinance. Appointees under Section 31522.4 are not subject to the Civil Service Rules and serve at the will of the Boards. Many years ago, the LACERA Boards elected to delegate their appointing authority under Section 31522.4 to the Chief Executive Officer (CEO). This decision is confirmed in the County Salary Ordinance, which provides, in Section 6.127.040 B 1, that the CEO is "Appointing Authority" for the CIO; other sections of the Salary Ordinance provide that salary determinations, discipline, and dismissal are functions of the Appointing Authority. The published Class Specification for the CIO position provides that the CIO reports to the CEO. The Boards have the authority under Section 31522.4 to change the reporting structure. By action of both Boards, and with the approval of the Board of Supervisors as to necessary Salary Ordinance changes, the CIO may be assigned to report to the BOI, as proposed.

In considering such a proposal, the Boards will exercise their plenary authority and discretion over administration of the system and their fiduciary duties of prudence and loyalty under Article XVI, Section 17 of the California Constitution and Government Code Section 31595, both of which address the Boards' investment authority as well as other duties. Section 31595 provides, in relevant part:

The board and its officers and employees shall discharge their duties with respect to the system:

(a) 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.

(b) 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 of a like character and with like aims.

The Constitution contains similar language.

WORK PLAN

The proposed change represents a major shift in LACERA's longstanding governance model. The change affects many existing LACERA governance documents, policies, procedures, and practices. Accordingly, the change should be considered by means of a careful, deliberate, and thorough process that will enable potential issues to be identified, discussed, and addressed up front before the change is effective, if approved, and that is consistent with the Boards' fiduciary duties as outlined above.

Staff has considered the issues involved in the proposed change and will employ the following six-step work plan in evaluating the issues and then presenting the proposal for discussion and action to the JOGC, the LACERA Boards, and ultimately the Board of Supervisors. The tasks and completion dates will be modified as needed based on information obtained as the process moves forward. However, it is reasonable for the Boards to expect that all tasks will be completed in time to permit implementation, if the proposal is approved, on July 1, 2018, which is the beginning of the 2018-2019 fiscal year and is also the beginning of the Staff Evaluation Year:

<i>TASK</i>	<i>COMPLETION</i>
Step 1: Staff Analysis <ul style="list-style-type: none">• Survey of Peer Systems• Elements of Appointing Authority's Responsibilities<ul style="list-style-type: none">○ Hiring○ Performance Standards○ Goals○ Supervision and Monitoring	November 2017

<ul style="list-style-type: none"> ○ Evaluation ○ Feedback ○ Compensation Setting ○ Discipline ● Effect on CIO Supervision of Investment Office Staff, including Administrative Policies and Procedures ● Review and Analysis of Relevant Existing Documents, including Class Specification, JOGC Charter, BOI Charter, and Other LACERA and BOI Policies and Procedures ● Review and Analysis of Fiduciary Issues and Implications in Performing Appointing Authority Role <ul style="list-style-type: none"> ○ Checks and Balances ● Review of BOR Policies, Roles, and Responsibilities ● Consultation with CIO and Investment Staff ● Consultation with CEO ● Consultation with Outside Fiduciary Counsel 	
<p>Step 2: Draft Supporting Documents</p> <ul style="list-style-type: none"> ● Class Specification ● Salary Ordinance ● JOGC Charter ● BOI Charter and Other Governance Documents ● Investment Policy Statement and Other Policies ● New BOI Policy Setting Forth Hiring, Supervision, Reporting, Evaluation, and Discipline Standards and Processes ● Other Documents, As Needed 	<p>January 2018</p>
<p>Step 3: JOGC Discussion and Recommendation</p>	<p>March 2018</p>
<p>Step 4: BOR and BOI Discussion and Action, If Recommended by JOGC</p> <ul style="list-style-type: none"> ● Joint Meeting, which will include proposed Chief Counsel reporting change 	<p>April 2018</p>
<p>Step 5: Board of Supervisors Approval of Salary Ordinance Changes, If Approved by LACERA Boards</p>	<p>June 2018</p>

Step 6: Implementation, If Approved
--

July 1, 2018

CONCLUSION

Staff believes this work plan is prudent and will facilitate full and deliberate consideration of all the issues associated with the proposed change and a smooth implementation, if the change is approved. Staff will report back to the Boards monthly as to the progress on the work plan.

cc. Robert Hill

James Brekk

Jonathan Grabel

John Popowich

Bernie Buenaflor

John McClelland

Christopher Wagner

Vache Mahseredjian

Ted Wright

Jim Rice


Scott Zdrazil

John Nogales

Annette Cleary

September 20, 2017

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Division Manager 
Disability Retirement Services

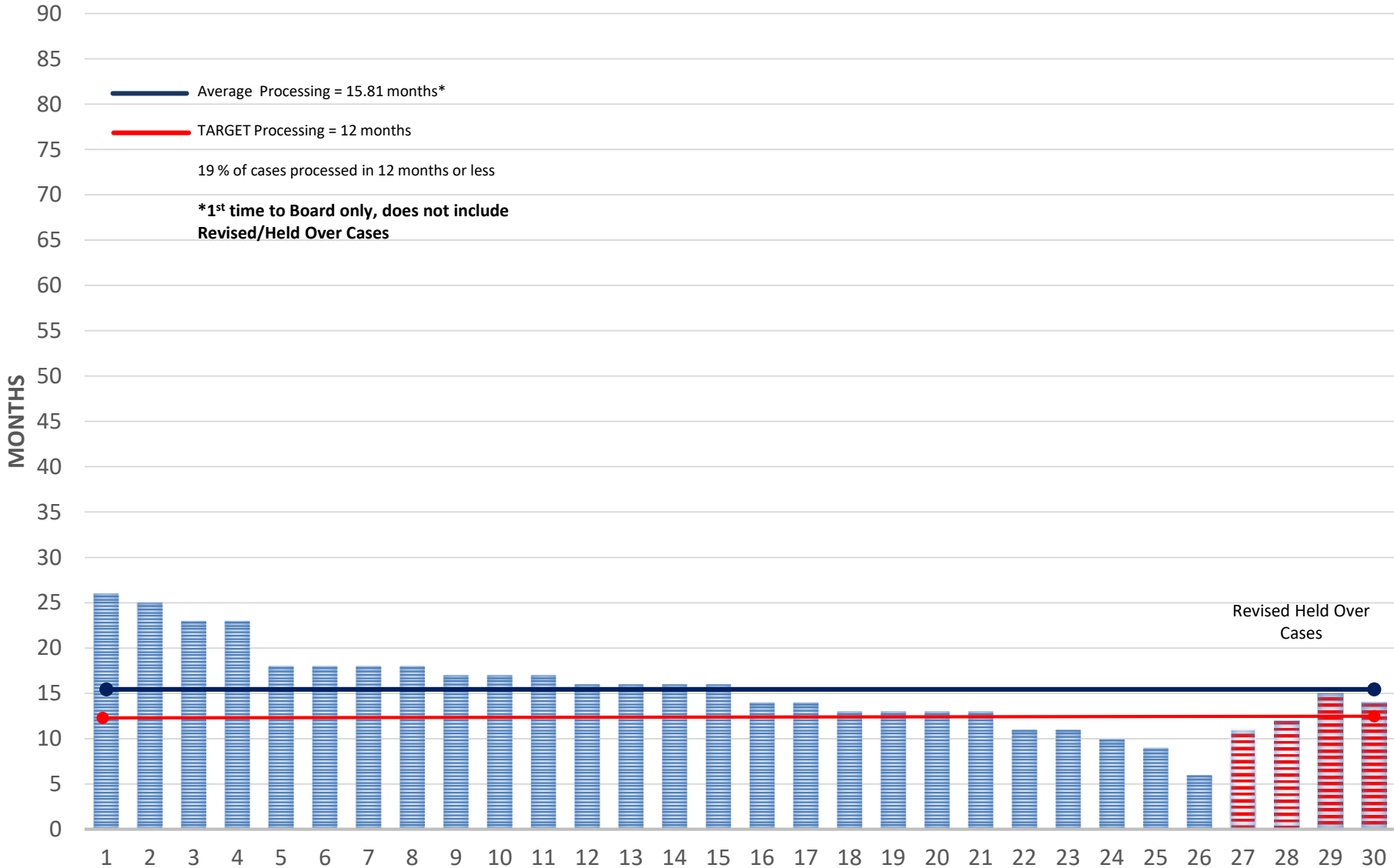
FOR: October 12, 2017 Board of Retirement Meeting

SUBJECT: **Application Processing Time Snapshot Reports**

The following chart shows the total processing time from receipt of the application to the first Board action for all cases on the October 12, 2017 Disability Retirement Applications Agenda.

Consent & Non-Consent Calendar				
Number of Applications*	26			
Average Processing Time (in Months)	15.81			
Revised/Held Over Calendar				
Number of Applications	4			
Average Processing Time (in Months)	Case 1 11	Case 2 12	Case 3 15	Case 4 14
Total Average Processing Time for Revised/Held Over Calendar	13			

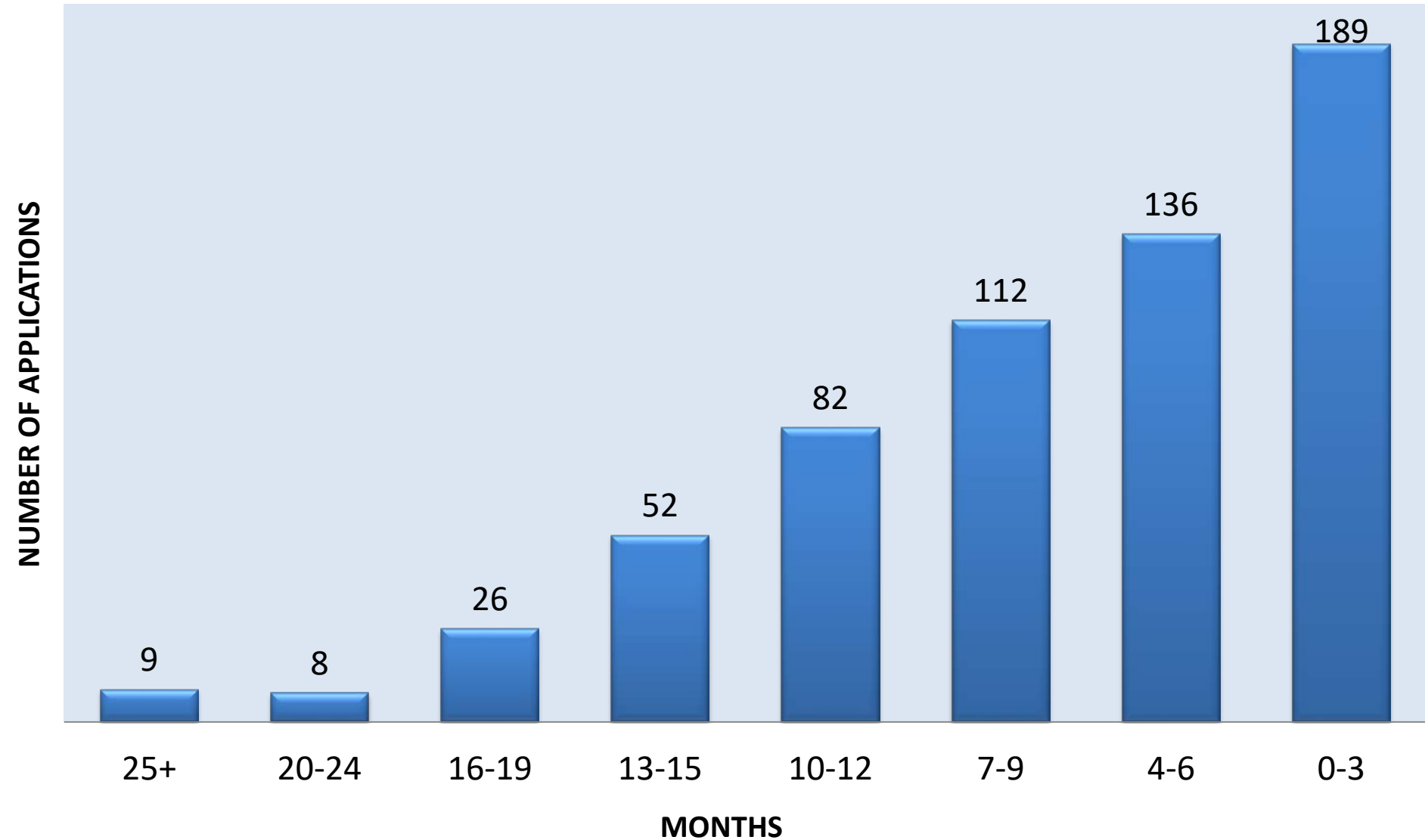
CASE PROCESSING TIME



As of 9/29/2017

October 12, 2017 AGENDA

PENDING APPLICATIONS/TIME INTERVALS



October 2, 2017

FOR INFORMATION ONLY

TO: Each Member
Board of Investments
Board of Retirement

FROM: Barry W. Lew *BW*
Legislative Affairs Officer

FOR: October 11, 2017 Board of Investments Meeting
October 12, 2017 Board of Retirement Meeting

SUBJECT: **2017 Year-End Legislative Report**

This report summarizes the bills on which the Board of Retirement or the Board of Investments had taken a position during the 2017 legislative year. Section I lists the bills amending the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). Section II lists California legislation other than those bills related to CERL or PEPRA. Section III lists federal legislation.

Since 2017 is the first session of the 2017-18 Regular Session of the California Legislature, any bills that did not fail passage would carry over into 2018. September 15, 2017 was the last day for the Legislature to pass bills in 2017, and October 15, 2017 will be the last day for the Governor to sign or veto bills passed by the Legislature. There are no bills in this report that are awaiting the Governor's signature. The Legislature is in recess from September 15, 2017 until January 3, 2018. Copies of bills that have been signed into law are available to your Boards upon request.

This is also the first session of the 115th Congress for federal legislation, which runs from 2017 to 2018. Any bills that did not fail passage would carry over into the 2018 session.

I. BILLS AMENDING THE COUNTY EMPLOYEES RETIREMENT LAW OF 1937 (CERL) OR THE CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

AB 283 (Cooper): County Employees Retirement: Permanent Incapacity

Summary: Relates to county employee retirement and permanent incapacity. Requires, for purposes of determining permanent incapacity of members employed as peace officers, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer.

Status: In SENATE Committee on PUBLIC EMPLOYMENT & RETIREMENT: Set, second hearing. Hearing canceled at the request of the author.

Board of Retirement Position: Neutral.

AB 526 (Cooper): County Employees Retirement: Districts: Retirement System Governance

Summary: Defines the Sacramento County retirement system as a district under the County Employees Retirement Law. Authorizes the county board of retirement to adopt provisions to classify personnel as employees of the retirement system rather than the county. Establishes notification requirements for the use of this authority. Grants rights to elect to be employees of the retirement system. Provides for benefits for retirement system employees. Prescribes requirements for labor agreements.

Status: In SENATE Committee on PUBLIC EMPLOYMENT & RETIREMENT: Set, first hearing. Hearing canceled at the request of the author.

Board of Retirement Position: Watch.

AB 995 (Limón): County Employee Retirement: Retirement Board Appointees: Leave Balances

Summary: Requires any leave balance accrued by a county employee prior to his or her appointment as a Ventura County retirement system employee to be transferred from the county to the retirement system and would require the county to pay to the retirement system an amount equal to the value of the accrued leave.

Status: Signed into law.

Board of Retirement Position: Watch.

SB 32 (Moorlach): Retirement Systems: California Public Employees' Pension Reform Act of 2018

Summary: Creates the Citizens' Pension Oversight Committee to serve in an advisory role to the Teachers' Retirement Board and the Board of Administration of the Public Employees' Retirement System (PERS). Requires the committee to review the actual pension costs and obligations of PERS and the State Teachers' Retirement System

(STRS) and report on these costs and obligations to the public. Includes reports of audits of STRS and PERS.

Status: Failed passage in SENATE Committee on PUBLIC EMPLOYMENT & RETIREMENT. Reconsideration granted.

Board of Retirement Position: Watch.

SB 671 (Moorlach): County Employees' Retirement: Retirement Funds: Transfers

Summary: Specifies that the current authority to make advance payments does not prevent the board of supervisors or governing body of a district from making advance payments for estimated annual county contributions for an additional year or partial year.

Status: Signed into law.

Board of Investments Position: Support.

II. OTHER CALIFORNIA LEGISLATION

AB 1310 (Allen): Public Retirement Systems: Member Statements: Unfunded Liability Disclosure

Summary: Requires the Public Employees' Retirement System, the State Teachers' Retirement System, the Judges' Retirement System II, to disclose the unfunded liability and healthcare debt of the system on each member statement provided to members of the system.

Status: In ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT & SOCIAL SECURITY. Set, first hearing. Failed passage.

Board of Retirement Position: Watch.

ACA 15 (Brough): Public Employee Retirement Benefits

Summary: Enacts the Protecting Schools and Keeping Pension Promises Act of 2018. Prohibits a government employer from enhancing employee benefits without the approval by the voters of the jurisdiction, and prohibits a government employer from enrolling a new government employee in a defined benefit pension plan without the approval by the voters of the jurisdiction.

Status: Introduced.

Board of Retirement Position: (Note: This bill will appear on the Board of Retirement agenda on October 12, 2017. Recommendation by the Insurance, Benefits and Legislative Committee is to oppose.)

SB 562 (Lara): The Healthy California Act

Summary: Creates the Healthy California program to provide comprehensive universal single-payer health care coverage and a health care cost control system for the benefit of all residents of the state. Provides that the program incorporates benefits from existing programs. Provides for the participation of health care providers in the program. Creates the Healthy California Trust Fund for financing of the program. Authorizes providers to collectively negotiate rates of payment.

Status: In ASSEMBLY. Read first time. Held at desk.

Board of Retirement Position: Watch.

SCA 8 (Moorlach): Public Employee Retirement Benefits

Summary: Permits a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the constitution. Prohibits it from being interpreted to permit the reduction of benefits that a public employee has earned based on work that has been performed, as specified. Defines government employer and retirement benefits for these purposes.

Status: To SENATE Committees on PUBLIC EMPLOYMENT & RETIREMENT and CONSTITUTIONAL AMENDMENTS.

Board of Retirement Position: Oppose.

SCA 10 (Moorlach): Public Employee Retirement Benefits

Summary: Prohibits a government employer from providing public employees any retirement benefit increase until it is approved by a vote of the electorate of the applicable jurisdiction and that vote is certified. Defines retirement benefit to mean any postemployment benefit and a benefit increase as any change that increases the value of an employee's retirement benefit. Defines government employer to include the state and its subdivisions, cities, counties, school districts special districts and universities.

Status: To SENATE Committees on PUBLIC EMPLOYMENT & RETIREMENT and CONSTITUTIONAL AMENDMENTS.

Board of Retirement Position: Oppose.

III. FEDERAL LEGISLATION

HR 1205 (Davis): Social Security Fairness Act of 2017

Summary: Amends title II of the Social Security Act to repeal the government pension offset and the windfall elimination provisions.

Status: In House Committee on Ways and Means: referred to Subcommittee on Social Security.

Board of Retirement Position: Support.

S 915 (Brown): Social Security Fairness Act of 2017

Summary: Amends title II of the Social Security Act to repeal the government pension offset and the windfall elimination provisions.

Status: Referred to Committee on Finance.

Board of Retirement Position: Support.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

cc: LACERA Executive Office
LACERA Division Managers
Joe Ackler, Ackler & Associates



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**



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