

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, JANUARY 10, 2019

*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. ELECTION OF OFFICERS
(Election of Chair, Vice Chair, Secretary, and Audit Committee Member)
- III. PLEDGE OF ALLEGIANCE
- IV. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of December 13, 2018
- V. OTHER COMMUNICATIONS
 - A. For Information
 - 1. Awards
 - 2. November 2018 All Stars
 - 3. Chief Executive Officer's Report
(Memo dated December 31, 2018)
- VI. PUBLIC COMMENT
- VII. CONSENT ITEMS
 - A. Ratification of Service Retirement and Survivor Benefit Application Approvals.

VII. CONSENT ITEMS (Continued)

- B. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board grant the appeal and request for an administrative hearing for applicants Arlene S. Zendel, Ana J. Colon, and Sarah E. Marks. (Memo dated December 27, 2018)
- C. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board reject the application of Janice C. Marker-Araghi for processing. (Memo dated December 26, 2018)
- D. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board of Retirement adopt the revised Legislative Policy. (Memo dated December 24, 2018)

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Bernie Buenaflor, Division Manager, Benefits Division: That the Board 1) Determine, based upon medical evaluation from the Los Angeles County Office of Occupational Health Programs, that Earl Fred Leaf III is not incapacitated for the assigned duties, and 2) Grant the application of Earl Fred Leaf III for reinstatement to active membership. (Memo dated January 2, 2019)
- B. Recommendation as submitted by Lou Lazatin, Chief Executive Officer: That the Board review the 2019 meeting schedule, and consider rescheduling the Wednesday, May 1, 2019; Thursday, May 9, 2019; and the Thursday, November 14, 2019 BOR Meetings. (Memo dated December 19, 2018)

IX. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

X. REPORTS

- A. For Information Only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the Application Processing Time Snapshot Reports. (Memo dated December 27, 2018)
- B. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding the Update on Potential LACERA Sponsorship of Legislation on Compensation for Board Meeting Attendance. (Memo dated December 24, 2018)

X. REPORTS (Continued)

- C. For Information Only as submitted by Lou Lazatin, Chief Executive Officer and Steven P. Rice, Chief Counsel, regarding the Potential Use of E-Voting Procedure for 2019 Board Elections. (Memo dated December 31, 2018)
- D. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the December 2018 Fiduciary Counsel Contact and Billing Report. (Memo dated January 2, 2019) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

XI. ITEMS FOR STAFF REVIEW

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

XIII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

- A. Applications for Disability
- B. Referee Reports
- C. Staff Recommendations
 - 1. Recommendation as submitted by Ricki Contreras, Manager, Disability Retirement Services Division: That the Board grant Christian J. Mayhew the option of an earlier effective date pursuant to Government Code Section 31724. (Memo dated December 28, 2018)
 - 2. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Board approve the service provider invoices for Winet Patrick Gayer Creighton & Hanes. (Memo dated December 17, 2018)

XIV. EXECUTIVE SESSION

- A. Conference with Legal Counsel – Existing Litigation
Paragraph (1) of Subdivision (d) of Section 54956.9
 - 1. Attorney Fees for Vernalea Panga

XIV. EXECUTIVE SESSION

- B. Conference with Labor Negotiators
(Pursuant to Government Code Section 54957.6)

LACERA Designated Representatives:
John Popowich, Assistant Executive Officer
John Nogales, Director, Human Resources

Employee Organization:
SEIU, Local 721

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., THURSDAY, DECEMBER 13, 2018

PRESENT: Vivian H. Gray, Chair
Herman Santos, Vice Chair
Marvin Adams, Secretary
Alan Bernstein
JP Harris (Alternate Retired)
Shawn R. Kehoe (Left the Board meeting at 11:30 a.m.)
William Pryor (Alternate Safety)
Les Robbins
Gina Zapanta-Murphy

ABSENT: Joseph Kelly

Thomas Walsh

STAFF ADVISORS AND PARTICIPANTS

Lou Lazatin, Chief Executive Officer
John Popowich, Assistant Executive Officer
Steven P. Rice, Chief Counsel
Dr. Vito Campese, Medical Advisor
James Brekk, Information Systems Manager

STAFF ADVISORS AND PARTICIPANTS

Ricki Contreras, Division Manager
Disability Retirement Services

Tamara Caldwell, Specialist Supervisor
Disability Retirement Services

Barry Lew, Legislative Affairs Officer

Bernie Buenaflor, Benefits Manager

Francis J. Boyd, Senior Staff Counsel

Eugenia W. Der, Senior Staff Counsel

Johanna Fontenot, Senior Staff Counsel

Fern M. Billiny, Senior Staff Counsel

Cassandra Smith, Retiree Healthcare Director

Thomas J. Wicke, Attorney at Law

Lisa Oswald, Mercer Consulting

I. CALL TO ORDER

The meeting was called to order by Ms. Gray at 10:07 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Bernstein 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 November 7, 2018

Mr. Kehoe made a motion, Mr. Adams seconded, to approve the minutes of the regular meeting of November 7, 2018. The motion passed unanimously.

IV. OTHER COMMUNICATIONS

A. For Information

1. October 2018 All Stars

Mr. Popowich announced the eight winners for the month of October: Mary Ann Valenzuela, Beulah Auten, Tina Young, Julieta Bryan, Veronica Yi-Martinez, Connie Chan, Steve Salinas, and Erika Heru for the Employee Recognition Program. Clarence Malone, Sarah Robles, Anthony Batiste, and Everett Moyer were the winners of LACERA's RideShare Program.

Lastly, Mr. Popowich congratulated Cynthia Guider on her recent retirement.

2. Chief Executive Officer's Report (Memo dated December 3, 2018)

Ms. Lazatin provided a brief overview of her Chief Executive Officer's Report with a quick update on what transpired at the previous Board of Investments meeting.

(Board of Investments minutes are available to view on LACERA's Website

www.lacera.com.)

Ms. Lazatin shared that a Management Offsite was held on December 17th with the Management Team. The next Management Offsite has been scheduled for January 11th. In

IV. OTHER COMMUNICATIONS (Continued)

addition, topics for the Board Offsite on January 22-23, 2019 was shared.

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. CONSENT ITEMS

Mr. Robbins made a motion, Mr. Adams seconded, to approve the following items with the exception of Item VI. C, which was pulled by staff. The motion passed unanimously.

- A. Ratification of Service Retirement and Survivor Benefit Application Approvals.
- B. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board grant the appeal and request for an administrative hearing for applicant Pauline Young.
(Memo dated December 4, 2018)
- C. Recommendation as submitted by William Pryor, Chair, Disability Procedures and Services Committee: That the Board approve Robert Fisher, M.D. – Board Certified Rheumatologist to the LACERA Panel of Physicians for the purpose of examining disability retirement applicants.
(Memo dated December 4, 2018)
- D. Recommendation as submitted by William Pryor, Chair, Disability Procedures and Services Committee: That the Board approve Stewart A. Lonky, M.D. – Board Certified Internist to the LACERA Panel of Physicians for the purpose of examining disability retirement applicants.
(Memo dated December 4, 2018)
- E. Recommendation as submitted by William Pryor, Chair, Disability Procedures and Services Committee: That the Board approve David Paikal, M.D. – Board Certified Ophthalmologist to the LACERA Panel of Physicians for the purpose of examining disability retirement applicants.
(Memo dated December 4, 2018)

VI. CONSENT ITEMS (Continued)

- F. Recommendation as submitted by William Pryor, Chair, Disability Procedures and Services Committee: That the Board approve Kari Tervo, Ph.D. – Board Certified Neuropsychologist to the LACERA Panel of Physicians for the purpose of examining disability retirement applicants. (Memo dated December 4, 2018)
- G. Recommendation as submitted by William Pryor, Chair, Disability Procedures and Services Committee: That the Board approve Gerald Weingarten, M.D. – Board Certified Cardiologist to the LACERA Panel of Physicians for the purpose of examining disability retirement applicants. (Memo dated December 4, 2018)
- H. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board 1) Adopt Resolutions, No. 2018-BR004 and No. 2018-BR005, specifying pay items as “compensation earnable” and “pensionable compensation;” and 2) Instruct staff to coordinate with the County of Los Angeles to establish necessary reporting mechanism and procedures to permit LACERA to include the qualifying items in the calculation of final compensation. (Memo dated December 1, 2018)

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement

Service-Connected Disability Applications

On a motion by Mr. Kehoe, seconded by Mr. Adams, 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:

APPLICATION NO.

NAME

926C

ALFONSO E. FIGUEROA, JR.

927C

ALLEN C. SARPY

928C

ERIC P. FORD

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Law Enforcement

Service-Connected Disability Applications

<u>APPLICATION NO.</u>	<u>NAME</u>
929C	EDWARD F. ESTRADA
930C	TIMOTHY J. CAIN
931C	EDGARDO Y. LABAYNA
932C	SHANNON W. LAREN
933C*	RICHARD N. MARADIAGA
934C	CRYSTAL M. RENTERIA
935C	STEVEN P. KENALEY
936C*	ANA M. PENALOZA-BRACKPOOL
937C**	MICHAEL A. CHAVEZ
938C	SCOTT A. HURST
939C	LARRY L. RAMAGE

* Granted SCD – Employer Cannot Accommodate

** Granted SCD – Retroactive

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

Safety Fire, Lifeguards

Service-Connected Disability Applications

On a motion by Mr. Pryor, seconded by Mr. Bernstein, 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>
1047B	KAREN L. ZAKOWICZ
1048B	CRAIG T. MIZUTARI
1049B	DENNIS J. BUCKLEY
1050B	JAY HOPKINS
1051B	JEFFREY A. KALIHHER
1052B	MICHAEL J. NAVA
1053B	KRAIG V. JOHNSON
1054B	MARC L. LECOCQ
1055B	JAMES R. MATTHEWS
1056B	GERALD O'HAGAN
1057B	DAREN A. WALLACH
1058B	BRIAN K. LEONG
1059B	BEN J. FRASCONA

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

General Members

Service-Connected Disability Applications

On a motion by Mr. Adams, seconded by Mr. Bernstein, 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>
2907B*/**	STEPHEN J. NAPOLI (DEC'D)
2908B*/***	JOSHUA J. KREBS
2909B*	ELIZABETH O. OYAIRO
2910B****	RUTHIE BURRELL
2911B***	JOELYN L. PULLANO
2912B****	GEORGE J. KOLLE
2913B***	SAMUEL ROJO
2914B****	BERNARD HUDSON, III
2915B****	SUREN MELKONYAN
2916B*****	MARY L. MCCOY
2917B*****	BERTHA B. MEDRANO

* Applicant Present

** Granted SCD – Survivor Benefit

*** Granted SCD – Retroactive

**** Granted SCD – Employer Cannot Accommodate

***** Granted SCD – Retroactive Since Employer Cannot Accommodate

VII. DISABILITY RETIREMENT APPLICATIONS ON CONSENT CALENDAR

General Members

Service-Connected Disability Applications

APPLICATION NO.

NAME

2918B*

JOE RASEKNIA

2919B**

EVET MARKARIAN

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Board 1) Accept Mercer's audit report and follow recommendation not to re-open the CMS Medicare Part D Retiree Drug Subsidy (RDS) claim submissions for the 2014-2015 Plan Year Anthem Blue Cross Plans I, II, III, Prudent Buyer Plan, Kaiser, and Cigna with the Centers for Medicare and Medicaid Services; and 2) Accept the recommendation not to perform a similar audit for the 2015-2016 RDS submissions, instead, perform a similar audit for the 2016-2017 RDS Submissions. (Memo dated November 15, 2018)

Ms. Smith and Lisa Oswald from Mercer Consulting were present and answered questions from the Board.

Mr. Bernstein made a motion, Mr. Santos seconded, to approve staff's recommendation for VIII. A. 1 and accept the recommendation not to perform a similar audit for the 2015-2016 RDS submissions, and in addition not perform an audit for the 2016-2017 RDS submissions, and, instead, perform the next audit for the 2018-2019 RDS submissions. The motion passed unanimously.

* Granted SCD – Retroactive

** Granted SCD – Employer Cannot Accommodate

VIII. NON-CONSENT ITEMS (Continued)

B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer:
That the Board:

1. Approve a visit with Congress by Board members and staff as designated by the Chair of the Board of Retirement during the week of January 27, 2019 in Washington, D.C.;
2. Authorize the attendance at both the National Conference on Public Employee Retirement Systems 2019 Legislative Conference and the visit to Congress as an exception to the conference attendance limitations under Section 705.07 of LACERA's Education and Travel Policy pursuant to Section 705.18, contingent on visits being scheduled on January 30, 2018; and
3. Approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

(Memo dated December 3, 2018)

Mr. Bernstein made a motion, Mr. Kehoe seconded, to approve the recommendation with the revision to count the National Conference on Public Employee Retirement Systems 2019 Legislative Conference and the visit to Congress as one conference regardless of whether a member attends both events. The motion passed unanimously.

C. Recommendation as submitted by Vanessa Gonzalez, Benefits Division, Interim Division Manager: That the Board 1) Determine, based upon medical evaluation conducted October 30, 2018, that Lydia E. Johnson is not incapacitated for the duties assigned to her in the position of Court Reporter; and 2) Grant the application of Lydia E. Johnson for reinstatement to active membership. (Memo dated November 20, 2018)

Mr. Buenaflor was present to answer questions from the Board.

Mr. Kehoe made a motion, Mr. Robbins seconded, to approve the recommendation. The motion passed unanimously.

VIII. NON-CONSENT ITEMS (Continued)

- D. Recommendation as submitted by Lou Lazatin, Chief Executive Officer: That the Board consider rescheduling the Wednesday, January 2, 2019 Disability meeting. (Memo dated November 19, 2018)

Mr. Santos made a motion, Ms. Gray seconded, to approve moving the Wednesday, January 2, 2019 Disability meeting to a combined BOR meeting on Thursday, January 10, 2019. The motion passed with Messrs. Adams, Santos, Gray, and Ms. Zapanta-Murphy voting yes; and Messrs. Bernstein, Kehoe, and Robbins voting no.

IX. REPORTS

The following items were received and filed.

- A. For Information Only as submitted by Ricki Contreras, Division Manager, Disability Retirement Services, regarding the Application Processing Time Snapshot Reports. (Memo dated December 4, 2018)

Ms. Contreras was present to answer questions from the Board.

- B. For Information Only as submitted by Fern M. Billingsy, Senior Staff Counsel, regarding the Report of Pensionable Compensation and Compensation Earnable Items. (Memo dated November 14, 2018)

Ms. Billingsy was present to answer questions from the Board.

- C. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the Code of Ethical Conduct. (Memo dated December 3, 2018)

Mr. Rice was present to answer questions from the Board.

- D. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the November 2018 Fiduciary Counsel Contact and Billing Report. (Memo dated December 3, 2018) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

Mr. Rice was present to answer questions from the Board.

X. ITEMS FOR STAFF REVIEW

The Board requested that staff look into any impact that the benefits that LA County and the Superior Courts recently approved may have for LACERA employees.

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

Mr. Bernstein requested staff to agendaize, for the January Board of Retirement and Board of Investments meetings, an item to return the Joint Organizational Governance Committee.

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability

APPLICATION NO. & NAME

BOARD ACTION

5047B – MIRIAM T. LAZOS*

Mr. Kehoe made a motion, Ms. Gray seconded, to grant a service-connected disability retirement.

The makers of the motion amended their motion, to refer back to staff for additional information. The motion passed unanimously.

5048B – QI LI**

Ms. Gray made a motion, Mr. Santos seconded, to refer back to staff for additional information. The motion passed unanimously.

5049B – C. RENAE WALKER-JONES

Mr. Santos made a motion, Mr. Kehoe seconded, to authorize staff to obtain a second opinion. The motion passed unanimously.

* Applicant Present

**Applicant's Representative Present

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

APPLICATION NO. & NAME

BOARD ACTION

5050B – LONG C. CHEN

Mr. Kehoe made a motion, Mr. Pryor seconded, to grant a nonservice-connected disability retirement pursuant to Government Code Section 31720. The motion passed unanimously.

5051B- TINA M. HAWKINS

Mr. Kehoe made a motion, Mr. Robbins seconded, to deny a service-connected disability retirement since the employer can accommodate. The motion passed unanimously.

5052B – ANITA M. SILER

Ms. Gray made a motion, Mr. Pryor seconded, to deny a service-connected disability retirement and find the applicant not permanently incapacitated since the employer can accommodate. The motion passed unanimously.

5036B – GALE BENJAMIN

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

(Mr. Kehoe left the Board meeting at 11:30 a.m.)

5053B – 2018-1MS

Mr. Robbins made a motion, Mr. Bernstein seconded, to deny a service-connected disability retirement. The motion passed unanimously by all members present.

XII. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports

APPLICATION NO. & NAME

BOARD ACTION

BONNIE B. PAYNE-HILL – Thomas J. Wicke for the applicant
Eugenia Der for the respondent

Mr. Adams made a motion, Mr. Harris seconded, to grant a service-connected disability retirement. The motion passed unanimously by all members present.

C. Staff Recommendations

1. Recommendation as submitted by Ricki Contreras, Manager, Disability Retirement Services Division: That the Board approve the service provider invoice for Stuart Fischer, M.D. (Memo dated December 4, 2018)

Ms. Contreras was present to answer questions from the Board.

Mr. Robbins made a motion, Mr. Pryor seconded, to approve the recommendation. The motion passed unanimously by all Board members present.

2. Recommendation as submitted by Ricki Contreras, Division Manager, Disability Retirement Services: That the Board close Harry B. Solano's application for disability retirement. (Memo dated December 6, 2018)

Ms. Contreras was present to answer questions from the Board.

Mr. Pryor made a motion, Mr. Santos seconded, to approve the recommendation. The motion passed unanimously by all Board members present.

XIII. 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)

Number of Potential Cases: Unknown (One Legal Issue)

The Board met in Executive Session with counsel pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. The Board unanimously by all members present voted, on a motion made by Mr. Santos, seconded by Mr. Adams, to approve a unified dispute resolution process for member issues raised by the County's settlement of Deputy Sheriff Level II Bonus overpayments.

- B. Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation (Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9)

Number of Potential Cases: 1

The Board met in Executive Session with counsel pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report.

- C. Conference with Legal Counsel – Existing Litigation
Significant Exposure to Litigation (Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)

1. Petition of Robert Morgan for a Hearing CSC No. 18-251

The Board met in Executive Session with counsel pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9. The Board unanimously by all members present voted, on a motion made by Mr. Pryor, seconded by

XIII. EXECUTIVE SESSION (Continued)

Mr. Adams, to retain Nohemi Gutierrez Ferguson, Esq. to represent LACERA in the pending appeal before the Civil Service Commission.

2. CalFire Local 2881 v. CalPERS, et al.,
Case No. S239958 (Cal. Sup. Ct.)
For Information Only

The Board met in Executive Session with counsel pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report.

XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:30 p.m.

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

1. Retirement Board Listing dated December 13, 2018

MARVIN ADAMS, SECRETARY

VIVIAN H. GRAY, CHAIR



December 31, 2018

TO: Each Member
Board of Retirement
Board of Investments

FROM: Lou Lazatin
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.

March Madness

We refer to the period beginning in December through the end of March as "March Madness" because retirements tend to spike during this period as members desire to retire in time to be eligible for any April 1st cost-of-living adjustment (COLA) that may be approved. As we have in years past, we are continuing our commitment to share the annual March Madness statistics in the Chief Executive Officer's report. There are two key statistics we track during this time of year.

How well are we keeping up with our member's requests to retire? The chart below shows the total number of pending retirement elections. All incoming retirement requests are triaged by staff to facilitate processing those retirements with immediate retirement dates and those which will require special handling (i.e. legal splits and those with uncompleted service credit purchases).

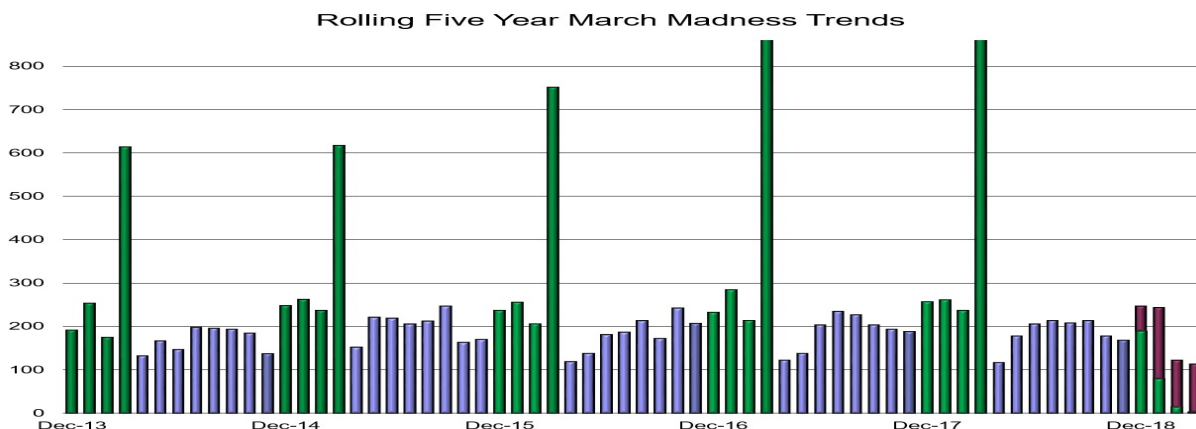
Retirement Month	Retirement Elections
December 2018	57
January 2019	163
February 2019	107
March 2019	110
Pending Disability Cases	106
Total Pending	543

The 433 retirement elections not completed for December - March are pending for the following reasons: additional research or information required (11), processed after the month end payroll process (33), in-process (actively assigned for work) (147), pending processing (242).

The 106 Pending Disability Cases represents the number of approved disability cases being processed by the Benefits Division. Once a disability has been granted by the Board, the Benefits Division staff work with the member and their employer to select a disability effective date, determine the member's option election, and bring them on payroll. These disability cases are pending for the following reasons: pending research (18), in-process (44), pending a decision on the effective date (10), and waiting for an action by the member (34). These cases are not assigned to a specific month in the "March Madness" period because the final effective date has not been determined. As with service retirements some cases have mitigating factors such as legal splits and uncompleted purchases which can also extend processing. We expect to successfully meet the retirement agenda deadlines for a majority of our March Madness retirees.

The second key statistic is the volume of retirements during the year, and especially during March Madness. This gives us an indication on the severity of the stress being placed on our capacity to meet our various member service requests and demands placed upon our staff.

The green bars in the following chart reflect those members who have been approved to retire (i.e., their retirement elections have been approved and completed). The red bars reflect those cases that have not been processed as of the date of this report. As of December 20, 2018, we have processed 437 out of 729 retirements for the March Madness period so far. Comparing the total processed and pending per month we are running on ahead of the five-year average (last five completed years) for December (246 vs. avg. of 233). Putting this into perspective during last year's March Madness 1,685 members retired, which was higher than the rolling five-year average of 1,466 (the five year averages may change from month to month as disability cases are processed due to retroactive retirement dates).



Management Offsite Meeting

On December 17, 2018, we hosted a Management Offsite with LACERA's division managers and their management teams to discuss the organization's Mission, Vision, Values, Ethics, and Strategic Planning. Structured to harness each department's expertise and inspire open discussion, the meeting was the kick-off of what will be a regular series of meetings intended to promote better communications and coordination between divisions and more efficiently achieve LACERA's strategic goals.

We started the day with my opening remarks encouraging all participants to be fully engaged in the process and outlining several strategic goals: 1) fund sustainability, 2) transforming healthcare purchasing and delivery, 3) reducing complexity, 4) cultivating a risk-intelligent organization, and 5) promoting high performance and diversity in the workforce. We followed this with a discussion of LACERA's mission, focusing on the principles of people first, process, technology and training, and self-improvement to achieve that mission.

Discussions about LACERA's Vision Statement and Values were led by Chief Investment Officer, Jonathan Grabel and Disability Retirement Division Manager, Ricki Contreras, respectively, with a working group established to develop and modernize both the Vision and Values Statements. A presentation on ethics was provided by Chief Counsel Steven Rice, with a review of the LACERA's three key documents on the topic: *The Code of Ethical Conduct*, *Ten Commandments of Ethical Conduct*, and *Conflict of Interest Code*.

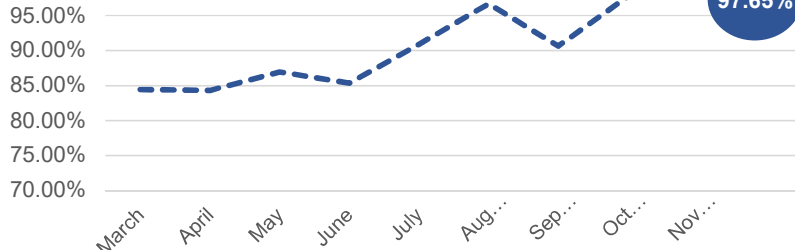
Wrapping up the day was a discussion of strategic planning presented by Assistant Executive Officer JJ Popowich, Systems Manager James Brekk, and myself. Popowich and Brekk co-presented the current Strategic Plan, then reviewed the concept of a SWOT analysis (strengths, weaknesses, opportunities and threats) and its relationship to setting achievable goals that are relevant to our Mission. They broke the group into four teams to discuss SWOT from their points of view, then reconvened to review the teams' top issues.

With the SWOT complete, the team shared the next steps in the process. The Executive team and Mr. Brekk will break out the current strategic plan into the goal categories I shared at the meeting outset. We will then reconvene the management team to review the re-categorization, discuss prioritizing the goals based on effort, resources, and impact, and assigning a project manager and working teams for each goal. Following this management offsite the working teams will be tasked with creating project plans detailing how the goal will be accomplished and translating the project plans into the budget planning process.

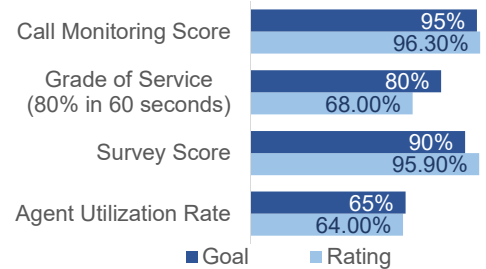
Striving for Excellence in Service

<p>Outreach Attendance 2,688 18,136 Year-to-Date</p>	<p>Outreach Events 38 208 Year-to-Date</p>	<p>Outreach Satisfaction 96.1% 1.2% Change Since Last Mo.</p>	<p>Member Service Center 100.0% 0.0% Change Since Last Mo.</p>	<p>Member Services Calls 8,210 9,881 3 Mo. Avg.</p>
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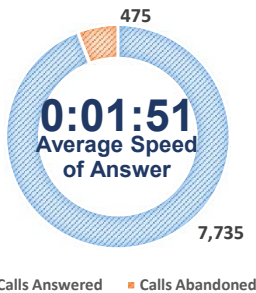
Key Performance Indicator (Overall Performance)



Key Performance Indicator (Components)



Member Services



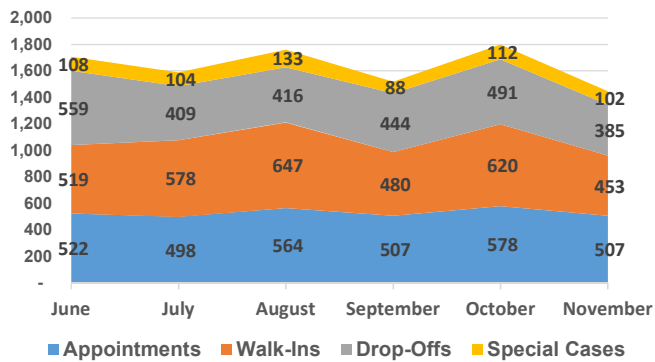
Top Calls

1. Workshop Info/Appointments Inquiry
2. Death: Benefit Explanation
3. Address/Name Change: Request

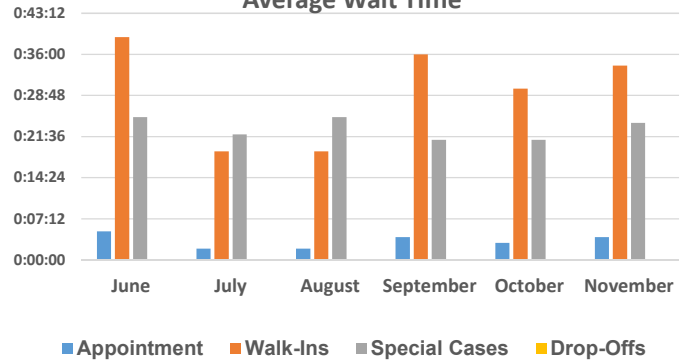


265 Emails
6:28 hours
Avg. Response Time (ART)

Member Service Center Visits

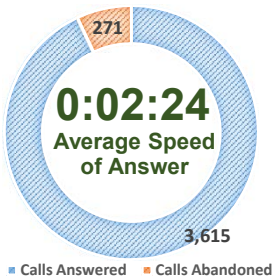


Member Service Center Average Wait Time



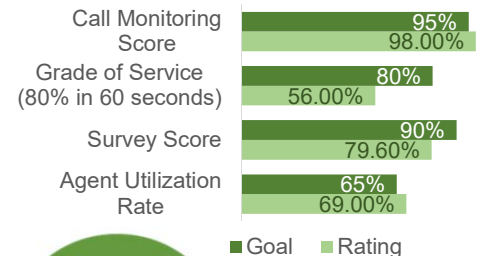
*Drop Off Wait Time: No Waiting

Retiree Healthcare



Top Calls

1. New Enrollment/Change/Cancel
2. Med. Benefits - General Inquiries (RHC)
3. General Inquiries (RHC)



144 Emails
1 day
Avg. Response Time (ART)

Striving for Excellence in Service (Continued)

Applications

537

On Hand

38 Received
 192 Year-to-Date
 0 Re-opened
 0 Year-to-Date
 45 To Board - Initial
 227 Year-to-Date
 0 Closed
 13 Year-to-Date
 530 In Process
 530 Year-to-Date

Appeals

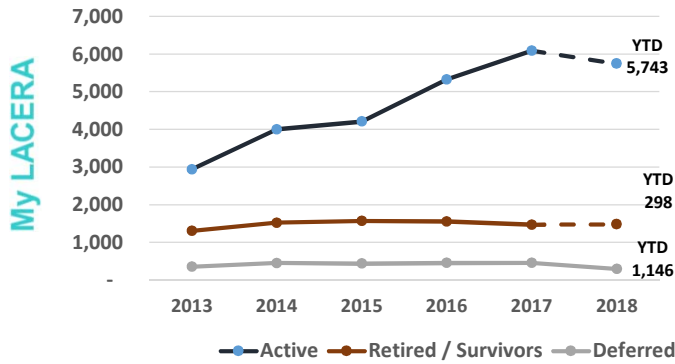
99

On Hand

1 Received
 10 Year-to-Date
 1 Admin Closed/Rule 32
 8 Year-to-Date
 1 Referee Recommended
 5 Year-to-Date
 0 Revised/Reconsidered for Granting
 4 Year-to-Date
 98 In Process
 98 Year-to-Date

Disability

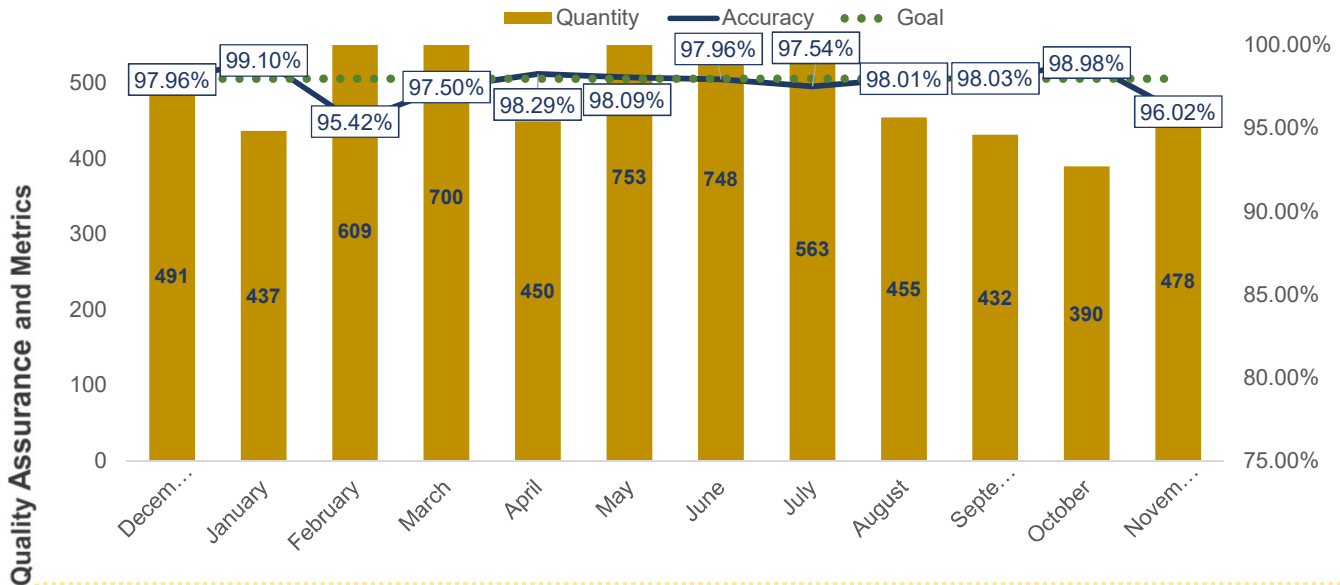
My LACERA Registrations



MORE COMING SOON!

Striving for Excellence in Quality

Audits of Retirement Elections, Payment Contracts, and Data Entry



November



96.02%

Retirement Elections

258 Samples
95.96% Accuracy

Payment Contracts

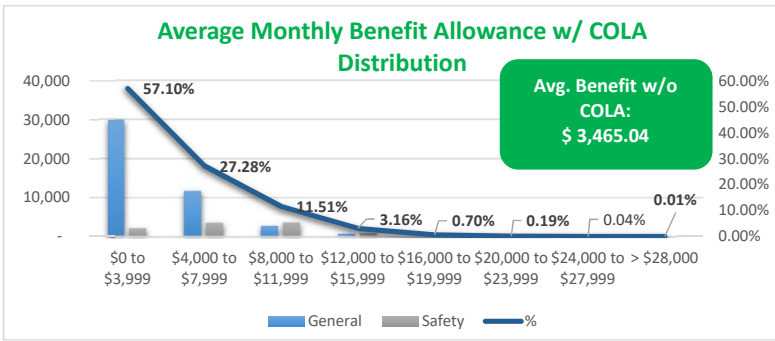
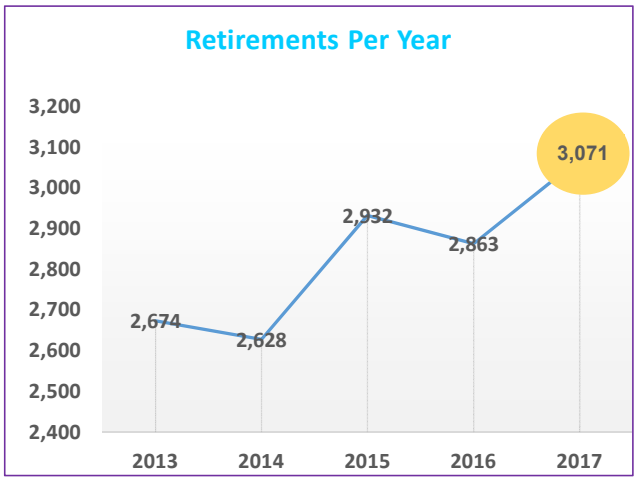
102 Samples
92.58% Accuracy

Data Entry

90 Samples
99.53% Accuracy

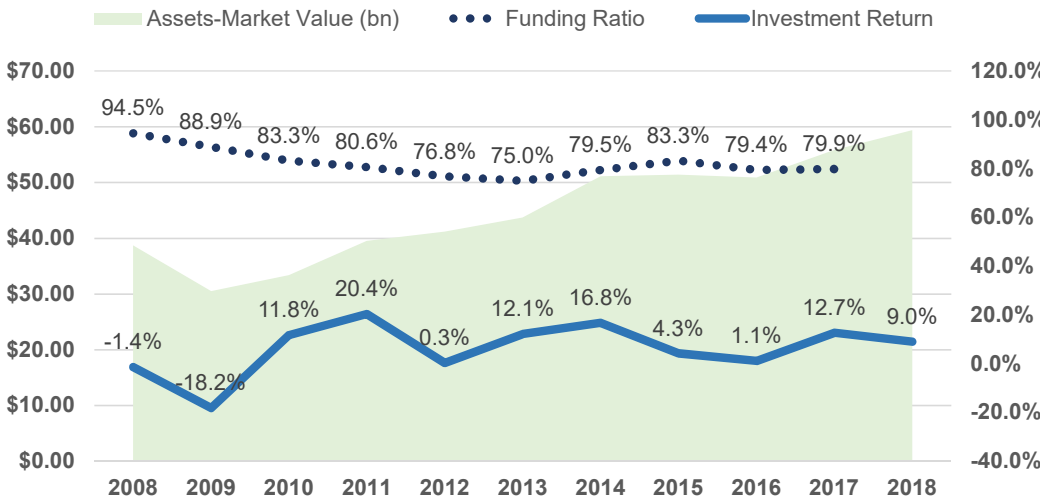
Member Snapshot

	Members as of 12/20/18				Total
	Plan	Active	Retired	Survivors	
General	Plan A	127	17,306	4,495	21,928
	Plan B	42	683	66	791
	Plan C	54	421	67	542
	Plan D	42,932	14,610	1,347	58,889
	Plan E	17,997	12,599	1,127	31,723
	Plan G	25,138	20	1	25,159
	Total General	86,290	45,639	7,103	139,032
Safety	Plan A	5	5,379	1,596	6,980
	Plan B	10,168	5,425	268	15,861
	Plan C	2,798	8	0	2,806
	Total Safety	12,971	10,812	1,864	25,647
TOTAL MEMBERS	99,261	56,451	8,967	164,679	
% by Category	60%	34%	5%	100%	



Healthcare Program (YTD)			Healthcare Enrollments (Monthly)	
	Employer	Member		
Medical	\$213.0m	\$17.8m	Medical	50,276
Dental	\$18.2m	\$1.8m	Dental	51,492
Part B	\$26.1m	xxxx	Part B	38,818
Total	\$257.3m	\$19.7m	LTC	660
			Total	141,246

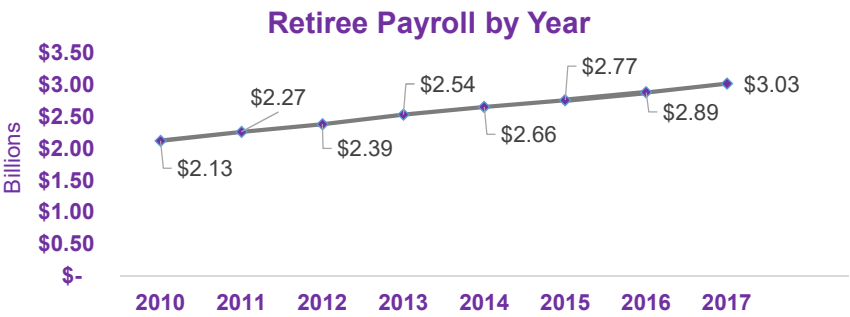
Key Financial Metrics



Funding Metrics (as of 6/30/18)	
Employer NC	9.92%
UAAL	10.99%
Assumed Rate	7.25%
Star Reserve	\$614m
Total Assets	\$56.3b

Contributions (as of 6/30/18)		
	Employer	Member
Annual Add	\$1,524.8m	\$591.3m
% of Payroll	20.91%	6.88%

Retired Members Payroll	
Monthly Payroll	\$281.4m
Payroll YTD	1.4b
New Retired Payees Added	258
Seamless %	96.90%
New Seamless Payees Added	1,470
Seamless YTD	97.62%
By Check %	4.00%
By Direct Deposit %	96.00%

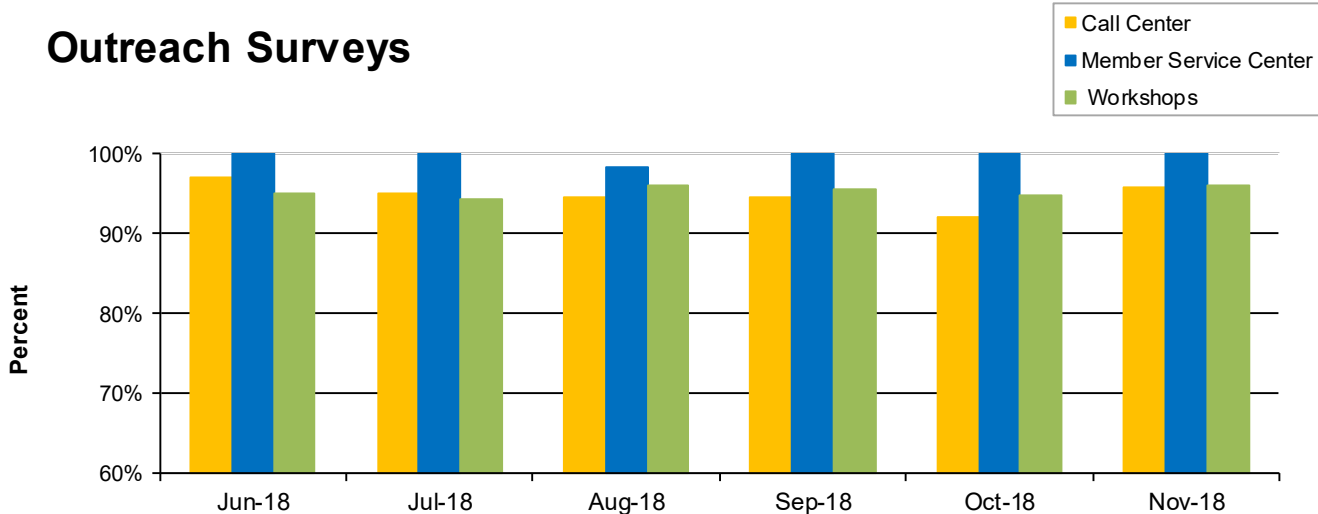


LACERA's KEY BUSINESS METRICS

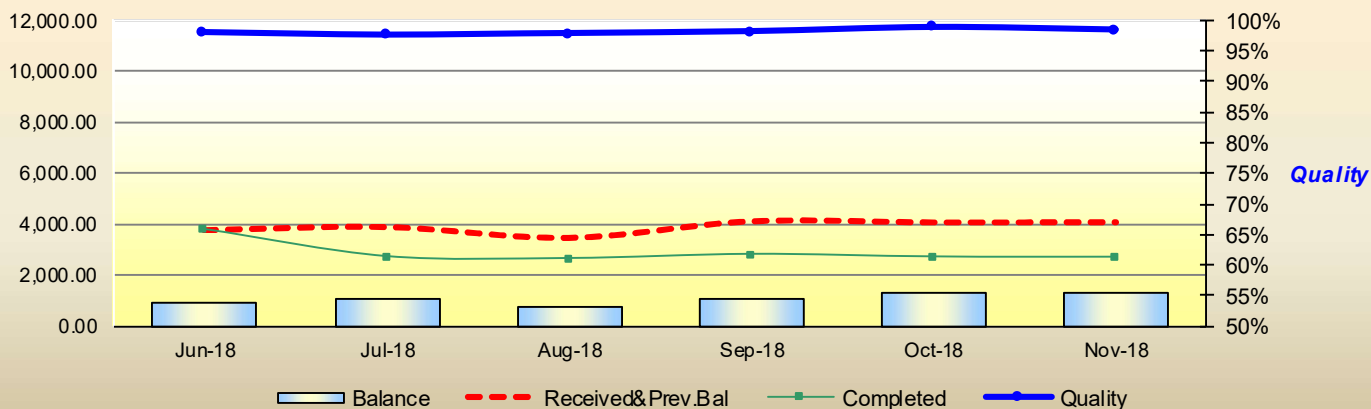
OUTREACH EVENTS AND ATTENDANCE

Type	# of WORKSHOPS		# of MEMBERS	
	Monthly	YTD	Monthly	YTD
Benefit Information	12	88	493	5,976
Mid Career	3	15	95	825
New Member	12	53	314	1,321
Pre-Retirement	9	33	227	834
General Information	2	17	112	864
Retiree Events	0	2	0	200
Member Service Center	Daily	Daily	1,447	8,116
TOTALS	38	208	2,688	18,136

Outreach Surveys



Benefits and Member Services Production and Quality Summary (Rolling 6 Months)



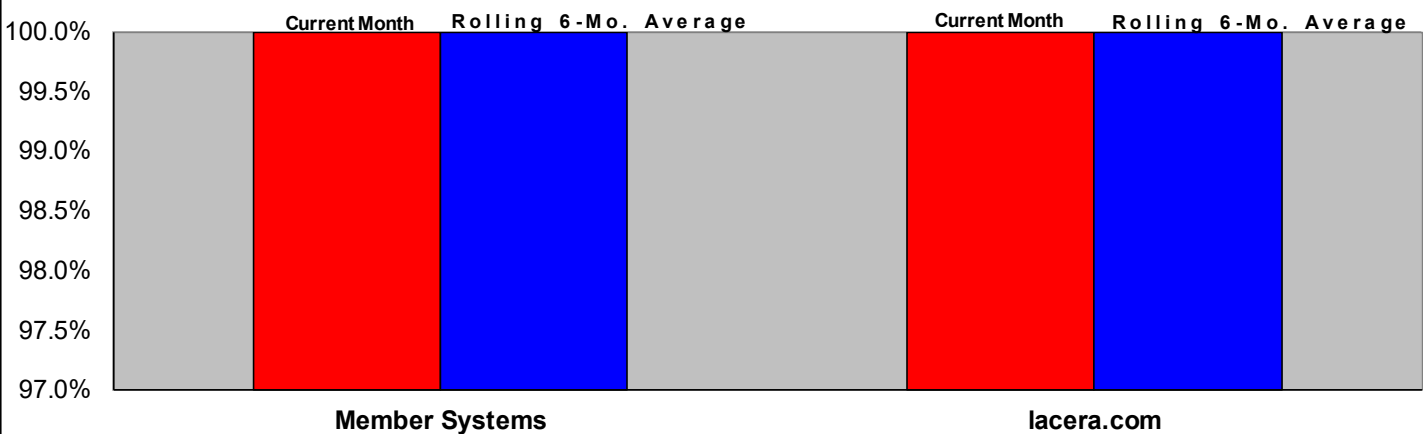
Member Services Contact Center			RHC Call Center	Top Calls
Overall Key Performance Indicator (KPI)		97.65%		
Category	Goal	Rating		
Call Center Monitoring Score	95%	96.30%	98%	<u>Member Services</u>
Grade of Service (80% in 60 seconds)	80%	68%	56%	1) Workshop: Info/Appts. Inquiry
Call Center Survey Score	90%	95.90%	79.60%	2) Death: Benefit Explanation
Agent Utilization Rate	65%	64%	69%	3) Address/Name Change: Request
Number of Calls		8,210	3,886	<u>Retiree Health Care</u>
Number of Calls Answered		7,735	3,615	1) New Enrollment/Change/Cancel
Number of Calls Abandoned		475	271	2) Medical Benefits-Gen. Inquiries (RHC)
Calls-Average Speed of Answer (hh:mm:ss)		00:01:51	00:02:24	3) General Inquiries (RHC)
Number of Emails		265	144	
Emails-Average Response Time (hh:mm:ss)		06:28:04	(Days) 1	Adjusted for weekends

LACERA's KEY BUSINESS METRICS

Fiscal Years	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assets-Market Value	\$30.5	\$33.4	\$39.5	\$41.2	\$43.7	\$51.1	\$51.4	\$50.9	\$55.8	\$59.4
Funding Ratio	88.9%	83.3%	80.6%	76.8%	75.0%	79.5%	83.3%	79.4%	79.9%	80.6%
Investment Return	-18.3%	11.6%	20.2%	0.0%	11.9%	16.5%	4.1%	0.8%	12.7%	9.0%

DISABILITY INVESTIGATIONS						
APPLICATIONS	TOTAL	YTD		APPEALS	TOTAL	YTD
On Hand	537	xxxxxxx		On Hand	99	xxxxxxx
Received	38	192		Received	1	10
Re-opened	0	0		Administratively Closed/Rule 32	1	8
To Board – Initial	45	227		Referee Recommendation	1	5
Closed	0	13		Revised/Reconsidered for Granting	0	4
In Process	530	530		In Process	98	98

SYSTEMS AVAILABILITY - NOVEMBER 2018



Active Members as of 12/20/18		Retired Members/Survivors as of 12/20/18			Retired Members	
		Retirees	Survivors	Total		
General-Plan A	127	17,306	4,495	21,801	Monthly Payroll	281.43 Million
General-Plan B	42	683	66	749	Payroll YTD	1.4 Billion
General-Plan C	54	421	67	488	No. Monthly Added	258
General-Plan D	42,932	14,610	1,347	15,957	Seamless %	96.90%
General-Plan E	17,997	12,599	1,127	13,726	No. YTD Added	1,470
General-Plan G	25,138	20	1	21	Seamless YTD %	97.62%
Total General	86,290	45,639	7,103	52,742	Direct Deposit %	96.00%
Safety-Plan A	5	5,379	1,596	6,975		
Safety-Plan B	10,168	5,425	268	5,693		
Safety-Plan C	2,798	8	0	8		
Total Safety	12,971	10,812	1,864	12,676		
TOTAL ACTIVE	99,261	TOTAL RETIRED	56,451	8,967		

Health Care Program (YTD Totals)		
	Employer Amount	Member Amount
Medical	213,011,595	17,835,088
Dental	18,159,866	1,837,976
Med Part B	26,088,726	xxxxxxxxxx
Total Amount	\$257,260,187	\$19,673,064

Health Care Program Enrollments (Monthly)	
Medical	50,276
Dental	51,492
Med Part B	38,818
Long Term Care (LTC)	660

Funding Metrics as of 6/30/18	
Employer Normal Cost	9.92%
UAAL	10.99%
Assumed Rate	7.25%
Star Reserve	\$614 million
Total Assets	\$56.3 billion

Member Contributions as of 6/30/18	
Annual Additions	\$591.3 million
% of Payroll	6.88%

Employer Contributions as of 6/30/18	
Annual Addition	\$1,524.8 million
% of Payroll	20.91%

Date	Conference
February, 2019	
1	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Hilton Oakland Airport
1	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Hilton Oakland Airport
5-6	IMN (Information Management Network) Annual Beneficial Owners’ Intl. Securities Finance & Collateral Mgmt. Conference Fort Lauderdale, FL
12-13	2019 Milken Institute MENA Summit Abu Dhabi, UAE
25-26	National Institute on Retirement Security (NIRS) 2018 Policy Conference Washington D.C.
27-March 1	Pacific Pension Institute (PPI) North American Winter Roundtable Los Angeles, CA
March, 2019	
2-5	CALAPRS (California Association of Public Retirement Systems) General Assembly Meeting Monterey, CA
4-6	Council of Institutional Investors (CII) Spring Conference Washington D.C.
13-14	AHIP (America’s Health Insurance Plans) National Health Policy Conference Washington D.C.
14-15	PREA (Pension Real Estate Association) Spring Conference Dallas, TX
27-29	CALAPRS (California Association of Public Retirement Systems) Advanced Principles of Pension Management for Trustees at UCLA Los Angeles, CA
28	NASP (National Association of Securities Professionals) Day of Education in Private Equity Los Angeles, CA
April, 2019	
8-10	IFEBP (International Foundation of Employment Benefit Plans) Investments Institute Phoenix, AZ
14-17	CRCEA (California Retired County Employees Association) Spring Conference San Diego, CA



December 27, 2018

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Division Manager
Disability Retirement Services

SUBJECT: **APPEALS FOR THE BOARD OF RETIREMENT'S MEETING
OF JANUARY 10, 2019**

IT IS RECOMMENDED that the Board of Retirement 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:


5043B	Arlene S. Zendel	In Pro Per	Grant NSCD w/Option of Earlier Effective Date – Deny SCD
5045B	Ana J. Colon	In Pro Per	Deny SCD
5053B	Sarah E. Marks	Joon Y. Kim	Deny SCD

RC:kw

Memo. New Appeals.docx

December 26, 2018

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Manager 
Disability Retirement Services Division

FOR: January 10, 2019 Board of Retirement Meeting

SUBJECT: **E TO D APPLICATION OF JANICE C. MARKAR-ARAGHI**

A member electing a prospective Plan D transfer must satisfy one of two waiting periods in order to apply for a disability retirement. The member must have either (1) Completed two continuous years of active service after his or her most recent transfer date, or (2) Earned five years of retirement service credit under Retirement Plan D after his or her most recent transfer date.

A determination as to whether the two year waiting period has been satisfied can be complicated if the member is absent from work or reduces his or her work schedule to part-time between the date of transfer and the date of application. This is because a paid leave of absence or part-time work schedule is nevertheless considered “active service,” unless “the leave of absence or part-time service is necessitated by a pre-existing disability, injury, or disease.” (G.C. §31494.5(g)(1).)

Your Board is required to “determine whether or not a (paid) leave of absence or part-time service is necessitated by a pre-existing disability, injury, or disease, and thus excluded from the member’s active service . . .” (G.C. §31494.5(g) (1).)

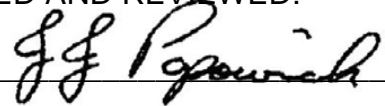
Disability Retirement Services and Legal Counsel have reviewed the file, and their analysis is attached. It has been concluded that the member failed to meet any of the filing requirements of Government Code Section 31494.5.

IT IS THEREFORE RECOMMENDED THAT the Board of Retirement reject the Application of Janice C. Markar-Araghi for processing.

RC:mb

Attachment

NOTED AND REVIEWED:



JJ Popowich, Assistant Executive Officer



December 18, 2018

TO: Ricki Contreras, Division Manager
Disability Retirement Services

FROM: Francis J. Boyd 
Senior Staff Counsel

FOR: January 10, 2019 Disability Board of Retirement meeting

SUBJECT: APPLICATION OF PLAN E TO D MEMBER JANICE C. MARKAR-ARAGHI

RECOMMENDATION

I recommend the Board of Retirement find:

1. Janice C. Markar-Araghi has not completed two continuous years of active service or earned five years of retirement service credit under Retirement Plan D after her most recent transfer date as required by Government Code section 31494.5 (e); and
2. Instruct staff to reject Ms. Markar-Araghi's Application for Disability Retirement for processing.

LAW

Government Code section 31494.5 allows a Plan E member to transfer to Plan D prospectively. Under a prospective transfer, the member's prior service continues to be governed by Plan E, and the member begins accruing Plan D service credit on a going-forward basis.

A member electing a prospective Plan D transfer must satisfy one of two (2) waiting periods in order to apply for a disability retirement. The member must have either:

1. Completed *two continuous years of active service after* his or her most recent transfer date, or
2. Earned five years of retirement service credit under Retirement Plan D *after* his or her most recent transfer date. (Gov. Code § 31494.5 (e)) (Italics added).

"Active service" is defined under subsection (g)(1) as follows:

'Active service' means time spent on active, on-the-job performance of the duties of a full-time or part-time position and on any authorized paid leaves of absence; provided, however, that *any authorized paid leave of absence or part-time service shall not constitute active service if the leave of absence or part-time service is necessitated by a preexisting disability, injury, or disease. . .* (Italics added).

PERTINENT FACTS

Ms. Markar-Araghi began her County employment on October 4, 1999, with the Department of Superior Court Judges, and she last worked as an Administrative Assistant III. When she was hired, she enrolled in Plan D. On January 31, 2003, she transferred into Plan E. On August 1, 2010, she transferred back into Plan D, and her last day at work was April 29, 2013. After her last transfer into Plan D on August 1, 2010, she accumulated 3 years and one-half months of service credit. Ms. Markar-Araghi last contributed into Plan D on September 15, 2013, and she service retired on May 25, 2017. At the time she retired, cumulatively she had a total of six years and three and one-half months of service credit in Plan D.

Application: An application for a service-connected disability retirement was filed on February 22, 2018, based on bilateral carpal tunnel syndrome, bilateral shoulders, fibromyalgia, hypertension, Barrett's esophagus-acid reflux, sleep disturbances, and stress.

Pre-existing medical conditions: Prior to her August 1, 2010, transfer into Plan D, Ms. Markar-Araghi filed workers' compensation claims and received treatment for the following conditions: fibromyalgia, bilateral carpal tunnel syndrome, bilateral upper extremities, bilateral lower extremities, neck and back, GERD, sleep disturbance, stress, psychological conditions, and seizures.

Absences after August 1, 2010 transfer into Plan D: The following is a timeline of the periods Ms. Markar-Araghi missed work due to her pre-existing medical conditions:

August 1, 2010:	Transfer into Plan D
November 4, 2010:	Off 8 hours due to gastrointestinal issues
July 15, 2011:	Off 8 hours due to gastrointestinal issues
February 16, 2012:	Off 1 ½ hours due to fibromyalgia

February 27, 2012	Off 8 hours due to internal diagnostic testing
May 9, 2012:	Off 2 hours and treated for anxiety and stress
June 12, 2012:	Off 4 hours for diagnostic testing for December 8, 2005 injury
December 7, 2012:	Off 8 hours due to left hip/thigh pain
April 16, 2013:	Off 8 hours due to a left knee non-industrial injury that occurred 6 days prior
April 11, 2013 to April 28, 2013	Out on sick leave
April 29, 2013:	Last day worked
May 25, 2017	Ms. Markar-Araghi retired from County service.

DISCUSSION

Ms. Markar-Araghi transferred from Plan E to D on August 1, 2010, and accrued 3 years and one-half months of service credit after her prospective plan transfer. The above timeline shows that she has not completed two continuous years of active service after her transfer. Because she has neither completed two continuous years of active service nor earned five years of retirement service credit after her prospective plan transfer date, her application should not be accepted for processing under Government Code section 31494.5.

CONCLUSION

Ms. Markar-Araghi failed to meet either two continuous years of active service or the alternative eligibility requirement of earning five years of retirement service credit under Retirement Plan D after her most recent transfer date.

I recommend the Board find that she does not meet the requirements of Government Code section 31494.5 and instruct staff not to accept her application for processing.

FJB:jm

December 24, 2018

TO: Each Member
Board of Retirement

FROM: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Herman Santos
Gina Zapanta-Murphy
Thomas Walsh, Alternate

FOR: January 10, 2019 Board of Retirement Meeting

SUBJECT: **Adoption of Revised Legislative Policy**

RECOMMENDATION

That the Board of Retirement adopt the revised Legislative Policy.

LEGAL AUTHORITY

The Legislative Policy provides that “[it] shall be reviewed by the Board of Retirement and Board of Investments biannually at the end of each two-year legislative session and may be amended by action of both Boards at any time.” Staff is concurrently recommending that the Board of Investments also adopt the revised Legislative Policy.

DISCUSSION

The Legislative Policy for the Board of Retirement and Board of Investments originally consisted of two separate documents. The separate policies were restated and redeveloped into a single-source joint policy document that was approved by the Board of Retirement on October 13, 2016 and the Board of Investments on October 12, 2018.

The Legislative Policy was most recently revised by the Board of Retirement on May 10, 2018 and the Board of Investments on May 9, 2018 to ensure that LACERA can respond efficiently and effectively to time-sensitive matters before they can be considered at the next regularly scheduled board meeting.

The current review of the Legislative Policy is being undertaken in accordance with its regularly scheduled review at the end of each two-year legislative session. Staff is seeking approval on the proposed revisions as well as feedback on any additional revisions the Board may have.

State Association of County Retirement Systems

Each year, SACRS solicits legislative proposals from retirement systems operating under the County Employees Retirement Law of 1937 (CERL). These proposals are typically voted on at the Business Meeting of the SACRS Fall Conferences. Each retirement system is entitled to one voting delegate for SACRS-related business matters, including legislative proposals.

Legislative proposals submitted to SACRS are typically administrative in nature. This year, however, there were two proposals that were investment-related (which were ultimately withdrawn and not voted on at the SACRS 2018 Fall Conference). LACERA is the only CERL retirement system that has an investment board. Members of both the Board of Retirement and Board of Investments are regular members of SACRS. Currently, the LACERA voting delegate is the Chief Executive Officer, with alternate delegates being the Board of Retirement members in order of board seat.

Although investment-related proposals for SACRS sponsorship are rare, staff contemplates that a LACERA policy on SACRS business matters may be necessary to clarify the mechanism by which the Board of Investments may give voting instructions to the LACERA voting delegate on investment-related legislative proposals that fall under its subject-matter jurisdiction. Staff will submit a proposal in the near future for consideration by both Boards.

SUMMARY OF PROPOSED REVISIONS

Page 7: The Legislative Policy currently lists specific matters that would fall under the purview of both the Board of Retirement and Board of Investments. The proposed revision would include in general any other administrative or organizational matters that affect both Boards.

Page 15: Monthly status reports on legislation were previously included as Green Folder items. The policy regarding Green Folder items was changed in April 2018 such that the items must relate to an agendaized subject matter. As such, the status reports will be included as reports on the board agendas.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD adopt the revised Legislative Policy.

Attachments

Attachment A—Legislative Policy (redlined)

Attachment B—Legislative Policy (clean)

cc: Lou Lazatin
Robert Hill
JJ Popowich
Steven Rice
Jonathan Grabel
Allan Cochran
Bernie Buenaflor
Ricki Contreras
Cassandra Smith
Anthony J. Roda, Williams & Jensen
Joe Ackler, Ackler & Associates

ATTACHMENT A

LACERA LEGISLATIVE POLICY

Revised:

Board of Retirement: ~~May 10, 2018~~[date]

Board of Investments: ~~May 9, 2018~~[date]

Table of Contents

Statement of Mission and Purpose	3
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Statement of Mission and Purpose

The Los Angeles County Employees Retirement Association (LACERA) was established under the County Employees Retirement Law of 1937 (CERL) and administers retirement benefits provided by CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA). LACERA is governed by the Board of Retirement and the Board of Investments. The Boards have plenary authority and fiduciary responsibility for the system as provided by Section 17 of Article XVI of the California Constitution and in CERL. The Boards have the sole and exclusive fiduciary responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to its members and beneficiaries.

The existence of LACERA and the fiduciary responsibility of its governing Boards are embodied in the organizational mission to *produce, protect, and provide the promised benefits*.

Each element of our mission informs the foundation of this Legislative Policy:

- *Produce* the highest quality of service for our members and sponsors.
- *Protect* the promised benefits through prudent investment and conservation of plan assets.
- *Provide* the promised benefits.

LACERA's retirement plan benefits are provided by CERL, PEPRA, and other provisions under the California Government Code. As a tax-qualified defined benefit plan, LACERA is also subject to federal law under the Internal Revenue Code. The value to our members of the benefits administered by LACERA may also be affected by other provisions of state and federal law. Changes to provisions that affect LACERA are achieved through the state and federal legislative process and through forms of direct democracy by California voters, which include ballot initiatives and referenda. It is also intended that this policy cover state and federal rulemaking, although such action takes place within the Executive branch of government rather than the Legislative. These various proposals, whether submitted through the state or federal legislative process or through rulemaking, may enhance or detract from LACERA's administrative capability and mission; they may also further or infringe upon the Boards' fiduciary responsibilities, member rights and benefits, or LACERA's mission. As such, the Boards will proactively monitor such proposals and voice its position regarding proposals as described in this policy.

LACERA may identify issues that it determines to pursue through sponsorship of legislative proposals. The scope of such issues may vary in applicability to LACERA only or also to other public retirement systems. The diversity of public retirement plans within California implies a diversity of issues that may overlap with or have impact upon other public retirement systems. Consequently, the Boards may directly sponsor legislation or they may co-sponsor legislation with other public retirement systems, through the State

Association of County Retirement Systems, or with other parties that may have an alignment of interest with LACERA with respect to an issue or proposal.

The purpose of this Legislative Policy is to:

- Establish legislative policy standards to guide staff in making recommendations regarding legislative proposals to the Boards.
- Define the range of positions that the Boards may take with respect to legislative proposals.
- Establish a standard memorandum format to provide legislative analysis and recommendations to the Boards.
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The overall goal of this policy is to provide the Boards with flexibility to pursue legislative action on any and all issues that the Boards may view as affecting LACERA's mission.

This policy shall be reviewed by the Board of Retirement and Board of Investments biannually at the end of each two-year legislative session and may be amended by action of both Boards at any time.

Legislative Policy Standards

The legislative policy standards are categorized for the Board of Retirement, the Board of Investments, and both Boards. Legislative action items of interest to the Board of Retirement are first brought before the Board of Retirement's Insurance, Benefits and Legislative Committee for consideration before being recommended to the Board of Retirement. However, items may go directly to the Board of Retirement for consideration with the agreement of both the Chair of the Board of Retirement and the Chair of the Insurance, Benefits and Legislative Committee.

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The legislative policy standards conceptually relate to LACERA's mission to produce, protect, and provide the promised benefits; the legislative policy standards also embody the themes of quality of service, prudent investment, conservation of plan assets, and prompt delivery of benefits and services within each element of LACERA's mission.

Legislative proposals or rulemaking that are enacted into law ultimately require implementation by LACERA. The approach staff will take in formulating positions and recommendations is to foster collaboration with divisions within LACERA and resources outside of LACERA, including other public pension systems, LACERA's legislative advocate, and others whose interests align with LACERA's or who may have relevant information, to fully assess the impact of proposals.

Although the legislative policy standards are intended to guide staff in formulating positions and recommendations to the Boards on legislative proposals or rulemaking, the Boards may in their discretion adopt any position on specific proposals. This policy is not intended to limit the flexibility of the Boards to take a position or other action on any legislative matter or rulemaking that may impact LACERA or its stakeholders, whether or not the specific subject matter is listed in this policy.

Board of Retirement

- Support proposals that provide the Board of Retirement with increased flexibility in its administration of retirement plans and operations or enable more efficient and effective service to members and stakeholders.
- Support proposals that correct structural deficiencies in plan design.

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- Oppose proposals that create unreasonable costs or complexity in the administration of retirement benefits.
- Oppose proposals that are contrary to or interfere with the Board of Retirement's adopted policies or decisions.

Board of Investments

- Support proposals that give increased flexibility to the Board of Investments in its investment policy and administration.
- Support proposals that preserve the assets and minimize the liabilities of trust funds administered by LACERA.
- Support proposals that are consistent with the Board of Investments' Corporate Governance Principles.
- Support proposals that are consistent with the Board of Investments' Statement of Investment Beliefs.
- Support proposals that promote transparent financial reporting.

- Oppose proposals that infringe on the Board of Investments' authority over the actuarial valuation process.
- Oppose proposals that infringe on the Board of Investments' plenary authority or fiduciary responsibility, including but not limited to investment mandates or restrictions.
- Oppose proposals that create unreasonable costs or complexity in the administration of investments.
- Oppose proposals that are contrary to or interfere with the Board of Investment's adopted policies or decisions.

Board of Retirement & Board of Investments

- Support proposals that harmonize the powers and functions of the Board of Retirement and Board of Investments but do not encroach on each Board's respective separate jurisdiction.
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SUPPORT

- Indicates that the Board believes the proposal should become law.
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- If there are substantive¹ amendments to the proposal not requested by LACERA that may cause the Board not to support the proposal, staff will resubmit the proposal to the Board for consideration.

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- Indicates that the proposal affects LACERA and its stakeholders, but the Board neither supports nor opposes it.
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¹ The term "substantive" as used in this Legislative Policy is defined as a change in the proposal that does not merely provide clarification but creates and defines rights and duties or, conversely, removes rights and duties.

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- Indicates that the Board does not believe the proposal should become law.
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- Indicates that the proposal does not affect LACERA and its stakeholders but would be enacted under a law that covers LACERA such as CERL or PEPRA.
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Date

TO:

FROM:

FOR:

SUBJECT: **Bill Number**

Author:

Sponsor:

Introduced:

Amended:

Status:

Board Position:

Committee Recommendation:

Staff Recommendation:

[If the memo addresses rulemaking, the Subject section will provide similar relevant information.]

RECOMMENDATION

[This section states staff's or the Committee's recommendation to the Board.]

LEGISLATIVE POLICY STANDARD

[This section discusses the application of LACERA's legislative policy standards to the proposal and the justification for the recommendation to the Board.]

SUMMARY

[This section describes the provisions of the proposal and the key additions or updates the proposal makes to existing law.]

ANALYSIS

[This section provides an analysis of the effects and implications of the proposal on LACERA.]

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD

[This section restates staff's or the Committee's recommendation and summary or concluding comments.]

Attachments

Attachment 1—Board Positions Adopted On Related Legislation

[This attachment states the positions the Board has previously taken on the subject matter of the bill.]

Attachment 2—Support And Opposition

[This attachment identifies those entities that have already taken a position on the bill.]

Bill Text

Action between Board Meetings

The Board of Retirement generally meets twice a month, including a disability meeting on the first Wednesday and an administrative meeting on the Thursday following the second Wednesday; the Board of Investments meets once a month on the second Wednesday. Since the meeting schedules of the Boards do not necessarily accord with the hearing schedules and deadlines of the state Legislature and Congress. In the event a time-sensitive matter arises, action by staff may be required before the matter is considered by the Board at the next regularly scheduled Board meeting.

I. Legislation on Which the Board Previously Adopted a Position

Staff may engage with LACERA's legislative advocate to communicate a position on amendments to a bill before formal consideration by the Board of Retirement or Board of Investments if all the following conditions are met:

1. The Board had adopted a Support or Oppose position on the bill *before* it was amended.
2. Substantive amendments that may justify a change in the Board's position to other than Neutral or Watch have occurred in the bill *after* the Board adopted a position and *before* the next regularly scheduled board meeting.
3. Consideration of the amended bill by a legislative committee or by the Assembly or Senate floor will occur *before* the amended bill can be considered at the next regularly scheduled board meeting.

Staff will take the following actions:

1. Prepare a legislative analysis of the amended bill for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate for input regarding the amended bill to determine if the new position should be communicated to the Legislature.
3. If the new position should be communicated to the Legislature, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter of the amended bill and obtain approval that the new position be communicated.
4. At the next regularly scheduled Board meeting, present a report to the Board regarding the position communicated in Step 3 and a summary of actions taken.

II. Formally Affiliated Organizations

1. Staff may participate in joint written communications that are organized or requested by formal organizations to which LACERA has formally affiliated and that are consistent with the Board's legislative policy standards.
2. In the event a matter has been addressed in written communications by a formal organization to which LACERA has formally affiliated, staff may, consistent with the Board's legislative policy standards, write letters of support or opposition or engage in advocacy on the matter.

Staff will take the following actions:

1. Prepare a legislative analysis of the matter for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate to determine whether staff should engage in the written communications described in II.1 and II.2.
3. If staff should engage in the written communications described in II.1 and II.2, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter and obtain approval to engage in such written communications.
4. At the next regularly scheduled Board meeting, present a report to the Board of actions taken and copies of the written communications.

Ballot Measures

California law provides for citizens to use ballot measures to initiate a state statute or a constitutional amendment or to repeal legislation through a veto referendum. The California State Legislature may also use ballot measures to offer legislatively referred state statutes or constitutional amendments.

In general, a government agency may not spend *public funds* for a partisan *campaign* advocating the passage or defeat of a ballot measure. It is, however, permissible for a government agency to engage in *informational* activities. What distinguishes *informational* activities from *campaign* activities depends on the style, tenor, and timing of the activity.

From time to time, ballot measures may be offered that are related to public retirement plans. The following guidelines are intended to provide guidance on actions that may be taken with respect to ballot measures on public retirement plans:

- Providing informational staff reports and analysis on the ballot measure's effect in a meeting open to the public.
- Providing a recommendation for the Board to take a position on the ballot measure in a meeting open to the public where all perspectives can be shared. (The Board may or may not take a position on any ballot measure. The Board may take a position when it determines it is necessary to publicly express its opinion for or against a matter on which it feels strongly with respect to its impact on LACERA.)
- Providing the Board's position and views on the ballot measure's merits and effects to interested stakeholders and organizations.
- Responding to inquiries from stakeholders and the public regarding the Board's position and views on the ballot measure.

The Fair Political Practices Commission (FPPC) was created by the Political Reform Act and requires government agencies to report expenses used to advocate or unambiguously urge the passage or defeat of a measure in an election. The FPPC also prohibits government agencies from paying for communication materials that advocate or unambiguously urge the passage or defeat of a measure in an election. LACERA must be cautious in not engaging in activities that can be characterized as *campaign* activities, which are prohibited and would be subject to campaign expenditure reporting requirements. Therefore, all activities related to ballot measures are subject to review by Chief Counsel.

Status Reports

For bills on which the Boards have taken a position or that staff is monitoring, staff will provide a monthly status report listing each bill, its current status in the legislative process, and copies of communications used for lobbying the California State Legislature, United States Congress, the Governor of California, the President of the United States, or any regulatory agencies. The status report will be ~~included in the green folders provided to the Board of Retirement and Board of Investments before regularly scheduled board meetings~~ provided as monthly reports to the Board of Retirement and Board of Investments.

At the end of each legislative session, staff will provide a year-end report of all the bills on which the Boards had taken a position and their final disposition.

Legislative Process

The following pages include an outline² and a flowchart³ of the California legislative process through which a bill becomes law. In general, bills in the federal legislative process move through similar stages.

² Overview of Legislative Process – Official California Legislative Information (<http://www.leginfo.ca.gov/bil2lawx.html>).

³ The Life Cycle of Legislation: From Idea into Law. California Legislature: Assembly Rules Committee.

OVERVIEW OF LEGISLATIVE PROCESS

The process of government by which bills are considered and laws enacted is commonly referred to as the Legislative Process. The California State Legislature is made up of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of the State of California. The Legislature has a legislative calendar containing important dates of activities during its two-year session.

Idea

All legislation begins as an idea or concept. Ideas and concepts can come from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill.

The Author

A Legislator sends the idea for the bill to the Legislative Counsel where it is drafted into the actual bill. The draft of the bill is returned to the Legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.

First Reading/Introduction

A bill is introduced or read the first time when the bill number, the name of the author, and the descriptive title of the bill is read on the floor of the house. The bill is then sent to the Office of State Printing. No bill may be acted upon until 30 days has passed from the date of its introduction.

Committee Hearings

The bill then goes to the Rules Committee of the house of origin where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to subject area of the bill. For example, a Senate bill dealing with health care facilities would first be assigned to the Senate Health and Human Services Committee for policy review. Bills that require the expenditure of funds must also be heard in the fiscal committees: Senate Appropriations or Assembly Appropriations. Each house has a number of policy committees and a fiscal committee. Each committee is made up of a specified number of Senators or Assembly Members.

During the committee hearing the author presents the bill to the committee and testimony can be heard in support of or opposition to the bill. The committee then votes by passing the bill, passing the bill as amended, or defeating the bill. Bills can be amended several times. Letters of support or opposition are important and should be mailed to the author and committee members before the bill is scheduled to be heard in committee. It takes a majority vote of the full committee membership for a bill to be passed by the committee.

Each house maintains a schedule of legislative committee hearings. Prior to a bill's hearing, a bill analysis is prepared that explains current law, what the bill is intended to do, and some background information. Typically the analysis also lists organizations that support or oppose the bill.

Second and Third Reading

Bills passed by committees are read a second time on the floor in the house of origin and then assigned to third reading. Bill analyses are also prepared prior to third reading. When a bill is read the third time it is explained by the author, discussed by the Members and voted on by a roll call vote. Bills that require an appropriation or that take effect immediately, generally require 27 votes in the Senate and 54 votes in the Assembly to be passed. Other bills generally require 21 votes in the Senate and 41 votes in the Assembly. If a

bill is defeated, the Member may seek reconsideration and another vote.

Repeat Process in other House

Once the bill has been approved by the house of origin it proceeds to the other house where the procedure is repeated.

Resolution of Differences

If a bill is amended in the second house, it must go back to the house of origin for concurrence, which is agreement on the amendments. If agreement cannot be reached, the bill is referred to a two house conference committee to resolve differences. Three members of the committee are from the Senate and three are from the Assembly. If a compromise is reached, the bill is returned to both houses for a vote.

Governor

If both houses approve a bill, it then goes to the Governor. The Governor has three choices. The Governor can sign the bill into law, allow it to become law without his or her signature, or veto it. A governor's veto can be overridden by a two thirds vote in both houses. Most bills go into effect on the first day of January of the next year. Urgency measures take effect immediately after they are signed or allowed to become law without signature.

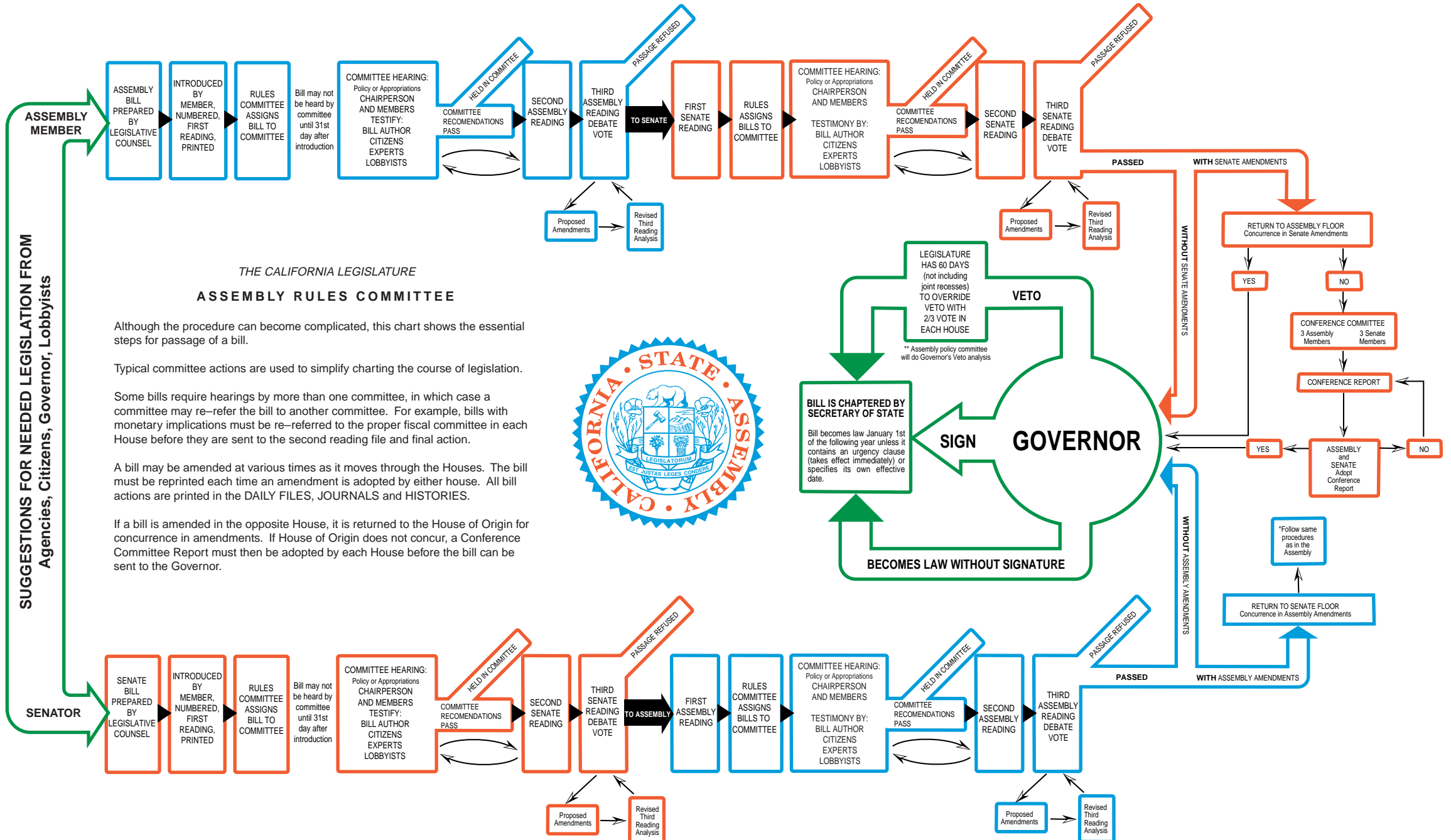
California Law

Bills that are passed by the Legislature and approved by the Governor are assigned a chapter number by the Secretary of State. These Chaptered Bills (also referred to as Statutes of the year they were enacted) then become part of the California Codes. The California Codes are a comprehensive collection of laws grouped by subject matter.

The California Constitution sets forth the fundamental laws by which the State of California is governed. All amendments to the Constitution come about as a result of constitutional amendments presented to the people for their approval.

THE LIFE CYCLE OF LEGISLATION

From Idea into Law



Change Log

Restated and approved by the Board of Retirement on October 13, 2016 and the Board of Investments on October 12, 2016.

Revised by the Board of Retirement on May 10, 2018 and the Board of Investments on May 9, 2018.

ATTACHMENT B

LACERA LEGISLATIVE POLICY

Revised:

Board of Retirement: [date]

Board of Investments: [date]

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Statement of Mission and Purpose

The Los Angeles County Employees Retirement Association (LACERA) was established under the County Employees Retirement Law of 1937 (CERL) and administers retirement benefits provided by CERL and the California Public Employees' Pension Reform Act of 2013 (PEPRA). LACERA is governed by the Board of Retirement and the Board of Investments. The Boards have plenary authority and fiduciary responsibility for the system as provided by Section 17 of Article XVI of the California Constitution and in CERL. The Boards have the sole and exclusive fiduciary responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to its members and beneficiaries.

The existence of LACERA and the fiduciary responsibility of its governing Boards are embodied in the organizational mission to *produce, protect, and provide the promised benefits*.

Each element of our mission informs the foundation of this Legislative Policy:

- *Produce* the highest quality of service for our members and sponsors.
- *Protect* the promised benefits through prudent investment and conservation of plan assets.
- *Provide* the promised benefits.

LACERA's retirement plan benefits are provided by CERL, PEPRA, and other provisions under the California Government Code. As a tax-qualified defined benefit plan, LACERA is also subject to federal law under the Internal Revenue Code. The value to our members of the benefits administered by LACERA may also be affected by other provisions of state and federal law. Changes to provisions that affect LACERA are achieved through the state and federal legislative process and through forms of direct democracy by California voters, which include ballot initiatives and referenda. It is also intended that this policy cover state and federal rulemaking, although such action takes place within the Executive branch of government rather than the Legislative. These various proposals, whether submitted through the state or federal legislative process or through rulemaking, may enhance or detract from LACERA's administrative capability and mission; they may also further or infringe upon the Boards' fiduciary responsibilities, member rights and benefits, or LACERA's mission. As such, the Boards will proactively monitor such proposals and voice its position regarding proposals as described in this policy.

LACERA may identify issues that it determines to pursue through sponsorship of legislative proposals. The scope of such issues may vary in applicability to LACERA only or also to other public retirement systems. The diversity of public retirement plans within California implies a diversity of issues that may overlap with or have impact upon other public retirement systems. Consequently, the Boards may directly sponsor legislation or they may co-sponsor legislation with other public retirement systems, through the State

Association of County Retirement Systems, or with other parties that may have an alignment of interest with LACERA with respect to an issue or proposal.

The purpose of this Legislative Policy is to:

- Establish legislative policy standards to guide staff in making recommendations regarding legislative proposals to the Boards.
- Define the range of positions that the Boards may take with respect to legislative proposals.
- Establish a standard memorandum format to provide legislative analysis and recommendations to the Boards.
- Define circumstances in which the Board may need to communicate a position regarding a legislative proposal before the proposal is considered at a regularly scheduled Board meeting.
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[This section provides an analysis of the effects and implications of the proposal on LACERA.]

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD

[This section restates staff's or the Committee's recommendation and summary or concluding comments.]

Attachments

Attachment 1—Board Positions Adopted On Related Legislation

[This attachment states the positions the Board has previously taken on the subject matter of the bill.]

Attachment 2—Support And Opposition

[This attachment identifies those entities that have already taken a position on the bill.]

Bill Text

Action between Board Meetings

The Board of Retirement generally meets twice a month, including a disability meeting on the first Wednesday and an administrative meeting on the Thursday following the second Wednesday; the Board of Investments meets once a month on the second Wednesday. Since the meeting schedules of the Boards do not necessarily accord with the hearing schedules and deadlines of the state Legislature and Congress. In the event a time-sensitive matter arises, action by staff may be required before the matter is considered by the Board at the next regularly scheduled Board meeting.

I. Legislation on Which the Board Previously Adopted a Position

Staff may engage with LACERA's legislative advocate to communicate a position on amendments to a bill before formal consideration by the Board of Retirement or Board of Investments if all the following conditions are met:

1. The Board had adopted a Support or Oppose position on the bill *before* it was amended.
2. Substantive amendments that may justify a change in the Board's position to other than Neutral or Watch have occurred in the bill *after* the Board adopted a position and *before* the next regularly scheduled board meeting.
3. Consideration of the amended bill by a legislative committee or by the Assembly or Senate floor will occur *before* the amended bill can be considered at the next regularly scheduled board meeting.

Staff will take the following actions:

1. Prepare a legislative analysis of the amended bill for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate for input regarding the amended bill to determine if the new position should be communicated to the Legislature.
3. If the new position should be communicated to the Legislature, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter of the amended bill and obtain approval that the new position be communicated.
4. At the next regularly scheduled Board meeting, present a report to the Board regarding the position communicated in Step 3 and a summary of actions taken.

II. Formally Affiliated Organizations

1. Staff may participate in joint written communications that are organized or requested by formal organizations to which LACERA has formally affiliated and that are consistent with the Board's legislative policy standards.
2. In the event a matter has been addressed in written communications by a formal organization to which LACERA has formally affiliated, staff may, consistent with the Board's legislative policy standards, write letters of support or opposition or engage in advocacy on the matter.

Staff will take the following actions:

1. Prepare a legislative analysis of the matter for use in consultation.
2. Consult with the Chief Executive Officer, Chief Counsel, and legislative advocate to determine whether staff should engage in the written communications described in II.1 and II.2.
3. If staff should engage in the written communications described in II.1 and II.2, consult with the Chair (or if not available, the Vice Chair) of the Board that has jurisdiction over the subject matter and obtain approval to engage in such written communications.
4. At the next regularly scheduled Board meeting, present a report to the Board of actions taken and copies of the written communications.

Ballot Measures

California law provides for citizens to use ballot measures to initiate a state statute or a constitutional amendment or to repeal legislation through a veto referendum. The California State Legislature may also use ballot measures to offer legislatively referred state statutes or constitutional amendments.

In general, a government agency may not spend *public funds* for a partisan *campaign* advocating the passage or defeat of a ballot measure. It is, however, permissible for a government agency to engage in *informational* activities. What distinguishes *informational* activities from *campaign* activities depends on the style, tenor, and timing of the activity.

From time to time, ballot measures may be offered that are related to public retirement plans. The following guidelines are intended to provide guidance on actions that may be taken with respect to ballot measures on public retirement plans:

- Providing informational staff reports and analysis on the ballot measure's effect in a meeting open to the public.
- Providing a recommendation for the Board to take a position on the ballot measure in a meeting open to the public where all perspectives can be shared. (The Board may or may not take a position on any ballot measure. The Board may take a position when it determines it is necessary to publicly express its opinion for or against a matter on which it feels strongly with respect to its impact on LACERA.)
- Providing the Board's position and views on the ballot measure's merits and effects to interested stakeholders and organizations.
- Responding to inquiries from stakeholders and the public regarding the Board's position and views on the ballot measure.

The Fair Political Practices Commission (FPPC) was created by the Political Reform Act and requires government agencies to report expenses used to advocate or unambiguously urge the passage or defeat of a measure in an election. The FPPC also prohibits government agencies from paying for communication materials that advocate or unambiguously urge the passage or defeat of a measure in an election. LACERA must be cautious in not engaging in activities that can be characterized as *campaign* activities, which are prohibited and would be subject to campaign expenditure reporting requirements. Therefore, all activities related to ballot measures are subject to review by Chief Counsel.

Status Reports

For bills on which the Boards have taken a position or that staff is monitoring, staff will provide a monthly status report listing each bill, its current status in the legislative process, and copies of communications used for lobbying the California State Legislature, United States Congress, the Governor of California, the President of the United States, or any regulatory agencies. The status report will be provided as monthly reports to the Board of Retirement and Board of Investments.

At the end of each legislative session, staff will provide a year-end report of all the bills on which the Boards had taken a position and their final disposition.

Legislative Process

The following pages include an outline² and a flowchart³ of the California legislative process through which a bill becomes law. In general, bills in the federal legislative process move through similar stages.

² Overview of Legislative Process – Official California Legislative Information (<http://www.leginfo.ca.gov/bil2lawx.html>).

³ The Life Cycle of Legislation: From Idea into Law. California Legislature: Assembly Rules Committee.

OVERVIEW OF LEGISLATIVE PROCESS

The process of government by which bills are considered and laws enacted is commonly referred to as the Legislative Process. The California State Legislature is made up of two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of the State of California. The Legislature has a legislative calendar containing important dates of activities during its two-year session.

Idea

All legislation begins as an idea or concept. Ideas and concepts can come from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill.

The Author

A Legislator sends the idea for the bill to the Legislative Counsel where it is drafted into the actual bill. The draft of the bill is returned to the Legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.

First Reading/Introduction

A bill is introduced or read the first time when the bill number, the name of the author, and the descriptive title of the bill is read on the floor of the house. The bill is then sent to the Office of State Printing. No bill may be acted upon until 30 days has passed from the date of its introduction.

Committee Hearings

The bill then goes to the Rules Committee of the house of origin where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to subject area of the bill. For example, a Senate bill dealing with health care facilities would first be assigned to the Senate Health and Human Services Committee for policy review. Bills that require the expenditure of funds must also be heard in the fiscal committees: Senate Appropriations or Assembly Appropriations. Each house has a number of policy committees and a fiscal committee. Each committee is made up of a specified number of Senators or Assembly Members.

During the committee hearing the author presents the bill to the committee and testimony can be heard in support of or opposition to the bill. The committee then votes by passing the bill, passing the bill as amended, or defeating the bill. Bills can be amended several times. Letters of support or opposition are important and should be mailed to the author and committee members before the bill is scheduled to be heard in committee. It takes a majority vote of the full committee membership for a bill to be passed by the committee.

Each house maintains a schedule of legislative committee hearings. Prior to a bill's hearing, a bill analysis is prepared that explains current law, what the bill is intended to do, and some background information. Typically the analysis also lists organizations that support or oppose the bill.

Second and Third Reading

Bills passed by committees are read a second time on the floor in the house of origin and then assigned to third reading. Bill analyses are also prepared prior to third reading. When a bill is read the third time it is explained by the author, discussed by the Members and voted on by a roll call vote. Bills that require an appropriation or that take effect immediately, generally require 27 votes in the Senate and 54 votes in the Assembly to be passed. Other bills generally require 21 votes in the Senate and 41 votes in the Assembly. If a

bill is defeated, the Member may seek reconsideration and another vote.

Repeat Process in other House

Once the bill has been approved by the house of origin it proceeds to the other house where the procedure is repeated.

Resolution of Differences

If a bill is amended in the second house, it must go back to the house of origin for concurrence, which is agreement on the amendments. If agreement cannot be reached, the bill is referred to a two house conference committee to resolve differences. Three members of the committee are from the Senate and three are from the Assembly. If a compromise is reached, the bill is returned to both houses for a vote.

Governor

If both houses approve a bill, it then goes to the Governor. The Governor has three choices. The Governor can sign the bill into law, allow it to become law without his or her signature, or veto it. A governor's veto can be overridden by a two thirds vote in both houses. Most bills go into effect on the first day of January of the next year. Urgency measures take effect immediately after they are signed or allowed to become law without signature.

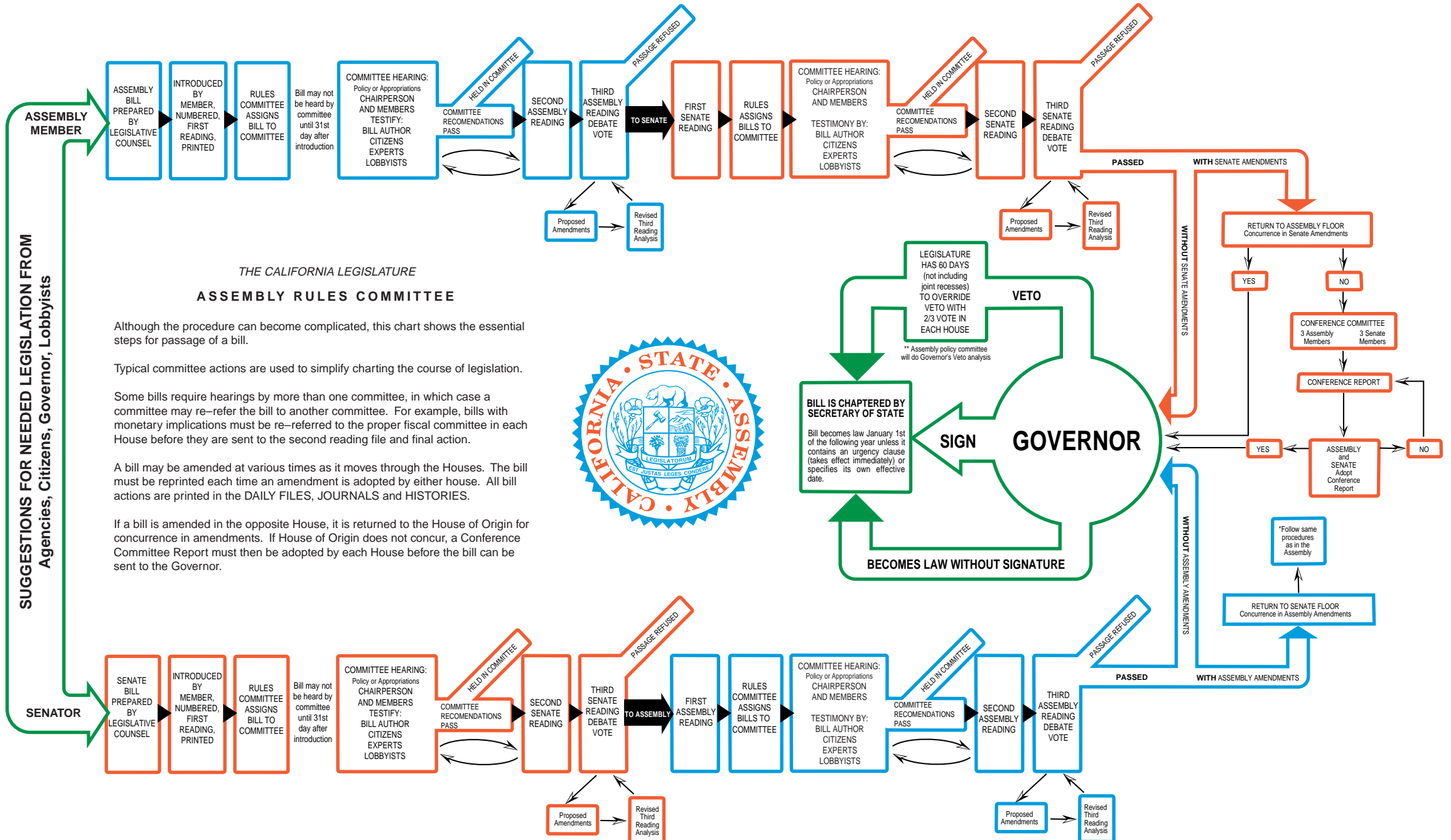
California Law

Bills that are passed by the Legislature and approved by the Governor are assigned a chapter number by the Secretary of State. These Chaptered Bills (also referred to as Statutes of the year they were enacted) then become part of the California Codes. The California Codes are a comprehensive collection of laws grouped by subject matter.

The California Constitution sets forth the fundamental laws by which the State of California is governed. All amendments to the Constitution come about as a result of constitutional amendments presented to the people for their approval.

THE LIFE CYCLE OF LEGISLATION

From Idea into Law



THE CALIFORNIA LEGISLATURE

ASSEMBLY RULES COMMITTEE

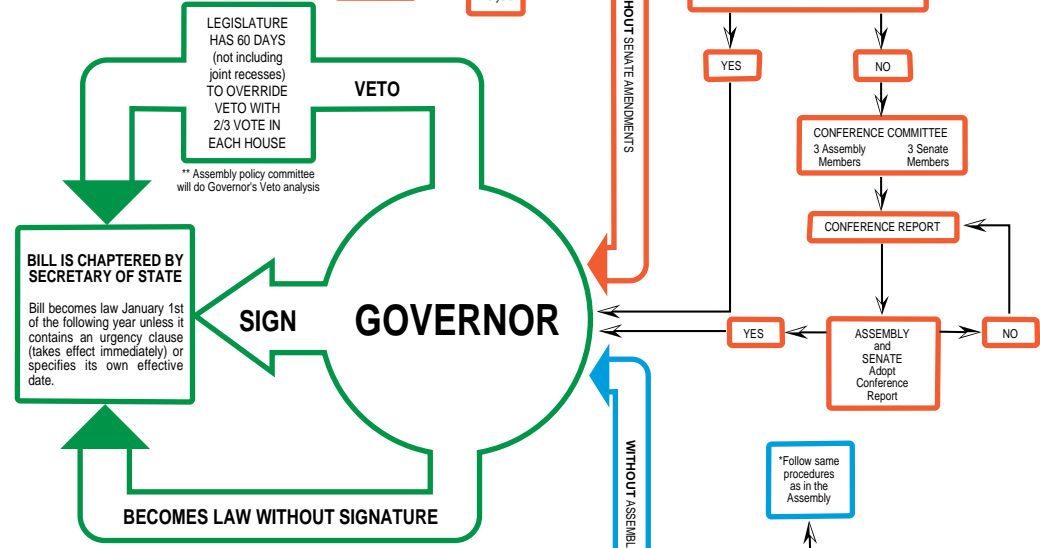
Although the procedure can become complicated, this chart shows the essential steps for passage of a bill.

Typical committee actions are used to simplify charting the course of legislation.

Some bills require hearings by more than one committee, in which case a committee may re-refer the bill to another committee. For example, bills with monetary implications must be re-referred to the proper fiscal committee in each House before they are sent to the second reading file and final action.

A bill may be amended at various times as it moves through the Houses. The bill must be reprinted each time an amendment is adopted by either house. All bill actions are printed in the DAILY FILES, JOURNALS and HISTORIES.

If a bill is amended in the opposite House, it is returned to the House of Origin for concurrence in amendments. If House of Origin does not concur, a Conference Committee Report must then be adopted by each House before the bill can be sent to the Governor.



Change Log


Restated and approved by the Board of Retirement on October 13, 2016 and the Board of Investments on October 12, 2016.

Revised by the Board of Retirement on May 10, 2018 and the Board of Investments on May 9, 2018.



January 2, 2019

TO: Each Member
Board of Retirement

FROM: Bernie Buenaflor 
Division Manager, Benefits Division

FOR: Meeting of January 10, 2019

SUBJECT: **Application of Earl Fred Leaf III for Reinstatement to Active Membership Pursuant to Government Code Section 31680.4 and 31680.5**

Government Code Sections 31680.4 and 31680.5 permit a retired member to be re-employed by the County and reinstated as an active member of LACERA if the Board of Retirement, based upon medical examination, determines that the member is not incapacitated for the assigned duties. The member's retirement allowance would be suspended immediately upon re-employment. Reinstatement to active membership becomes effective the first day of the month following the date of re-employment. The returning member would only be eligible for a retirement plan that is currently available for the reinstated position, regardless of the member's prior retirement plan.

Earl Fred Leaf III retired from service March 30, 2017. The County of Los Angeles now wishes to re-employ Earl Fred Leaf III as the Director of the Los Angeles County Health Agency (UC) (Item #9962).

Under Section 31680.5, all reinstated general members are entitled to a retirement allowance, upon subsequent retirement, "determined as if the member were first entering the system." Thus, this member is only eligible for Retirement Plan G General. Note that the member was in Plan E General for his past membership period and will be in Plan G General for his new membership period, if approved for reinstatement.

Attached are copies of documents prepared in support of the member's application for reinstatement:





Each Member, Board of Retirement
January 2, 2019
Page 2

- **The member's letter to LACERA dated December 27, 2018, requesting reinstatement into active membership as the Director of the Los Angeles County Health Agency (UC). (Attachment 1)**
- **A Letter from Los Angeles County's Chief Executive Officer (CEO) to the Board of Supervisors requesting approval of the reinstatement on behalf of the hiring agency. (Attachment 2)**

Still pending for delivery to your Board at the January 10, 2019, Board of Retirement Administrative Meeting are the following additional documents currently being prepared in support of the member's application for reinstatement:

- **A Medical Evaluation from Los Angeles County's Office of Occupational Health Programs certifying that the member is not incapacitated for the assigned duties.**
- **A Letter from Los Angeles County's CEO confirming the Board of Supervisor's constructive approval of the request to re-employ the member.**

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Determine, based upon medical evaluation from the Los Angeles County Office of Occupational Health Programs, that the member is not incapacitated for the assigned duties, and
2. Grant the application of Earl Fred Leaf III for reinstatement to active membership.

REVIEWED AND APPROVED:

Robert Hill
Assistant Executive Officer

BB:bb
Div\ben\retstaff\EarlFredLeafIII
Attachments



December 27, 2018

LACERA,
Manager, Claims Processing Division
Post Office Box 7060
Pasadena, California 91109

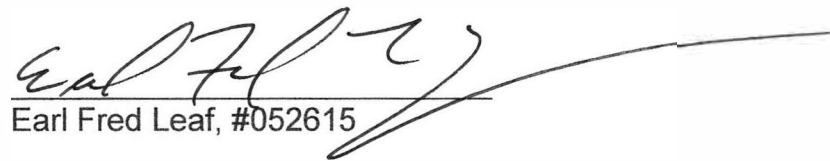
Dear Manager:

I wish to be re-employed as a permanent employee. This letter is to request that my monthly retirement benefit be suspended and that I be re-employed as a Director, Los Angeles County Health Agency (UC) with the County of Los Angeles pursuant to Government Code Section 31680.4.

The Los Angeles County Chief Executive Office would like to re-employ me as a permanent Director, Los Angeles County Health Agency (UC), in accordance with Government Code Section 31680.4. We have secured all the necessary approvals from the Chief Executive Office and the Board of Supervisors to rehire me.

Pending is a medical evaluation stating that I am not incapacitated for the duties I will be performing.

Sincerely,


Earl Fred Leaf, #052615

Attachment 2
Page 1 of 3



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

January 08, 2019

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPOINTMENT, SALARY, AND RELOCATION REIMBURSEMENT
FOR DIRECTOR, LOS ANGELES COUNTY HEALTH AGENCY (UC)
ALL DISTRICTS
(3 VOTES)**

SUBJECT

Recommendation to appoint and set the salary for Earl Fred Leaf to serve as Director, Los Angeles County Health Agency (UC) for the County of Los Angeles. In addition, approve Earl Fred Leaf, a retired Los Angeles County Employees Retirement Association (LACERA) member, to return to work, thereby suspending his retirement benefits and return to his full-time employment with the County of Los Angeles.

IT IS RECOMMENDED THAT THE BOARD:

1. Appoint Earl Fred Leaf to the position of Director, Los Angeles County Health Agency (UC), at an annual salary of \$434,361.12 effective January 8, 2019. Mr. Leaf, a currently retired employee, would be re-employed January 8, 2019, subject to the approval of LACERA's Board of Retirement.
2. Instruct the Director of Personnel to execute an at-will employment contract for Mr. Leaf, which is approved as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to appoint a Director, Los Angeles County Health Agency (UC) for the County of Los Angeles, and to set the salary for Earl Fred Leaf to function as the Director, Los Angeles County Health Agency (UC).

Mr. Leaf possesses over 30 years of professional experience in the County, including executive management experience in the Department of Health Services. Most recently, Mr. Leaf has been a 120-day retiree serving as the Interim Director, Los Angeles County Health Agency (UC) after the resignation of Dr. Mitchell Katz in December 2017. Preceding this, he was a 120-day retiree serving as a Senior Manager, CEO, working on a statewide replacement plan for health coverage, and the County's position on the repeal and replace health care bill entitled "American Health Care Act" (ACHC). Prior to those assignments, Mr. Leaf served as Supervisor Antonovich's Senior Health Policy Advisor, where he coordinated all policy matters related to the Department of Health Services, Public Health, Mental Health, and Homelessness. Additionally, Mr. Leaf successfully served as the Acting Director of Health Services, where he was responsible for the overall management and operations of the Department. As the Chief Deputy Director/Chief Operating Officer of Health Services, Mr. Leaf directed the administration of the County network of hospitals, comprehensive health centers, health centers, and network of public-private partners to ensure the provision of a broad array of health services.

Given Mr. Leaf's experience, it is recommended that the Board of Supervisors (Board) appoint Mr. Leaf as Director, Los Angeles County Health Agency (UC), effective January 8, 2018.

Implementation of Strategic Plan Goals

Approval of these recommendations will further the County of Los Angeles' Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability to continually assess our efficiency and effectiveness, maximize and leverage resources, and hold ourselves accountable.

FISCAL IMPACT/FINANCING

The cost of the recommended salary will be absorbed within the Los Angeles County Health Agency's current budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended salary will provide appropriate compensation to Mr. Leaf to perform the duties of Director, Los Angeles County Health Agency (UC).

LACERA is governed by the County Employees Retirement Law of 1937. This action is in compliance with the Government Code Sections 31680.4 and 31680.5, pertaining to retired members returning to active membership.

Prior to 1991, retired County employees were prohibited from returning to County employment, except temporarily and under limited circumstances. Government Code Section 31680.4 now permits retirees to return to work on a permanent basis. The Board's adoption of the policy on July 6, 1993, made this Government Code provision operative in Los Angeles County.

The Board letter has been reviewed and approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Implementation of these recommendations will provide leadership for the Los Angeles County Health Agency.

Respectfully submitted,


SAH:JJ:MM:MTK
NV:LR:mst

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Human Resources
Health Agency

Draft

December 19, 2018

TO: Each Member
Board of Retirement

FROM: Lou Lazatin 
Chief Executive Officer

FOR: Board of Retirement Meeting on January 10, 2019

SUBJECT: **BOARD OF RETIREMENT MEETING CALENDAR**

RECOMMENDATION

It is recommended the Board of Retirement (BOR) consider rescheduling the Wednesday, May 1, 2019 BOR Disability Meeting, Thursday, May 9, 2019 BOR Administrative meeting, and Thursday, November 14, 2019 BOR Administrative meeting.

DISCUSSION

Regular meetings of the Board of Retirement shall be held on the first Wednesday and the Thursday following the second Wednesday in each month. The regular meeting may be rescheduled for an earlier or later time or day by majority vote of the members present at a regular meeting of the Board of Retirement. It is encouraged to focus on rescheduling meeting dates that conflict with a holiday, after a holiday, and/or the potential of a lack of quorum.

Following are meeting dates that the Board may consider rescheduling due to the attendance of Board member at conferences.

Wednesday, May 1, 2019
Thursday, May 9, 2019
Thursday, November 14, 2019

Attached you will find the 2019 Board meeting dates for reference.

Thank you

BOARD OF RETIREMENT 2019 MEETING DATES

Meeting Date	Possible Conflict/Reason
January 10, 2019 – Disability/Administrative Meeting	No
February 6, 2019 - Disability Meeting	No
February 14, 2019 - Administrative Meeting	No
March 6, 2019 - Disability Meeting	No
March 14, 2019 - Administrative Meeting	No
April 3, 2019 - Disability Meeting	No
April 11, 2019 - Administrative Meeting	No
May 1, 2019 - Disability Meeting	Yes – World Healthcare Congress & Milken
May 9, 2019 - Administrative Meeting	Yes – SACRS Spring Conference
June 5, 2019 - Disability Meeting	No
June 13, 2019 - Administrative Meeting	No
July 3, 2019 - Disability Meeting	No
July 11, 2019 - Administrative Meeting	No
August 7, 2019 - Disability Meeting	No
August 15, 2019 - Administrative Meeting	No
September 4, 2019 - Disability Meeting	No
September 12, 2019 - Administrative Meeting	No
October 2, 2019 - Disability Meeting	No
October 10, 2019 - Administrative Meeting	No
November 6, 2019 - Disability Meeting	No
November 14, 2019 - Administrative Meeting	Yes – SACRS Fall Conference
December 4, 2019 - Disability Meeting	No
December 12, 2019 - Administrative Meeting	No

January 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 Holiday New Year's Day	2	3	4	5
6	7	8 NACD Disruptive Behaviors in the Boardroom – Los Angeles	9 BOI (Committees)	10 BOR (Disability, IBL & OOC Committees)	11	12
13	14	15	16	17 Joint BOR/BOI Meeting	18	19
20	21 Martin Luther King	22 LACERA Board of Retirement Offsite Meeting-Hyatt Regency Long Beach, CA	23	24	25	26
27	28	29 NCPERS Legislative Conference – Washington D.C.	30	31 NACD Economy and Stock Market Insights – Los Angeles		

February 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 CALAPRS (Benefits/Trustees) Oakland, CA	2
3	4	5 IMN Annual Beneficial Conference – Fort Lauderdale, FL	6 BOR (Disability Committee)	7	8	9
10	11	12 2019 Milken Institute MENA Summit – Abu Dhabi, UAE	13 BOI (Committees)	14 BOR (IBL & OOC Committees) Valentine's Day	15	16
17	18 Holiday Presidents Day	19	20	21	22	23
24	25 National Institute on Retirement Security – Washington D.C.	26	27	28	1	
			Pacific Pension Institute – Los Angeles, CA			

March 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
			Pacific Pension Institute – Los Angeles, CA			CALAPRS General Assembly Monterey, CA
3	4	5	6	7	8	9
CALAPRS General Assembly – Monterey, CA			BOR (Disability Committee)			
	Council of Institutional Investors – Washington D.C.					
10	11	12	13	14	15	16
Daylight Saving Begins			BOI (Committees)	BOR (IBL & OOC Committees)		
			AHIP – Washington D.C.			
				PREA – Dallas, TX		
17	18	19	20	21	22	23
24	25	26	27	28	29	30
	Holiday Cesar Chavez Day		CALAPRS Advanced Principles of Pension for Trustees at UCLA – Los Angeles, CA			
				NASP – Los Angeles, CA		
31						

April 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3 BOR (Disability Committee)	4	5	6
7	8	9	10 BOI (Committees)	11 BOR (IBL & OOC Committees)	12	13
	IFEBP – Phoenix, AZ					
14	15	16	17	18	19	20
	California Retried County Employees Association, – San Diego, CA					
21	22 Earth Day	23	24 Administrative Professionals	25	26	27
28	29	30	1			
	World Healthcare Congress – Washington D.C.					
	Milken Institute Global Conference – Beverly Hills, CA					

May 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	29	30	1 BOR (Disability Committee)	2	3	4
World Healthcare Congress – Washington D.C.						
Milken Institute Global Conference – Beverly Hills, CA						
5 Cinco De Mayo	6	7	8 BOI (Committees)	9 BOR (IBL & OOC Committees)	10	11
IFEBP Health Care Conference – Boston, MA		SACRS Spring Conference – Lake Tahoe, CA				
12 Mother's Day	13	14	15	16	17	18
19	20	21	22	23	24	25
NCPERS – Austin, TX						
IFEBP Legislative Update – Washington D.C.						
26	27 Holiday Memorial Day	28	29	30	31	

June 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3 Investment Strategies & Portfolio Management, Wharton School – University of Pennsylvania	4	5 BOR (Disability Committee)	6	7 CALAPRS (Benefits/Trustees) Burbank, CA	8
9	10	11	12 BOI (Committees)	13 BOR (IBL & OOC Committees)	14	15
16 Father's Day	17 NACD Advanced Director Professionalism – Chicago, IL	18	19	20 AHIP Institute – Nashville, TN	21	22
23	24 IFEBP – San Francisco, CA	25	26	27	28	29
30						

July 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3 BOR (Disability Committee)	4 Holiday Independence Day	5	6
7	8 LACERA Board of Investments Offsite Meeting –	9	10	11 BOR (IBL & OOC Committees)	12	13 Pacific Pension Institute – Chicago, IL
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7 BOR (Disability Committee)	8	9	10
11	12	13	14 BOI (Committees)	15 BOR (IBL & OOC Committees)	16	17
				NACD Director Professionalism – Rancho Palos Verdes, CA		
18	19	20	21	22	23	24
				NACD Master Class – Laguna Beach, CA		
25	26	27	28	29	30	31
				CALAPRS Principles of Pension Management for Trustees – Pepperdine University, CA		

September 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 Holiday Labor Day	3	4 BOR (Disability Committee)	5	6	7
8	9	10	11 BOI (Committees)	12 BOR (IBL & OOC Committees)	13	14
United Nations Principals of Responsible Investing – Paris, France						
15	16	17	18	19	20	21
CII – Minneapolis, MN				CALAPRS Benefits Oakland, CA		
22	23 Fall begins	24	25	26	27	28
AHIP Institute – Washington D.C.						
29	30					

October 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat	
		1	2 BOR (Disability Committee)	3	4	5	
6	7	8	9 BOI (Committees)	10 BOR (IBL & OOC Committees)	11	12	
13	14 Holiday Columbus Day	15	16 PREA – Washington D.C.			17	18
19	20 IFEBP – San Diego, CA			21	22	23	
24	25 CALAPRS Trustees Oakland, CA			26	27	28	
29	30 NCPERS – New Orleans, LA			31 Halloween			

November 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3 Daylight Saving Time Ends	4	5	6 BOR (Disability Committee)	7	8	9
			ILPA – New York, NY			
10	11 Holiday Veterans Day	12	13 BOI (Committees)	14 BOR (IBL & OOC Committees)	15	16
		SACRS – Monterey, CA				
17	18	19	20	21	22	23
24	25	26	27	28 Holiday Thanksgiving Day	29 Holiday Thanksgiving Day	30

December 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4 BOR (Disability Committee)	5	6	7
8	9	10	11 BOI (Committees)	12 BOR (IBL & OOC Committees)	13	14
15	16	17	18	19	20	21
22	23	24	25 Holiday Christmas	26	27	28
29	30	31				




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**

December 27, 2018

TO: Each Member
Board of Retirement

FROM: Ricki Contreras, Division Manager 
Disability Retirement Services

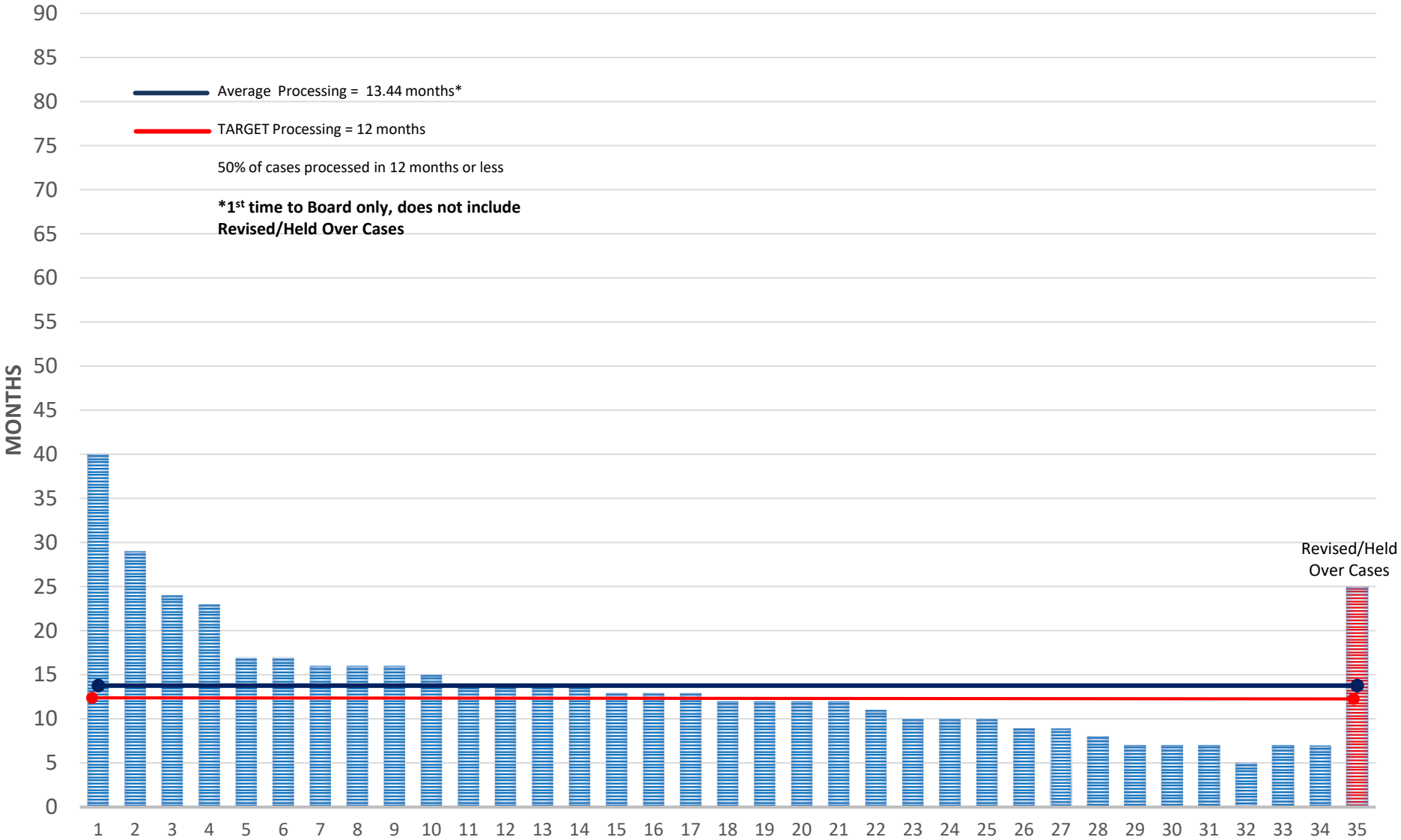
FOR: January 10, 2019 Board of Retirement Meeting

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 January 10, 2019 Disability Retirement Applications Agenda.

Consent & Non-Consent Calendar	
Number of Applications	34
Average Processing Time (in Months)	13.44
Revised/Held Over Calendar	
Number of Applications	1
Processing Time Per Case (in Months)	Case 1 25.00
Total Average Processing Time Revised/Held Over Calendar	25.00
Total Average Processing Time All 35 Cases on Agenda	13.77

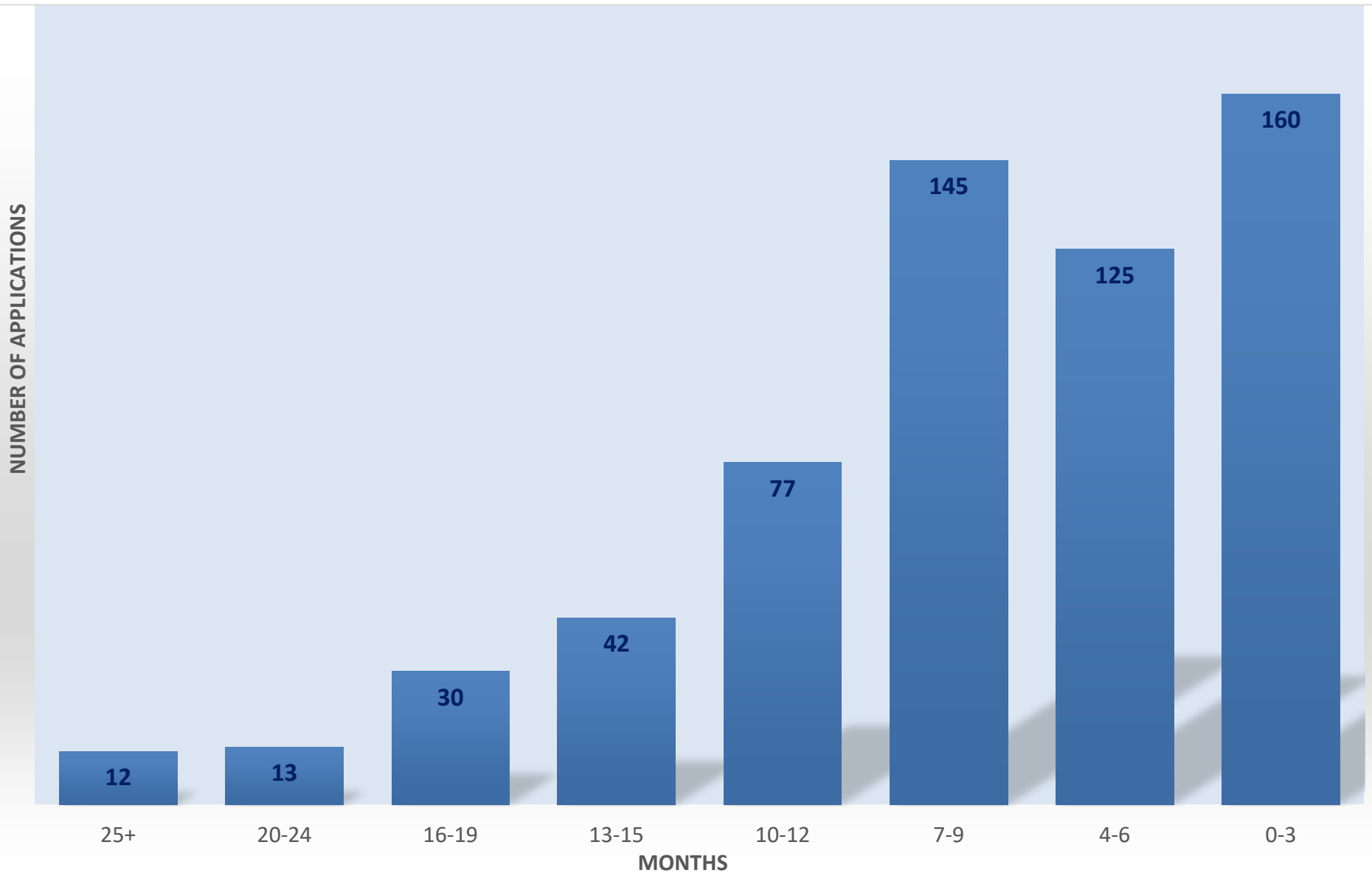
CASE PROCESSING TIME



As of 12/27/2018

January 10, 2019 AGENDA

PENDING APPLICATIONS/TIME INTERVALS



As of 12/27/2018

December 24, 2018

FOR INFORMATION ONLY

TO: Each Member
Board of Investments
Board of Retirement

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: January 9, 2018 Board of Investments Meeting
January 10, 2018 Board of Retirement Meeting

SUBJECT: **Update on Potential LACERA Sponsorship of Legislation on Compensation for Board Meeting Attendance**

The Insurance, Benefits and Legislative Committee (IBLC) of the Board of Retirement met on December 13, 2018 to discuss potential LACERA sponsorship of legislation on compensation for board meeting attendance (see attached). The IBLC discussed the memorandum, and the item was received and filed.

Reviewed and Approved:



Steven P. Rice, Chief Counsel


Attachment

Potential LACERA Sponsorship of Legislation on Compensation for Board Meeting Attendance (Memorandum dated December 4, 2018)

cc: Lou Lazatin
Robert Hill
JJ Popowich
Steven P. Rice
Jonathan Grabel
Joe Ackler, Ackler & Associates

December 4, 2018

TO: Insurance, Benefits and Legislative Committee
Les Robbins, Chair
Shawn R. Kehoe, Vice Chair
Herman B. Santos
Gina Zapanta-Murphy
Thomas Walsh, Alternate

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: December 13, 2018 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Potential LACERA Sponsorship of Legislation on Compensation for Board Meeting Attendance**

RECOMMENDATION

That the Insurance, Benefits and Legislative Committee provide further instruction to staff on potential LACERA sponsorship of legislation on compensation for board meeting attendance.

BACKGROUND

Each year, the 20 retirement systems operating under the County Employees Retirement Law of 1937 (CERL) are asked to submit proposals to the Legislative Committee of the State Association of County Retirement Systems (SACRS) for sponsorship in SACRS legislative platform for the upcoming year. This year, the SACRS Legislative Committee received three proposals for inclusion in the SACRS 2019 legislative platform. Two of the proposals submitted by the Fresno County Employees' Retirement Association (FCERA) were withdrawn since they required more development in their formulations and further evaluation of their potential ramifications. The remaining proposal was submitted by the Orange County Employees Retirement System (OCERS) and pertained to the compensation of board members. OCERS proposed that the current compensation rate of \$100 be increased to \$200. The SACRS Legislative Committee reviewed the OCERS proposal in September 2018 and made no recommendation for or against SACRS sponsorship of the proposal.

The Insurance, Benefits and Legislative Committee (IBLC) reviewed the OCERS proposal at its meeting on October 11, 2018. The IBLC recommended that the Board of Retirement direct its voting delegate to support SACRS sponsorship of the OCERS proposal for the SACRS 2019 legislative platform.¹ The IBLC also directed staff to

¹ The proposal would have been voted on at the SACRS Business Meeting on November 16, 2018 at the SACRS 2018 Fall Conference. However, on October 16, 2018, the SACRS Legislative Committee

return to the IBLC in 60 days with an action plan on sponsoring legislation to increase the compensation rate from \$100 to \$500 per meeting for applicable board members.

EXISTING LAW

Government Code Section 31521 (Attachment 1) authorizes a board of supervisors in counties having a retirement board consisting of nine members and an alternate retired member to provide that the fourth, fifth, eighth, ninth, and alternate retired members receive compensation of \$100 for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board. In counties having a board of investments, the board of supervisors may provide that the fifth, sixth, seventh, eighth, and ninth members likewise receive compensation of \$100. The members eligible for this compensation consist of appointed and retired members. Elected board members who are employees of the county have their official board duties included as part of their county employment and do not receive any additional compensation.

In 1990, LACERA sponsored legislation to amend Section 31521 to remove ambiguity regarding compensation for committee meetings that must be authorized by the *entire* board. However, a separate Section 31521.1 (Attachment 1) was instead added to the Government Code that applied only to LACERA. This section in its initial version did not include the word “entire,” so that authorized committee meetings may be approved by 6 members of a 9-member board and not the entire board. Under existing law, Section 31521.1 applies only to LACERA with respect to compensation of board members, whereas Section 31521 applies to the other retirement systems operating under CERL. Subsequent amendments to the two sections over the years have made them virtually identical, and the current compensation rate in both sections is \$100 per meeting for not more than five meetings per month.

In 2007, LACERA sponsored legislation to add Section 31521.3 (Attachment 1) to the Government Code that would authorize a board of supervisors to provide that the fourth, fifth, sixth, eighth, ninth, and alternate retired members of LACERA’s Board of Retirement receive compensation for the review and analysis of disability retirement cases. The compensation rate is \$100 per 8-hour day and not to exceed 32 hours per month. The compensation rate is subject to biennial cost-of-living adjustments by the Board of Retirement and is currently at \$118.

ISSUE

The OCERS proposal contained research on the history of the current rate of \$100. It found that the rate was raised from \$10 to \$15 in 1951, to \$25 in 1953, to \$50 in 1965, and then to \$100 in 1970. The proposal also noted that trustees at the California Public

announced that OCERS withdrew its proposal from consideration. At the November 7, 2018 meeting of the Board of Retirement, staff informed the Board that the proposal had been withdrawn and that there was no need to provide directions to LACERA’s voting delegate on the matter.

Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS) receive \$100 as do nearly every other political appointee to a board or commission in California.

The discussion at the IBLC meeting on October 11, 2018 indicated that the current compensation rate of \$100 did not sufficiently reflect the workload that trustees engage in to fulfill their fiduciary responsibilities. Since the rate was established in 1970 without a cost-of-living adjustment, its purchasing power has diminished over a period of almost 50 years. Moreover, it was noted that although the compensation rate of \$100 was common for many boards and commissions in California, it was by no means universal because a few boards and commissions do receive higher rates. For example, under the California Water Code, the governing board of a water district may adopt an ordinance that increases its board member compensation rate of \$100 per day by 5 percent following the operative date of the last adjustment. In another example, the City of Los Angeles' Board of Public Works is a full-time, paid Board that meets three times a week.

In order to increase the current compensation rate from \$100 to \$500 per meeting and have that rate apply only to LACERA, the Board of Retirement and the Board of Investments would need to sponsor legislation that would amend existing Government Code Section 31521.1 to reflect the new rate. Since the provision covers members of both the Board of Retirement and Board of Investments, a proposal to amend Section 31521.1 would be a joint issue for both boards.

Workload

Summary documents entitled "Powers and Duties of Retirement Board Members" and "Powers and Duties of Investment Board Members" (Attachment 2) are provided to voters to enable them to evaluate candidates for each board. The documents provide an overview of the workload of board members in fulfilling their responsibilities and fiduciary duties.

Members of the Board of Retirement can expect to spend approximately 120 – 140 hours per month (equivalent to 3 – 3.5 40-hour workweeks) in discharging their duties to LACERA. Members of the Board of Investments can expect to spend approximately 80 hours per month (equivalent to 2 40-hour workweeks). Each summary document contains 11 categories of duties that include, for example, attending board and committee meetings (including reviewing relevant meeting materials); overseeing LACERA management through policies, procedures, governance processes, operational reports, and budgets; reviewing disability retirement applications; overseeing litigation, vendors, and consultants; and ensuring legal compliance.

Attachment 3 provides a sample workload analysis covering the period December 2017 to November 2018 based on data compiled from meeting minutes and educational and

expense reports. The analysis covers the most recent 12-month period and may not necessarily be representative of a typical year or show trends over time that would require data from more 12-month periods. The analysis covers workload categories such as number of board and committee meetings attended, duration of board and committee meetings, commuting time, disability case reviews, and number and length of educational conferences attended.

PROPOSED SOLUTION

Government Code Section 31521.1 applies only to LACERA. Amending this section to reflect a compensation rate of \$500 would authorize the Board of Supervisors of the County of Los Angeles to provide compensation to specified board members at that rate.

If the Board of Retirement and the Board of Investments decide to sponsor legislation to amend Section 31521.1 to reflect a compensation rate of \$500, staff would engage with LACERA's state legislative advocate in locating a legislator to author a bill for the 2019 legislative session. If the bill passes, Section 31521.1 would reflect a new compensation rate of \$500 that would be effective January 1, 2020.

RISKS AND CONSIDERATIONS

Locating an author. In 2007, a similar legislative proposal was submitted by OCERS for SACRS sponsorship. SACRS was unable to locate a legislator willing to carry the bill. The proposed legislation to increase the compensation rate is not merely technical in nature, which otherwise would generally be carried by a policy committee. It is potentially controversial and would most likely require an actual legislator to carry it.

Scope of proposal. The issue of raising the current compensation rate from \$100 to \$500 grew out of a discussion related to the OCERS proposal of raising the rate to \$200 for board meeting attendance. LACERA is the only CERL system whose board members receive compensation for the review and analysis of disability retirement cases. The IBLC and the Board of Retirement should consider whether LACERA's proposed legislation would also amend Section 31521.3 from a rate of \$100 per 8-hour day to \$500 per 8-hour day, not to exceed 32 hours per month. This would raise the maximum payable amount each month from \$400 to \$2,000 and potentially amplify the controversial nature of this proposal.

Policy committees. The recent mid-term elections resulted in some turnover in the California State Legislature. There may be new members and leadership changes in the policy committees that deal with public sector retirement plans. It is unclear at this point what the attitudes and priorities relating to public sector retirement issues are for the upcoming membership within the policy committees.

New governor. Governor-elect Gavin Newsom replaces outgoing Governor Jerry Brown. The incoming Governor may also be appointing new legislative support staff. It is unclear at this point what the attitudes and priorities relating to public sector retirement issues are for the Governor-elect and his staff.

Co-sponsorship. CalPERS and CalSTRS are the largest public sector pension plans in California and the United States with certain trustees who are also subject to a compensation rate of \$100. It may be helpful to ascertain whether CalPERS or CalSTRS is amenable to co-sponsorship of legislation that would increase the board compensation rate.

County of Los Angeles. The Board of Supervisors of the County of Los Angeles, LACERA's plan sponsor, provides the compensation to specified board members for meeting attendance each month. The process for payment involves LACERA forwarding requests for payment to the County, which pays board members on the 15th of each month; the County subsequently invoices LACERA for reimbursement.

Although the cost for compensation is ultimately paid as an administrative expense from LACERA's trust funds, Section 31521.1 indicates that the Board of Supervisors provides the compensation. The Board of Supervisors' state legislative agenda is to oppose legislation that mandates or authorizes compensation or benefit changes without its approval. The potential legislation would most likely not be successful if there is opposition from the Board of Supervisors. Moreover, even if the statute were amended to reflect a compensation rate of \$500, the increase would only be effective if the Board of Supervisors decides to provide that higher amount. Understanding the Board of Supervisors' view on this proposal and garnering its support would be essential factors to the success of this proposal.

Compensation survey. At the November 15, 2018 meeting of the SACRS Legislative Committee, the SACRS lobbyists discussed the fact that there was merit to the proposal of increasing a compensation rate that was last updated in 1970. However, instead of arbitrarily setting a new amount in statute, it would require an evidence-based approach such as a compensation survey of all California boards and commissions. Conducting such a survey might require the services of a California government agency such as the Department of Finance, Department of Human Resources, State Auditor, State Controller, or Legislative Analyst's Office. A comprehensive compensation survey may provide the necessary information to address the issue of board compensation through a statewide approach.

CONCLUSION

Increasing the compensation rate from \$100 to \$500 requires a simple change to the existing provision under Section 31521.1. However, political factors will ultimately determine the success of the proposed legislation based on the foregoing risks and

considerations. One path would be for LACERA to sponsor legislation that would amend Section 31521.1. Other paths may include co-sponsorship or deferring action until the feasibility of conducting a compensation survey can be determined.

The legislative timeline for 2019 include the following initial deadlines:

- January 25, 2019: Last day to submit bill requests to the Office of the Legislative Counsel.
- February 22, 2019: Last day for bills to be introduced.

IT IS THEREFORE RECOMMENDED THAT YOUR COMMITTEE provide further instruction to staff on potential LACERA sponsorship of legislation on compensation for board meeting attendance.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

- Attachment 1 – Government Code Sections 31521, 31521.1, 31521.3
- Attachment 2 – Powers and Duties: Board of Retirement and Board of Investments
- Attachment 3 – Workload Analysis

cc: Board of Investments
Lou Lazatin
Robert Hill
JJ Popowich
Steven Rice
Jonathan Grabel
Joe Ackler, Ackler & Associates

ATTACHMENT 1

State of California

GOVERNMENT CODE

Section 31521

31521. The board of supervisors may provide that the fourth and fifth members, and in counties having a board consisting of nine members or nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and alternate retired members, and in counties having a board of investments under Section 31520.2, the fifth, sixth, seventh, eighth, and ninth members of the board of investments, shall receive compensation at a rate of not more than one hundred dollars (\$100) for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.

(Amended by Stats. 2007, Ch. 320, Sec. 3. Effective January 1, 2008.)

State of California

GOVERNMENT CODE

Section 31521.1

31521.1. (a) The board of supervisors may provide that in counties having a board consisting of nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and alternate retired members, and in counties having a board of investments under Section 31520.2, the fifth, sixth, seventh, eighth, and ninth members of the board of investments, shall receive compensation at a rate of not more than one hundred dollars (\$100) for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, together with actual and necessary expenses for all members of the board.

(b) This section shall apply only in a county of the first class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

(Amended by Stats. 2007, Ch. 320, Sec. 4. Effective January 1, 2008.)

State of California

GOVERNMENT CODE

Section 31521.3

31521.3. (a) The board of supervisors may provide that the fourth, fifth, sixth, eighth, ninth, and alternate retired members of the board of retirement shall receive compensation for the review and analysis of disability retirement cases. The compensation shall be limited to the first time a case is considered by the board and shall not exceed one hundred dollars (\$100) per day. The compensation shall be prorated for less than eight hours of work in a single day.

(b) A board member compensated pursuant to subdivision (a) shall certify to the retirement board, in a manner specified by the retirement board, the number of hours spent reviewing disability cases each month. The number of hours compensated under this section shall not exceed 32 hours per month.

(c) On or before March 31, 2010, and on or before March 31 in each even-numbered year thereafter, the compensation limit established by the board of supervisors pursuant to subdivision (a) shall be adjusted biennially by the board of retirement to reflect any change in the Consumer Price Index for the Los Angeles, Riverside, and Orange County areas that has occurred in the previous two calendar years, rounded to the nearest dollar.

(d) This section shall apply only in a county of the first class, as defined by Section 28020, as amended by Chapter 1204 of the Statutes of 1971, and Section 28022, as amended by Chapter 43 of the Statutes of 1961.

(Amended by Stats. 2008, Ch. 179, Sec. 103. Effective January 1, 2009.)

ATTACHMENT 2

POWERS AND DUTIES OF RETIREMENT BOARD MEMBERS

The Board of Retirement provides this summary to enable voters to evaluate candidates for the Board. The Board urges voters to review this summary prior to voting.

INTRODUCTION

The overall responsibility of the Board of Retirement is to oversee the administration of the retirement pension system and the retiree health care program to ensure that members are provided with the promised benefits upon completion of their public service with Los Angeles County and other participating public employers. In total, members of the Board of Retirement can expect to commit approximately 120-140 hours of their time each month to discharging their duties to the retirement system.

As to those elected Board members who are employed by the County or a participating district, the law provides that these LACERA duties are included as part of their County or other public employment and shall normally take precedence over any other duties. Given the time commitment necessary to fulfill the responsibilities of Board membership, elected Board members will be required to spend a great majority of their working time each month in carrying out their important LACERA duties and responsibilities.

The responsibilities and duties of Board members are explained in detail below.

BOARD MEMBER RESPONSIBILITIES

A Board member's duties include:

1. ***Board and Committee Meetings.*** The Board meets twice each month unless otherwise specified, usually on the first Wednesday and second Thursday, with each meeting generally lasting from 6 to 8 hours. In addition, the Board has established committees to assist in carrying out its responsibilities. The Board also shares additional committees jointly with the system's Board of Investments, including the Audit Committee. Some committees meet monthly; others meet less frequently but up to several times per year. Committee meetings may be held both before and after regular Board meetings, and at other times, and generally last 1 to 2 hours. In addition to the time required to attend meetings, considerable time is required to prepare for meetings and review relevant materials developed by staff and management.
2. ***General Management.*** The general management of LACERA is under the Board of Retirement's oversight. To exercise this responsibility, the Board establishes policies, procedures, and governance processes, and

receives, discusses, and questions reports on operational activities. A few management functions are shared with the Board of Investments. The Boards of Retirement and Investments, acting jointly, adopt the annual budget covering LACERA's operations. The two Boards also act jointly in certain employee relations matters, including approval of Memoranda of Understanding (MOU's) negotiated with SEIU Local 721, the union bargaining for represented employees of LACERA, and approval of compensation to be provided to LACERA's nonrepresented employees. The Board of Retirement is not responsible for investments or for the adoption of funding policies and the setting of contribution rates. The Legislature assigned those responsibilities to the Board of Investments.

3. ***Payment of Retirement Pension Benefits.*** The Board of Retirement administers a statutory retirement plan; it does not establish retirement benefits. This means that retirement benefits can only be provided if they have been authorized by the State Legislature in the County Employees Retirement Law of 1937, found in the California Government Code beginning at Section 31450, and the California Public Employees' Pension Reform Act of 2013, found in the California Government Code beginning at Section 7522. Retirement benefits not authorized by the retirement laws cannot be implemented by the Board of Retirement; rather, a bill must be processed through the Legislature to amend the retirement laws. With only a few exceptions, the Legislature has required the County Board of Supervisors to adopt a resolution approving benefit enhancements before they can take effect.
4. ***Disability Retirement Applications.*** One of the most important – and by far the most time consuming – duties of a Board member is to review disability retirement applications and to participate in the Board's decision to grant or deny disability retirements according to applicable legal standards. It is anticipated the Board of Retirement will process approximately 30 to 50 disability retirement cases per month. Board members carefully review each application and the medical evidence supporting the application. A Board member will then participate in the Board's deliberations and vote on each application.
5. ***Retiree Healthcare Benefits.*** The Board oversees the administration of retiree healthcare benefits under contract with the County and other participating employers.
6. ***Claims and Litigation.*** The Board decides claims made by members concerning their benefits and related issues. The Board also oversees litigation, other than securities litigation.
7. ***Retention and Oversight of Vendors, Consultants, and Experts.*** The Board approves and oversees the retention and performance of vendors, consultants, and experts to assist in the administration of the system and to aid the Board when appropriate.

8. **Delegation.** The day-to-day operations of the retirement system are delegated to staff and outside service providers. Board members consider what responsibilities will be delegated and to whom delegation is made. Board members ensure that delegated responsibilities are properly performed through monitoring, questioning, and accountability.
9. **Legal Compliance.** The Board ensures that the retirement system maintains compliance with the plan documents and all applicable laws governing the system. Board members comply with this responsibility by conducting a periodic review of plan documents and monitoring changing legal requirements.
10. **Education.** Board members are legally required to educate themselves on appropriate topics, which may include benefits administration, disability evaluation, fair hearings, pension fund governance, new board member orientation, ethics, and fiduciary responsibilities, among other topics. Such education must consist of a minimum of 24 hours within two years of assuming office and 24 hours every subsequent two-year period the member continues on the Board.
11. **Involvement.** Board members may participate in state and national pension and retirement related organizations, including serving as an executive or committee member in these organizations.

FIDUCIARY DUTIES

Board members have the following fiduciary duties:

1. **Duty of Loyalty.** The California Constitution provides that Board of Retirement members are fiduciaries and are required to, “discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty.” All Board members, whether elected or appointed, have the same fiduciary duty. The Board members’ duty of loyalty at all times is to the participants and beneficiaries as a whole. Board members do not serve as the agent or representative of the agency or group responsible for their election or appointment. Where different groups of participants have different interests on an issue, Board members have a duty to be impartial as between conflicting participant interests and act to serve the overall best interests of all of the participants of the system.
2. **Duty of Care.** The California Constitution provides that assets of the retirement system are trust funds to be used only for the purpose of providing benefits and paying the costs of administering the system. Under the Constitution, members of the Board of Retirement “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.”

The duty of care means that Board members must exercise reasonable effort and diligence in administering and exercising oversight over the system, including: implementing, and periodically reviewing and updating, policies, procedures, and processes; requesting necessary reports and information; analyzing the information, advice, and recommendations received; asking questions; seeking expert advice when required from staff and outside expert consultants; deliberating carefully before making decisions; and understanding the reason for actions before taking them. Board members must monitor the administration of the system, follow the plan documents and applicable law, and take corrective action when required to ensure the sound administration of the system so that benefits and related services are timely and correctly delivered to participants and their beneficiaries and the other matters under the responsibility of the Board of Retirement are properly performed.

CONFLICTS OF INTEREST

Board members must be free of conflicts of interest in compliance with applicable legal requirements and LACERA’s Conflict of Interest Code and Code of Ethical Conduct. Board members must disclose conflicts of interest when they arise, and they cannot participate in decisions that will impact, positively or negatively, their own financial interests or the interests of certain of their related persons and entities. Board members are public officials under California conflict of interest laws, and they must be familiar with and follow those laws. Board members are subject to public disclosure of their economic interests and annual reporting requirements under the Political Reform Act and Fair Political Practices Commission regulations. Violation of conflict of interest laws and regulations can result in civil and criminal penalties. Conflict of interest laws and regulations are complex, and Board members should seek legal advice when appropriate. See <http://www.fppc.ca.gov/> for more information.

APPROVED BY THE BOARD OF RETIREMENT ON FEBRUARY 15, 2018.

POWERS AND DUTIES OF INVESTMENTS BOARD MEMBERS

The Board of Investments provides this summary to enable voters to evaluate candidates for the Board. The Board urges voters to review this summary prior to voting.

INTRODUCTION

The Board of Investments oversees investment of LACERA's pension retirement fund (\$52.5 billion as of June 30, 2017) and determination of County and member contribution rates. In total, members of the Board of Investments can expect to commit approximately 80 hours of their time each month to discharging their duties to the retirement system.

As to those elected Board members who are employed by the County or a participating district, the law provides that these LACERA duties are included as part of their County or other public employment and shall normally take precedence over any other duties. Given the time commitment necessary to fulfill the responsibilities of Board membership, elected Board members will be required to spend a great majority of their working time each month in carrying out their important LACERA duties and responsibilities.

The responsibilities and duties of Board members are explained in detail below.

BOARD MEMBER RESPONSIBILITIES

A Board member's duties include:

1. ***Board and Committee Meetings.*** The Board meets once each month unless otherwise specified, usually on the second Wednesday, with each meeting generally lasting from 6 to 8 hours. In addition to the time required to attend meetings, approximately 24 hours per meeting is required to prepare for meetings and review relevant materials developed by staff and management. The Board has established committees to assist in carrying out its responsibilities. The Board also shares additional committees jointly with the system's Board of Retirement, including the Audit Committee. Committee meetings may be held both before and after regular Board meetings, and at other times, and generally last 1 to 2 hours per committee plus additional preparation time of a similar or greater number of hours.
2. ***Pension Fund Investments.*** The Board of Investments has exclusive control of all retirement system investments and is responsible for establishing investment beliefs and objectives, the asset allocation for the portfolio, strategies, policies, and governance processes, which are subject to change by Board action. The Board evaluates risk and return,

including consideration of corporate governance issues. The Board makes these decisions based on information and input provided by staff and external consultants. Currently, LACERA's investment portfolio is, with a few exceptions, externally managed. The Board does not make individual investment selections for the externally managed portfolio; rather, it selects investment advisors and managers to make investments for LACERA in accordance with investment objectives and guidelines established by the Board. The Board of Investments and its staff then regularly monitor and evaluate the investment activities and results of its advisors and managers.

3. **Retiree Healthcare Funds.** Under agreement with the County and other participating employers, the Board of Investments manages and invests trust funds prepaid for future retiree healthcare benefits.
4. **Contribution Rates and Actuarial Services.** Using an actuarial valuation process, the Board of Investments determines the level of contributions necessary to fund retirement benefits. The Board of Investments is responsible for setting actuarial valuation policies, selecting the actuary who will perform the valuation, and approving the actuarial valuation services provided. The actuary submits to the Board of Investments for the Board's approval such changes in County and member contribution rates as are necessary to fund retirement benefits.
5. **Securities Litigation.** The Board of Investments, with the assistance of counsel and staff, is charged with actively identifying, evaluating and monitoring securities class action lawsuits in which the fund has sustained a loss, and to determine whether the best interests of the fund are served by actively participating in such cases.
6. **Other Fund Management.** A few management functions are shared with the Board of Retirement. The Boards of Retirement and Investments, acting jointly, adopt the annual budget covering LACERA's operations. The two Boards also act jointly in certain employee relations matters, including the approval of class specifications for LACERA's employees, the approval of Memoranda of Understanding (MOU's) negotiated with SEIU Local 721, the union bargaining for represented employees of LACERA, and the approval of compensation to be provided to LACERA's nonrepresented employees. The Board of Investments is not responsible for general administration of the retirement system and benefits. The Legislature assigned those responsibilities to the Board of Retirement.
7. **Retention and Oversight of Vendors, Consultants, and Experts.** The Board approves and oversees the retention and performance of vendors, consultants, and experts to assist in system operations and aid the Board when appropriate.

8. **Delegation.** The day-to-day investment operations of the retirement system are delegated to staff and outside service providers. Board members consider what responsibilities will be delegated and to whom delegation is made. Board members ensure that delegated responsibilities are properly performed through monitoring, questioning, and accountability.
9. **Legal Compliance.** The Board ensures that the retirement system maintains compliance with the plan documents and all applicable laws governing the system. Board members comply with this responsibility by conducting a periodic review of plan documents and monitoring changing legal requirements.
10. **Education.** Board members are legally required to educate themselves on appropriate topics, which may include pension fund investments and investment management processes, actuarial matters, pension funding, pension fund governance, new board member orientation, ethics, and fiduciary responsibilities, among other topics. Such education must consist of a minimum of 24 hours within two years of assuming office and 24 hours every subsequent two-year period the member continues on the Board.
11. **Involvement.** Board members may participate in state and national pension and investment related organizations, including serving as an executive or committee member in these organizations.

FIDUCIARY DUTIES

Board members have the following fiduciary duties:

1. **Duty of Loyalty.** The California Constitution provides that Board of Investments members are fiduciaries and are required to, “discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board’s duty to its participants and their beneficiaries shall take precedence over any other duty.” All Board members, whether elected or appointed, have the same fiduciary duty. The Board members’ duty of loyalty at all times is to the participants and beneficiaries as a whole. Board members do not serve as the agent or representative of the agency or group responsible for their election or appointment. Where different groups of participants have different interests on an issue, Board members have a duty to be impartial as between conflicting participant interests and act to serve the overall best interests of all of the participants of the system.
2. **Duty of Care.** The California Constitution provides that assets of the retirement system are trust funds to be used only for the purpose of

providing benefits and paying the costs of administering the system. Under the Constitution, members of the Board of Investments “shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.” Governing law provides that the Board “may, in its discretion, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the board.” The Constitution further requires that Board members “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.”

The duty of care means that Board members must exercise reasonable effort and diligence in administering and exercising oversight over the investments of the system, including: implementing, and periodically reviewing and updating, policies, procedures, and processes; requesting necessary reports and information; analyzing the information, advice, and recommendations received; asking questions; seeking expert advice when required from staff and outside expert consultants; deliberating carefully before making decisions; and understanding the reason for actions before taking them. Board members must monitor the investments of the system, follow the plan documents and applicable law, and take corrective action when required to ensure the sound administration of the retirement fund’s investments and the other matters under the responsibility of the Board of Investments are properly performed.

CONFLICTS OF INTEREST

Board members must be free of conflicts of interest in compliance with applicable legal requirements and LACERA’s Conflict of Interest Code and Code of Ethical Conduct. Board members must disclose conflicts of interest when they arise, and they cannot participate in decisions that will impact, positively or negatively, their own financial interests or the interests of certain of their related persons and entities. Board members are public officials under California conflict of interest laws, and they must be familiar with and follow those laws. Board members are subject to public disclosure of their economic interests and annual reporting requirements under the Political Reform Act and Fair Political Practices Commission regulations. Violation of conflict of interest laws and regulations can result in civil and criminal penalties. Conflict of interest laws and regulations are complex, and Board members should seek legal advice when appropriate. See <http://www.fppc.ca.gov/> for more information.

APPROVED BY THE BOARD OF INVESTMENTS ON FEBRUARY 14, 2018.


ATTACHMENT 3


WORKLOAD ANALYSIS

BOARD MEETING ATTENDANCE		
	Average number of compensable meetings per month	Commuting time: average hours per month per meeting roundtrip
BOARD OF RETIREMENT		
All members (n = 11)	4.7	1.2
Appointed, retired, alternate retired members (n = 6)	5	1.1
Elected members / ex-officio (n = 5)	4.3	1.5
BOARD OF INVESTMENTS		
All members (n = 9)	3.8	1.4
Appointed and retired members (n = 5)	3.8	1.9
Elected members / ex-officio (n = 4)	3.9	0.9
DISABILITY CASE REVIEW		
	Average compensable hours per month	
BOARD OF RETIREMENT		
Appointed, retired, alternate retired members (n = 6)	23.2	
MEETING DURATION		
	Average hours per meeting per month	
BOARD OF RETIREMENT		
Full Board	2.5	
Committees (n = 3)	0.3	
BOARD OF INVESTMENTS		
Full Board	3.2	
Committees (n = 6)	0.7	
JOINT MEETINGS		
Both Boards	6.5	
Committees (n = 2)	1.4	
AD HOC MEETINGS		
Committees (n = 3)	1.5	
EDUCATIONAL CONFERENCES		
	Average number of conferences	Average number of days per conference
BOARD OF RETIREMENT	4.4	4
BOARD OF INVESTMENTS	9.6	3.2

December 31, 2018

TO: Each Member
Board of Retirement
Board of Investments

FROM: Lou Lazatin 
Chief Executive Officer

Steven P. Rice 
Chief Counsel

FOR: January 9, 2019 Board of Investments Meeting
January 10, 2019 Board of Retirement Meeting

SUBJECT: Potential Use of E-Voting Procedure for 2019 Board Elections

Background

In 2019, there will be an election for the Seventh Member (safety) and Alternate Safety Member seats on the Board of Retirement, which are currently held by Shawn Kehoe and William Pryor, respectively. There will also be an election for the Fourth Member (safety) seat on the Board of Investments, currently held by Mr. Kehoe.

Government Code Section 31520.1 of the County Employees Retirement Law of 1937 (CERL) provides that Board of Retirement elections are conducted “in a manner determined by the board of supervisors.” As to the Board of Investments, the governing CERL provision, Section 31520.2, does not contain the same language; Section 31520.2 is silent as to determination of BOI election procedures. However, it has been LACERA and the County’s practice and legal understanding that the Board of Supervisors also determines the manner of election of BOI members.

Accordingly, each election year, the Board of Supervisors adopts a resolution describing the election process and procedures. In recent years, the Board of Supervisors approved paper ballots, which were voted manually and returned by U.S. Mail or personal delivery. See, e.g., April 12, 2016 Board of Supervisors Letter and Resolutions stating the procedures for that year’s BOR and BOI elections for the Safety member positions, a copy of which is attached to this memo.

In the past, the County mentioned the possibility of shifting to electronic voting (e-voting). However, the County has not previously implemented such a process. In prior discussions, LACERA identified concerns related to having the initial roll out of e-voting

during a retiree election because it may constitute a barrier to retiree voting. LACERA mentioned the desirability of having voting options (e.g., paper ballots and/or telephone voting) for retirees.

The County's Potential 2019 E-Voting Election Procedure

Recently, the County requested a meeting with LACERA's Chief Executive Officer and Chief Counsel to discuss the County's consideration of an e-voting process for the 2019 elections. A meeting was held on December 20, 2018 with representatives of the County CEO's office and the Board of Supervisors Executive Office.

In the meeting, the County generally described a process where ballots will be cast through a system accessed by members over the internet, and votes then tallied electronically. Access to the e-voting platform will likely be through a member's employee number and a separate authentication PIN. The County believes that this year's safety trustee elections present a good opportunity to begin use of e-voting because the electorate of safety members is expected to be comfortable with the use of the internet-based technology.

The County believes that the use of e-voting has potential benefits over the historical paper process, including: (1) an enhanced voter experience without the need to complete and mail paper ballots; (2) increased voter turnout because of the greater ease of casting ballots electronically; and (3) significant election cost savings. The County has not determined the details of the process or selected software, although a vendor is under consideration. The County believes it is premature to disclose the name of the vendor. The County emphasized that voting security will be a top priority. The County has been advised by County Counsel that there are no legal impediments to the use of e-voting; LACERA's counsel concurs with this advice. The County has not determined whether e-voting will be the only means of casting a vote or whether there will also be paper or other types of voting options available to voters.

The County stated that CalPERS uses e-voting for its trustee elections, although other voting methods are also offered, including paper and phone.

Conclusion

While the County has authority to determine the election process under CERL as noted above, the County is interested in the questions or concerns of LACERA Board Members. Staff requests that the Boards discuss the issue and provide input that may be provided to the County as it finalizes the 2019 election process.

Attachment

c: Lou Lazatin Robert Hill JJ Popowich Jonathan Grabel



LORI GLASGOW
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 363
LOS ANGELES, CALIFORNIA 90012
(213) 974-1411 • FAX (213) 620-0636

MEMBERS OF THE BOARD

HILDA L. SOLIS

MARK RIDLEY-THOMAS

SHEILA KUEHL

DON KNABE

MICHAEL D. ANTONOVICH

April 12, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

10 April 12, 2016

LORI GLASGOW
EXECUTIVE OFFICER

ELECTION OF THE FOURTH MEMBER OF THE BOARD OF INVESTMENTS AND THE SEVENTH & ALTERNATE MEMBERS OF THE BOARD OF RETIREMENT (ALL DISTRICTS) (3-VOTES)

SUBJECT

ADOPTION OF RESOLUTIONS ESTABLISHING THE GOVERNING PROCEDURES FOR THE 2016 LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LACERA) ELECTIONS.

IT IS RECOMMENDED THAT THE BOARD:

Adopt the attached resolutions establishing the procedures to elect the Fourth Member of the Board of Investments and the Seventh and Alternate Members of the Board of Retirement for the Los Angeles County Employees Retirement Association (LACERA), with three-year terms beginning on January 1, 2017, and expiring on December 31, 2019; and instruct the Executive Officer of the Board of Supervisors to send notice of the elections and copies of the election resolutions to all County departments that employ Safety Members of LACERA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County Employees Retirement Law of 1937 provides for the membership of the Board of Investments and the Board of Retirement of LACERA. Every year the Board of Supervisors adopts, by resolution, the election procedures for members of the Board of Investments and the Board of Retirement of LACERA whose terms of office will expire on December 31 of that year.

This year, the terms of office for the Fourth Member of the Board of Investments and the Seventh and Alternate Members of the Board of Retirement will expire on December 31st.

Implementation of Strategic Plan Goals

Approval of the attached resolutions broadly supports the County Strategic Goal of Operational Effectiveness/Fiscal Sustainability.

FISCAL IMPACT/FINANCING

The cost of these elections is estimated at \$60,000 based upon prior elections conducted by the Registrar-Recorder/County Clerk. The total eligible voting population in these elections is approximately 12,607 persons.

The cost of conducting the LACERA elections will be absorbed within the Registrar-Recorder/County Clerk's and the Board of Supervisors' budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Government Code Sections 31520.1 and 31520.2 grant the Board of Supervisors the authority to conduct the elections for the elected members of the Board of Retirement and the Board of Investments. Your Board has given the Executive Officer of the Board of Supervisors the responsibility for coordinating these elections with the Registrar-Recorder/County Clerk, LACERA and with County departments through departmental election coordinators.

The elections for the Fourth Member of the Board of Investments and the Seventh and Alternate Members of the Board of Retirement are regular elections to fill terms of office that expire on December 31, 2016. Active Safety Members of LACERA on March 1, 2016 are eligible to vote in this election.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Besides the evident need to fill these offices on the Board of Investments and the Board of Retirement, these elections provide an opportunity for Safety Members to participate in selecting board members whose official decisions have a great impact on their own retirement system. Thus, County departments will be strongly encouraged to adhere to these election procedures and ensure that any communication from the Executive Officer concerning this election is posted and/or distributed in a timely manner. As always, departments will be called upon to respond immediately to situations that may surface. It is important to emphasize that the integrity of these elections often rests with a department's cooperation and active participation in the election process.

The Honorable Board of Supervisors

4/12/2016

Page 3

Respectfully submitted,

A handwritten signature in cursive script that reads "Lori Glasgow". The signature is written in a dark ink and is positioned above the typed name and title.

LORI GLASGOW

Executive Officer, Board of Supervisors

LG:ak

Enclosures

c: Chief Executive Officer
County Counsel
Chief Executive Officer, LACERA
Registrar-Recorder/County Clerk
Auditor-Controller
Director, Internal Services Department

**RESOLUTION ESTABLISHING THE ELECTION FOR
FOURTH MEMBER
OF THE
BOARD OF INVESTMENTS**

WHEREAS, under the provisions of the County Employees Retirement Law of 1937, the Board of Investments shall consist of nine members; and

WHEREAS, the term of the Fourth Member of the Board of Investments will expire on December 31, 2016; and

WHEREAS, pursuant to the provisions of the County Employees Retirement Law of 1937, Section 31520.2 of the Government Code, a successor shall be elected to fill the office for the term beginning January 1, 2017, at an election conducted in a manner to be determined by the Board of Supervisors:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that the nomination of candidates and the election of the Fourth Member of the Board of Investments of the Los Angeles County Employees Retirement Association (LACERA), elected by the Safety Members of said Retirement Association to fill the term beginning January 1, 2017 and expiring December 31, 2019, shall be in accordance with the rules and procedures herein prescribed:

1. The Executive Officer of the Board of Supervisors shall supervise the election for the Fourth Member of the Board of Investments of LACERA.
2. The Executive Officer of the Board of Supervisors shall, on or before Thursday, April 14, 2016, notify department heads who employ Safety Members of the election and shall provide department heads with an election notice for use in notifying their respective employees.
3. Department heads with Safety Member employees in their departments shall notify their employees of the election by posting sufficient copies of the election notice on or before Friday, April 29, 2016.

4. The Executive Officer of the Board of Supervisors, through a coordinated effort with the Internal Services and Auditor-Controller Departments, shall, on or before Monday, May 2, 2016 send an email to those Safety Members within the County that have County email addresses, advising them of the upcoming LACERA election.

5. Each department head with Safety Members in his or her department shall appoint at least one employee who will act as the departmental election coordinator, and at least one employee who will act as the alternate departmental election coordinator. Election coordinators and alternate coordinators shall be responsible for communicating election information to the employees of the department, and shall attend all training sessions, as specified by the Executive Officer of the Board of Supervisors, regarding the administration of the election. Departments with work locations which have more than 100 employees who are eligible to vote are urged to select an on-site election coordinator for each of these locations. It is the responsibility of the department head to notify the Executive Office of the Board of Supervisors at (213) 974-1093 or email to LACERA_ELECTION@bos.lacounty.gov the names, telephone numbers, work place mailing addresses and/or email addresses for employees appointed on or before Monday, April 25, 2016.

6. Candidates shall a) be active Safety Members of LACERA on March 1, 2016 and b) be nominated by a petition signed by at least fifty (50) active Safety Members of LACERA, who themselves were active Safety Members on March 1, 2016, and no member may sign more than one nominating petition. Nominating petitions may be obtained from the Registrar-Recorder/County Clerk, 12400 Imperial Highway, Norwalk, 90650, on or after Monday, May 2, 2016. The request for nomination papers supplied by the Registrar-Recorder/County Clerk shall be completed by each requesting party. Nominating petitions must be filed with the Registrar-Recorder/County Clerk, 12400 Imperial Highway, Norwalk, 90650, no later than 5:00 p.m. on Tuesday, May 31, 2016.

7. Each department head shall allow all nominees to solicit nominating signatures and candidates to engage in campaign-related activities during working hours on County property provided such signature solicitation and campaign activities are conducted during the employees' lunch, break time, or other off-duty time and does not interfere with County operations or the conduct of County business.

8. The Registrar-Recorder/County Clerk shall examine the signatures on the nominating petitions and notify each nominee of his or her status, no later than 5:00 p.m. on Friday, June 3, 2016. If the Registrar-Recorder/County Clerk determines that only one member has been duly nominated, pursuant to the provisions of the County Employees Retirement Law of 1937, Section 31523 of the Government Code, the Registrar-Recorder/County Clerk shall notify the Board of Supervisors and the Board of Supervisors shall order that no election be held and the Executive Officer of the Board of Supervisors shall be directed to cast a unanimous ballot in favor of such nominated member. If more than one member has been duly nominated, the Registrar-Recorder/County Clerk shall certify to the Executive Officer of the Board of Supervisors by Friday, June 3, 2016, the names of candidates to be placed on the official ballot.

9. Nominees in this election may file with the Registrar-Recorder/County Clerk a statement of qualifications of not more than 200 words. Words shall be counted as provided in Elections Code Section 9. Any statement of qualifications filed with the Registrar-Recorder/County Clerk shall be limited to a recitation of the nominee's own personal background and qualifications, and shall not in any way make reference to other nominees or to another nominee's qualifications. A nominee may file his or her statement of qualifications beginning Monday, May 2, 2016. No statement of qualifications may be withdrawn and/or re-filed after 5:00 p.m., Tuesday, May 31, 2016. The statement shall become a part of the official voting material, except as provided in paragraph 10, below.

10. Upon close of the statement of qualifications filing period, the Registrar-Recorder/County Clerk shall examine each statement of qualifications. Any statement of qualifications which the Registrar-Recorder/County Clerk determines is not limited to a recitation of the nominee's own personal background and qualifications or which includes any reference to other nominees or to another nominee's qualifications shall not be printed or circulated by the Registrar-Recorder/County Clerk. The Registrar-Recorder/County Clerk shall notify each nominee by telephone at his or her telephone number that the nominee has provided, and/or via U.S. Mail to the nominee's mailing address if the nominee's statement of qualifications is rejected pursuant to this provision. The decision of the Registrar-Recorder/County Clerk to accept or reject a nominee's statement of qualifications is final. Any statement of qualifications filed with the Registrar-Recorder/County Clerk shall, upon close of the statement of qualifications filing period, be made available for public inspection and copying. Any judicial proceeding challenging the decision of the Registrar-Recorder/County Clerk to reject or accept a nominee's statement of qualifications shall be governed, to the extent determined applicable by the courts, under the procedures set forth in Elections Code Section 13314.

11. A statement of qualifications shall be open to public inspection for a period of five business days excluding weekends (Saturday and Sunday) and holidays. Candidate's statements of qualifications will be available for inspection at the Registrar-Recorder/County Clerk, 12400 Imperial Highway, Norwalk, 90650, beginning on Monday, June 6, 2016, and ending at 5:00 p.m. Friday, June 10, 2016. On or after Thursday, June 16, 2016, candidate's statements of qualifications approved by the Registrar-Recorder/County Clerk may be viewed at:
<http://bos.co.la.ca.us/Services/ConflictofInterestLobbyist/LACERAElection.aspx>

12. The form of ballot to be used at the election shall be prepared by the Registrar-Recorder/County Clerk and additional materials shall include: (1) a list of the certified candidates in random order with a voting space opposite each name and sufficient information to acquaint members with the nature of the election and the proper method of casting a ballot; (2) statements of qualifications if properly filed by the candidates; (3) a return envelope postage prepaid; and (4) a statement of powers and duties of Board of Investments Members (see Attachment A). The identifying information on the outside of the mailing envelope will include the employee name and mailing address.
13. A public drawing will be held to determine the ballot order at 2:00 p.m. on Wednesday, June 8, 2016 in the Executive Office of the Board of Supervisors, B-1 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles.
14. The Auditor-Controller shall provide to the Executive Officer of the Board of Supervisors an electronic file in excel format of eligible Safety Members, which includes Safety Members who were active Safety Members of LACERA on March 1, 2016, on or before Tuesday, April 19, 2016. The electronic file will contain employee name, employee number, mailing address, pay location, and department. The Auditor-Controller shall also provide to the Registrar-Recorder/County Clerk an electronic copy of the same file provided to the Executive Officer of the Board of Supervisors, and a redacted electronic file that contains the employee name and mailing address only by Thursday, April 21, 2016. By Friday, June 24, 2016, the Registrar-Recorder/County Clerk will forward the approved list of eligible Safety Members that contains only the employee name and mailing address to its contracted vendor, if it is determined that an election will be held.
15. The Registrar-Recorder/County Clerk shall mail the official ballot to the mailing address of eligible Safety Members beginning on Monday, June 27, 2016 and by Tuesday, July 5, 2016 all ballots must be mailed. The ballots shall be mailed via U.S. Mail using mailing addresses listed on the Auditor-Controller's electronic address file. The Registrar Recorder/County Clerk will forward to the Executive

Officer of the Board of Supervisors by Friday, July 8, 2016, verification that all ballots were mailed as described in this resolution.

16. Any County employee who is a candidate in this election is a candidate in his or her personal capacity, and may not use County time or County resources to further his or her campaign or election. Any candidate who violates this provision, or has others violate this provision on behalf of his or her candidacy, is subject to discipline, including discharge from County employment.
17. Each department head shall designate existing departmental bulletin board space for all candidates to display campaign material. Campaign material shall clearly state that employees are prohibited from using County time or County resources to further the campaign or election of the candidate.
18. Upon request of a candidate, on or after Friday, June 3, 2016, each department head shall provide the address of the department's work locations where employees who are eligible to vote in this election are employed.
19. Except as otherwise prohibited by law, employees may wear campaign badges or buttons during working hours.
20. Members eligible to vote in this election shall be Safety Members of LACERA on March 1, 2016. Eligible Safety Members who do not receive a ballot by Wednesday, July 13, 2016 and desire to vote, or who have made a mistake on their original ballot and wish to correct it, shall notify in writing their department election coordinator on or before Tuesday, July 19, 2016, and explain in writing why a duplicate ballot is being requested. The department election coordinator shall submit to the Registrar-Recorder/County Clerk these written statements along with the employee's name, current mailing address, employee number and department in which employed on March 1, 2016 on the Request for Duplicate Election Ballot Form provided by the Executive Office of the Board of Supervisors on or before Wednesday, July 20, 2016. The Registrar-Recorder/County Clerk must receive the request by Wednesday, July 20, 2016. Duplicate ballots shall

be issued only to those Safety Members who submit the required written statement and whose names appear on both the Request for Duplicate Election Ballot signed by the election coordinator and the Auditor-Controller's electronic file.

21. The Registrar-Recorder/County Clerk shall mail the requested duplicate ballots via U.S. Mail by Friday, July 22, 2016, to the mailing address supplied by members on the Request for Duplicate Election Ballot Form.
22. Each ballot may be voted only by the member to whom it is issued. No member may vote more than once in this election.
23. The Registrar-Recorder/County Clerk shall maintain internal controls to ensure that no more than one vote is cast per member to protect the integrity of the election.
24. To be eligible for counting, ballots shall be returned to the Registrar-Recorder/County Clerk in the REPLY envelope provided via U.S. Mail or personal delivery; shall be completed by each voter and placed within the Privacy Envelope with his or her employee number, printed name, and signature in the space provided on the reverse of said envelope; and shall be received by the Registrar-Recorder/County Clerk by 5:00 p.m., Tuesday, August 9, 2016. There are no provisions for write-in candidates; therefore, no write-in votes shall be counted.
25. The Registrar-Recorder/County Clerk shall canvass the votes cast at the election and shall certify the results to the Executive Office of the Board of Supervisors on or before Friday, August 12, 2016.
26. The Registrar-Recorder/County Clerk shall (a) telephone each candidate receiving more than 20 percent of the total votes cast at his or her telephone number provided as to the results as certified on or before Friday, August 12, 2016 and (b) send written notice of the results via U.S. Mail to each candidate's

mailing address, or send electronic mail to those candidates who prefer electronic communication on or before Friday, August 12, 2016.

27. In the event a candidate makes a request for a recount of the election results, the requestor shall bear the cost of such a recount. A written request for a recount shall be filed with the Registrar-Recorder/County Clerk no later than 5:00 p.m., Friday, August 19, 2016. The candidate filing the request for the recount shall, before the recount is commenced and at the beginning of each day following, deposit with the Registrar-Recorder/County Clerk a sum as required by the Registrar-Recorder/County Clerk to cover the cost of the recount for that day. The Registrar-Recorder/County Clerk shall commence a recount no later than Friday, August 26, 2016. In the event the recount results in a determination that the candidate who requested the recount has received a plurality of the votes cast, all money deposited shall be returned to the candidate. The recount conducted by the Registrar-Recorder/County Clerk shall be open to the public.
28. In the event any candidate desires to protest the results of the election, he or she must file a written protest with the Executive Office of the Board of Supervisors no later than 5:00 p.m., Friday, August 19, 2016. The written protest must specify the grounds for the protest and be accompanied by supporting documentation.
29. The Board of Supervisors at its meeting on Tuesday, September 20, 2016, or on a date following the completion of any recount, and/or investigation of a protest, shall declare the results official. The person receiving the highest number of votes shall be declared elected. In the event two or more persons tie for first place, such persons shall determine, by drawing lots before the Board, which of them shall be elected.
30. In lieu of declaring the results official, the Board of Supervisors may order a new election if the Board determines, on the basis of written protest or on its own motion, that any error, omission or neglect occurred attributable to the County in the administration of the election sufficient to change the result. The rejection of

a candidate's statement of qualifications by the Registrar-Recorder/County Clerk, or the failure of the Registrar-Recorder/County Clerk to reject a candidate's statement of qualifications, shall not constitute grounds for a new election. Allegations of candidate misconduct shall not constitute grounds for a new election, but, if later substantiated, may lead to administrative discipline or criminal culpability.

31. Election material retained by the Executive Officer of the Board of Supervisors and nominating petitions and ballots retained by the Registrar-Recorder/County Clerk may be discarded or otherwise disposed of no earlier than sixty-two (62) days after the date of the final declaration of the election results by the Board of Supervisors. The Registrar-Recorder/County Clerk will further confirm with their selected vendor(s) that the electronic file is destroyed sixty-five (65) days after the date of final declaration of the election results by the Board of Supervisors.
32. The Executive Officer of the Board of Supervisors may, in the exercise of her discretion, implement additional procedures as she may deem necessary in order to preserve a fair and equitable election process. The Executive Officer of the Board of Supervisors shall, within ten (10) days, notify the Board of Supervisors, the Boards of Investments and Retirement and all candidates of any additional procedures implemented pursuant to this provision.

The foregoing resolution was on the 12th day of April, 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



Lori Glasgow, Executive Officer-
Clerk of the Board of Supervisors of the
County of Los Angeles

By: Lachelle Smithman

Deputy

APPROVED AS TO FORM:
Mary Wickham
County Counsel

By

Rene Gilbertson

Rene Gilbertson
Senior Deputy County Counsel

**POWERS AND DUTIES
OF INVESTMENTS BOARD MEMBERS**

The Board of Investments provides this summary to enable voters to evaluate candidates for the Board of Investments. The Board urges voters to review this summary prior to voting.

The Board of Investments has two (2) primary responsibilities; the investment of LACERA's Retirement Fund (\$48.8 billion as of June 30, 2015), and the determination of County and member contribution rates. The Board of Investments operates pursuant to Article XVI, section 17 of the California Constitution and the County Employees Retirement Law of 1937, found in the California Government Code beginning at section 31450.

The Board of Investments has exclusive control of all retirement system investments and is responsible for establishing investment objectives, strategies, and policies. LACERA's investment portfolio is, with very minor exceptions, externally managed. The Board does not make individual investment selections for the externally managed portfolio; rather, it selects investment advisors and managers to make investments for LACERA in accordance with investment objectives and guidelines established by the Board. In addition, the Board of Investments and its staff continually monitor and evaluate the investment activities and results of its advisors and managers. Under the Board's Securities Litigation Policy, the Board of Investments, with the assistance of counsel and staff, is also charged with actively identifying, evaluating and monitoring those securities class action lawsuits in which the fund has sustained a loss, and to determine whether the best interests of the fund would be served by actively participating in such cases.

Investment Board members act as fiduciaries for LACERA and its members. Board members have a constitutional and statutory duty to "diversify the investments of the system so as to minimize the risk of loss and maximize the rate of return, unless under the circumstances it is clearly not prudent to do so."

These duties require members of the Board of Investments to spend substantial time educating themselves and staying current on investment matters. This is accomplished through attendance at courses such as the "Portfolio Concepts and Management" or "Investment Management" courses sponsored by the Wharton School of Economics, and at conferences and seminars held throughout the year. A newly elected member of the Board should expect to devote considerable time and effort in gaining the education and expertise necessary to

carry out his or her important responsibilities. At a minimum, Government Code section 31522.8 requires members to complete 24 hours of education within two years of assuming office and 24 hours of education every two years the member continues to hold membership on the Board.

Using an actuarial valuation process, the Board of Investments determines the level of contributions necessary to fund retirement benefits. The Board of Investments is responsible for setting actuarial valuation policies, selecting the actuary who will perform the valuation, and for approving the actuarial valuation services provided. At least every three years, the actuary submits to the Board of Investments for the Board's approval such changes in County and member contribution rates as are necessary to fund retirement benefits.

The Board of Investments shares some responsibilities with the Board of Retirement. The Boards of Retirement and Investments, acting jointly, adopt the annual budget covering LACERA's operations. Additionally, the two Boards act jointly in employee relations matters, including the approval of class specifications for LACERA employees, the approval of Memoranda of Understanding (MOUs) negotiated with SEIU Local 721, the union bargaining for represented employees of LACERA, and the approval of compensation to be provided to LACERA's nonrepresented employees.

The Board of Investments meets on the second Wednesday of each month, with meetings generally lasting from 6 to 8 hours. In addition to the time required to attend meetings, Board members must review materials prior to the meeting. Such review and preparation will require approximately 16 hours per meeting. Special meetings may be held from time to time, including committee meetings, which members may be obligated to attend and which have their own additional time requirements to prepare and attend. Committee meetings may be held both before and after regular Board meetings, and at other times, and generally last 1 to 2 hours plus additional preparation time of a similar or greater number of hours.

Under Government Code Section 31522, as to those elected Board members who are also employed by the County or a participating district, their LACERA duties are included as part of their County or district employment.

The Board of Investments cannot grant benefit increases and is not responsible for the administration of retirement benefits. The Legislature has assigned the administration responsibilities to the Board of Retirement.

APPROVED BY THE BOARD OF INVESTMENTS ON FEBRUARY 10, 2016.

BI 2017 Powers & Duties Statement.docx

**RESOLUTION ESTABLISHING THE ELECTION FOR
SEVENTH AND ALTERNATE MEMBERS
OF THE
BOARD OF RETIREMENT**

WHEREAS, under the provisions of the County Employment Retirement Law of 1937, the Board of Retirement shall consist of nine members and two alternate members; and

WHEREAS, the term of the Seventh and Alternate Members of the Board of Retirement will expire on December 31, 2016; and

WHEREAS, pursuant to the provisions of the County Employees Retirement Law of 1937, Section 31520.1 of the Government Code, a successor shall be elected to fill the office for the term beginning January 1, 2017, at an election conducted in a manner to be determined by the Board of Supervisors:

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that the nomination of candidates and the election of the Seventh and Alternate Members of the Board of Retirement, Los Angeles County Employees Retirement Association (LACERA), elected by the Safety Members of said Retirement Association to fill the term beginning January 1, 2017 and expiring December 31, 2019 shall be in accordance with the rules and procedures herein prescribed:

1. The Executive Officer of the Board of Supervisors shall supervise the election for the Seventh and Alternate Members of the Board of Retirement of LACERA.
2. The Executive Officer of the Board of Supervisors shall, on or before Thursday, April 14, 2016, notify department heads who employ Safety Members of the election and shall provide department heads with an election notice for use in notifying their respective employees.
3. Department heads with Safety Member employees in their departments shall notify their employees of the election by posting sufficient copies of the election notice on or before Friday, April 29, 2016.

4. The Executive Officer of the Board of Supervisors, through a coordinated effort with the Internal Services and Auditor-Controller Departments, shall, on Monday, May 2, 2016 send an email to those Safety Members within the County that have County email addresses, advising them of the upcoming LACERA election.

5. Each department head with Safety Members in his or her department shall appoint at least one employee who will act as the departmental election coordinator, and at least one employee who will act as the alternate departmental election coordinator. Election coordinators and alternate coordinators shall be responsible for communicating election information to the employees of the department, and shall attend all training sessions, as specified by the Executive Officer of the Board of Supervisors, regarding the administration of the election. Departments with work locations which have more than 100 employees who are eligible to vote are urged to select an on-site election coordinator for each of these locations. It is the responsibility of the department head to notify the Executive Office of the Board of Supervisors at (213) 974-1093 or email to LACERA_ELECTION@bos.lacounty.gov the names, telephone numbers, work place mailing addresses and/or email addresses for employees appointed on or before Monday, April 25, 2016.

6. Candidates shall a) be active Safety Members of LACERA on March 1, 2016 and b) be nominated by a petition signed by at least fifty (50) active Safety Members of LACERA, who themselves were active Safety Members on March 1, 2016, and no member may sign more than one nominating petition. Nominating petitions may be obtained from the Registrar-Recorder/County Clerk, 12400 Imperial Highway, Norwalk, 90650, on or after Monday, May 2, 2016. The request for nomination papers supplied by the Registrar-Recorder/County Clerk shall be completed by each requesting party. Nominating petitions must be filed with the Registrar-Recorder/County Clerk, 12400 E Imperial Highway, Norwalk, 90650, no later than 5:00 p.m. on Tuesday, May 31, 2016.

7. Each department head shall allow nominees to solicit nominating signatures and candidates to engage in campaign-related activities during working hours on County property provided such signature solicitation and campaign activities are conducted during the employees' lunch, break time, or other off-duty time and does not interfere with County operations or the conduct of County business.

8. The Registrar-Recorder/County Clerk shall examine the signatures on the nominating petitions and notify each nominee of his or her status, no later than 5:00 p.m. on Friday, June 3, 2016. If the Registrar-Recorder/County Clerk determines that only one member has been duly nominated, pursuant to the provisions of the County Employees Retirement Law of 1937, Section 31523 of the Government Code, the Registrar-Recorder/County Clerk shall notify the Board of Supervisors and the Board of Supervisors shall order that no election be held and the Executive Officer of the Board of Supervisors shall be directed to cast a unanimous ballot in favor of such nominated member. If more than one member has been duly nominated, The Registrar-Recorder/County Clerk shall certify to the Executive Officer of the Board of Supervisors by Friday, June 3, 2016, the names of the candidates to be placed on the official ballot.

9. Nominees in this election may file with the Registrar-Recorder/County Clerk a statement of qualifications of not more than 200 words. Words shall be counted as provided in Elections Code Section 9. Any statement of qualifications filed with the Registrar-Recorder/County Clerk shall be limited to a recitation of the nominee's own personal background and qualifications, and shall not in any way make reference to other nominees or to another nominee's qualifications. A nominee may file his or her statement of qualifications beginning Monday, May 2, 2016. No statement of qualifications may be withdrawn and/or re-filed after 5:00 p.m., Tuesday, May 31, 2016. The statement shall become a part of the official voting material, except as provided in paragraph 10, below.

10. Upon close of the statement of qualifications filing period, the Registrar-Recorder/County Clerk shall examine each statement of qualifications. Any statement of qualifications which the Registrar-Recorder/County Clerk determines is not limited to a recitation of the nominee's own personal background and qualifications or which includes any reference to other nominees or to another nominee's qualifications shall not be printed or circulated by the Registrar-Recorder/County Clerk. The Registrar-Recorder/County Clerk shall notify each nominee by telephone at his or her telephone number that the nominee has provided, and via U.S. Mail sent to the nominee's mailing address if the nominee's statement of qualifications is rejected pursuant to this provision. The decision of the Registrar-Recorder/County Clerk to accept or reject a nominee's statement of qualifications is final. Any statement of qualifications filed with the Registrar-Recorder/County Clerk shall, upon close of the statement of qualifications filing period, be made available for public inspection and copying. Any judicial proceeding challenging the decision of the Registrar-Recorder/County Clerk to reject or accept a nominee's statement of qualifications shall be governed, to the extent determined applicable by the courts, under the procedures set forth in Elections Code Section 13314.

11. A statement of qualifications shall be open to public inspection for a period of five business days excluding weekends (Saturday and Sunday) and holidays. Candidate's statements of qualifications will be available for inspection at the Registrar-Recorder/County Clerk, 12400 Imperial Highway, Norwalk, 90650, beginning on Monday, June 6, 2016, and ending at 5:00 p.m. Friday, June 10, 2016. On Thursday, June 16, 2016 candidates' statements of qualifications approved by the Registrar-Recorder/County Clerk may be viewed at:

<http://bos.co.la.ca.us/Services/ConflictofInterest/LACERAElection.aspx>

12. The form of ballot to be used at the election shall be as prepared by the Registrar-Recorder/County Clerk and additional materials shall include: (1) a list of the certified candidates in random order with a voting space opposite each name and sufficient information to acquaint members with the nature of the election and the proper method of casting a ballot; (2) statements of qualifications if properly filed by the candidate; (3) a return envelope postage prepaid; and (4) a statement of powers and duties of Board of Retirement Members (see Attachment B). The identifying information on the outside of the mailing envelope will include the employee name and mailing address.
13. A public drawing will be held to determine the ballot order at 2:00 p.m. on Wednesday, June 8, 2016 in the Executive Office of the Board of Supervisors, B-1 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles.
14. The Auditor-Controller shall provide to the Executive Officer of the Board of Supervisors an electronic file in excel format of eligible Safety Members, which includes Safety Members who were active Safety Members of LACERA on March 1, 2016, on or before Tuesday, April 19, 2016. The electronic file will contain employee name, employee number, mailing address, pay location, and department. The Auditor-Controller shall also provide to the Registrar-Recorder/County Clerk an electronic copy of the same file provided to the Executive Officer of the Board of Supervisors, and a redacted electronic file that contains the employee name and mailing address only by Thursday, April 21, 2016. By Friday, June 24, 2016, the Registrar-Recorder/County Clerk will forward the approved list of eligible Safety Members that contains only the employee name and mailing address to its contracted vendor, if it is determined that an election will be held.
15. The Registrar-Recorder/County Clerk shall mail the official ballot to the mailing address of eligible Safety Members beginning on Monday, June 27, 2016 and by Tuesday, July 5, 2016 all ballots must be mailed. The ballots shall be mailed via U.S. Mail using mailing addresses listed in the Auditor-Controller's electronic file. The Registrar-Recorder/County Clerk will forward to the Executive Officer of the

Board of Supervisors by Friday, July 8, 2016 verification that all ballots were mailed as described in this resolution.

16. Any County employee who is a candidate in this election is a candidate in his or her personal capacity, and may not use County time or County resources to further his or her campaign or election. Any candidate who violates this provision, or has others violate this provision on behalf of his or her candidacy, is subject to discipline, including discharge from County employment.
17. Each department head shall designate existing departmental bulletin board space for all candidates to display campaign material. Campaign material shall clearly state that employees are prohibited from using County time or County resources to further the campaign or election of the candidate.
18. Upon request of a candidate, on or after Friday, June 3, 2016, each department head shall provide the address of each department's work locations where employees who are eligible to vote in this election are employed.
19. Except as otherwise prohibited by law, employees may wear campaign badges or buttons during working hours.
20. Members eligible to vote in this election shall be Safety Members of LACERA on March 1, 2016. Eligible Safety Members who do not receive a ballot by Wednesday, July 13, 2016 and desire to vote, or who have made a mistake on their original ballot and wish to correct it, shall notify in writing their department election coordinator on or before Tuesday, July 19, 2016 and explain in writing why a duplicate ballot is being requested. The department election coordinator shall submit to the Registrar-Recorder/County Clerk these written statements along with the employee's name, current mailing address, employee number and department in which employed on March 1, 2016 on the Request for Duplicate Election Ballot Form provided by the Executive Office of the Board of Supervisors on or before Wednesday, July 20, 2016. The Registrar-Recorder/County Clerk must receive the request by Wednesday, July 20, 2016. Duplicate ballots shall be issued only to

those Safety Members who submit the required written statement and whose names appear on both the Request for Duplicate Election Ballot signed by the election coordinator and the Auditor-Controller's electronic file.

21. The Registrar-Recorder/County Clerk shall mail the requested duplicate ballots via U.S. Mail by Friday, July 22, 2016, to the mailing address supplied by members on the Request for Duplicate Election Ballot Form.
22. Each ballot may be voted only by the member to whom it is issued. No member may vote more than once in this election.
23. The Registrar-Recorder/County Clerk shall maintain internal controls to ensure that no more than one vote is cast per member to protect the integrity of the election.
24. To be eligible for counting, ballots shall be returned to the Registrar-Recorder/County Clerk in the REPLY envelope provided via U.S. Mail or personal delivery; shall be completed by each voter and placed within the Privacy Envelope with his or her employee number, printed name and signature in the space provided on the reverse of said envelope; and shall be received by the Registrar-Recorder/County Clerk by 5:00 p.m., Tuesday, August 9, 2016. There are no provisions for write-in candidates; therefore, no write-in votes shall be counted.
25. The Registrar-Recorder/County Clerk shall canvass the votes cast at the election and shall certify the results to the Executive Officer of the Board of Supervisors on or before Friday, August 12, 2016.
26. The Registrar-Recorder/County Clerk shall (a) telephone each candidate receiving more than 20 percent of the total votes cast at his or her telephone number provided as to the results as certified on or before Friday, August 12, 2016 and (b) send written notice of the results via U.S. Mail to each candidate's mailing address, or send electronic mail to those candidates who prefer electronic communication on or before Friday, August 12, 2016.

27. In the event a candidate makes a request for a recount of the election results, the requestor shall bear the cost of such a recount. A written request for a recount shall be filed with the Registrar-Recorder/County Clerk no later than 5:00 p.m., Friday, August 19, 2016. The candidate filing the request for the recount shall, before the recount is commenced and at the beginning of each day following, deposit with the Registrar-Recorder/County Clerk a sum as required by the Registrar-Recorder/County Clerk to cover the cost of the recount for that day. The Registrar-Recorder/County Clerk shall commence a recount no later than Friday, August 26, 2016. In the event the recount results in a determination that the candidate who requested the recount has received a plurality of the votes cast, all money deposited shall be returned to the candidate. The recount conducted by the Registrar-Recorder/County Clerk shall be open to the public.
28. In the event any candidate desires to protest the results of the election, he or she must file a written protest with the Executive Office of the Board of Supervisors no later than 5:00 p.m., Friday, August 19, 2016. The written protest must specify the grounds for the protest and be accompanied by supporting documentation.
29. The Board of Supervisors at its meeting on Tuesday, September 20, 2016, or on a date following the completion of any recount and/or investigation of a protest, shall declare the results official. The person receiving the highest number of votes shall be declared elected the Seventh Member. In the event two or more persons tie for first place, such persons shall determine, by drawing lots before the Board, which of them shall be elected. The Alternate Member shall be that candidate, if any, for the Seventh Member from the group under Government Code Section 31470.2 or 31470.4, or any other eligible Safety Member candidate, if there is no eligible candidate from the groups under Sections 31470.2 and 31470.4 which is not represented by the candidate who received the highest number of votes of all candidates in that group.
30. In lieu of declaring the results official, the Board of Supervisors may order a new election if the Board determines, on the basis of written protest or on its own motion, that any error, omission or neglect occurred attributable to the County in the

administration of the election sufficient to change the result. The rejection of a candidate's statement of qualifications by the Registrar-Recorder/County Clerk, or the failure of the Registrar-Recorder/County Clerk to reject a candidate's statement of qualifications shall not constitute grounds for a new election. Allegations of candidate misconduct shall not constitute grounds for a new election, but if later substantiated may lead to administrative discipline or criminal culpability.

31. Election material retained by the Executive Officer of the Board of Supervisors and nominating petitions and ballots retained by the Registrar-Recorder/County Clerk may be discarded or otherwise disposed of no earlier than sixty-two (62) days after the date of the final declaration of the election results by the Board of Supervisors. The Registrar-Recorder/County Clerk will further confirm with their selected vendor(s) that the electronic file is destroyed sixty-five (65) days after the date of final declaration of the election results by the Board of Supervisors.
32. The Executive Officer of the Board of Supervisors may, in the exercise of her discretion, implement additional procedures, as she may deem necessary in order to preserve a fair and equitable election process. The Executive Officer of the Board of Supervisors shall, within ten (10) days, notify the Board of Supervisors, the Boards of Investments and Retirement and all candidates of any additional procedures implemented pursuant to this provision.

The foregoing resolution was on the 12th day of April, 2016, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



Lori Glasgow, Executive Officer-
Clerk of the Board of Supervisors of the
County of Los Angeles

By: Lachelle Smitheman
Deputy

APPROVED AS TO FORM:
MARY WICKHAM
County Counsel

By Rene Gilbertson
Rene Gilbertson
Senior Deputy County Counsel

**POWERS AND DUTIES
OF RETIREMENT BOARD MEMBERS**

The Board of Retirement provides this summary to enable voters to evaluate candidates for the Board of Retirement. The Board urges voters to review this summary prior to voting.

The overall responsibility of the Board of Retirement is to oversee the administration of the retirement system and the retiree health care program. This requires the Board to meet twice each month unless otherwise specified, generally on the first Wednesday and second Thursday, with meetings generally lasting from 6 to 8 hours. In addition, the Board has established several committees to assist in carrying out its responsibilities. Some committees meet monthly; others meet every other month. Committee meetings may be held both before and after regular Board meetings, and at other times, and generally last 1 to 2 hours. In addition to the time required to attend meetings, considerable time is required to review applicable materials developed by staff and management.

Board members may also participate in state and national pension and retirement related organizations, including serving as an executive or committee member in these organizations. In addition to attending meetings, Government Code section 31522.8 requires Board members to complete 24 hours of education within two years of assuming office and 24 hours of education every two years the member continues to hold membership on the Board.

The general management of LACERA is under the Board of Retirement's direction. A few functions, however, are shared with the Board of Investments. The Boards of Retirement and Investments, acting jointly, adopt the annual budget covering LACERA's operations. The two Boards must also act jointly in employee relations matters, including the approval of class specifications for LACERA's employees, the approval of Memoranda of Understanding (MOU's) negotiated with SEIU Local 721, the union bargaining for represented employees of LACERA, and the approval of compensation to be provided to LACERA's nonrepresented employees.

Additionally, one of the most important - and by far the most time consuming - duties of a Board member is to review disability retirement applications and to participate in the Board's decision to grant or deny disability retirements. It is anticipated the Board of Retirement will process approximately 30 to 50 disability

Attachment B

retirement cases per month. A Board member is obligated by law to carefully review each application and the medical evidence supporting the application. The Board member must then participate in the Board's deliberations and vote on the application.

Under Government Code Section 31522, as to those elected Board members who are also employed by the County or a participating district, these LACERA duties are included as part of their County or district employment. A Board member will be required to spend a great majority of their working time each month in carrying out all of their important LACERA duties and responsibilities.

The Board of Retirement administers a statutory retirement plan. This means that retirement benefits can only be provided if they have been authorized by the State Legislature in the County Employees Retirement Law of 1937, found in the California Government Code beginning at Section 31450. Retirement benefits not already authorized by the Retirement Law cannot be implemented by the Board of Retirement; rather, a bill must be processed through the Legislature to amend the Retirement Law. With only a few exceptions, the Legislature has required the County Board of Supervisors to adopt a resolution approving benefit enhancements before they can take effect.

Pursuant to Article XVI, section 17 of the California Constitution, Board of Retirement members are fiduciaries and are required to, "... discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty."

The Board of Retirement has regular meetings on the first Wednesday and on the Thursday following the second Wednesday of each month. Meeting dates may be changed by formal action of the Board.

Board members are public officials under the Fair Political Practices Act, and are in positions that are subject to FPPC economic disclosure and annual reporting requirements. The Board of Retirement is not responsible for the investments of the Retirement Fund or for the adoption of funding policies and the setting of contribution rates. The Legislature has assigned those responsibilities to the Board of Investments.

APPROVED BY THE BOARD OF RETIREMENT ON FEBRUARY 11, 2016.



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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