

**NOTICE OF MEETING AND AGENDA**

**SPECIAL MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE  
and  
BOARD OF RETIREMENT\***

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

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

**THURSDAY, DECEMBER 14, 2017 - 9:00 A.M.\*\***

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

**COMMITTEE MEMBERS:**

Alan Bernstein, Chair  
Anthony Bravo, Vice Chair  
Joseph Kelly  
Ronald Okum  
David Muir, Alternate

- I. APPROVAL OF THE MINUTES
  - A. Approval of the minutes of the special meeting of November 9, 2017
- II. PUBLIC COMMENT
- III. FOR INFORMATION
  - A. LACERA Operations Briefing  
JJ Popowich/Bernie Buenaflor
- IV. REPORT ON STAFF ACTION ITEMS
- V. GOOD OF THE ORDER  
(For information purposes only)
- VI. ADJOURNMENT

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

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

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

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

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

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION  
GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101  
THURSDAY, NOVEMBER 9, 2017, 11:25 A.M. – 11:45 A.M.

**COMMITTEE MEMBERS**

PRESENT: Alan Bernstein, Chair  
Anthony Bravo, Vice Chair  
Ronald Okum  
David Muir, Alternate

ABSENT: Joseph Kelly

**ALSO ATTENDING:**

BOARD MEMBERS AT LARGE

Marvin Adams  
Vivian H. Gray  
William Pryor  
Keith Knox (Chief Deputy to Joseph Kelly)

STAFF, ADVISORS, PARTICIPANTS

JJ Popowich  
Bernie Buenaflor  
Dr. Vito Campese, Medical Advisor  
David Bayha  
James Beasley

The meeting was called to order by Chair Bernstein at 11:25 a.m. Due to the absence of Mr. Kelly, the Chair announced that Mr. Muir, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the special meeting of October 12, 2017

Mr. Okum made a motion, Mr. Bravo seconded, to approve the minutes of the special meeting of October 12, 2017. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

- A. Recommendation as submitted by James Beasley, Administrative Services Analyst III: That the Committee recommend the Board of Retirement approve the purchase of Cyber Liability Insurance with North American Specialty (NAS) Insurance. (Memorandum dated October 23, 2017)

Mr. Okum made a motion, Mr. Bravo seconded, to approve the recommendation. The motion passed unanimously.

IV. FOR INFORMATION

- A. LACERA Operations Briefing  
JJ Popowich/Bernie Buenaflor

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

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed
- Annual Test of Emergency Notification System
- ACE – Advanced CERL Education

- B. Overpayment & Forgery Receivables (Period Ended June 30, 2017)  
David Bayha

Mr. Bayha provided an update of the Overpayment & Forgery Receivables as of June 30, 2017. Highlights included the following:

- Preventable errors essentially cut in half since the last reporting period
- Continued success of the Benefit Protection Unit with regard to Late Death Notification cases
- Increase in Miscellaneous category represented by one felony forfeiture case

November 9, 2017

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V. REPORT ON STAFF ACTION ITEMS

There was nothing to report on for staff action items.

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

The meeting adjourned at 11:45 a.m.

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## FOR INFORMATION ONLY

December 5, 2017

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

FROM: JJ Popowich, Assistant Executive Officer   
Bernie Buenaflor, Interim Assistant Executive Officer 

FOR: December 14, 2017 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

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

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

DATE RECEIVED	REQUESTER	DOCS REQUESTED
10-16-17	J. Hacker, KAP Group	<p>Requested the <a href="#">Retail Real Estate Review</a> by Mary Ludgin of Heitman (presentation dated September 2017) as well as the <a href="#">Introduction to Real Assets</a> (a memo dated September 29, 2017) by Meketa Investment Group, The Townsend Group and Stepstone.</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Sent via email: Real Estate Committee memo dated August 25, 2017 and Board of Investments memo dated September 29, 2017 re Introduction to Real Assets.</i></p>
10-18-17	A. Sandate, Individual	<p>Requested all the public records from the following meetings held in October 2017.</p> <p><b><i>Email response transmitted on October 18, 2017: Attached the Board of Investments meeting packages in response to your request below. Please note that the Fixed Income/Hedge Fund/Commodities Committee did not meet due to a lack of quorum. I did attach the documents for this committee, however.</i></b></p> <p><i>Transmitted 2 documents.</i></p> <p><i>Sent via email: Agenda Packages for Board of Investments and Fixed Income/Hedge Funds Committee/Commodities Committee meetings held on October 11, 2017.</i></p>
10-20-17	J. Gao, Bloomberg, L.P.	<p>Requested Private Equity and Hedge Fund performance reports for the second half of 2016 (12-31-2016 report).</p> <p><b><i>Email response transmitted October 25, 2017: LACERA only reports Q2 and Q4 PE data. These reports are available approximately 6 months after the Quarter end. I expect the Q4 PE report to be available sometime in December. I have attached the Q1 RE report in response to your request.</i></b></p> <p><i>Transmitted 3 documents.</i></p> <p>Sent on October 24, 2017 via email: 2017 First Quarter Hedge Fund Performance dated June 14, 2017; 2017 Second Quarter Hedge Fund Performance dated March 6, 2017, and 2016 Fourth Quarter Hedge Fund Performance dated March 6, 2017.</p>
10-20-17	S. Johnson, AARM Corp.	<p>Requested the following information.</p> <p>Alternative Investment's performance data for the Q3, Q4 of 2016 and Q1 of 2017.</p> <p>1. For Commitments to Alternative Investment Funds, please provide the following information on an Excel spread sheet format.</p> <p>a) Please include all private equity, real estate and hedge funds.</p> <p>b) For each fund, please include Fund Name, Strategy, Commitment, Cash In, Cash Out, Net Asset Value, Cash Out + NAV, Net Investment Multiple, Net IRR, Management fees.</p> <p><b><i>Email response transmitted October 25, 2017: I have attached the performance data in response to your request below. Please note that LACERA reports the private equity information only for Q2 and Q4 each year. The reports lag approximately six months from end of Quarter. I have attached the most recent data. Please let me know if I can be of further assistance.</i></b></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p><i>Transmitted 7 documents.</i></p> <p><i>Sent via email: 2016 Third Quarter Hedge Fund Performance; Portfolio Investment as of December 31, 2016; 2016 Third Quarter Real Estate Funding Status; 2016 Fourth Quarter Real Estate Funding Status; 2016 Fourth Quarter Hedge Fund Performance; 2017 First Quarter Hedge Fund Performance; and 2017 First Quarter Real Estate Funding Status.</i></p>
10-30-17	J. Peterson, IPE	<p>Requested board meeting document, shown below, that goes along with the following agenda item from this week's investment committee meeting.</p> <p>OPEB Trust Asset Allocation</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent via email: BOI memo dated October 23, 2017 re OPEB Trust Asset Allocation.</i></p>
11-01-17 (Request dated 10-11-17, Legal received on 11-01-17)	W. Knight, SEIU 721	<p>Requested the information shown below.</p> <ol style="list-style-type: none"> <li>1. A list of all current employees including all of the following specific information. These requests should be construed as relating to the most recent twelve-month period for which data is available. <ol style="list-style-type: none"> <li>a. Last Name</li> <li>b. First Name</li> <li>c. Middle Initial</li> <li>d. Department</li> <li>e. Employee Number</li> <li>f. Title Code</li> <li>g. Title Description</li> <li>h. Continuous Service Date</li> <li>i. Worksite address (with accompanying facility name, and if possible and applicable, a room number or floor that each employee is assigned to)</li> <li>j. Personal Address</li> <li>k. Contact Phone Number (office, cell, and home)</li> <li>l. mail Address (work and Personal)</li> <li>m. Current Salary</li> <li>n. Status (full-time, part-time, temporary, etc.)</li> <li>o. Shift: Regular Hours Worked</li> </ol> </li> <li>2. Detailed job descriptions for all classifications currently employed by the agency.</li> <li>3. A comprehensive organizational chart that displays the relationship between all employees (including, but not limited to: department heads, managers, supervisors, general employees).</li> </ol> <p><i>Transmitted 3 documents.</i></p> <p><i>Transmitted LACERA Employee data created November 2, 2017; LACERA organizational chart for Fiscal Year 2017-2018; and LACERA Class Specifications for Represented Positions with Revisions Dates ranging from November 28, 2004 to April 22, 2008.</i></p>



DATE RECEIVED	REQUESTER	DOCS REQUESTED
11-03-17	M. McCue Financial Investment News	<p>Two questions based on the agenda and reports. Answers in bold italics, transmitted on November 13, 2017.</p> <p>Were the emerging manager private equity fund-of-funds finalists listed in the recommendation approved?</p> <p>Did the plan approve any commitments to Clearlake Capital Partners V and/or PAI Europe VII?</p> <p><b>1. The Board approved both emerging manager private equity fund-of-funds finalists for interviews.</b></p> <p><b>2. The Board approved a commitment of up to \$125 million to Clearlake Capital Partners V and up to \$177 million to PAI Europe VII.</b></p>
11-03-17	R. Rao Pageant Media	<p>Questions regarding BOI meeting and answers submitted in bold italics. Responsive documents noted after questions and answers.</p> <p>1. Did the board approve the recommendation to invite Adams Street, J.P. Morgan and Morgan Stanley for an interview? <b>YES.</b></p> <p>Will only one manager be chosen for the PE emerging manager position? <b>That is a Board Decision.</b> I see that it's a three-year, \$300m mandate. Does that mean \$300m over three years, or \$300m each year? <b>Funding will occur on an as needed basis according to program needs.</b></p> <p>What is the board looking for from the manager(s) for this mandate? <b>The Board considers many factors, staff does not speculate as to the intentions or thoughts of the Board.</b></p> <p>2. What decision did the board make about Clearlake Capital Partners V and Pai Europe VII? <b>The Board approved staff to move forward to negotiate with both funds.</b> How much money was committed to the funds and where will this money come from? <b>The Board approved up to \$125 million in Clearlake Partners and \$177 million in PAI Europe VII.</b></p> <p>3. What is LACERA's Iran and Sudan policy? <b>See attached Iran Policy document.</b></p> <p>4. What was discussed in the credit review and the OPEB Trust Asset Allocation? <b>See attached OPEB &amp; Credit Memo document.</b></p> <p>5. Were any other investments/divestments approved? <b>No.</b></p> <p>6. Were any managers put on the watch-list or terminated? <b>No.</b></p> <p><i>Transmitted 2 documents.</i></p> <p><i>Sent via email: BOI memo dated October 23, 2017 re OPEB Trust Asset Allocation and BOI memo dated October 23, 2017 re LACERA's Iran and Sudan Policy.</i></p>
11-07-17	D. Gregory, Public Plan IQ	<p>Requested copies of the information shown below:</p> <ul style="list-style-type: none"> <li>• November 2, 2017 Board of Investments Meeting: All investment related discussion materials;</li> <li>• November 2, 2017 Portfolio Risk Committee: All investment related discussion materials;</li> </ul>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<ul style="list-style-type: none"> <li>• November 2, 2017 Fixed Income/Hedge Funds/ Commodities Committee Meeting: All investment related discussion materials, and</li> <li>• November 2, 2017 DVD recording of the Board of Investments &amp; All Committee Meetings.</li> </ul> <p><i>Transmitted 3 documents:</i></p> <p><i>Sent via email: Agenda Packages for Board of Investments; Fixed Income/Hedge Funds/Commodities Committees, and Portfolio Risk Committees for meetings held on October 11, 2017.</i></p> <p><i>DVDs mailed to Ms. Gregory on November 8, 2017.</i></p>
11-13-17	D. Devereaux, Bison	<p>Requested performance reports for your real estate and private equity portfolios as of Q2 2017.</p> <p><b><i>Email response transmitted November 15, 2017: After checking with the Investments Division, the reports that you have requested are not available. The Private Equity report will be available in December for the Board Meeting. The Real Estate Report will be available in January 2018 for the Board meeting.</i></b></p>
11-13-17	S. Yang, Pitchbook	<p>Requested copy of the quarterly public records from Q2 2017 of the following information at the partnership level, preferably in Excel or PDF format:</p> <ol style="list-style-type: none"> <li>1. Names and vintage years of all private equity, venture capital, mezzanine, distressed, real estate/REIT, debt and infrastructure partnerships in Los Angeles County Employees' Retirement Association's portfolio.</li> <li>2. Commitments made to each partnership.</li> <li>3. Contributions drawn down since inception.</li> <li>4. Distributions made to Los Angeles County Employees' Retirement Association to date by each individual partnership.</li> <li>5. Net Asset Value of each partnership.</li> <li>6. Internal rates of return (IRRs) for each partnership. Please note if the IRRs are not net.</li> <li>7. Investment multiple (TV/PI) for each individual partnership.</li> <li>8. The dollar amount of "total management fees and costs paid" for each individual partnership.</li> <li>9. Date as of which all the above data was calculated.</li> <li>10. Names of all alternative asset partnerships partially and fully sold by Los Angeles County Employees' Retirement Association, including date of sale.</li> </ol> <p><b><i>Email response transmitted November 15, 2017: After checking with the Investments Division, the reports that you have requested are not available. The Private Equity report will be available in December for the Board Meeting. The Real Estate Report will be available in January 2018 for the Board meeting.</i></b></p>

