

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., WEDNESDAY, OCTOBER 2, 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. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of September 4, 2019
- IV. OTHER COMMUNICATIONS
 - A. For Information
 - 1. August 2019 All Stars
 - 2. Chief Counsel's Report
(Memo dated September 25, 2019)
- V. PUBLIC COMMENT
- VI. CONSENT ITEMS
 - A. Ratification of Service Retirement and Survivor Benefit Application Approvals. (Memo dated September 23, 2019)
 - B. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board 1) Adopt Resolutions, Nos. 2019-BR012 and No. 2019-BR013, 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 September 18, 2019)

VI. CONSENT ITEMS (Continued)

- C. Recommendation as submitted by Shawn R. Kehoe, Chair, Operations Oversight Committee: That the Board approve the purchase of Fiduciary Liability and Cyber Liability Insurance effective October 6, 2019 with insurance carriers: Hudson Insurance Company, Westchester Fire Insurance Company, and NAS Insurance Company. (Memo dated September 9, 2019)

VII. EXCLUDED CONSENT ITEMS

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board 1) Withdraw its proposal related to service retirements with pending civil service appeals for the SACRS 2020 Legislative Platform; and 2) Postpone consideration of its proposal related to board self-evaluations in closed session at the SACRS 2019 Fall Conference. (Memo dated September 23, 2019)
- B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board consider rescheduling the Wednesday, January 1, 2020 Board of Retirement Administrative meeting. (Memo dated September 25, 2019)
- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board review its current Teleconference Meeting Policy and the Board of Investments' Policy and determine whether to revise the current Policy. (Memo dated September 25, 2019)

IX. REPORTS

- A. Update on Additional LACERA Positions and Salaries as submitted by Steven P. Rice, Chief Counsel. (Memo dated September 23, 2019)
- B. Update on External Review of Education and Travel Expenses, the Education and Travel Policy, and Implementation Practices for FYs 2016, 2017, 2018 and 2019. (Memo dated September 26, 2019)
- C. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the Monthly Board and Staff Education and Travel Report for August. (Public Memo dated September 25, 2019)
(Confidential Memo dated September 25, 2019 – Includes Anticipated Travel)

IX. REPORTS (Continued)

- D. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding the Monthly Status Report on Legislation. (Memo dated September 23, 2019)
- E. For Information Only as submitted by Johanna M. Fontenot, Senior Staff Counsel, regarding the Legal Analysis of Due Process Requirement Under Government Code Section 7522.72 (Memo dated September 20, 2019) (Privileged and Confidential Attorney-Client Communication)
- F. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the September 2019 Fiduciary Counsel Contact and Billing Report. (Memo dated September 25, 2019) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

X. ITEMS FOR STAFF REVIEW

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

XII. EXECUTIVE SESSION

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

- 1. Administrative Appeal of Felicite Fort

XIII. 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 the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, SEPTEMBER 4, 2019

PRESENT: Alan Bernstein, Chair
Gina Zapanta-Murphy, Secretary
Vivian H. Gray
JP Harris (Alternate Retired)
Shawn R. Kehoe
Keith Knox
Ronald Okum (Left the meeting at 12:21 p.m.)
William Pryor (Alternate Safety)
Herman Santos
Thomas Walsh

ABSENT: Les Robbins, Vice Chair

STAFF ADVISORS AND PARTICIPANTS

Steven P. Rice, Chief Counsel
John Popowich, Assistant Executive Officer
Johanna Fontenot, Senior Staff Counsel
Barry W. Lew, Legislative Affairs Officer
Susan Moomjean, Los Angeles County Benefits Manager

I. CALL TO ORDER

The meeting was called to order by Mr. Bernstein at 9:04 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Ms. Gray led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of August 7, 2019

Mr. Harris made a motion, Mr. Knox seconded, to approve the minutes of the regular meeting of August 7, 2019. The motion passed unanimously.

IV. OTHER COMMUNICATIONS

A. For Information

1. July 2019 All Stars

Mr. Popowich announced the eight winners for the month of July: Pelin Ozkuzu, Valerie Quiroz, Bonnie Nolley, Marilu Bretado, Stacy Green, Veronica Yi-Martinez, Gina Marie Massarotti, Laura Fuentes for the Employee Recognition Program and Ching Fong for Web Watcher. Bernard Edwards, Ching Fong, Diana Huang, and Ted Granger were the winners of LACERA's RideShare Program.

2. Chief Counsel's Report
(Memo dated August 26, 2019)

Mr. Rice provided a brief overview of the Chief Counsel's Report. In addition, Mr. Rice provided the results of the safety election declaring Mr. Kehoe as safety member to

IV. OTHER COMMUNICATIONS (Continued)

the Board of Retirement and Board of Investments and Mr. Pryor as alternate safety member to the Board of Retirement.

V. PUBLIC COMMENT

Susan Moomjean, Los Angeles County Benefits Manager, shared with the Board the open house event for Empower retirement services on September 26, 2019 from 10 a.m. to 2 p.m.

VI. CONSENT ITEMS

Mr. Bernstein made a motion, Mr. Kehoe seconded, to approve Items A and C. The motion passed unanimously by all members present.

A. Ratification of Service Retirement and Survivor Benefit Application Approvals. (Memo dated August 26, 2019)

Mr. Rice shared the retirement of John Nogales from the Human Resources Division and thanked him for his service.

B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board 1) Not approve submission of a legislative proposal for inclusion in the SACRS 2020 Legislative Platform that would preclude the reduction of a nonservice-connected disability retirement allowance if the member's disability was due to the intemperate use of alcoholic liquor or drugs; and 2) Alternatively, not sponsor legislation that would preclude the reduction of a nonservice-connected disability retirement allowance if the member's disability was due to the intemperate use of alcoholic liquor or drugs. (Memo dated August 15, 2019)

(This Item was handled after VII. F.)

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

VI. CONSENT ITEMS (Continued)

Mr. Bernstein made a motion, Mr. Okum seconded, to approve submission of the legislative proposal for inclusion in the SACRS 2020 legislative platform but not for LACERA to sponsor the legislative proposal. The motion passed with Mr. Kehoe voting no.

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board 1) Adopt Resolutions, Nos. 2019-BR009, No. 2019-BR010, and No. 2019-BR011, 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 August 26, 2019)

VII. NON-CONSENT ITEMS

- A. Recommendation that the Board approve ratifying the attendance of Board Members at the SACRS Modern Investment Theory & Practice for Retirement Systems on July 22-24, 2019 in Berkeley, California and approve reimbursement of all travel costs incurred in accordance with LACERA’s Education and Travel Policy and determine whether this conference will count toward the number limits of Section 705.00.A.1. (Memo dated August 29, 2019)

Mr. Okum made a motion, Mr. Santos seconded, to ratify the costs of the conference.

Mr. Santos made a substitute motion, Ms. Gray seconded, to approve ratification of the costs of this conference and for it not to count towards the conference limit. The motion passed unanimously by all members present.

VII. NON-CONSENT ITEMS (Continued)

- B. Recommendation that the Board Approve ratifying the attendance of Board Members at the CALAPRS Principles of Pension Management on August 26-29, 2019 in Malibu, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy and determine whether this conference will count toward the number limits of Section 705.00.A.1. (Memo dated August 29, 2019)

Mr. Harris made a motion, Mr. Knox seconded, to approve ratification of the costs of this conference and for it not to count towards the conference limit. The motion passed unanimously by all members present.

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board consider and provide guidance to staff regarding whether to pursue legislation to add a statute to the County Employees Retirement Law of 1937 (CERL) that lists and clearly states the Board's responsibilities in a single provision. (Memo dated August 27, 2019)

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

Mr. Santos made a motion, Mr. Pryor seconded, to receive and file this Item.

Mr. Kehoe made a substitute motion, Mr. Bernstein seconded, to receive and final this Item and forward to the Joint Organizational Governance Committee for further discussion. The motion passed unanimously by all members present.

- D. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board review its current Teleconference Meeting Policy and the Board of Investments' Policy and determine whether to revise the current Policy. (Memo dated August 27, 2019)

Mr. Rice was present and answered questions from the Board. This Item was sent back to staff for further development.

VII. NON-CONSENT ITEMS (Continued)

- E. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board 1) approve the critical need appointment of retired LACERA employee Jan Tran under Government Code Section 7522.56(f)(1) for up to 960 hours, or equivalent, in the 2019-20 fiscal year to support Systems projects, and 2) authorize staff to take the steps necessary with the County of Los Angeles to implement the appointment at a rate of pay pursuant to Section 7522.56(d) consistent with her final salary as an employee.
(Memo dated August 28, 2019)

Mr. Kehoe made a motion, Mr. Okum seconded, to approve staff's recommendation. The motion passed unanimously by all members present.

- F. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Board approve the issuance of 1) A Request for Proposal (RFP) to printing and mailing service for all LACERA member benefit checks and 1099-Rs; 2) Approve the RFP draft; and 3) Approve the RFP Evaluation Process. (Memo dated August 26, 2019)

Mr. Popowich was present and answered questions from the Board. The Board directed that subcontracts be removed from the Request for Proposal.

Mr. Bernstein made a motion, Mr. Okum seconded, to approve staff's recommendation. The motion passed unanimously by all members present.

VIII. REPORTS

- A. Update on Additional LACERA Positions and Salaries as submitted by Steven P. Rice, Chief Counsel. (Memo dated August 27, 2019)

Mr. Rice provided the Board with an update regarding this Item

The following items were received and filed.

- B. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the 2020 STAR COLA Program.
(Memo dated August 20, 2019)

VIII. REPORTS (Continued)

- C. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the Semi-Annual Interest Crediting for Reserves as of June 30, 2019 (Unaudited). (Memo dated July 25, 2019)
- D. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the Monthly Board and Staff Education and Travel Report for July. (Public Memo dated August 28, 2019)
(Confidential Memo dated August 28, 2019 – Includes Anticipated Travel)
- E. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding the Monthly Status Report on Legislation.
(Memo dated August 26, 2019)
- F. For Information Only as submitted by Steven P. Rice, Chief Counsel regarding an Update on External Review of Education and Travel Expenses, the Education and Travel Policy, and Implementation Practices for FY's 2016, 2017, 2018, and 2019. (Memo dated August 27, 2019)
- G. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the August 2019 Fiduciary Counsel Contact and Billing Report. (Memo dated August 27, 2019) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

IX. ITEMS FOR STAFF REVIEW

There were no items for staff review.

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

The Board congratulated Mr. Kehoe and Mr. Pryor on their election. Mr. Pryor will be providing his view of the electronic voting process that was put into place this year. Mr. Kehoe requested that the Board be provided with LACERA event information as it pertains to staff team building and events so that they have an opportunity to participate.

XI. EXECUTIVE SESSION

It was stated in open session before Executive Session began that Item XI.B.1 related to the dismissal of former Chief Executive Officer Lou Lazatin.

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

1. Administrative Appeal of Kenneth Collins

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. Harris, to deny Mr. Collins' appeal.

2. One Other Matter

The Board met in Executive Session with counsel pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report.

XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:35 a.m.

GINA ZAPANTA-MURPHY, SECRETARY

ALAN BERNSTEIN, CHAIR



September 25, 2019

TO: Each Member,
Board of Retirement
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

SUBJECT: **CHIEF COUNSEL'S REPORT**

I am pleased to present the Chief Counsel'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.

2019 LACERA Forum

LACERA will be restarting our annual employee Forum event on October 30, 2019. The Employee Forum was an annual event up until 2017, which allowed us to bring all LACERA employees together in two sessions and focus on connecting as one organization, sharing an inspirational or motivational message, and to celebrate what makes LACERA successful. With all of the changes over the last few years, the Forum event was suspended.

Staff members have been asking when we will bring it back and we were pleased to announce to staff members last month that we will be having a Forum this year. This year's Forum theme is "One Team – One Mission" and will be a little bit different from past forums. The PEP Team has worked hard to create a Forum that is a little bit more organic than past events. Instead of bringing in an outside motivational speaker, we will be featuring TED talks by LACERA staff members that focus on diversity, inclusion, teamwork, and innovation. We have asked divisions to put together fun and engaging informational booths to help everyone learn what their division does to contribute to our mission and/or how they represent one of the underlying themes discussed above. Finally, we will be holding a special team building exercise at the end of each session.

This LACERA "fair like" Forum is a chance to really celebrate who we are and what we do in our never-ending dedication to Producing, Protecting, and Providing the Promised Benefit.

Annual Enrollment Starts October 1, 2019

Every October, the County and LACERA employees go through our annual benefit enrollment process for the following year's employee benefits. This year the County and the unions have agreed to some important changes to the benefits process for those staff members in Options or Choices. Each year, staff members are provided a monthly allowance to "spend" on benefits. In the past, employees who did not spend all of their allowance were allowed to take home the remaining monthly benefit amount as taxable cash. Recent changes in Department of Labor guidelines led the County and the unions to negotiate a cap of \$325 dollars on any unspent benefit allowance that employees can take home.

New Ethics Hotline Coming in October 2019

We are pleased to announce Internal Audit has completed their assessment of the ethics hotline as part of the fiscal year 2018/2019 audit plan. The team has decided to use an independent, third-party service provider to promote a positive work environment and provide anonymity to the greatest extent possible. In February 2019, Internal Audit contacted three vendors for a written proposal and product demonstration of their hotline and case management system. In August 2019, LACERA selected EthicsPoint, a leader in the ethics and compliance space and service provider to other U.S. public pension funds. Currently, staff is working with EthicsPoint to implement the hotline, web intake site, and incident management system for analytical reporting. In addition, division staff are collaborating on a CEO launch letter, poster campaign, and other awareness materials for the hotline. LACERA anticipates the hotline and web intake site to launch in late October 2019.

Update on Upcoming Key Retirements

Chief Financial Officer: Beulah Auten, Chief Financial Officer, has provided a formal notification of her intent to retire in October 2019. Recruitment of her replacement will be initiated and updates will be provided to the Boards regularly.

Director of Human Resources: The search for a replacement for John Nogales, our retiring Director of Human Resources, continues to progress on schedule. The selection committee met with a small group of finalists in early September. Three of those candidates were invited back to meet with the management team and the staff in Human Resources Division, and complete a writing assessment. The selection team has collected feedback from everyone who participated in these meetings and have been meeting to discuss the next steps. The selection team hopes to make a decision in early October.

Case Management

The Case Management project is an outgrowth of several Strategic Plan goals that were combined into one project plan along with specific requests by several member-facing divisions. The Case Management project has been the focus of ongoing discussions with the Board and internally with staff members for over a year. At the September Board meeting, we shared that the cross-functional team working on this project had made considerable progress towards putting a plan together to present to the Operations Oversight Committee. We are pleased to announce that, as promised, the team has agreed on a unified approach to bringing this much-needed suite of tools to life. James Brekk, Chief Information Officer will be providing the Operations Oversight Committee with an overview of where we are and what the next steps will be to develop these tools. The success of this project rests with the collaboration among the cross-functional team and is an example of how LACERA staff members can come together to define business needs and take innovative steps to help improve the services we provide our members. We will continue to keep the Board updated as the plan is implemented and we make progress on this important project.

Employee Engagement

We are also pleased to announce progress on our Employee Engagement Strategic Plan goal. A cross-functional team consisting of the Executive Office, Human Resources, and Ricki Contreras have been busy working on developing a plan to bring an employee engagement program to LACERA, as included in the 2019-2020 budget. Employee engagement programs are a long term commitment to develop a culture of inclusion and collaboration with employees at all levels of the organization as we work together to deliver on LACERA's mission. Engagement means we actively seek out input from staff members on everything we do from the culture of the organization to the work processes that we implement, and create a two-way dialogue designed to include the staff members in the decision making and development processes. The benefits of a well-executed engagement program often leads to staff members giving 110% of their discretionary effort, because they are a part of the process and take ownership of the goals.

Over the last two months, the team has been evaluating vendors who will assist us in developing our program. We have selected CPS HR Consulting (CPS), a consultancy firm that specializes in developing employee engagement programs in public sector agencies. CPS will be conducting educational sessions for our management and supervisory teams, followed by the development and implementation of a comprehensive employee survey. CPS will analyze the survey and conduct follow-up focus groups with staff members to further develop an understanding of what the staff members throughout the organization think about how LACERA operates, our culture, and their concerns and needs. This will be followed by a collaborative effort with the leadership team in LACERA to develop plans to respond to the information we learn. This work will be completed within budget.

The result should be a solid partnership between LACERA's leadership team and staff members. Periodically, the process will be repeated to ensure we remain focused on fostering and growing the engagement process.

In preparation for this new program, we have been holding management and supervisory meetings to discuss the topics of leadership and engagement. These meetings have been very helpful in establishing a common understanding among the leadership team and to help prepare them for this new open type of engagement.

SR: jp

CEO report October 2019.doc

Attachments

Striving for Excellence in Service



Outreach Attendance
3,089

6,219 Year-to-Date



Outreach Events
46

91 Year-to-Date



Outreach Satisfaction
95.8%

1.7% Change Since Last Mo



Member Service Center
100.0%

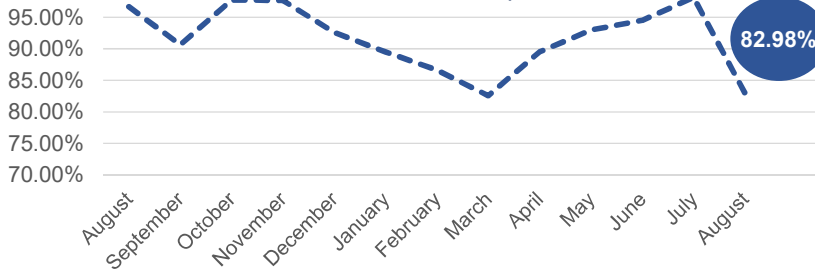
-2% Change Since Last Mo



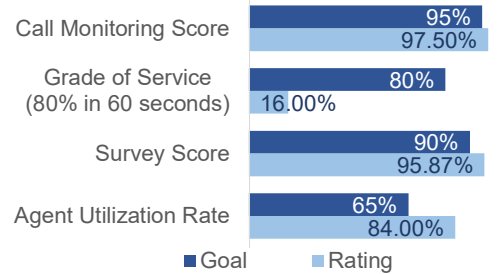
Member Services Calls
14,061

11,558 3 Mo. Avg.

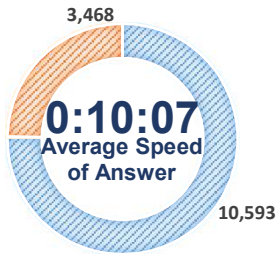
Key Performance Indicator (Overall Performance)



Key Performance Indicator (Components)



Member Services



■ Calls Answered ■ Calls Abandoned

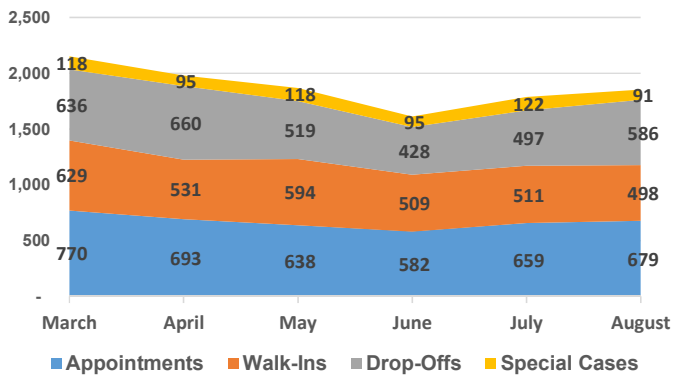
Top Calls

- Benefit Payments: Non-Receipt of Warrant
- Benefit Payments: Gen. Inquiry/Payday Info
- Workshop Information/Appointments: Inquiry

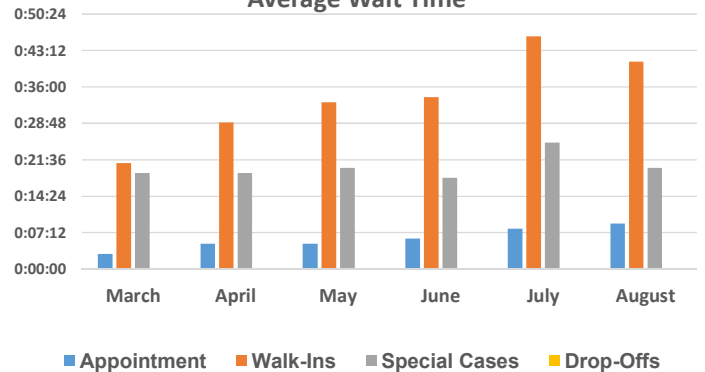


Emails **562**
4:48 hours
Avg. Response Time (ART)
Secure Messages **238**

Member Service Center Visits



Member Service Center Average Wait Time

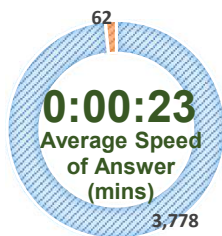


*Drop Off Wait Time: No Waiting



Total RHC Calls: 3,840

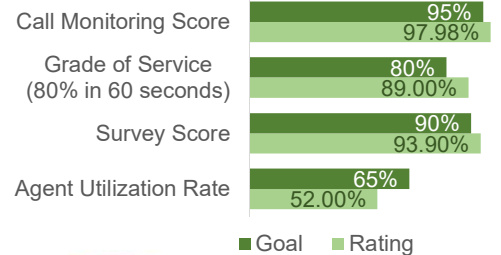
Retiree Healthcare



■ Calls Answered ■ Calls Abandoned

Top Calls

- Med. Benefits - General Inquiries (RHC)
- Medical-New Enrollment/Change/Cancel
- General Inquiries (RHC)



Emails **250**
1 Day
Avg. Response Time
Secure Messages **n/a**

Striving for Excellence in Service (Continued)

Applications

638

Pending

48 Received
0 Year-to-Date

57 To Board - Initial
0 Year-to-Date

0 Closed
0 Year-to-Date

629 In Process
629 Year-to-Date

Appeals

98

Pending

1 Received
0 Year-to-Date

3 Admin Closed/Rule 32
0 Year-to-Date

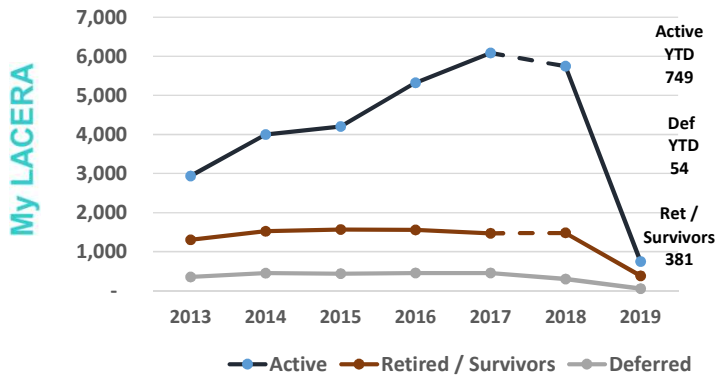
0 Referee Recommended
0 Year-to-Date

0 Revised/Reconsidered for Granting
0 Year-to-Date

96 In Process
96 Year-to-Date

Disability

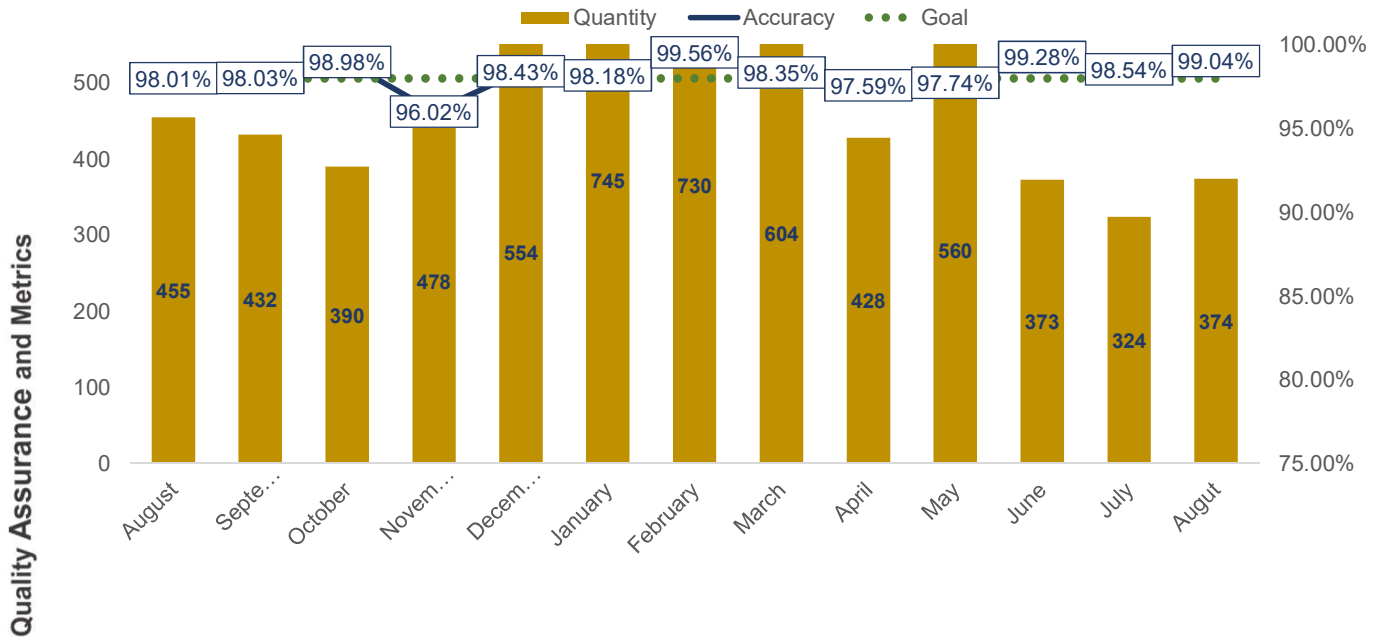
My LACERA Registrations



MORE COMING SOON!

Striving for Excellence in Quality

Audits of Retirement Elections, Payment Contracts, and Data Entry



August 2019
99.04%



Retirement Elections

193 Samples
97.98% Accuracy

Payment Contracts

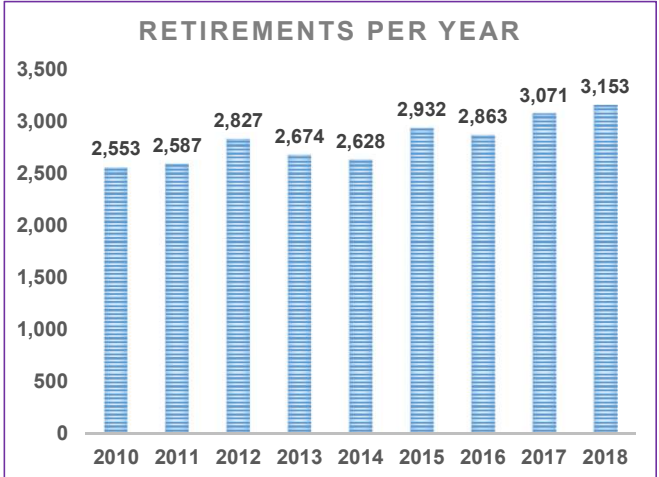
91 Samples
99.91% Accuracy

Data Entry

90 Samples
99.22% Accuracy

Member Snapshot

		Members as of 09/16/19				
		Plan	Active	Retired	Survivors	Total
General	Plan A		101	16,650	4,463	21,214
	Plan B		33	677	69	779
	Plan C		40	427	68	535
	Plan D		41,517	15,709	1,468	58,694
	Plan E		17,210	13,108	1,190	31,508
	Plan G		27,700	36	2	27,738
	Total General		86,601	46,607	7,260	140,468
Safety	Plan A		4	5,235	1,587	6,826
	Plan B		9,662	5,935	292	15,889
	Plan C		3,239	8	0	3,247
	Total Safety		12,905	11,178	1,879	25,962
TOTAL MEMBERS			99,506	57,785	9,139	166,430
% by Category			60%	35%	5%	100%

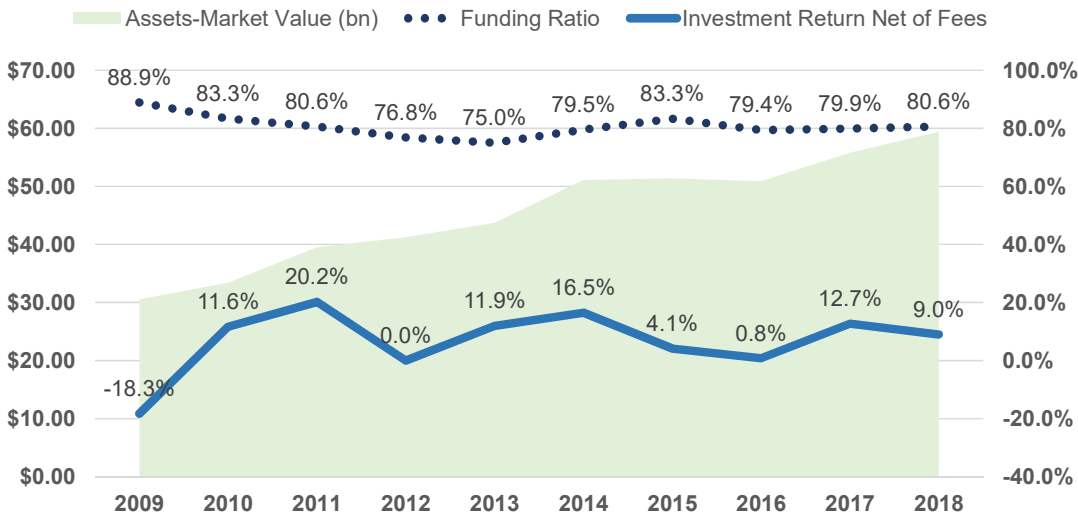


Average Monthly Benefit Allowance

	General	Safety	Total	%
\$0 to \$3,999	29,864	2,041	31,905	55.39%
\$4,000 to \$7,999	12,331	3,572	15,903	27.61%
\$8,000 to \$11,999	3,098	3,956	7,054	12.25%
\$12,000 to \$15,999	839	1,229	2,068	3.59%
\$16,000 to \$19,999	243	233	476	0.83%
\$20,000 to \$23,999	72	75	147	0.26%
\$24,000 to \$27,999	25	12	37	0.06%
> \$28,000	7	2	9	0.02%
Totals	46,479	11,120	57,599	100%

Healthcare Program (YTD)		Healthcare Enrollments (Monthly)	
	Employer	Member	
Medical	\$89.7m	\$7.4m	Medical 51,274
Dental	\$7.5m	\$746,264	Dental 52,571
Part B	\$11.3m	xxxx	Part B 34,609
Total	\$108.5m	\$8.2m	Total 139,085

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%

TOTAL FUND RETURN (Net of Fees)

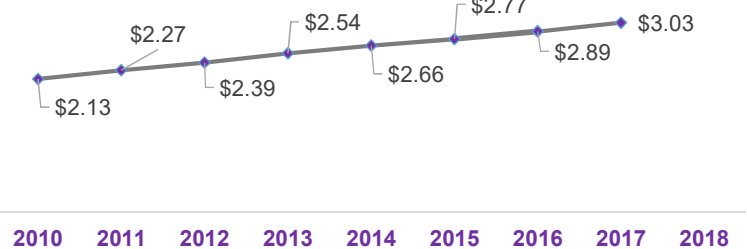
5 YR: 8.5% 10 YR: 6.3%

Retired Members Payroll

Monthly Payroll	\$300.9m
Payroll YTD	.6b
New Retired Payees Added	309
Seamless %	95.79%
New Seamless Payees Added	586
Seamless YTD	97.44%
By Check %	3.00%
By Direct Deposit %	97.00%

Billions
\$3.50
\$3.00
\$2.50
\$2.00
\$1.50
\$1.00
\$0.50
\$-

Retiree Payroll by Year



Date	Conference
November, 2019	
3-5	2019 PPI Executive Seminar Shanghai, China
6-7	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
6-8	PPI's Asia Roundtable Shanghai, China
12-14	AVCJ Private Equity & Venture Forum Hong Kong
12-15	SACRS Fall Conference Monterey, CA
January, 2020	
26-28	NCPERS (National Conference on Public Employee Retirement Systems) Legislative Conference Washington D.C.
February, 2020	
12-13	IMN (Information Management Network) Annual Beneficial Owners' Intl. Securities Finance & Collateral Mgmt. Conference Fort Lauderdale, FL
12-14	Pacific Pension Institute (PPI) North American Winter Roundtable Rancho Palos Verdes, CA
March, 2020	
4-5	PREA (Pension Real Estate Association) Spring Conference Beverly Hills, CA
7-10	CALAPRS (California Association of Public Retirement Systems) General Assembly Meeting Rancho Mirage, CA
9-11	Council of Institutional Investors (CII) Spring Conference Washington D.C.
18-19	AHIP (America's Health Insurance Plans) National Health Policy Conference Washington D.C.
29-April 1	World Healthcare Congress Washington D.C.
April, 2020	
6-8	IFEBC (International Foundation of Employment Benefit Plans) Health Care Mgmt. Conference Phoenix, AZ



September 23, 2019

TO: Each Member
Board of Retirement

FOR: BOR Meeting on October 2, 2019

SUBJECT: Ratification of Service Retirement and Survivor Benefit Application Approvals

The attached report reflects service retirements and survivor benefit applications received as of the date of this memo, along with any retirement rescissions and/or changes approved at last month's Board meeting. Any retirement rescissions or changes received after the date of this memo up to the date of the Board's approval, will be reflected in next month's report.

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ROBERT H. ALDRETE	SHERIFF Dept.#SH	08-29-2019	24 YRS 05 MOS
GILBERT Y. ARAKAWA	SHERIFF Dept.#SH	09-28-2019	32 YRS 00 MOS
ELSA AVILA	SHERIFF Dept.#SH	09-28-2019	32 YRS 06 MOS
RICARDO BALDERAS	L A COUNTY FIRE DEPT Dept.#FR	08-31-2019	18 YRS ½ MOS
MARK A. BATSFORD	DISTRICT ATTORNEY Dept.#DA	08-30-2019	34 YRS 10 MOS
TIMOTHY D. CARR	SHERIFF Dept.#SH	09-27-2019	31 YRS 09 MOS
JOHN L. CLARK	SHERIFF Dept.#SH	09-27-2019	27 YRS 09 MOS
REGINALD D. DUCREE	SHERIFF Dept.#SH	09-28-2019	36 YRS 01 MOS
DAVID A. ENRIQUEZ	L A COUNTY FIRE DEPT Dept.#FR	09-01-2019	34 YRS 05½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JOSEPH F. FENNELL JR	SHERIFF Dept.#SH	08-24-2019	36 YRS 08 MOS
SCOTT C. HARPER	SHERIFF Dept.#SH	09-28-2019	33 YRS 02 MOS
KEVIN E. HEBERT	SHERIFF Dept.#SH	10-16-2019	34 YRS 07 MOS
HANNA G. ISSA	SHERIFF Dept.#SH	09-20-2019	34 YRS 03 MOS
ROBERT S. MACKENZIE	SHERIFF Dept.#SH	09-29-2019	35 YRS 02 MOS
STEVEN J. MARELLA	SHERIFF Dept.#SH	09-28-2019	28 YRS 09 MOS
ESTEVAN R. MARTINEZ	SHERIFF Dept.#SH	09-28-2019	37 YRS 00 MOS
STEVEN P. MUELLER	L A COUNTY FIRE DEPT Dept.#FR	09-28-2019	33 YRS 01 MOS
MICHAEL A. O'SHEA	SHERIFF Dept.#SH	08-31-2019	30 YRS 03½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JEFFREY M. SILVA	L A COUNTY FIRE DEPT Dept.#FR	09-28-2019	25 YRS 05 MOS
GLENN D. SMITH	L A COUNTY FIRE DEPT Dept.#FR	08-31-2019	34 YRS 02½ MOS
MARK R. SULLIVAN	L A COUNTY FIRE DEPT Dept.#FR	08-31-2019	18 YRS ½ MOS
ROBERT J. WAGNER	SHERIFF Dept.#SH	10-08-2019	31 YRS 03½ MOS
BLAIR WEIN	L A COUNTY FIRE DEPT Dept.#FR	09-09-2019	31 YRS ½ MOS
ROBERT S. WELLENDORF	SHERIFF Dept.#SH	10-31-2019	28 YRS 00 MOS
DAVID P. WESSOL	SHERIFF Dept.#SH	09-28-2019	25 YRS 01 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
DOLORES G. AGUIRRE	SHERIFF Dept.#SH	08-31-2019	40 YRS 07½ MOS
MARIE A. ALIPIO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-28-2019	38 YRS 09 MOS
HUEI CHUAN J. ANDREWS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-28-2019	11 YRS 00 MOS
DALAH V. ANTHONY	INTERNAL SERVICES Dept.#IS	09-27-2019	32 YRS 11 MOS
SARKIS ARABIAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-28-2019	28 YRS 08 MOS
BEULAH AUTEN	LACERA Dept.#NL	10-31-2019	35 YRS 09½ MOS
LYDIA AVILA	INTERNAL SERVICES Dept.#IS	08-30-2019	39 YRS 11 MOS
GRETCHEN BALMACEDA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-31-2019	40 YRS ½ MOS
EMILIA V. BASSIG	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	11-01-2019	28 YRS 11½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
JEANNE K. BIEHLER	PUBLIC HEALTH PROGRAM Dept.#PH	09-27-2019	30 YRS 00 MOS
MIGDALIA C. BRUNS	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-05-2019	16 YRS ½ MOS
ROBERT J. BRYG	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	09-07-2019	12 YRS ½ MOS
NORMA M. BUENO	DEPARTMENT OF HUMAN RESOURCES Dept.#HM	08-31-2019	32 YRS 09 MOS
CARMEN C. CALAMBROGIO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-30-2019	24 YRS 03 MOS
EVA CARRERA	MENTAL HEALTH Dept.#MH	10-31-2019	32 YRS 07 MOS
GLORIA CARRILLO	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-28-2019	18 YRS 09 MOS
JAN CHAJA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-28-2019	26 YRS 06 MOS
CHING JU CHEN	PUBLIC HEALTH PROGRAM Dept.#PH	09-28-2019	11 YRS 09 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
CHI H. CHENG	CORRECTIONAL HEALTH Dept.#HC	09-28-2019	12 YRS 06 MOS
VERONICA I. DALE	MENTAL HEALTH Dept.#MH	09-27-2019	25 YRS 00 MOS
GLORIA M. DEL RIO	CHILD SUPPORT SERVICES Dept.#CD	11-30-2019	16 YRS 01½ MOS
MA ASUNCION D. DOLLENTE	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	08-31-2019	34 YRS 02½ MOS
AUGUSTINE EARLE	MUSEUM OF ART Dept.#AR	09-28-2019	28 YRS 08 MOS
CHALY B. ELPA	JUVENILE COURT HEALTH SERVICES Dept.#HJ	09-28-2019	13 YRS 00 MOS
ALMA R. ESCANDON	CORRECTIONAL HEALTH Dept.#HC	09-28-2019	24 YRS 04 MOS
CARLOS H. FERNANDEZ	PROBATION DEPARTMENT Dept.#PB	08-29-2019	30 YRS 05 MOS
LILIA FERNANDO	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	09-28-2019	36 YRS 09 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
PAMELA S. FLETCHER	PROBATION DEPARTMENT Dept.#PB	09-28-2019	21 YRS 03 MOS
ANITA FLORES	PUBLIC HEALTH PROGRAM Dept.#PH	09-28-2019	40 YRS 00 MOS
MARY J. FRAZIER-MCNE	CORRECTIONAL HEALTH Dept.#HC	09-10-2019	21 YRS 04 MOS
DEBORAH K. GARCIA	PARKS AND RECREATION Dept.#PK	09-27-2019	31 YRS 10 MOS
LEO GLOVER	PARKS AND RECREATION Dept.#PK	08-31-2019	06 YRS 04½ MOS
KEREN M. GOLDBERG	MENTAL HEALTH Dept.#MH	08-01-2019	02 YRS 02 MOS
MARIA T. GONZALEZ	CHILD SUPPORT SERVICES Dept.#CD	09-28-2019	20 YRS 01½ MOS
BERYL R. GOSS	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-14-2019	37 YRS 07 MOS
WANDA L. HARDIE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-31-2019	37 YRS 02½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
BARBARA S. HARGROVE	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-30-2019	39 YRS 00 MOS
JOAN M. HARTMAN	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-21-2019	35 YRS 09 MOS
DANESE F. HAYES	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	09-28-2019	20 YRS 00 MOS
LYDIA HERNANDEZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	09-28-2019	31 YRS 06 MOS
MARY HERNANDEZ	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	09-28-2019	45 YRS 02 MOS
JAMES P. HICKS	PARKS AND RECREATION Dept.#PK	08-16-2019	06 YRS 03 MOS
JOHN M. HOPKINS-LUDE	DISTRICT ATTORNEY Dept.#DA	11-02-2019	35 YRS 05½ MOS
SHARON HOPWOOD	CHILDREN & FAMILY SERVICES Dept.#CH	09-30-2019	27 YRS 06 MOS
ANITA M. HU	PUBLIC LIBRARY Dept.#PL	10-16-2019	19 YRS 05 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ROSALYN A. HUNT	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-31-2019	39 YRS 05½ MOS
ELISABETH L. ISMAEL	PUBLIC WORKS Dept.#PW	09-28-2019	24 YRS 07½ MOS
DON E. JAMES	PUBLIC WORKS Dept.#PW	09-28-2019	22 YRS 02 MOS
JOSE E. JIMENEZ	PROBATION DEPARTMENT Dept.#PB	09-28-2019	31 YRS 10 MOS
PETRA G. JIMENEZ	AMBULATORY CARE NETWORK Dept.#HN	09-28-2019	26 YRS 03 MOS
SONIA JUAREZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-14-2019	33 YRS 07½ MOS
JOHN E. KADDIS	PUBLIC HEALTH PROGRAM Dept.#PH	10-05-2019	32 YRS 09½ MOS
ROBERT J. LAI	INTERNAL SERVICES Dept.#IS	09-28-2019	34 YRS 05 MOS
THERESA I. LAWRENCE	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-28-2019	40 YRS 06 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
KHORA LAZO	AMBULATORY CARE NETWORK Dept.#HN	09-28-2019	11 YRS 00 MOS
THU B. LE	MENTAL HEALTH Dept.#MH	09-28-2019	19 YRS 01 MOS
MICHAEL LEAR	INTERNAL SERVICES Dept.#IS	09-28-2019	44 YRS 00 MOS
LISA S. LEE	PUBLIC HEALTH PROGRAM Dept.#PH	09-14-2019	26 YRS 02½ MOS
THOMAS E. LEVAY	PUBLIC WORKS Dept.#PW	09-06-2019	11 YRS ½ MOS
SHU SHU LIU	PUBLIC WORKS Dept.#PW	09-27-2019	26 YRS 00 MOS
KATHY R. LONG	PROBATION DEPARTMENT Dept.#PB	08-21-2019	27 YRS 10½ MOS
GLORIA O. LOPEZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	09-28-2019	28 YRS 11 MOS
OSCAR LOPEZ	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-07-2019	31 YRS ½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
EMAD L. LOTFY	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-06-2019	26 YRS 05½ MOS
KIM A. LOVETRO	CHILDREN & FAMILY SERVICES Dept.#CH	08-31-2019	38 YRS 10½ MOS
CHUEH W. LU	HEALTH SERVICES ADMINISTRATION Dept.#HS	09-28-2019	35 YRS 02 MOS
CHARLES E. MACK	PUBLIC DEFENDER Dept.#PD	09-13-2019	30 YRS 09½ MOS
BEVERLY MADLOCK	CHILDREN & FAMILY SERVICES Dept.#CH	11-30-2019	14 YRS 10 MOS
WILLIAM C. MAESTAS	ALTERNATE PUBLIC DEFENDER Dept.#AD	09-28-2019	25 YRS 07 MOS
DIVINIA Q. MARAMBA	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-30-2019	43 YRS 04 MOS
ELVIRA MARQUEZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	09-28-2019	32 YRS 01 MOS
STEPHEN J. MASTERSON	CHIEF EXECUTIVE OFFICE Dept.#AO	10-25-2019	23 YRS 03 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
HELENA MC CRIMMON	PROBATION DEPARTMENT Dept.#PB	11-30-2019	29 YRS 00 MOS
MARIA ELENA MEDRANO	MENTAL HEALTH Dept.#MH	09-28-2019	20 YRS 00 MOS
JORGE A. MENDOZA	PARKS AND RECREATION Dept.#PK	10-31-2019	22 YRS 00 MOS
LYDIA E. MENENDEZ	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	09-27-2019	15 YRS 07½ MOS
FRANCES E. MICHEL	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-31-2019	37 YRS 03 MOS
RICHARD B. MINK	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	10-01-2019	22 YRS 07½ MOS
PRISCILLA MOORE	MENTAL HEALTH Dept.#MH	09-28-2019	35 YRS 06 MOS
GHASSAN N. NAKHOUL	PUBLIC WORKS Dept.#PW	11-16-2019	35 YRS 03 MOS
CYNTHIA K. O'DONNELL	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	09-28-2019	37 YRS 03 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
EGO MARIE T. OKPALA	CHILDREN & FAMILY SERVICES Dept.#CH	08-31-2019	25 YRS 11 MOS
JENNIFER M. OWEN	PROBATION DEPARTMENT Dept.#PB	09-28-2019	19 YRS 04 MOS
CLARISSA M. PAIGE	DISTRICT ATTORNEY Dept.#DA	09-28-2019	31 YRS 00 MOS
JOHNJANG B. PARK	INTERNAL SERVICES Dept.#IS	10-16-2019	12 YRS 04 MOS
ELVA PEREZ	SHERIFF Dept.#SH	09-28-2019	33 YRS 07 MOS
JOSE A. PEREZ	PUBLIC DEFENDER Dept.#PD	09-28-2019	12 YRS 02 MOS
SANDY T. PETERSON	SHERIFF Dept.#SH	08-30-2019	10 YRS 01 MOS
CARRIE E. PETRONIS	PROBATION DEPARTMENT Dept.#PB	09-28-2019	30 YRS 00 MOS
MELANIE CAR PLANAS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-28-2019	28 YRS 03 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MILTON PLANAS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-28-2019	28 YRS 01 MOS
MARIA R. PLEITEZ	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	10-31-2019	10 YRS 08 MOS
MARTA G. RAMIREZ	PUBLIC HEALTH PROGRAM Dept.#PH	09-13-2019	36 YRS 06½ MOS
GERARDO H. RAMOS	CHILDREN & FAMILY SERVICES Dept.#CH	11-16-2019	31 YRS 05 MOS
CATALINA REGALADO	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-28-2019	38 YRS 02 MOS
RAMONA REZA-JOHNSON	PUBLIC HEALTH PROGRAM Dept.#PH	08-30-2019	45 YRS 08 MOS
CAROLYN F. RHEE	HEALTH SERVICES ADMINISTRATION Dept.#HS	09-27-2019	40 YRS 01 MOS
LISA M. RODRIGUEZ	SHERIFF Dept.#SH	10-16-2019	43 YRS 10 MOS
SATURNINO ROSALES	AGRICULTURAL COMM./WTS & MEAS. Dept.#AW	09-27-2019	18 YRS 03 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
XAVIER ROSALES	CHILDREN & FAMILY SERVICES Dept.#CH	09-28-2019	27 YRS 07 MOS
YOLANDA ROYBAL	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	09-10-2019	45 YRS ½ MOS
KERRY M. RUIZ	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-19-2019	20 YRS 00 MOS
RON A. SAGUIN	REG-RECORDER/COUNTY CLERK Dept.#RR	09-28-2019	20 YRS 01 MOS
RUTH SAMUEL	AMBULATORY CARE NETWORK Dept.#HN	08-21-2019	29 YRS 03 MOS
SHAHRZAD SHISHEGAR	CHILDREN & FAMILY SERVICES Dept.#CH	08-31-2019	25 YRS 07½ MOS
CONCEPCION SILVA	BEACHES & HARBORS Dept.#BH	09-28-2019	32 YRS 01 MOS
HENRY L. SMITH	ASSESSOR Dept.#AS	09-13-2019	38 YRS 08½ MOS
MARLENE F. SMITH	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-31-2019	36 YRS 10½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
TERI T. SMITH	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	09-26-2019	36 YRS 00 MOS
VELINDA J. STAFFORD	SHERIFF Dept.#SH	10-31-2019	21 YRS 02 MOS
SANDRA A. STEELE	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-27-2019	40 YRS ½ MOS
DEBRA STEIN	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-28-2019	32 YRS 05 MOS
DIANA P. STEVSON	CHILDREN & FAMILY SERVICES Dept.#CH	09-28-2019	12 YRS 04 MOS
SHIRLEY STOVITZ	MENTAL HEALTH Dept.#MH	09-28-2019	34 YRS 05 MOS
RICHARD F. TEEBAY	INTERNAL SERVICES Dept.#IS	08-30-2019	24 YRS 04 MOS
ANKIN TIMOURIAN	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-28-2019	29 YRS 00 MOS
MA ANNELIE A. TOMOLING BIG	CORRECTIONAL HEALTH Dept.#HC	09-14-2019	25 YRS ½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MARY E. TORRES	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-31-2019	45 YRS 01½ MOS
LINDA TOWNS	CORRECTIONAL HEALTH Dept.#HC	10-31-2019	13 YRS 03 MOS
DINH Q. TRUONG	CHILD SUPPORT SERVICES Dept.#CD	10-31-2019	22 YRS 00 MOS
TU TRUONG	PUBLIC HEALTH PROGRAM Dept.#PH	11-27-2019	34 YRS 08 MOS
LOUISE TUCKER	PROBATION DEPARTMENT Dept.#PB	09-28-2019	12 YRS 01 MOS
RUDY P. VALENZUELA	PARKS AND RECREATION Dept.#PK	09-03-2019	27 YRS 11 MOS
EDWARD VALENZUELA	PUBLIC WORKS Dept.#PW	08-22-2019	40 YRS 07 MOS
MIRNA G. VARELA	SHERIFF Dept.#SH	08-31-2019	43 YRS ½ MOS
LAURA L. VEGA	DISTRICT ATTORNEY Dept.#DA	10-25-2019	24 YRS 03 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
SUSAN L. WALKER	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-28-2019	25 YRS 00 MOS
MARY E. WASSERMAN	CHILDREN & FAMILY SERVICES Dept.#CH	08-31-2019	39 YRS 09½ MOS
WILLIE A. WATTS-TROUTM	PUBLIC HEALTH PROGRAM Dept.#PH	09-28-2019	22 YRS 07 MOS
CHARLES L. WHIMS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	11-29-2019	25 YRS 11 MOS
AVIS A. WILLACY HUTT	CORRECTIONAL HEALTH Dept.#HC	09-28-2019	12 YRS 00 MOS
REBECCA WOLFERSBERGE	CHILDREN & FAMILY SERVICES Dept.#CH	09-28-2019	20 YRS 07 MOS
PING YEI ALB WONG	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-17-2019	20 YRS 00 MOS
JULIE WONG	DISTRICT ATTORNEY Dept.#DA	08-31-2019	39 YRS 08½ MOS
DAVID WRIGHT	RANCHO LOS AMIGOS HOSPITAL Dept.#HR	09-29-2019	40 YRS 00 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
ANI YANIKYAN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-31-2019	22 YRS 01 MOS
CHIUNG-JU YEN	HEALTH SERVICES ADMINISTRATION Dept.#HS	09-28-2019	13 YRS 00 MOS
ANGELA K. YEUNG	SUPERIOR COURT/COUNTY CLERK Dept.#SC	09-28-2019	25 YRS 06 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL SURVIVOR APPLICATIONS

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
VIVIAN BAZLEY WIFE of ANTHONY S BAZLEY dec'd on 08-01-2019, Sect. #31781.1	CHILDREN & FAMILY SERVICES Dept.#CH	08-02-2019	29 YRS 09 MOS
REGINALD E. BONNER HUSBAND of ANNA M SOTO dec'd on 07-26-2019, Sect. #31781.3	PUBLIC HEALTH PROGRAM Dept.#PH	07-27-2019	22 YRS 03½ MOS
MARILYN D. CHEMELESKI WIFE of JOHN E CHEMELESKI dec'd on 08-07-2019, Sect. #31781.1	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-08-2019	25 YRS 04½ MOS
OFELIA S. CONTRERAS WIFE of STEVEN G CONTRERAS dec'd on 08-04-2019, Sect. #31781.3	SHERIFF Dept.#SH	08-05-2019	30 YRS 07½ MOS
MAI T. PHAM WIFE of JEFFREY M MILLER dec'd on 06-19-2019, Sect. #31781.1	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	06-20-2019	13 YRS 00 MOS
KELLY B. ROSEN WIFE of DAMIEN S ROSEN dec'd on 08-07-2019, Sect. #31781.1	COUNTY COUNSEL Dept.#CC	08-08-2019	11 YRS 11½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

SAFETY MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
BRIAN J. LUTZ	SHERIFF Dept.#SH	08-31-2019	14 YRS 10 MOS
EDWARD P. RUBISH	SHERIFF Dept.#SH	07-28-2019	04 YRS 08 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
KATHERINE ALLEN	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-04-2019	26 YRS 02 MOS
CHRISTINA M. BRIDGES	L A COUNTY FIRE DEPT Dept.#FR	08-05-2019	13 YRS 09 MOS
MARY E. CHAVEZ	COASTAL CLUSTER-HARBOR/UCLA MC Dept.#HH	09-20-2019	11 YRS 08 MOS
ROSEMARY DOMINGUEZ	PROBATION DEPARTMENT Dept.#PB	08-27-2019	07 YRS 04 MOS
DAVID W. HAIRSTON II	PROBATION DEPARTMENT Dept.#PB	08-15-2019	25 YRS 05 MOS
DIANA J. HENRY	PROBATION DEPARTMENT Dept.#PB	08-23-2019	34 YRS 09 MOS
LANDI HO	ASSESSOR Dept.#AS	11-01-2019	29 YRS 08 MOS
CRAIG T. HOWARD	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-03-2019	27 YRS 00 MOS
JANINE A. JONES	PUBLIC HEALTH PROGRAM Dept.#PH	04-01-2019	11 YRS 08 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
VALERIE K. LEE	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	08-19-2019	10 YRS 03 MOS
RENE M. LOPEZ	ASSESSOR Dept.#AS	12-31-2018	00 YRS 10 MOS
JUANITA MANNING	SOUTHWEST CLUSTER (MLK JR MC) Dept.#HK	04-01-2019	16 YRS 10 MOS
TIMOTHY R. MARTELLA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	06-14-2019	03 YRS 03½ MOS
LIA R. MARTIN	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-17-2019	17 YRS 09½ MOS
ANN MAXHAM	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	08-31-2019	07 YRS ½ MOS
ROSA T. MEDINA	MENTAL HEALTH Dept.#MH	08-25-2019	09 YRS 05½ MOS
JUANITA MILLER	SFV CLUSTER-OLIVE VIEW/UCLA MC Dept.#HO	08-25-2019	27 YRS 10 MOS
RICHARD W. O'RELL	AUDITOR - CONTROLLER Dept.#AU	08-30-2019	12 YRS 01½ MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
MICHAEL K. PETERSEN	DISTRICT ATTORNEY Dept.#DA	08-22-2019	28 YRS 05 MOS
GLORIA I. PINILLA	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	09-01-2019	10 YRS 08 MOS
JULIAN C. RECANA	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-05-2019	16 YRS 03 MOS
VIRGINIA STANTON	Dept.#381	04-01-2019	15 YRS 05 MOS
BETH M. STEPHENS	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	04-01-2017	12 YRS 01 MOS
BERTHA E. TORRES	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	04-01-2017	11 YRS 05 MOS
PAMELA T. USHER	DISTRICT ATTORNEY Dept.#DA	09-24-2019	17 YRS 04½ MOS
MARIO M. VALENTE	INTERNAL SERVICES Dept.#IS	08-03-2019	08 YRS 01 MOS
ROBERT S. VAN DER VOLG	LACERA Dept.#NL	09-01-2019	05 YRS 07 MOS

BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019

BENEFIT APPROVAL LIST

GENERAL MEMBER APPLICATIONS FOR: SERVICE RETIREMENT FROM DEFERRED

<u>NAME</u>	<u>DEPARTMENT</u>	<u>RETIRED</u>	<u>SERVICE</u>
REGINA Y. VASSER	DEPT OF PUBLIC SOCIAL SERVICES Dept.#SS	08-08-2019	27 YRS 02½ MOS
RICHARD L. VERCHES	WORKFORCE DEV AGING & COMM SVC Dept.#CS	08-21-2019	10 YRS 04 MOS
JULIANITO V. VILLAMENA	NORTHEAST CLUSTER (LAC+USC) Dept.#HG	04-01-2019	12 YRS 04 MOS
JAYMAE W. WENTKER	L A COUNTY FIRE DEPT Dept.#FR	07-26-2019	07 YRS 03 MOS
EDWIN WILLIAMS	MENTAL HEALTH Dept.#MH	04-01-2018	13 YRS 11 MOS
RENITA A. WILLIAMS	SHERIFF Dept.#SH	08-26-2019	09 YRS 08 MOS
GWENDOLYN WILSON	SUPERIOR COURT/COUNTY CLERK Dept.#SC	08-28-2019	22 YRS 09 MOS

**BOARD OF RETIREMENT MEETING OF OCTOBER 2, 2019
RESCISSIONS/CHANGES FROM BENEFIT APPROVAL LIST
APPROVED ON SEPTEMBER 4, 2019**

SAFETY MEMBER APPLICATIONS FOR SERVICE RETIREMENT

NAME	DEPARTMENT	UPDATE
WADE T. RICH	FIRE DEPARTMENT	RESCINDED RETIREMENT
MARY D. CUEVA	SHERIFF	CHANGE OF DATE TO OCTOBER 31, 2019

GENERAL MEMBER APPLICATIONS FOR SERVICE RETIREMENT

NAME	DEPARTMENT	UPDATE
JOAQUIN R. CRUZ	HEALTH SERVICES ADMINISTRATION	RESCINDED RETIREMENT
ALBA L. HERNANDEZ	NORTHEAST CLUSTER (LAC+USC)	RESCINDED RETIREMENT
REBECCA L. ROBERTS	CHILDREN AND FAMILY SERVICES	CHANGE OF DATE TO SEPTEMBER 30, 2019
MICHAEL BOOKER	HEALTH SERVICES ADMINISTRATION	CHANGE OF DATE TO OCTOBER 16, 2019
MERCEDES R. BARAJAS	CHILDREN AND FAMILY SERVICES	RESCINDED RETIREMENT



September 18, 2019

TO: Each Member
Board of Retirement

FROM: Fern M. Billingsy 
Senior Staff Counsel

DATE: Meeting of October 2, 2019

SUBJECT: **COMPENSATION EARNABLE & PENSIONABLE COMPENSATION**

INTRODUCTION

The Board of Retirement is charged with determining which items of compensation qualify as pensionable earnings includable in the member's retirement allowance. The Chief Executive Office of the County of Los Angeles recently requested determination of the pensionability of several pay items.

Before the Board are six pay items with recommendations regarding inclusion or exclusion within the definition of "final compensation" when calculating a member's benefit. The analysis of each of these items is attached as Exhibit A for review.

COMPENSATION EARNABLE

In January of 1998, the Board determined that, pursuant to the California Supreme Court's decision in Ventura County Deputy Sheriff's Association v. County of Ventura (1997) 16 Cal. 4th 483, certain items of remuneration must be included in the definition of "compensation earnable." The Board then adopted Resolution 98-001 identifying those items. Since that time, other Resolutions have been adopted when new items of compensation are determined to be included in or excluded from the definition of "compensation earnable." In making those determinations, the Board reviewed analysis of all items of compensation and adopted recommendations from the Legal Office regarding the definition of "compensation earnable."

Section 31461 defines "compensation earnable." It states:

- (a) "Compensation earnable" by a member means the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily

worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation, as defined in Section 31460, that has been deferred shall be deemed "compensation earnable" when earned, rather than when paid.

- (b) "Compensation earnable" does not include, in any case, the following:
- (1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:
 - (A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.
 - (B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.
 - (C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period regardless of when reported or paid.
 - (2) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.
 - (3) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

- (4) Payments made at the termination of employment, except those payments that do not exceed what is earned and payable in each 12-month period during the final average salary period, regardless of when reported or paid.
- (c) The terms of subdivision (b) are intended to be consistent with and not in conflict with the holdings in *Salus v. San Diego County Employees Retirement Association* (2004) 117 Cal.App.4th 734 and *In re Retirement Cases* (2003)110 Cal.App.4th 426.

PENSIONABLE COMPENSATION

On January 1, 2013, with the enactment of PEPRA, new members are subject to the definition of "pensionable compensation" in Section 7522.34(a), which states:

"Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of a member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. (Emphasis added).

This section provides that any compensation outside of base pay may not be included in final compensation when calculating a member's retirement allowance. However, "base pay" is not defined in the statute. The section goes on to specifically delineate which items of compensation should be excluded.

Subdivision (c) states:

- (c) "Pensionable compensation" does not include the following:
 - (1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.
 - (2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.
 - (3) Any one-time or ad hoc payments made to a member.

- (4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.
- (5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
- (6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
- (7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
- (8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.
- (9) Employer contributions to deferred compensation or defined contribution plans.
- (10) Any bonus paid in addition to the compensation described in subdivision (a).
- (11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).
- (12) Any other form of compensation a public retirement board determines should not be pensionable compensation.

ITEMS OF COMPENSATION

1. Custody Assistant Drill Instructor – Item 334

This additional compensation should be included for our legacy members as it is paid to all similarly situated members based on the average number of days worked by persons in the same grade or class of positions and at the same rate of pay.

This additional compensation should be excluded for PEPRA members as it is an ad hoc payment not found on publicly available pay schedules.

Recommendation: Include under 31461
Exclude under 7522.34

2. Custody Assistant Training Officer – Item 335

This additional compensation should be included for our legacy members as it is paid to all similarly situated members based on the average number of days worked by persons in the same grade or class of positions and at the same rate of pay.

This additional compensation should be excluded for PEPRA members as it is an ad hoc payment not found on publicly available pay schedules.

Recommendation: Include under 31461
Exclude under 7522.34

3. Sheriff Department Assignment to Aero Bureau Avionics Shop – Item 415

This additional compensation should be included for our legacy members as it is paid to all similarly situated members based on the average number of days worked by persons in the same grade or class of positions and at the same rate of pay.

This additional compensation should be excluded for PEPRA members as it is inconsistent with base pay and not found on publicly available pay schedules.

Recommendation: Include under 31461
Exclude under 7522.34

4. Sheriff Department Water Systems Bonus – Chief Operator Item – 416

This additional compensation should be included for our legacy members as it is paid to all similarly situated members based on the average number of days worked by persons in the same grade or class of positions and at the same rate of pay.

This additional compensation should be excluded for PEPRA members as it is inconsistent with base pay and not found on publicly available pay schedules.

Recommendation: Include under 31461
Exclude under 7522.34

5. Sheriff Department Water Systems Bonus – Shift Operator Item – 417

This additional compensation should be included for our legacy members as it is paid to all similarly situated members based on the average number of days worked by persons in the same grade or class of positions and at the same rate of pay.

This additional compensation should be excluded for PEPRA members as it is inconsistent with base pay and not found on publicly available pay schedules.

Recommendation: Include under 31461
Exclude under 7522.34

6. ISD Bonus Assignment – Energy Management System Section – Item 418

This additional compensation should be included for our legacy members as it is paid to all similarly situated members based on the average number of days worked by persons in the same grade or class of positions and at the same rate of pay.

This additional compensation should be excluded for PEPRA members as it is inconsistent with base pay and not found on publicly available pay schedules.

Recommendation: Include under 31461
Exclude under 7522.34

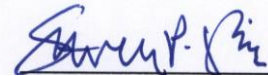
CONCLUSION

Consistent with the foregoing, the attached Resolutions of the Board of Retirement specifying pay items as "Compensation Earnable" under Government Code section 31461 and "Pensionable Compensation" under Government Code section 7522.34 are submitted for approval by the Board.

IT IS THEREFORE RECOMMENDED THAT THE BOARD:

1. Adopt attached Resolution Nos. 2019-BR012 and BR013, specifying pay items as "compensation earnable" and "pensionable compensation."
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.

Reviewed and Approved



Steven P. Rice
Chief Counsel

Attachments

Billiny/BOR/Comp Earn Pen Comp 9.18.19

BEFORE THE BOARD OF RETIREMENT
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

RESOLUTION OF THE BOARD OF
RETIREMENT SPECIFYING ITEMS OF
REMUNERATION AS
“COMPENSATION EARNABLE”

RESOLUTION NO. 2019-BR012

WHEREAS, LACERA calculates retirement allowances based on a member’s “final compensation;”

WHEREAS, LACERA is required to include in the calculation of “final compensation” a member’s base pay, and certain other items of remuneration, if such remuneration qualifies as “compensation” under Government Code section 31460 and “compensation earnable” under Government Code section 31461;

WHEREAS, on March 4, 1998, the Board of Retirement adopted Resolution No. 98-004 specifying certain items of remuneration payable to employees of the County of Los Angeles which the Board determined qualify as “compensation” under Government Code section 31460 and “compensation earnable” under section 31461.

WHEREAS, on August 4, 1999, the Board of Retirement adopted Resolution No. 99-001 specifying an additional item of remuneration qualifies as “compensation” and “compensation earnable” under Government Code sections 31460 and 31461, respectively.

WHEREAS, the Court’s ruling in Ventura County Deputy Sheriff’s Association v. County of Ventura (1997) 16 Cal. 4th 483 became final on October 1, 1997, and requires LACERA to include in the calculation of retirement allowances various forms of remuneration not formerly included.

NOW THEREFORE, BE IT RESOLVED, AS FOLLOWS:

1. The items of remuneration set forth in Attachment 1 qualify as “compensation earnable” as defined in Government Code section 31461, for purposes of calculating a member’s retirement allowance.

BOARD OF RETIREMENT,
LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

Alan J. Bernstein
Chair, Board of Retirement

Approved as to Form:

ATTEST:

Steven P. Rice
Chief Counsel

Les Robbins
Vice Chair, Board of Retirement

ITEMS OF COUNTY REMUNERATION WHICH QUALIFY AS “COMPENSATION,” AS DEFINED BY GOVERNMENT CODE SECTION 31460, AND/OR “COMPENSATION EARNABLE,” AS DEFINED BY GOVERNMENT CODE SECTION 31461.

<u>EARNINGS CODE NO.</u>	<u>ITEMS</u>
099	PATROL STATION RETENTION BONUS
232	AGRICULTURAL WEIGHTS & MEASURE (AWM) INSPECTOR ASSIGNMENT BONUS
249	AGRICULTURE INSPECTORS AID ROVER BONUS
253	HEALTHCARE FACILITY BONUS
254	FORENSIC ATTENDANT FIELD TRAINING BONUS
255	BEACHES & HARBORS ASSIGNMENT BONUS
259	TRAILS UNIT ASSIGNMENT BONUS
262	UNDERWATER RECOVERY – BEACHES AND HARBORS
262Y3	UNDERWATER RECOVERY – BEACHES AND HARBORS
262Y4	UNDERWATER RECOVERY – BEACHES AND HARBORS
334	CUSTODY ASSISTANT DRILL INSTRUCTOR/CUSTODY TRAINING AND STANDARDS BUREAU
335	CUSTODY ASSISTANT TRAINING OFFICER BONUS
336	PUBLIC RESPONSE DISPATCHER BONUS
341	IN-FLIGHT BONUS
346	HAZARDOUS MATERIALS II EMERGENCY OPERATIONS ASSIGNMENT

347 WELLNESS/FITNESS FOR LIFE BONUS – 1%

348 WELLNESS/FITNESS FOR LIFE BONUS – 2%

349 WELLNESS/FITNESS FOR LIFE BONUS

350 “PILOT PAY” – FIRE DEPARTMENT

355 FIREFIGHTER - PARAMEDIC

355Y2 FIREFIGHTER – PARAMEDIC

355Y3 FIREFIGHTER – PARAMEDIC

358 TEMPORARY PROMOTION BONUS

359 LIFEGUARD PARAMEDIC CATALINA BONUS

359Y2 LIFEGUARD PARAMEDIC CATALINA BONUS

362 PARAMEDIC COORDINATOR/EMS CAPTAIN

363 PEER SUPPORT BONUS

364 DECKHAND/BOAT OPERATOR/RESCUE WATER CRAFT BONUS

366 ADVANCED EDUCATIONAL DEGREE BONUS

369 ADVANCED EDUCATION DEGREE BONUS

381 DENTAL PROFESSIONALS BOARD CERTIFICATION BONUS

384 HIGH DESERT HEALTH ASSIGNMENT BONUS

388 SHERIFF DETENTION FACILITY ASSIGNMENT BONUS

389 MENTAL HEALTH PSYCHIATRIST BOARD CERTIFICATION –
MORE THAN ONE SPECIALTY

391 COUNTY LIBRARY DIFFICULT TO RECRUIT ASSIGNMENT
BONUS

393 OBSTETRICS/LABOR & DELIVERY ASSIGNMENT

394 MEDICAL HUB CLINIC ASSIGNMENT

- 415 SHERIFF DEPARTMENT ASSIGNMENT TO AERO BUREAU
AVIONICS SHOP
- 416 SHERIFF DEPARTMENT WATER SYSTEMS BONUS – CHIEF
OPERATOR
- 417 SHERIFF DEPARTMENT WATER SYSTEMS BONUS – SHIFT
OPERATOR
- 418 ISD BONUS ASSIGNMENT – ENERGY MANAGEMENT SYSTEM
SECTION (BEAS)
- 424 ABDMI REGISTRY CERTIFICATION BONUS
- 425 ABDMI BOARD CERTIFICATION BONUS
- 439 CUSTODY TRAINING OFFICER
- 445 SPECIAL ENFORCEMENT DETAIL/CANINE SERVICES DETAIL
(TACTICAL DUTY)
- 452 SUPERVISORY BONUS
- 457 PATROL STATION RETENTION BONUS
- 463 DRINKING WATER TREATMENT AND DISTRIBUTION
- 497 INSTITUTIONS BONUS
- 503 UNIFORM ALLOWANCE
- 504 NIGHT SHIFT DIFFERENTIAL
- 505 CORONER'S INQUEST REPORTER
- 506 VEHICLE USE ALLOWANCE
- 507 CO-GENERATION MAINTENANCE
- 508 HENNINGER FLATS WATCHMAN
- 509 FREEZER WORK
- 510 DEPARTMENT HEAD MERIT

511 BOARD OF SUPERVISORS PERFORMANCE LUMP SUM
512 FIRE SUPPRESSION TRANSPORTATION TRUCK DRIVER
514 BACKHOE OPERATOR
515 WEEKEND BONUS
516 EXPLOSIVES WORK
517 EVENING SHIFT DIFFERENTIAL
518 POWER EQUIPMENT REPAIR, SNOW CONDITIONS
519 ENGINEERING EMPLOYEES, HAZARD PAY
520 HOME CARE COMPENSATION
522 CUSTODIAN ACTING AS WATCHMAN
523 HYDROELECTRIC OPERATIONS
525 CONTRACTING AND PRODUCTIVITY IMPROVEMENT INCENTIVE
FOR MANAGERS
528 WEBCOM PRESS OPERATOR
529 POWER EQUIPMENT OPERATOR, FIRE SUPPRESSION
530 RN EXTRA WEEKENDS WORKED
531 STANDBY
532 ADDITIONAL RESPONSIBILITIES OR EXCEPTIONAL
PERFORMANCE
533 POWER SWEEPER OPERATOR IN EMERGENCY CONDITIONS
534 POWER PLANT RELIEF ENGINEER
535 CLINIC PHYSICIAN, FIRST HOUR AND ONE-HALF
536 CONSULTING SPECIALIST, MD, & MENTAL HEALTH
CONSULTANT, MD, FIRST AND FIFTH HOURS

538 RN ASSIGNED AS ACTING OR RELIEF CHARGE NURSE

539 RN WEEKEND DIFFERENTIAL

540 RELIEF NURSE HOLIDAY DIFFERENTIAL (HOURLY ITEM)

541 RELIEF NURSE WEEKEND DIFFERENTIAL (HOURLY ITEM)

544 APPRAISERS LAUNDRY AND DRY CLEANING ALLOWANCE

545 HEAVY DUTY TOW TRUCK DRIVER

546 SLURRY SEAL TRUCK DRIVER

547 LIFEGUARD PARAMEDIC – SHIFT

548 LIFEGUARD PARAMEDIC – HOURLY

550 INCENTIVE AWARDS FOR MEDICAL REIMBURSEMENTS,
HEALTH SERVICES

551 GROUP INCENTIVE AWARD, TREASURER TAX COLLECTOR

552 STANDBY – EMERGENCY ROLLOUT PROGRAM

553 PIONEER EXCAVATION, TUNNEL OPERATIONS, FIRE
SUPPRESSION, AND SNOW REMOVAL - CONSTRUCTION
INSPECTION AND SURVEYING GROUPS

554 PIONEER EXCAVATION, TUNNEL OPERATIONS, FIRE
SUPPRESSION, AND SNOW REMOVAL

555 SCAFFOLD OR SWING STAGE, 30 FEET ABOVE GRADE

556 HIGH SCALE AND RIGGING OPERATIONS, GENERAL

557 EVENING SHIFT, MED TECH

558 NIGHT SHIFT, MED TECH

565 PARAMEDIC RECERTIFICATION BONUS

567 DEPUTY SHERIFF RESERVE ANNUAL COMPENSATION

570 HOME CARE PROGRAM STANDBY

571 CSW LICENSURE SUPERVISION

572 MOU LUMP SUM BONUS

575 WASTEWATER PLANT RELIEF BONUS

576 "SOLO DAILY" PAY – COURT REPORTERS

577 INTERPRETER HALF DAY BONUS – SUP. CT.

581 SWIM PROFICIENCY BONUS

585 ISA TREE WORKER CERTIFICATION

586 ISA CERTIFIED ARBORIST CREDENTIAL

587 ISA CERTIFIED QUALIFIED TREE RISK ASSESSOR CREDENTIAL

588 ISA MUNICIPAL SPECIALIST CREDENTIAL

589 MENTAL HEALTH SPECIALITY FIELD BASED BONUS

590 CONT EDUCATION/EQUIPMENT/TRAINING BONUS

601 LIFEGUARD PARAMEDIC, RELIEF

602 SUPERVISING TRANSPORTATION DEPUTY PERFORMING
DISPATCHER DUTIES

603 AUTOMOTIVE SERVICE EXCELLENCE CERTIFICATES

604 RN MOBILE INTENSIVE CARE CERTIFICATION

605 CUSTODIAN FLOOR WAXING BONUS

606 FIRE EQUIPMENT MECHANIC ASSIGNED FIELD REPAIR DUTIES

606A FIRE EQUIPMENT MECHANIC ASSIGNED FIELD REPAIR DUTIES
– ELIGIBILITY INDICATOR

607 SDPO ASSIGNED ACTING DIRECTOR IN A CAMP

608 BILINGUAL BONUS

609 RN ASSIGNED TO EMERGENCY ROOM

610 ANTELOPE VALLEY FIREFIGHTING CREW
611 TREE TRIMMER SUPERVISOR, POWER OPERATIONS
612 SHOOTING BONUS, EXPERT
613 SHOOTING BONUS, DISTINGUISHED EXPERT
614 SHOOTING BONUS, MARKSMAN
615 SHOOTING BONUS, SHARPSHOOTER
616 ANTELOPE VALLEY QUARTERS, ON FIRE CALL
617 CLINIC NURSE ASSIGNED TO PROBATION CAMP
618 TRANSPORTATION BUS DRIVER, SHERIFF
619 CERTIFIED ACCESS SPECIALISTS
620 SAN GABRIEL DAM OPERATOR
621 NURSE RETENTION INCENTIVE
622 ADVANCED APPRAISER CERTIFICATION
623 PROBATION TRANSCRIBER TYPIST PRODUCTION INCENTIVE
624 BILINGUAL ADDITIONAL BONUS, CHILDREN'S SOCIAL
WORKERS
625 AGRICULTURE INSPECTORS ASSIGNED TO STANDARDIZATION
626 FIREFIGHTER PARAMEDIC NOT ASSIGNED TO A PARAMEDIC
POST
627 DETENTION AND TRANSPORTATION EXTRA SUPERVISION
BONUS
628 BILINGUAL BONUS FOR OTHER THAN MONTHLY EMPLOYEES
629 MORTUARY ATTENDANT AT LAC/USC MC
630 SERVICE PAY BONUS

632 MENTAL HEALTH WORKERS ASSIGNED TO SHERIFF'S
DETENTION FACILITIES

634 SUPERVISING DETENTION SERVICES OFFICER OF THE DAY

635 TRANSPORTATION DEPUTY BUS DRIVER, PROBATION

636 SHERIFF'S STATION COMMANDER EXPENSES

637 PROFESSIONAL DEVELOPMENT EXPENSES

638 PROBATION TELECOM EQUIPMENT BONUS

639 INTERN HOUSING ALLOWANCE LAC/USC MED. CENTER

640 CHILDREN'S SERVICES ERCP RETENTION

641 SHOOTING BONUS, EXPERT – RESERVE

642 SHOOTING BONUS, DISTINGUISHED EXPERT – RESERVE

643 SHOOTING BONUS, MARKSMAN – RESERVE

644 SHOOTING BONUS, SHARPSHOOTER – RESERVE

645 WELDER CERTIFICATION BONUS

646 EMERGENCY ROLLOUT PROGRAM & SHIFT BONUS

647 BILINGUAL ADDITIONAL BONUS, PSYCHIATRIC SOCIAL WORK

648 DEFIBRILLATION AIRWAY BONUS

649 MAMMOGRAPHY BONUS

650 PRESIDING JUDGE 4% BONUS

653 EQUINE HANDLERS PAY

653 K-9 HANDLERS PAY

694 PARK, TAXABLE

695 TRANSPORTATION ALLOW

696	TRAFFIC MITIGATION
700	“OVERNIGHT TRIP” PAY - SHERIFF’S STATEWIDE UNIT
730	PREMIUM OVERNIGHT TRIP
782	FLSA PREMIUM PAY FOR REGULARLY SCHEDULED WORK ASSIGNMENT
903	NON-ELECTIVE LEAVE BUYBACK
910	SICK BUYBACK
911	VACATION BUYBACK
912	HOLIDAY BUYBACK
913	SICK PRE-71 BUYBACK
914	SICK BUYBACK –PROBATION 56 – HOUR
915	VACATION BUYBACK - 56 HOUR
930	SPECIAL PAID LEAVE BUYBACK
931	APPRAISERS LEAVE BUYBACK
932	INTERN/RESIDENT LEAVE BUYBACK
PP046	EMPLOYEE SUGGESTION
NONE	PARK, NONTAXABLE
NONE	PRIOR SALARY
NONE	56 HOUR TO 40 HOUR ASSIGNMENT BONUS
NONE	REGISTERED NURSE ASSIGNED TO CRITICAL CARE UNIT

BEFORE THE BOARD OF RETIREMENT
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

RESOLUTION OF THE BOARD OF
RETIREMENT SPECIFYING ITEMS OF
REMUNERATION AS "PENSIONABLE
COMPENSATION"

RESOLUTION NO. 2019-BR013

WHEREAS, Government Code section 7522.34 governs the determination of pensionable compensation for those members who became active members for the first time on or after January 1, 2013, who are subject to the California Public Employees' Pension Reform Act of 2013; and

WHEREAS, LACERA calculates retirement allowances based on a member's final compensation; and

WHEREAS, LACERA is required to include in the calculation of "final compensation," a member's base pay and certain other items of compensation, if such compensation qualifies as "pensionable compensation" under Government Code section 7522.34; and

WHEREAS, Government Code section 7522.34 defines "pensionable compensation" as:

"...the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules"; and

WHEREAS, the Board has analyzed each current pay item and determined whether or not those items should be included in "pensionable compensation"; and

WHEREAS, the Board may find it necessary from time to time to amend its determinations based on changes made by employers, the Legislature, or the Courts;

NOW THEREFORE, BE IT RESOLVED, AS FOLLOWS:

1. For purposes of calculating a member's retirement allowance, earnings on or after January 1, 2013, for members subject to Government Code section 7522.32, as set forth in Attachment No. 1 do not qualify as "pensionable compensation" as defined in section 7522.34.

BOARD OF RETIREMENT,
LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

Alan J. Bernstein
Chair, Board of Retirement

Approved as to Form

ATTEST:

Steven P. Rice
Chief Counsel

Les Robbins
Vice Chair, Board of Retirement

ITEMS OF REMUNERATION EARNED ON OR AFTER JANUARY 1, 2013, FOR MEMBERS SUBJECT TO GOVERNMENT CODE SECTION 7522.32, WHICH DO NOT QUALIFY AS "PENSIONABLE COMPENSATION" AS DEFINED IN SECTION 7522.34.

EARNINGS **ITEMS**
CODE NO.

200	76-INCH MOWER BONUS
201	ACTING DEPARTMENT HEAD
202	ACTING MEDICAL DIRECTOR
203	ADDITIONAL RESPONSIBILITIES
204	AMERICAN MEDICAL ASSOCIATION BOARD CERT 8.25%
205	AMERICAN MEDICAL ASSOCIATION BOARD CERT 5.50%
209	MANPOWER SHORTAGE RANGE
210	MEDICAL DIRECTOR'S BONUS - 2.75
211	MEDICAL DIRECTOR'S BONUS - 5.50%
212	MEDICAL DIRECTOR'S BONUS - 8.25%
214	OUT OF CLASS BONUS
215	POST BONUS - ADVANCE/EXECUTIVE
217	POST BONUS - INTERMEDIATE
219	SUPERIOR SUBORDINATE PAY
220	WATCHMAN - CUSTODIAN
221	WELFARE RECIPIENT SUPERVISOR

222 OUT OF CLASS BONUS SCHEDULE/LEVEL/PERCENT
223 TEMPORARY CLERICAL & OFFICE SERVICES EMPLOYEES
224 PBP NON-BASE MERIT SALARY ADJUSTMENT
225 EXECUTIVE SECRETARY ADDED SALARY SCHEDULES
227 PBP TO SCHEDULE SALARY ADJUSTMENT
228 ADDITIONAL RESPONSIBILITIES – REPRESENTED
229 TEMPORARY SPECIAL MAP ACHIEVEMENT – FLAT
230 TEMPORARY SPECIAL MAP ACHIEVEMENT – PERCENT
231 TEMPORARY ASSIGNMENT MAP EMPLOYEE – FLAT
240 AGRICULTURAL INSPECTOR BONUS
243 CAREER DEVELOPMENT INTERN BONUS
248 REGIONAL PLANNING AICP CERTIFICATION BONUS
249 AGRICULTURE INSPECTORS AID ROVER BONUS
250 ACCOUNTING CERTIFICATE
252 6TH AND 7TH STEP FINANCIAL SPECIALIST
254 FORENSIC ATTENDANT FIELD TRAINING BONUS
256 ANIMAL CONTROL MGR-BOARD LIAISON BONUS
257 HALF STEP-01
258 HALF STEP-02
263 AUDITOR-CONTROLLER MERIT - ONE SCHEDULE
264 AUDITOR-CONTROLLER MERIT - TWO SCHEDULES
265 AUDITOR-CONTROLLER MERIT - THREE SCHEDULES
266 AUDITOR-CONTROLLER MERIT - FOUR SCHEDULES

267 AUDITOR-CONTROLLER MERIT - FIVE SCHEDULES
268 AUDITOR-CONTROLLER MERIT - SIX SCHEDULES
270 BOARD OF SUPERVISOR SPECIAL ASSIGNMENT
271 ASSESSMENT APPEALS BOARD ASSIGNMENT
272 HEAD BOARD SPECIALIST ADDITIONAL STEPS
273 MAPP TIER II STEP 13
274 MAPP TIER II STEP 14
275 MAPP TIER II STEP 15
276 MAPP TIER II STEP 16
277 MAPP TIER II STEP 17
278 MAPP TIER II STEP 18
281 MAPP TO SCHEDULE FLAT AMOUNT
282 MAPP TO SCHEDULE PERCENTAGE
283 PERM PHYSICIAN TRANSITION RATE – PERCENT
285 COURT CLERK - GREATER SKILLS
291 INTERGOVERNMENTAL RELATIONS
293 LEGISLATIVE REPRESENTATIVE-CAO
295 MANAGEMENT TRAINEE
300 CURATOR BONUS
310 LEGISLATIVE ADVOCATE - COUNTY COUNSEL
320 ACCOUNTING CERTIFICATE - DA
321 DISTRICT ATTORNEY - OUT OF CLASS BONUS
322 RECLASSIFIED INVESTIGATOR

- 323 ANTELOPE VALLEY ASSIGN. 30 MILES FROM RESIDENCE
- 332 JOURNEY EMPLOYEES BONUS
- 334 CUSTODY ASSISTANT DRILL INSTRUCTOR/CUSTODY TRAINING AND STANDARDS BUREAU
- 335 CUSTODY ASSISTANT TRAINING OFFICER BONUS
- 336 PUBLIC RESPONSE DISPATCHER BONUS
- 338 ELEVATOR ADJUSTOR
- 340 A OR B MOTOR VEHICLE LICENSE BONUS
- 347 WELLNESS/FITNESS FOR LIFE BONUS – 1%
- 348 WELLNESS/FITNESS FOR LIFE BONUS – 2%
- 349 WELLNESS/FITNESS FOR LIFE BONUS
- 356 FIRE SAFETY PERSONNEL BONUS
- 357 HELICOPTER INSPECTION LICENSE
- 358 TEMPORARY PROMOTION BONUS
- 361 TEMPORARY PROMOTION BONUS - NON SCHEDULE
- 366 ADVANCED EDUCATIONAL DEGREE BONUS
- 367 MEDICAL STAFF CREDENTIALING ASSIGNMENT BONUS
- 368 RN ASSIGNED TO SHERIFFS DEPT
- 369 RN ADVANCED EDUCATIONAL DEGREE BONUS
- 370 CLINIC NURSE - STAND BY
- 371 CLINICAL INSTRUCTOR - GENERAL
- 372 CLINICAL INSTRUCTOR - LAC+USC MEDICAL CENTER
- 373 EMERG MEDICINE - BOARD CERTIFICATION

- 374 EMERG MEDICINE - BOARD CERT
- 375 EMERG MEDICINE - BOARD CERTIFICATION 8.25%
- 376 HIGH DESERT HOSPITAL - PHYSICIAN BONUS
- 377 JOURNEY EMPLOYEES BONUS
- 379 SUPERVISING NURSE - ICU
- 380 SUPVGRAD TECHN - DIAGNOSTIC ULTRASOUND
- 381 DENTAL PROFESSIONALS BOARD CERTIFICATION BONUS
- 383 VETERINARY MEDICINE- BOARD CERTIFICATION
- 384 HIGH DESERT HEALTH ASSIGNMENT BONUS
- 385 PSYCHIATRY SPECIALTY BONUS
- 386 PHYSICIAN SPECIALTY BONUS
- 387 PHARMACIST SPECIALTY ASSIGNMENTS
- 388 SHERIFF DETENTION FACILITY ASSIGNMENT BONUS
- 389 MENTAL HEALTH PSYCHIATRIST BOARD CERTIFICATION – MORE THAN ONE SPECIALTY
- 391 COUNTY LIBRARY DIFFICULT TO RECRUIT ASSIGNMENT BONUS
- 392 LIBRARIAN BONUS
- 393 OBSTETRICS/LABOR & DELIVERY ASSIGNMENT
- 394 MEDICAL HUB CLINIC ASSIGNMENT
- 395 PHYSICIAN SPECIALTY BONUS - 5.75%
- 396 PHYSICIAN ADDITIONAL COMPENSATION
- 397 PHYSICIAN FORENSIC PATHOLOGY BONUS
- 398 HOSPITAL ADMINISTRATOR - ADDITIONAL COMPENSATION

- 400 DEPUTY COURT ADMINISTRATOR - OPINION/ADVISOR
- 401 DEPUTY MARSHALL - LEVEL I BONUS
- 402 DEPUTY MARSHALL - LEVEL II BONUS
- 403 DEPUTY MARSHALL TRAINEE
- 404 ELECTRONIC RECORDING EQUIPMENT
- 405 MARSHALL SUPERVISING BONUS
- 406 DEPUTY MARSHAL SPECIAL TRAINING - 6TH STEP
- 407 SKILL & RESPONSIBILITY BONUS
- 408 DEPUTY CLERK III OUT OF CLASS BONUS
- 409 STENOGRAPHIC SKILLS
- 410 SUPERVISING DEPUTY CLERK
- 411 ADVISOR-COURT ADMINISTRATOR AND JUDGES
- 412 NIGHT SHIFT AND WEEKEND BONUS
- 413 DEPUTY CLERK IV - GREATER SKILLS
- 414 RECORDING EQUIPMENT-DEPUTY CLERK IV M.C.
- 415 SHERIFF DEPARTMENT ASSIGNMENT TO AERO BUREAU AVIONICS SHOP
- 416 SHERIFF DEPARTMENT WATER SYSTEM BONUS – CHIEF OPERATOR
- 417 SHERIFF DEPARTMENT WATER SYSTEM BONUS – SHIFT OPERATOR
- 418 ISD BONUS ASSIGNMENT – ENERGY MANAGEMENT SYSTEM SECTION (SEAS)
- 424 ABDMI REGISTRY CERTIFICATION BONUS
- 425 ABDMI BOARD CERTIFICATION BONUS

430 ASST. DIRECTOR - PUBLIC SOCIAL SERVICES
432 DEPUTY DISTRICT DIRECTOR TRAINEE
439 CUSTODY TRAINING OFFICER
441 CATALINA ISLAND LIVING - SHERIFF
445 SPECIAL ENFORCEMENT DETAIL/CANINE SERVICES DETAIL
(TACTICAL DUTY)
450 SHERIFF OUT OF CLASS BONUS
453 SERGEANT-AT-ARMS BOARD OF SUPERVISOR
456 TRAINING OFFICER/INVESTIGATOR/K-9 BONUS
458 ACTING CAPACITY BONUS
461 SHERIFF BUSINESS MACHINE TECHNICIAN
464 STATE OF CALIF STRUCTURAL ENGINEER LICENSE BONUS
465 REHABILITATION INSPECTOR-PUBLIC WORKS
468 LICENSED LAND SURVEYOR BONUS
469 LICENSED REGISTERED TRAFFIC ENGINEER BONUS
470 BUSINESS LICENSE LIAISON
475 CERTIFICATION BONUS - LACERA
480 SUPERIOR COURT CLERK BONUS
481 COURT REPORTERS REALTIME CERTIFICATION
482 JUDICIAL ASSISTANT BONUS
483 REALTIME WRITING BONUS
485 SUP CRT EXEC OFFICER ADDITIONAL COMPENSATION
493 SENIOR PROBATION DIRECTOR-CENTRAL JUVENILE HALL

494 SENIOR PROB DIR-LOS PADRINOS/SAN FERNANDO JUV HALL
495 PROBATION DIRECTOR-ADMIN RESP./FOOTHILL JUV AREA
498 PROBATION DIRECTOR-CHALLENGER YOUTH CENTER
501 BOARD OF RETIREMENT CASE REVIEW
503 UNIFORM ALLOWANCE
504 NIGHT SHIFT DIFFERENTIAL
505 CORONER'S INQUEST REPORTER
506 ALLOWANCE IN LIEU OF VEHICLE USE
507 CO-GENERATION MAINTENANCE
508 HENNINGER FLATS WATCHMAN
509 FREEZER WORK
510 DEPARTMENT HEAD MERIT
511 BOARD OF SUPERVISORS PERFORMANCE LUMP SUM
512 FIRE SUPPRESSION TRANSPORTATION TRUCK DRIVER
513 MOU LUMP SUM BONUS
514 BACKHOE OPERATOR
515 WEEKEND BONUS
516 EXPLOSIVES WORK
517 EVENING SHIFT DIFFERENTIAL
518 POWER EQUIPMENT REPAIR, SNOW CONDITIONS
519 ENGINEERING EMPLOYEES, HAZARD PAY
520 HOME CARE COMPENSATION
522 CUSTODIAN ACTING AS WATCHMAN

523 HYDROELECTRIC OPERATIONS

525 CONTRACTING & PRODUCTIVITY IMPROVE INCNTV FOR MNGR

528 WEBCOM PRESS OPERATOR

529 POWER EQUIPMENT OPERATOR, FIRE SUPPRESSION

531 STANDBY

532 ADDITIONAL RESPONSIBILITIES AND EXCEPTIONAL PERFORMANCE

533 POWER SWEEPER OPERATOR IN EMERGENCY CONDITIONS

534 POWER PLANT RELIEF ENGINEER

535 CLINIC PHYSICIAN FIRST HOUR

536 CONSULTING SPEC, MD & MNTL HEALTH CONSLT, 1st & 5th

538 RN ASSIGNED AS ACTING OR RELIEF CHARGE NURSE

539 RN WEEKEND DIFFERENTIAL

540 RELIEF NURSE HOLIDAY DIFFERENTIAL

541 RELIEF NURSE WEEKEND DIFFERENTIAL

544 APPRAISERS LAUNDRY AND DRY CLEANING ALLOWANCE

545 HEAVY DUTY TOW TRUCK DRIVER

546 SLURRY SEAL TRUCK_DRIVER

548 LIFEGUARD PARAMEDIC - RELIEF

550 INCENTIVE AWARDS FOR MEDI-CAL REIMBRMNTS/ HEALTH SR

551 GROUP INCENTIVE AWARD, TREASURER TAX COLLECTOR

552 STANDBY - EMERGENCY ROLL OUT PROGRAM

553 PIONEER EXCAVTN, TUNNEL OPERATNS, FIRE SUPP, SNOW

554 PIONEER EXCAVATION, TUNNEL OPERATIONS, FIRE SUPP, SNOW
555 SCAFFOLD OR SWING STAGE, 30 FEET ABOVE GRADE
556 HIGH SCALE AND RIGGING OPERATIONS, GENERAL
557 EVENING SHIFT, MED TECH
558 NIGHT SHIFT, MED TECH
560 PHYSICIAN RECRUITMENT PROGRAM
565 PARAMEDIC RECERTIFICATION BONUS
565A PARAMEDIC RECERTIFICATION BONUS-ELIGIBILITY INDICATOR
567 DEPUTY SHERIFF RESERVE ANNUAL COMPENSATION
568 ASSESSMENT APPEALS FULL DAY INCREMENT
569 PHYSICIAN LOAN PAYMENT PROGRAM
570 HOME CARE PROGRAM STANDBY
571 CHILDREN'S SOCIAL WORKERS LICENSURE SUPERVISION
572 MOU LUMP SUM BONUS
574 STANDBY - INS WITNESS PROGRAM
575 WASTEWATER PLANT RELIEF BONUS
576 SOLO DAILY EARNINGS
577 INTERPRETER HALF DAY BONUS - SUP CT
578 ER ATTENDING PHYSICIAN - DAY RATE
579 ER ATTENDING PHY/-WKDY EVE/WKND HOLIDAY
580 ER ATTENDING PHY/-WKDY NITE/WKND HOLIDAY EVE NITE
581 SWIM PROFICIENCY BONUS
582 INTERPRETER REGULAR MULTIPLE LANGUAGE SAME DAY

583 INTERPRETER-HOURLY/DAILY MULT LANG SAME DAY
584 PHYSICIAN STIPENDS
585 ISA TREE WORKER CERTIFICATION
586 ISA CERTIFIED ARBORIST CREDENTIAL
587 ISA CERTIFIED QUALIFIED TREE RISK ASSESSOR CREDENTIAL
588 ISA MUNICIPAL SPECIALIST CREDENTIAL
589 MENTAL HEALTH SPECIALITY FIELD BASED BONUS
590 CONT EDUCATION/EQUIPMENT/TRAINING BONUS
591 LICENSE REIMBURSEMENT
600 REGISTERED NURSE MOBILE INTENSIVE CARE CERTIFICATION,
SUB-ITEM D
602 SUPERVISING TRANSPORTATN DEPTY PERFORMING
DISPATCHER DUTIES
603 AUTOMOTIVE SERVICE EXCELLENCE CERTIFICATE
604 REGISTERED NURSE MOBILE INTENSIVE CARE CERTIFICATION
605 CUSTODIAN FLOOR WAXING BONUS
606 FIRE EQUIPMENT MECHANIC ASSIGNED FIELD REPAIR DUTY
606A FIRE EQUIPMENT MECHANIC ASSIGNED FIELD REPAIR DUTY -
ELIGIBILITY INDICATOR
607 SUPERVISING DEPUTY PROBATION OFFICER (SPDO) ASSIGNED
ACTING DIRECTOR IN A CAMP
608 BILINGUAL BONUS
609 REGISTERED NURSE ASSIGNED TO EMERGENCY ROOM
610 ANTELOPE VALLEY FIREFIGHTING CREW
611 TREE TRIMMER SUPERVISOR, POWER OPERATIONS

612 SHOOTING BONUS, EXPERT
613 SHOOTING BONUS, DISTINGUISHED EXPERT
614 SHOOTING BONUS, MARKSMAN
615 SHOOTING BONUS, SHARPSHOOTER
616 ANTELOPE VALLEY QUARTERS, ON FIRE CALL
617 CLINIC NURSE ASSIGNED TO PROBATION CAMP
618 TRANSPORTATION BUS DRIVER, SHERIFF
619 CERTIFIED ACCESS SPECIALIST
620 SAN GABRIEL DAM OPERATOR
621 NURSE RETENTION INCENTIVE
622 ADVANCED APPRAISER CERTIFICATION
624 BILINGUAL ADDITIONAL BONUS, CHILDREN'S SOCIAL WORK
625 AGRICULTURE INSPECTORS ASSIGNED TO STANDARDIZATION
627 DETENTION & TRANSPORTATION EXTRA SUPERVISION BONUS
628 BILINGUAL BONUS FOR OTHER THAN MONTHLY
628A BILINGUAL BONUS FOR OTHER THAN MONTHLY-ELIGIBILITY
INDICATOR
629 MORTUARY ATTENDANT AT LAC+USCMC
630 SERVICE PAY BONUS
631 BILINGUAL BONUS-SUB D
632 MENTAL HEALTH WORKERS ASSIGND SHERIFF DETENTN FACL
633 RN ASSIGNED TO EMERGENCY ROOM SUB D
634 SUPERVISING DETENTION SERVICES OFFICER OF THE DAY

635 TRANSPORTATION DEPUTY BUS DRIVER, PROBATION
636 INCIDENTAL EXPENSE ALLOWANCE
637 PROFESSIONAL DEVELOPMENT EXPENSES
638 PROBATION TELECOM EQUIPMENT BONUS
640 CHILDRENS SERVICES ERCP RETENTION
641 SHOOTING BONUS, EXPERT – RESERVE
642 SHOOTING BONUS, DISTINGUISHED EXPERT – RESERVE
643 SHOOTING BONUS, MARKSMAN – RESERVE
644 SHOOTING BONUS, SHARPSHOOTER – RESERVE
645 EMERGENCY ROOM BONUS/PAT FIN SVCS WKR/PAT RES WKR
646 EMERGENCY ROLL OUT PROGRAM & SHIFT BONUS
647 BILINGUAL ADDITIONAL BONUS, PSYCH SOCIAL WORK
648 DEFIBRILLATION AIRWAY BONUS
649 MAMMOGRAPHY BONUS
690 CELLULAR PHONE STIPEND - VOICEMAIL
691 CELLULAR PHONE STIPEND - DATA ONLY
692 CELLULAR PHONE STIPEND - VOICE AND DATA
694 CIVIC CENTER COMMUTER ALLOWANCE
695 DEPARTMENT HEAD TRANSPORTATION ALLOWANCE
696 DEPARTMENT HEAD TRAFFIC MITIGATION ALLOWANCE
700 PENSIONABLE OVERTIME
730 PREMIUM OVERTIME - SYSTEM PENSIONABLE
PF004 MEGAFLEX PENSIONABLE CONTRIBUTION

PF007	FLEX PENSIONABLE CONTRIBUTION
PF010	CHOICES PENSIONABLE CONTRIBUTION
PF013	OPTIONS PENSIONABLE CONTRIBUTION
PK003	NON-ELECTIVE LEAVE
PK011	SICK - 100%
PK012	HOLIDAY
PK021	VACATION
PK030	SPECIAL PAID LEAVE
PK031	APPRAISERS LEAVE
PK032	INTERN/RESIDENT LEAVE
PK113	SICK PRE-71
PKP11	SICK LEAVE BUYBACK 100%
PKP21	VACATION BUYBACK
PP046	EMPLOYEE SUGGESTION
NONE	REGISTERED NURSE ASSIGNED TO CRITICAL CARE UNITS
NONE	FIRE SUPPRESSION CAMP ASSIGNMENT – PREMIUM
NONE	FIRE SUPPRESSION CAMP ASSIGNMENT – COMPENSATORY TIME EARNED
NONE	POST, SUPERVISORY BONUS
OP100	CORRECTIVE PAYMENT, REINSTATED EMPLOYEE – HORIZONS PLAN
OP101	CORRECTIVE PAYMENT, ADMINISTRATIVE ERROR – HORIZONS PLAN
OP102	CORRECTIVE PAYMENT, REINSTATED EMPLOYEE – SAVINGS PLAN

OP103 CORRECTIVE PAYMENT, ADMINISTRATIVE ERROR – SAVINGS
PLAN

Attachment A

**Attachment: Newly Created or Newly Revised Codes
reviewed under Section 31461 and 7522.34**

Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
INCLUDED under Section 31461					
334	CUSTODY ASSISTANT DRILL INSTRUCTOR /CUSTODY TRAINING AND STANDARDS BUREAU	<p>A Custody Assistant, Sheriff (Item #2749) assigned temporarily by management to a Sheriff's Custody Assistant Academy Drill Instructor position shall receive an assignment bonus of two (2) standard salary schedules (5.5%). The additional compensation shall begin on the first day the duties are performed and shall end on the day the duties are no longer performed.</p> <p>Effective October 1, 2018, any full-time permanent employee in the Custody Assistant, Sheriff (Item No. 2749) classification assigned the Custody Training and Standards Bureau is eligible to receive additional compensation of 22 standard salary levels (5.6468%). The additional compensation will be effective the first day of the assignment and ending on the date the employee is no longer assigned to the Bureau.</p>	(a)	—	<p>This assignment compensation is for additional responsibilities above those associated with the standard Custody Assistant, Sheriff assignment.</p> <ul style="list-style-type: none"> • The Custody Assistant Academy Drill Instructor duties are performed during the training of Custody Assistants. • The Custody Training and Standards Bureau has six (6) Custody Assistants (CA) assigned to facilitate and participate in training of Custody Assistants. <p>This additional compensation consists of ad hoc payments to the Custody Assistant during the training assignment, it is paid to "all similarly situated members in the member's grade or class," and at the same rate of pay, and is included as "compensation earnable" under 31461(a).</p>
335	CUSTODY ASSISTANT TRAINING OFFICER BONUS	<p>Effective October 1, 2018, any full-time permanent employee in the Custody Assistant, Sheriff (Item No. 2749) classification assigned to train any new employee is eligible to receive additional compensation of 22 standard salary levels (5.6468%). The additional compensation will be effective the first day of the training assignment and ending on the date the employee is no longer assigned to train new employees.</p>	(a)	—	<p>The Custody Training Officer assignment bonus compensates an employee for additional responsibilities above those associated with the standard Custody Assistant, Sheriff for the duration of the new employee training.</p> <p>This additional compensation consists of ad hoc payments to the Custody Assistant during the training assignment, it is paid to "all similarly situated members in the member's grade or class," and at the same rate of pay, and is included as "compensation earnable" under 31461(a).</p>
415	SHERIFF DEPARTMENT ASSIGNMENT TO AERO BUREAU AVIONICS SHOP	<p>Effective October 1, 2018, this additional compensation is for all full-time permanent employees within this MOU in the following classifications:</p> <ul style="list-style-type: none"> – Electronics Communications Technician (Item No. 6541) – Senior Electronics Communications Technician (Item No. 6542) <p>Employees must be assigned to the avionics shop within the Sheriff's Department Aero Bureau.</p> <p>The additional compensation is a flat rate amount of 5.5%.</p>	(a)	—	<p>Employees selected for this assignment are those who have obtained specialized training that allows them to perform specialized tasks working on technologically sophisticated Aviation Information Systems and other aircraft systems typically not required by other ECT's working in Avionics.</p> <p>The additional compensation is a flat rate amount of 5.5%. Therefore, the conversion to the equivalent percentage to link it with the published salary schedule is not applicable.</p> <p>This additional compensation applies to all similarly situated employees assigned to the avionics shop within the Sheriff's Department Aero Bureau, it is paid based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included as "compensation earnable" under 31461(a).</p>

Attachment: Newly Created or Newly Revised Codes reviewed under Section 31461 and 7522.34

Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
INCLUDED under Section 31461					
416	SHERIFF DEPARTMENT WATER SYSTEMS BONUS – CHIEF OPERATOR	<p>This additional compensation is for all full-time permanent employees within this MOU in the following classifications:</p> <ul style="list-style-type: none"> – Plumber (Item No. 7269) – Senior Plumber (Item No. 7270) – Plumber Working Supervisor (Item No. 7272) – Plumber Supervisor (Item No. 7275) <p>Employees must hold the required certification and be designated by Management to act as the Chief Operator for the Sheriff’s Department’s water systems. Typically, an employee holding the class of Plumber Supervisor (Item No. 7275) is designated as the Chief Operator. The additional compensation is a flat rate amount of 5.6468%. (Per Auditor-Controller via LAC CEO Employee Relations, the percentage applied should actually be 5.5%).</p>	(a)	—	<p>The State of California Department of Health Services requires all water suppliers to designate at least one (1) Chief Operator (CA Code of Regulations Title 22, Division 4, Chapter 15, Article 2, Section 64413.5).</p> <p>Per Auditor-Controller via LAC CEO Employee Relations, the additional compensation is a flat rate amount of 5.5%. Therefore, the conversion to the equivalent percentage to link it with the published salary schedule is not applicable.</p> <p>This additional compensation applies to all similarly situated employees designated to act as the Chief Operator for the Sheriff’s Department’s water systems, it is paid based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included as "compensation earnable" under 31461(a).</p> <p>NOTE: The current employee performing this assignment has been receiving an additional responsibilities bonus since 2010. However, since this function is required by law, the department wanted this to be designated additional compensation included in the MOU.</p>
417	SHERIFF DEPARTMENT WATER SYSTEMS BONUS – SHIFT OPERATOR	<p>This additional compensation is for all full-time permanent employees within this MOU in the following classifications:</p> <ul style="list-style-type: none"> – Plumber (Item No. 7269) – Senior Plumber (Item No. 7270) – Plumber Working Supervisor (Item No. 7272) – Plumber Supervisor (Item No. 7275) <p>Employees must hold the required certification and be designated by Management to act as the Shift Operator for the Sheriff’s Department’s water systems. Typically, an employee holding the class of Plumber (Item No. 7269) or above is designated as the Shift Operator. The additional compensation is a flat rate amount of 5%.</p>	(a)	—	<p>The State of California Department of Health Services requires all water suppliers to designate at least one (1) Shift Operator (CA Code of Regulations Title 22, Division 4, Chapter 15, Article 2 Section 64413.7).</p> <p>The additional compensation is a flat rate amount of 5.0%. Therefore, the conversion to the equivalent percentage to link it with the published salary schedule is not applicable.</p> <p>This additional compensation applies to all similarly situated employees designated to act as the Shift Operator for the Sheriff’s Department’s water systems, it is paid based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included as "compensation earnable" under 31461(a).</p> <p>NOTE: The current employee performing this assignment has been receiving an additional responsibilities bonus since 2010. However, since this function is required by law, the department wanted this to be designated additional compensation included in the MOU.</p>

**Attachment: Newly Created or Newly Revised Codes
reviewed under Section 31461 and 7522.34**

Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
INCLUDED under Section 31461					
418	ISD BONUS ASSIGNMENT – ENERGY MANAGEMENT SYSTEM SECTION (BEAS)	<p>This additional compensation is for all full-time permanent employees within this MOU in the Steam Fitter & Refrigeration Working Supervisor (Item No. 7760) classification. Employees must be assigned to the Energy Management System Section’s centralized Building Environmental Automation System (BEAS). The additional compensation is 5.5% of the base monthly salary.</p>	(a)	—	<p>Internal Services Department (ISD) Energy and Environmental Service coordinates energy efficiency, conservation, and sustainability programs to maximize the efficient use of natural resources within County operations. The Energy and Environmental Service consists of: Energy Management Division, Environmental Initiatives Division, and Administrative Section.</p> <p>This specialty assignment compensation applies to all similarly situated employees in the Steam Fitter & Refrigeration Working Supervisor (Item No. 7760) classification, whenever assigned to the Energy Management System Section’s centralized Building Environmental Automation System (BEAS). It is paid based on the "average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay," and is included as "compensation earnable" under 31461(a).</p>

**Attachment: Newly Created or Newly Revised Codes
reviewed under Section 31461 and 7522.34**

Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
EXCLUDED under Section 7522.34					
334	CUSTODY ASSISTANT DRILL INSTRUCTOR /CUSTODY TRAINING AND STANDARDS BUREAU	<p>A Custody Assistant, Sheriff (Item #2749) assigned temporarily by management to a Sheriff's Custody Assistant Academy Drill Instructor position shall receive an assignment bonus of two (2) standard salary schedules (5.5%). The additional compensation shall begin on the first day the duties are performed and shall end on the day the duties are no longer performed.</p> <p>Effective October 1, 2018, any full-time permanent employee in the Custody Assistant, Sheriff (Item No. 2749) classification assigned the Custody Training and Standards Bureau is eligible to receive additional compensation of 22 standard salary levels (5.6468%). The additional compensation will be effective the first day of the assignment and ending on the date the employee is no longer assigned to the Bureau.</p>	—	(c)(3)	<p>This assignment compensation is for additional responsibilities above those associated with the standard Custody Assistant, Sheriff assignment.</p> <ul style="list-style-type: none"> • The Custody Assistant Academy Drill Instructor duties are performed during the training of Custody Assistants. • The Custody Training and Standards Bureau has six (6) Custody Assistants (CA) assigned to facilitate and participate in training of Custody Assistants. <p>This additional compensation consists of ad hoc payments during the assignment and is excluded as "pensionable compensation" under 7522.34(c)(3).</p>
335	CUSTODY ASSISTANT TRAINING OFFICER BONUS	<p>Effective October 1, 2018, any full-time permanent employee in the Custody Assistant, Sheriff (Item No. 2749) classification assigned to train any new employee is eligible to receive additional compensation of 22 standard salary levels (5.6468%). The additional compensation will be effective the first day of the training assignment and ending on the date the employee is no longer assigned to train new employees.</p>	—	(c)(3)	<p>The Custody Training Officer assignment bonus compensates an employee for additional responsibilities above those associated with the standard Custody Assistant, Sheriff for the duration of the new employee training.</p> <p>This additional compensation consists of ad hoc payments during the assignment and is excluded as "pensionable compensation" under 7522.34(c)(3).</p>
415	SHERIFF DEPARTMENT ASSIGNMENT TO AERO BUREAU AVIONICS SHOP	<p>Effective October 1, 2018, this additional compensation is for all full-time permanent employees within this MOU in the following classifications:</p> <ul style="list-style-type: none"> – Electronics Communications Technician (Item No. 6541) – Senior Electronics Communications Technician (Item No. 6542) <p>Employees must be assigned to the avionics shop within the Sheriff's Department Aero Bureau.</p> <p>The additional compensation is a flat rate amount of 5.5%.</p>	—	(c)(11)	<p>Employees selected for this assignment are those who have obtained specialized training that allows them to perform specialized tasks working on technologically sophisticated Aviation Information Systems and other aircraft systems typically not required by other ECT's working in Avionics.</p> <p>The additional compensation is a flat rate amount of 5.5%. Therefore, the conversion to the equivalent percentage to link it with the published salary schedule is not applicable.</p> <p>This additional compensation applies to all similarly situated employees assigned to the avionics shop within the Sheriff's Department Aero Bureau. However, the form of compensation is not found in the public pay schedule and it is excluded under 7522.34(c)(11).</p>

**Attachment: Newly Created or Newly Revised Codes
reviewed under Section 31461 and 7522.34**

Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
EXCLUDED under Section 7522.34					
416	SHERIFF DEPARTMENT WATER SYSTEMS BONUS – CHIEF OPERATOR	<p>This additional compensation is for all full-time permanent employees within this MOU in the following classifications:</p> <ul style="list-style-type: none"> – Plumber (Item No. 7269) – Senior Plumber (Item No. 7270) – Plumber Working Supervisor (Item No. 7272) – Plumber Supervisor (Item No. 7275) <p>Employees must hold the required certification and be designated by Management to act as the Chief Operator for the Sheriff’s Department’s water systems. Typically, an employee holding the class of Plumber Supervisor (Item No. 7275) is designated as the Chief Operator. The additional compensation is a flat rate amount of 5.6468%. (Per Auditor–Controller via LAC CEO Employee Relations, the percentage applied should actually be 5.5%).</p>	—	(c)(11)	<p>The State of California Department of Health Services requires all water suppliers to designate at least one (1) Chief Operator (CA Code of Regulations Title 22, Division 4, Chapter 15, Article 2, Section 64413.5).</p> <p>Per Auditor–Controller via LAC CEO Employee Relations, the additional compensation is a flat rate amount of 5.5%. Therefore, the conversion to the equivalent percentage to link it with the published salary schedule is not applicable.</p> <p>This additional compensation applies to all similarly situated employees designated to act as the Chief Operator for the Sheriff’s Department’s water systems. However, the form of compensation is not found in the public pay schedule and it is excluded under 7522.34(c)(11).</p> <p>NOTE: The current employee performing this assignment has been receiving an additional responsibilities bonus since 2010. However, since this function is required by law, the department wanted this to be designated additional compensation included in the MOU.</p>
417	SHERIFF DEPARTMENT WATER SYSTEMS BONUS – SHIFT OPERATOR	<p>This additional compensation is for all full-time permanent employees within this MOU in the following classifications:</p> <ul style="list-style-type: none"> – Plumber (Item No. 7269) – Senior Plumber (Item No. 7270) – Plumber Working Supervisor (Item No. 7272) – Plumber Supervisor (Item No. 7275) <p>Employees must hold the required certification and be designated by Management to act as the Shift Operator for the Sheriff’s Department’s water systems. Typically, an employee holding the class of Plumber (Item No. 7269) or above is designated as the Shift Operator. The additional compensation is a flat rate amount of 5%.</p>	—	(c)(11)	<p>The State of California Department of Health Services requires all water suppliers to designate at least one (1) Shift Operator (CA Code of Regulations Title 22, Division 4, Chapter 15, Article 2 Section 64413.7).</p> <p>The additional compensation is a flat rate amount of 5.0%. Therefore, the conversion to the equivalent percentage to link it with the published salary schedule is not applicable.</p> <p>This additional compensation applies to all similarly situated employees designated to act as the Shift Operator for the Sheriff’s Department’s water systems. However, the form of compensation is not found in the public pay schedule and it is excluded under 7522.34(c)(11).</p> <p>NOTE: The current employee performing this assignment has been receiving an additional responsibilities bonus since 2010. However, since this function is required by law, the department wanted this to be designated additional compensation included in the MOU.</p>

**Attachment: Newly Created or Newly Revised Codes
reviewed under Section 31461 and 7522.34**

Event	Description	Earnings Code Description	31461 Reference	7522.34 Reference	Analysis
EXCLUDED under Section 7522.34					
418	ISD BONUS ASSIGNMENT – ENERGY MANAGEMENT SYSTEM SECTION (BEAS)	<p>This additional compensation is for all full-time permanent employees within this MOU in the Steam Fitter & Refrigeration Working Supervisor (Item No. 7760) classification. Employees must be assigned to the Energy Management System Section’s centralized Building Environmental Automation System (BEAS). The additional compensation is 5.5% of the base monthly salary.</p>	—	(c)(11)	<p>Internal Services Department (ISD) Energy and Environmental Service coordinates energy efficiency, conservation, and sustainability programs to maximize the efficient use of natural resources within County operations. The Energy and Environmental Service consists of: Energy Management Division, Environmental Initiatives Division, and Administrative Section.</p> <p>This specialty assignment compensation applies to all similarly situated employees in the Steam Fitter & Refrigeration Working Supervisor (Item No. 7760) classification, whenever assigned to the Energy Management System Section’s centralized Building Environmental Automation System (BEAS). However, the form of compensation is not found in the public pay schedule and it is excluded under 7522.34(c)(11).</p>



September 9, 2019

TO: Each Member
Board of Retirement

FROM: Operations Oversight Committee
Shawn R. Kehoe, Chair
Thomas Walsh, Vice Chair
Keith Knox
Les Robbins
Vivian H. Gray, Alternate

FOR: October 2, 2019 Board of Retirement Meeting

SUBJECT: FIDUCIARY & CYBER LIABILITY INSURANCE RENEWAL

RECOMMENDATION

That the Board of Retirement approve the purchase of Fiduciary Liability and Cyber Liability Insurance effective October 6, 2019 with the following insurance carriers:

Coverage Type	Carrier	Limits	Premium
Fiduciary (Primary)	Hudson Insurance Company	\$25 Million	\$215,355
Fiduciary (Excess)	Westchester Fire Insurance Company	\$10 Million	\$64,586
Cyber	NAS Insurance Company	\$20 Million	\$113,701

EXECUTIVE SUMMARY

For nearly two decades, LACERA has been purchasing insurance coverage to mitigate the risk of unforeseen damages and potential losses to the Trust Fund. LACERA's insurance program consists of various lines of coverage that is divided into two separate renewal periods, June 30th and October 6th. Insurance for the program is procured with the assistance of an insurance broker, Kaercher Campbell & Associates Insurance Brokerage (Broker), a member of the Seeman Holtz Family,¹ who has over 25 years of experience working with various Pension Funds. The Broker services LACERA by procuring coverage quotations, negotiating premiums and coverage details, and provides consulting and support services throughout the year.

¹ On March 22, 2019, Kaercher Campbell was acquired by Seeman Holtz Property and Casualty Inc. The announcement of the business acquisition was reported to LACERA on May 1, 2019.

LACERA's insurance program is structured as follows:

<i>June 30th Renewal</i>	<i>October 6th Renewal</i>
<i>Business Property</i>	<i>Fiduciary Liability</i>
<i>General Liability</i>	<i>Excess Fiduciary Liability</i>
<i>Employee Benefits</i>	<i>Fiduciary Liability (OPEB)</i>
<i>Commercial Auto</i>	<i>Crime</i>
<i>Foreign Package</i>	<i>Cyber Liability</i>
<i>Primary Umbrella</i>	
<i>Excess Umbrella</i>	
<i>Difference-in-Condition</i>	
<i>Employment Practices Liability</i>	

DISCUSSION

In order to conduct LACERA's search for insurance coverage, the Broker, obtained competitive bids from various insurance carriers for each line of coverage. Their marketing efforts were comprehensive utilizing the marketplace to secure the best possible program renewals. The Broker approached numerous carriers and analyzed various programs to develop the most cost effective program for LACERA.

The Broker presented an insurance proposal package to the Insurance Selection Team (Team) for a complete analysis of each program whereby all terms (including coverage limits and sub-limits, deductibles, endorsements, and exclusions) were compared side-by-side. The selection of an insurance carrier is based on a number of factors, i.e. financial strength (A.M. Best financial strength and creditworthiness rating), Policy limits, potential covered losses, and cost. The Team consisted of representatives from the Administrative Services Division, Legal Office, and Executive Office.

Overall, the insurance market remains "flat" this year, as it was last year. A "flat" insurance market means premium pricing has stabilized. This pricing is primarily driven by the insurance surplus being at an all-time high, leading the Policy prices to remain relatively flat. However, due to the current fiduciary market, there is a slight increase in premium on all the Fiduciary Liability Policies.

FIDUCIARY LIABILITY INSURANCE

LACERA Trust Fund

Fiduciary Liability insurance is targeted at protecting LACERA's assets against fiduciary-related claims of mismanagement of the employee benefit plan. If a claim is made against LACERA, it covers the legal expenses of defending against the claim, as well as the financial losses the plan may have incurred due to errors, omissions or breach of fiduciary duty. In order to protect the Trust Fund from liability due to a claim of breach of fiduciary duty, it is recommended that LACERA continue to obtain coverage in the amount of \$35 million. The highest limit that Fiduciary Insurance Carriers are willing to underwrite for the coverage is \$25 million; therefore, LACERA is required to obtain the coverage in multiple layers, \$25 million primary and \$10 million excess, to reach the desired coverage of \$35 million.

The Broker's marketing strategy focused on obtaining the most comprehensive coverage for the most competitive price. To meet LACERA's insurance needs, the Broker obtained quotes utilizing LACERA's Board approved Purchasing Policy requirements and standard industry criteria, which enabled them to successfully negotiate competitive options for renewal.

The Team compared the proposed coverage Policies, and determined the Hudson Insurance Company and Westchester Fire Insurance Company Policy combination was more comprehensive and more competitive in pricing than the other qualifying competitors. The Team identified the following advantages offered:

- Choice of legal counsel versus being required to use carrier panel counsel
- Settlers Claims Defense
- Coverage for benefits miscalculation (overpayments)
- Supplemental Cyber coverage for content restoration and crisis notification expenditures

Hudson Insurance Company, LACERA's current Fiduciary Insurance Carrier, has agreed to underwrite the \$25 million Policy with a premium of \$215,355 and Westchester Fire Insurance Company will underwrite the excess \$10 million Policy with a premium of \$64,586. Hudson Insurance Company's proposed premiums are lower than other carriers under consideration due to a multiple Policy discount based on Hudson underwriting the Employment Practices Liability Insurance and the OPEB Trust Fund Fiduciary Liability Policy.

Fiduciary Liability Coverage

Risks	Policy Limits
<ul style="list-style-type: none"> • Accounting or Billing Errors or Omissions • Insufficiency of Funds • Poor or Negligent Investment Practices • Conflict of Interest • Errors in Computing or Administering Plans • Acts, Errors, and Omissions by Board Members and/or Staff Acts, Errors, and Omissions by Investment Advisors 	<ul style="list-style-type: none"> \$25,000,000 Aggregate \$10,000,000 Excess \$2,000,000 Trustee Claim Expenses \$1,500,000 HIPPA & Hitech Fines/Penalties Sublimit \$500,000 Voluntary Compliance Program \$250,000 PPACA Fines & Penalties \$100,000 Cyber Essentials \$100,000 Benefit Overpayment

Waiver of Recourse – Supplemental Coverage

A Waiver of Recourse is an endorsement to a Fiduciary Liability Insurance Policy that prevents an insurance carrier from exercising its subrogation rights against an insured fiduciary (Board Member/Employee). Unlike most other forms of insurance, under Fiduciary Liability Policies, insurers have the right to exercise subrogation rights against insureds for non-willful or criminal acts.

Members of both Boards and specific staff may have some potential individual exposure to Fiduciary Liability since they make decisions that could affect all of the Trust Funds. Board Members and staff have the opportunity to protect themselves by purchasing the Waiver of Recourse supplemental coverage. Per Government Code Section 7511, Trust Fund assets cannot be used to purchase a Waiver of Recourse endorsement. The cost of this coverage for this renewal period is a flat fee of \$100.00 for each Trust Fund. The fee per person is dependent on the number of enrollees and will be determined and communicated to Board Members and Staff at a later date.

CYBER LIABILITY

The costs and expenses of a data breach can be wide-ranging. According to the *Cyber Claims Study* conducted by NetDiligence (industry experts who provide cyber risk assessments), the average claim from a data breach for a large company in 2018 was \$8.8 million². Although, each breach has its own set of unique factors, the financial impact

² NetDiligence® 2018 *Cyber Claims Study*

is fairly consistent across the board. Depending on the severity of the breach, the breach can be a financial burden to the organization. The impact to the organization can consist of the following:

- Information Loss
- Business Disruption
- Financial Loss
- Equipment Damages
- Defense Cost
- Good Will to Members

Potential costs associated with a data breach can add up rapidly and can be a financial burden to the organization. The Team conducted an analysis to determine the appropriate amount of coverage required to ensure the organization is upholding its fiduciary responsibility in protecting the Trust Fund. The analysis included evaluating the size of the Trust Fund, number of members (direct and indirect), number of records (electronic and paper), and loss history of known breaches outside of the organization. As the result of the analysis conducted by the team, the recommendation is to continue purchasing \$20 million in coverage to mitigate the severity of potential financial losses.

The Team reviewed the Cyber Liability Insurance quotes to determine which Policy best protects the Trust Fund while still opting for the most competitive price. The Team determined that the NAS Insurance Company's Policy form is more comprehensive than what the other carriers offered. NAS was the only carrier to offer the full \$20 million Policy limit. The other carriers offered \$5 million in coverage, which requires multiple layers to reach the required \$20 million limit leading to a significant increase in cost over the NAS proposal. The following are additional advantages offered by NAS:

- Access to Expert Cyber Risk Advisors
- 24/7 Online Training Courses
- Sample Policies and Vendor Agreement Templates
- Cyber Security Training Courses
- Compliance Materials
- Risk Management Tools and Guidelines
- Anti-Phishing / Social Engineering courses
- Incident Response Plans

Cyber Liability Coverage

Risks	Policy Limits
<ul style="list-style-type: none"> • Loss or Damage to Electronic Data • Loss of Income • Cyber Extortion • Public Perception/Reputation • Virus • Malware • Unauthorized Access and Use of LACERA System by a Hacker or Rogue Employee • Failure to Properly Protect Confidential/Sensitive Data 	<ul style="list-style-type: none"> \$20,000,000 Security & Privacy Liability \$20,000,000 Privacy Regulatory Defense and Penalties \$20,000,000 Multi Media Liability \$20,000,000 Breach Event Costs \$20,000,000 Network Assets Protection \$20,000,000 Cyber Extortion \$5,000,000 Brandguard \$1,000,000 Dependent Business Interruption \$100,000 Cyber Crime

ADDITIONAL INSURANCE PROTECTION

In addition to the Fiduciary Liability (LACERA Trust) and the Cyber Liability coverage, each line of coverage below is up for renewal. Board approval is not sought for these coverages because their premiums are within the CEO’s \$75,000 signature authority; however, information on each coverage is provide for reference.

Fiduciary Liability – OPEB

LACERA purchases Fiduciary Insurance to provide coverage for all the OPEB Trust Funds, which is combined into one Insurance Policy. The OPEB Fiduciary Insurance program consists of the following Trust Funds:

- County OPEB Trust
- Superior Court OPEB Trust
- Master OPEB Trust

The annual premium for a \$10 million policy with Hudson Insurance Company is \$39,000.00, a slight increase in premium over the current expiring rate, \$35,400.00.

Just like the LACERA Trust Fund, Board Members and specific staff has the opportunity to purchase the Waiver of Recourse supplemental coverage. The cost of this coverage for this renewal period is a flat fee of \$100.00 for each Trust Fund. The fee per person is dependent on the number of enrollees and will be determined and communicated to Board Members and Staff at a later date.

OPEB Fiduciary Coverage

<i>Risks</i>	<i>Policy Limits</i>
<ul style="list-style-type: none"> • Accounting or Billing Errors or Omissions • Insufficiency of Funds • Poor or Negligent Investment Practices • Conflict of Interest • Errors in Computing or Administering Plans • Acts, Errors, and Omissions by Board Members and/or Staff Acts, Errors, and Omissions by Investment Advisors 	\$2,000,000 Trustee Claim Expenses \$1,500,000 HIPPA & Hitech Fines/Penalties Sublimit \$250,000 Voluntary Compliance Program \$100,000 PPACA Fines & Penalties \$100,000 Cyber Essentials \$100,000 Benefit Overpayment

Crime Insurance

Crime insurance coverage covers cash, assets, merchandise, or other property loss when someone perpetrates fraud, embezzlement, forgery, misrepresentation, robbery, theft, or any other type of business-related crime on the organization. The Crime insurance market remains stable, even though social engineering fraud continues to be a growing issue for insurance carriers, which may lead to future premium increase and new Policy language. The premium rate with the incumbent carrier (Great American Insurance Group) is \$20,600 for a \$10 million limit, which was a \$600 increase over last year's premium.

Crime Coverage

<i>Risks</i>	<i>Policy Limits</i>
<ul style="list-style-type: none"> • Employee Dishonesty • Computer Fraud – Third Party Impersonating as Staff to Acquire Funds • Funds Transfer Fraud (Third Party) • Forgery or Alteration of Checks • Loss of Cash, Securities and Other Property (Third Party) • Robbery 	\$10,000,000 Employee Dishonesty \$10,000,000 Forgery & Alterations \$10,000,000 Inside Premises \$10,000,000 Outside Premises \$10,000,000 Computer Fraud \$10,000,000 Money Orders & Counterfeit Paper Currency \$10,000,000 Fund Transfer Fraud

FISCAL IMPACT

The cost of the various insurance that are included in the Fiduciary, Cyber, and Crime Insurance Program for the FY 2019-20 are \$453,242, a 4% increase from FY 2018-19 in the amount of \$436,340.

SUMMARY

In summary, after an extensive procurement process for Fiduciary and Cyber Liability Insurance, it is recommended to bind a one-year Fiduciary Insurance Policy with Hudson Insurance Company with \$25 million Policy limits and excess coverage limits of \$10 million with Westchester Fire Insurance Company and bind a one-year Cyber Insurance Policy with NAS with \$20 million Policy limits.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD approve the purchase of Fiduciary Liability and Cyber Liability Insurance effective October 6, 2019 with the following insurance carriers:

Coverage Type	Carrier	Limits	Premium
Fiduciary (Primary)	Hudson Insurance Company	\$25 Million	\$215,355
Fiduciary (Excess)	Westchester Fire Insurance Company	\$10 Million	\$64,586
Cyber	NAS Insurance Company	\$20 Million	\$113,701

/jb

September 23, 2019

TO: Each Member
Board of Retirement

FROM: Barry W. Lew
Legislative Affairs Officer

FOR: October 2, 2019 Board of Retirement Meeting

SUBJECT: **LACERA Proposals: SACRS 2020 Legislative Platform**

RECOMMENDATION

That the Board of Retirement:

1. Withdraw its proposal related to service retirements with pending civil service appeals for the SACRS 2020 Legislative Platform; and
2. Postpone consideration of its proposal related to board self-evaluations in closed session at the SACRS 2019 Fall Conference.

BACKGROUND

The Board of Retirement (BOR) approved the submission of three proposals this year for the State Association of Retirement Systems (SACRS) 2020 Legislative Platform. On August 7, 2019, the BOR approved the proposals related to board self-evaluations in closed session and service retirements with a pending civil service appeal. On September 4, 2019, the BOR approved the proposal related to nonservice-connected disability retirement and the intemperate use of alcoholic liquor and drugs. On August 14, 2019, the Board of Investments also approved submission of the proposal for board self-evaluations in closed session. Staff submitted the proposals to the SACRS Legislative Committee, which discussed them at its meeting on September 20, 2019.

DISCUSSION

Nonservice-connected Disability Retirement and Intemperate Use of Alcoholic Liquor and Drugs

The SACRS Legislative Committee recommended inclusion of this proposal in the SACRS 2020 Legislative Platform, which will be presented at the Business Meeting of the SACRS 2019 Fall Conference. The proposal will be forwarded to the SACRS member systems for review and to provide instructions to their voting delegates for the Business Meeting. Staff anticipates agendaizing this proposal for instructions for LACERA's voting delegate at the Insurance, Benefits and Legislative Committee meeting on October 10, 2019 and at the Board of Retirement meeting on November 6, 2019.

Service Retirements with Pending Civil Service Appeals

The SACRS Legislative Committee has been including suggested proposals by members of the committee in SB 783, a clean-up bill that is sponsored by SACRS and carried by the Senate Committee on Labor, Public Employment & Retirement. A proposal regarding service retirements with pending civil service appeals is already being included in SB 783; the bill will be forwarded to the SACRS member systems for review and voting instructions for the SACRS Business Meeting. As such, the SACRS Legislative Committee recommends that LACERA withdraw its own proposal since it is redundant and does not need to be considered separately from the proposal included in SB 783.

Board Self-Evaluations in Closed Session

The SACRS Legislative Committee expressed support for the concept behind this proposal. However, since this proposal requires an amendment to the Ralph M. Brown Act and affects other local agencies besides retirement systems, the Committee felt it would be prudent for the SACRS legislative advocates to conduct outreach to other local agency associations¹ before making a recommendation on inclusion of this proposal. The Committee recommended that LACERA postpone having the proposal considered at the SACRS 2019 Fall Conference.

Staff will also update the BOI regarding the Committee's recommendation. If the BOR and BOI agree to postpone consideration of the proposal, it will not be agendaized for the Business Meeting of the SACRS 2019 Fall Conference. Staff will continue to work with the Committee on next steps regarding the proposal.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Withdraw its proposal related to service retirements with pending civil service appeals for the SACRS 2020 Legislative Platform; and
2. Postpone consideration of its proposal related to board self-evaluations in closed session at the SACRS 2019 Fall Conference.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

¹ California Special Districts Association, League of California Cities, and California State Association of Counties.

Attachments

Attachment A—Nonservice-connected Disability Retirement and Intemperate Use of Alcoholic Liquor and Drugs

Attachment B—Service Retirement with Pending Civil Service Appeal

Attachment C—Board Self-Evaluations in Closed Session

cc: Steven P. Rice
JJ Popowich
Joe Ackler, Acker & Associates

SACRS 2020 Legislative Platform Submission Information

- **Title of Issue**
Nonservice-connected Disability Retirement and Intemperate Use of Alcoholic Liquor or Drugs
- **Retirement Association/Name**
Los Angeles County Employees Retirement Association
- **Contact Name**
Barry Lew, Legislative Affairs Officer
- **Contact Phone Number**
626-564-2370
- **Contact Email Address**
blew@lacera.com
- **Description of Issue**
Government Code Sections 31726 and 31726.5 were added to CERL in 1937 and 1951, respectively. These sections limit a member's nonservice-connected disability retirement allowance to an annuity that is the actuarial equivalent of his accumulated contributions if the member's disability is due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on the member's part.

In the successive decades since 1937 and 1951, views on alcohol and drug use have evolved from a legal and moral perspective to a medical, scientific, and public health perspective—from temperance and prohibition to treatment, recovery, and counseling. The public policy underlying the limitation on nonservice-connected disability retirement allowances due to intemperate use of alcoholic liquor or drugs may no longer reflect contemporary views of alcohol and drug use. If alcohol and drug use were viewed from a disease perspective rather than a moral failure, the benefit limitation as a consequence would be financially punitive and discriminatory for members.
- **Recommended Solution**
Amend the CERL sections related to nonservice-connected disability retirement to remove the element related to intemperate use of alcoholic liquor or drugs.
- **Specific language changed or added to the 1937 Act and suggested code section number(s)**

Section 31726

Upon retirement for nonservice-connected disability a member who has attained age 65 shall receive his or her service retirement allowance.

Every member under age 65 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the ~~State-Public~~ Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of the following:

- (a) The sum to which he or she would be entitled as service retirement.
- (b) A sum which shall consist of any of the following:
 - (1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.
 - (2) If, in the opinion of the board, his or her disability is not due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct~~ or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.
 - (3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. This paragraph shall only apply to a person who becomes a member of the system on or after January 1, 1988.

Section 31726.5

Upon retirement for nonservice-connected disability a safety member who has attained age 55 shall receive his or her service retirement allowance. Every safety member under age 55 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of:

- (a) The sum to which he or she would be entitled to as service retirement; or
- (b) A sum which shall consist of:
 - (1) An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

(2) If, in the opinion of the board, his or her disability is not due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct~~ or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.

(3) If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. Paragraph (3) shall only apply to a person who becomes a member of the association on or after January 1, 1988

Section 31728

If, in the opinion of the board, the disability is due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct~~ or violation of law on the part of the member, and his annuity is less than two hundred forty dollars (\$240) a year, the board may pay the member his accumulated contributions in one lump sum in lieu of his annuity.

Section 31838

Every safety member under age 55 years and every other member under age 65 years who is retired for nonservice-connected disability and who is retired simultaneously under a disability retirement allowance from the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a retirement allowance equal to the greater of the following amounts:

- (1) The sum to which he would be entitled as service retirement; or
- (2) A sum which shall consist of:
 - (a) An annuity which is the actuarial equivalent of his accumulated contributions at the time of his retirement, and
 - (b) If, in the opinion of the board, his disability is not due to ~~intemperate use of alcoholic liquor or drugs, willful misconduct, willful misconduct~~ or violation of law on his part, a disability retirement pension purchased by contributions of the county or district, all computed as provided in Sections 31727 or 31727.2.

- **Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?**

The nonservice-connected disability retirement provisions apply to all SACRS systems.

- **Do you anticipate the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations/systems?**

As plan administrators, the other SACRS systems may not be amenable to this proposal that would substantively change the policy underlying the benefit structure for nonservice-connected disability retirements. This proposal may put a plan administrator at odds with its plan sponsor.

- **Who will support or oppose this proposed change in the law?**

SACRS systems that view the benefit limitation as financially punitive and discriminatory may support this proposal. Plan sponsors may oppose this proposal because it is a substantive change to the benefit structure of a nonservice-connected disability retirement allowance.

- **Who will be available from your association/system to testify before the Legislature?**

Barry Lew, Legislative Affairs Officer

Joe Ackler, Ackler & Associates

SACRS 2020 Legislative Platform Submission Information

- **Title of Issue**
Service Retirement With Pending Civil Service Appeal
- **Retirement Association/Name**
Los Angeles County Employees Retirement Association
- **Contact Name**
Barry Lew, Legislative Affairs Officer
- **Contact Phone Number**
626-564-2370
- **Contact Email Address**
blew@lacera.com
- **Description of Issue**
Government Code Sections 31680.4, 31680.5, and 31680.7 govern the reinstatement to active membership of members who retired for service.

Members who retired for service following an involuntary termination are reinstated to their former employment if they successfully appeal their termination. However, under Government Code Section 31680.5, retired members who return to active membership are treated as if they were first entering the system. This means members who retired under a legacy plan are placed into a PEPRA plan for purposes of benefits and contributions.

Moreover, even if they return to active membership in the same plan under which they retired pursuant to Section 31680.7, the benefit amount under both sections is calculated based on two different effective dates, pre-reinstatement and post-reinstatement. Thus, members are not in the same position they would be with respect to their benefit accrual had they otherwise remained in service and not been involuntarily terminated.

The above sections are all subject to adoption by the board of supervisors. For those systems in which the sections have not been adopted, the County Employees Retirement Law of 1937 (CERL) is silent with regard to retired members who are reinstated from an involuntary termination.

- **Recommended Solution**
Add a new section to CERL that would allow members who retired for service

following an involuntary termination and who are subsequently reinstated to employment pursuant to an administrative or judicial proceeding to be reinstated from retirement as if there had been no intervening retirement. The member must repay amounts received during retirement and make contributions for any period for which back salary was awarded to receive service credit.

- **Specific language changed or added to the 1937 Act and suggested code section number(s)**

Add Section 31680.10:

(a) A person who has been retired under this chapter for service following an involuntary termination of his or her employment, and who is subsequently reinstated to that employment pursuant to an administrative or judicial proceeding that is final and not subject to appeal, shall be reinstated from retirement as if there were no intervening period of retirement. Except as provided in subdivision (b), the requirements of Sections 31680.4, 31680.5, and 31680.7 shall not apply to that reinstatement.

(b) The allowance received by the person during retirement shall be repaid by him or her to the retirement system from which he or she retired in accordance with the retirement system's repayment policy. Contributions shall be made for any period for which salary is awarded in the administrative or judicial proceedings in the amount that the person would have contributed had his or her employment not been terminated, and he or she shall receive credit for the period for which salary is awarded. If the person fails to repay the allowance received during retirement, then his or her contributions and allowance upon retirement subsequent to reinstatement shall be calculated under Sections 31680.5 or 31680.7, as applicable.

(c) As used in this section, "administrative proceeding" means the process for appeal of an involuntary termination established by county or district ordinance or charter.

(d) This section shall only apply to persons reinstated to such employment by final action on or after the effective date of this section pursuant to an administrative or judicial proceeding.

- **Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?**

This issue affects all CERL systems with employees who are subject to civil service rules.

- **Do you anticipate the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with**

any of the other 19 SACRS retirement associations/systems?

No. The proposal is intended to make members whole and protect their vested benefits by placing them in the same position and status they would have been in had they not service-retired following an involuntary termination that they successfully appealed.

- **Who will support or oppose this proposed change in the law?**

CERL systems should support this change as it protects the vested benefits of members who service-retired because they were involuntarily terminated and no longer receiving any salary. It is unclear whether counties will oppose this change. The current sections governing reinstatement from retirement require adoption by a board of supervisors. However, those sections were intended to offer counties the flexibility to reemploy retired members on a permanent basis rather than for a maximum of 120 days. In contrast, the proposed change is intended to make members whole as a result of their successful civil service appeal for reinstatement to employment.

- **Who will be available from your association/system to testify before the Legislature?**

Barry Lew, Legislative Affairs Officer
Joe Ackler, Ackler & Associates

SACRS 2020 Legislative Platform Submission Information

- **Title of Issue**
Board Self-Evaluations in Closed Session
- **Retirement Association/Name**
Los Angeles County Employees Retirement Association
- **Contact Name**
Barry Lew, Legislative Affairs Officer
- **Contact Phone Number**
626-564-2370
- **Contact Email Address**
blew@lacera.com
- **Description of Issue**
Periodic board self-evaluations are generally considered a best practice to ensure continuous improvement in good board governance. Board self-evaluations can foster open communication, reinforce accountability to stakeholders, and enhance board effectiveness through a shared understanding of strategic goals and objectives.

The Ralph M. Brown Act (Government Code Sections 54950 – 54963) provides that the actions and deliberations of local public agencies are conducted in open and public meetings with posted agendas. The Brown Act provides for closed sessions under certain limited circumstances most commonly to avoid revealing confidential information.

There is currently no provision in the Brown Act that allows board self-evaluations to be held in closed session, which would provide an environment conducive to candor and self-reflection by individual board members.
- **Recommended Solution**
Amend the Brown Act to provide the manner in which board self-evaluations are described on the agenda and to specifically provide that board self-evaluations may be held in closed session.

-- Add a new subdivision (l) to existing Government Code Section 54954.5 that would describe a board self-evaluation as a closed session item on the agenda.

-- Add a new Section 54956.97 to the Government Code that would provide for board self-evaluations to be held in closed session and provides a definition of board self-evaluations.

- **Specific language changed or added to the 1937 Act and suggested code section number(s)**

Add a new Subdivision (I) to Section 54954.5 of the Government Code:

54954.5. (I) With respect to every item of business to be discussed in closed session pursuant to Section 54956.97:

BOARD SELF-EVALUATION

(Additional information listing the names of agencies or title of representatives facilitating the closed session as consultants.)

Add a new Section 54956.97 to the Government Code:

54956.97 (a) Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency from holding a closed session to conduct a board self-evaluation. No action shall be taken in the closed session with respect to the board self-evaluation.

(b) For purposes of this section, "board self-evaluation" means an evaluation process established by the legislative body of a local agency to assess board performance through quantitative and qualitative techniques and facilitated by local agency staff or external consultants. The evaluation process may include but is not limited to assessing board processes; reviewing the performance of the board as a whole and its committees; and enhancing the skills and competencies of individual board members.

- **Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?**
The proposal would allow all local agencies including the SACRS retirement systems to be able to conduct board self-evaluations in closed session in an environment conducive to candor and self-reflection by board members.
- **Do you anticipate the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations/systems?**
No, the proposal would enable the SACRS retirement associations to conduct board self-evaluations in closed session. They are not required to conduct the evaluations in closed session, but they would not be prevented from doing so.

- **Who will support or oppose this proposed change in the law?**
Local agencies that want to conduct board self-evaluations in closed session would support the proposal. Opposition may come from the California News Publishers Association, which advocates for the public's right to know and access to state and local government records and meetings.
- **Who will be available from your association/system to testify before the Legislature?**
Barry Lew, Legislative Affairs Officer
Joe Ackler, Ackler & Associates

September 25, 2019

TO: Each Member
Board of Retirement

FROM: Steven P. Rice ^{SPR}
Chief Counsel

FOR: Board of Retirement Meeting on October 2, 2019

SUBJECT: **BOARD OF RETIREMENT MEETING CALENDAR – JANUARY 2020**

RECOMMENDATION

It is recommended the Board of Retirement consider rescheduling the Wednesday, January 1, 2020 Board of Retirement 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.

Following are meeting dates that the Board may consider rescheduling due to New Year's Day.

Tuesday, January 7, 2020
Thursday, January 9, 2020

Attached you will find the January 2020 Board meeting calendar for reference.

Thank you

JANUARY 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 BOR New Year's Day	2	3	4
5	6	7	8 BOI	9 BOR	10	11
12	13	14 RELAC Luncheon	15	16	17	18
19	20 Martin Luther King, Jr. Day	21 BOR Board Offsite <i>Location TBD</i>	22 BOR Board Offsite <i>Location TBD</i>	23	24	25
26	27	28	29	30	31	
NCPERS Legislative Conference – Washington, DC						

September 25, 2019

TO: Each Member,
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: October 2, 2019 Board of Retirement Meeting

SUBJECT: Review of Teleconference Meeting Policy

RECOMMENDATION

That the Board of Retirement review its current Teleconference Meeting Policy and the Board of Investments' Policy and determine whether to revise the current Policy.

LEGAL AUTHORITY

The Board of Retirement has plenary authority over administration of the system (Cal. Const., art. XVI, § 17), which includes the ability to formulate policies, such as the Teleconference Meeting Policy, to facilitate and manage the conduct of the Board's business.

DISCUSSION

The Board of Retirement approved a Teleconference Meeting Policy at its May 1, 2019 meeting. The Policy provides that teleconference meetings may be held under "unusual and material circumstances." The Policy provides that the decision to hold a teleconference meeting may be made on Board Member request followed by full Board action or by Chair determination if there is not enough time for Board action. The Board of Retirement Policy is attached as Exhibit B.

The Board of Investments, at its August 14, 2019 meeting, adopted a different Teleconference Meeting Policy, which provides that a Board Member has a right to a teleconference meeting if a Board meeting is called on less than 20 days' notice and if a Member will be out of state or has health-related concerns. The Policy also provides that a teleconference meeting may be held on Chair determination or full Board action. The Board of Investments Policy is attached as Exhibit C.

Chair Bernstein requested that the Board of Retirement be provided with a copy of the Board of Investments Policy so that the Board can discuss whether to maintain or revise its current Policy. A redlined copy of the current Board of Retirement policy showing the

Each Member, Board of Retirement
Re: Review of Teleconference Meeting Policy
September 25, 2019
Page 2

changes that would need to be made to bring it into alignment with the Board of Investments Policy is attached as Exhibit A.

CONCLUSION

Staff requests that the Board of Retirement review its current Teleconference Meeting Policy and the Board of Investments' Policy and determine whether to revise the current Policy.

c: JJ Popowich

EXHIBIT A

Redlined Board of Retirement Policy
in Comparison to Board of Investments Policy

BOARD OF RETIREMENT
TELECONFERENCE MEETING POLICY

A. Statement of Purpose.

In order for Members of the Board of Retirement to participate most effectively in Board and committee meetings, the Board finds that members should be personally present. Personal attendance provides Members with the most effective means to interact with each other, staff, ~~members,~~ and other presenters, enhances receipt of information, deliberations, and decision-making, ~~and public transparency,~~ and furthers the performance of each Member's fiduciary duty and the fiduciary duty of the Board as a whole. The Board finds that attendance at Board and committee meetings should ~~generally~~ take precedence over any other LACERA business by Members.

The regular Board meeting schedule is set according to the Board's Regulations, providing for regular monthly meetings on the first Wednesday and the Thursday after the second Wednesday of every month. This schedule, unless changed by Board action, provides certainty to Members in planning to attend Board and committee meetings. Changes in the regular schedule are by vote of the Board, thereby providing an opportunity for Members to adjust their schedules to attend Board ~~and committee~~ meetings. Special meetings may occasionally be noticed without Board vote.

~~When~~ Notwithstanding the preference for Members ~~are absent from any to personally attend meetings, the Board or committee meeting, they do not have a right to participate via teleconference, subject~~ finds that there are limited circumstances when it is appropriate to Section C.5 below. However, the permit teleconference meetings in accordance with the Ralph M. Brown Act, Government Code Section 54953(b), permits teleconference meetings in accordance with its terms. The purpose of the as described in this policy is to set forth a policy concerning the use of teleconference meetings by the Board of Retirement and its separate committees.

B. Definition.

For purposes of this policy, "teleconference" has the ~~same~~ meaning set forth in Government Code Section 54953(b)(4), which is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both."

C. Teleconference Meeting of the Board of Retirement.

~~1. When A Teleconference Meeting May Be Held.~~

~~Teleconference meetings of the Board of Retirement shall not be held except in unusual and material circumstances, which are defined to include, but are not limited to, health, family, or other personal issues and any meeting that will~~

~~involves discussion and/or action on matters of sufficient importance to LACERA that participation by teleconference must be allowed to avoid risk to LACERA or to the performance of the fiduciary duty of the Board and its trustees, including personnel and vendor issues, breach of security, breach of privacy, and fraud, claims and litigation, and emergencies and business continuity. Ordinary personal trustee convenience is not sufficient justification by itself for a teleconference meeting.~~

~~2. Member Request, and Advance Board Action.~~

~~Members shall plan in advance to determine if they will be absent from a meeting. If a Member will be absent from a future Board meeting for reasons that meet the criteria of Section C.1 or knows of an absence by another Member or Members, the Member may agendaize a request for a future teleconference meeting for advance Board discussion and action by contacting the Executive Board Assistant to the Board in writing no later than noon of the fifth working day prior to any regularly scheduled or special meeting of the Board and specify the reason for the request within the meaning of Section C.1 and the proposed teleconference method and location. A timely request in accordance with the preceding sentence shall be agendaized for Board discussion and action at the next Board meeting. If the Board approves the request, the requested future meeting shall be noticed as a teleconference meeting.~~

1. Less than 20 Days' Notice.

Teleconference meetings shall be allowed for all meetings set on less than 20 days' notice at the request of any Member who will be out of state or due to health-related concerns. A teleconference venue that meets the requirements of the Brown Act shall be provided by LACERA at its expense, only if necessary.

3.2. Chair Determination.

~~If, for good reason, there genuinely and reasonably is not enough time to agendaize a teleconference meeting request for advance discussion and action by the full Board under Section C.2, the~~The~~Chair of the Board, or the Vice Chair if the meeting concerns the Chair, may determine to agendaize a teleconference meeting subject to the criteria in Section C.1 and decide the teleconference method and location. The Chair or Vice Chair shall act fairly and consistently in making such decisions~~under any circumstances in their discretion.

3. Member Request, and Board Action.

A Member may agendaize, in accordance with the Board's Regulations, a request to hold any meeting by teleconference for action by the full Board, provided that the request must be presented for action no later than the Board meeting immediately preceding the meeting for which a teleconference meeting is proposed to be held.

4. Meeting Procedure.

If a teleconference meeting is approved, it shall be agendaized and conducted in accordance with the provisions of Government Code Section 54953(b) and all other applicable provisions of the Brown Act ~~and/or~~ other law, including but not limited to:

- a. Each teleconference location shall be identified in the notice and agenda for the meeting.
- b. Each teleconference location shall be accessible to the public, ~~including compliance in accordance with all applicable access, communication, the protections and other relevant requirements prohibitions of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. § 12132), and the federal rules and regulations adopted in implementation thereof, in the same manner as such requirements are complied with for a meeting at LACERA's offices.~~ A teleconference location may be located anywhere in the world. ~~Arrangements shall be made such that all proceedings are fully audible by speaker at the teleconference location to all persons who attend at that location.~~
- c. The agenda for the teleconference meeting shall be posted at all teleconference locations.
- d. The agenda shall provide an opportunity for members of the public to hear the proceedings and address the Board directly at each teleconference location on any subject matter within LACERA's jurisdiction, subject to Government Code Section 54954.3.
- e. During the teleconference meeting, at least a quorum of the members of the Board shall participate from locations in Los Angeles County.
- f. All votes at a teleconference meeting shall be by rollcall.
- g. Bilingual services required by the Dymally-Alatorre Bilingual Services Act, California Government Code Sections 7290 - 7299.8, will be provided at the teleconference meeting location in the same manner as such requirements are complied with for a meeting at LACERA's offices.

~~5. Disability.~~

~~In the event of Board Member disability, efforts shall be made to accommodate the Member if they desire to attend by teleconference, provided that the procedures for the meeting stated in Section C.4, including that the teleconference location be accessible to the public, must still be followed.~~

D. Teleconference Meetings of Board of Retirement Committee Meetings.

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Teleconference meetings shall not be held for meetings of standing committees of the Board of Retirement.

E. Exclusions.

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This policy does not apply to meetings of joint committees of the Board of Retirement and Board of Investments, which are subject to the terms of each joint committee's charter.

F. Review.

This policy shall be reviewed by the Board of Retirement at least every three years.

Approved by the Board of Retirement: _____, 2019

EXHIBIT B

Current Board of Retirement Policy

BOARD OF RETIREMENT
TELECONFERENCE MEETING POLICY

A. Statement of Purpose.

In order for Members of the Board of Retirement to participate most effectively in Board and committee meetings, the Board finds that members should be personally present. Personal attendance provides Members with the most effective means to interact with each other, staff, members, and other presenters, enhances receipt of information, deliberations, decision-making, and public transparency, and furthers the performance of each Member's fiduciary duty and the fiduciary duty of the Board as a whole. The Board finds that attendance at Board and committee meetings should generally take precedence over any other LACERA business by Members.

The regular Board meeting schedule is set according to the Board's Regulations, providing for regular monthly meetings on the first Wednesday and the Thursday after the second Wednesday of every month. This schedule, unless changed by Board action, provides certainty to Members in planning to attend Board and committee meetings. Changes in the regular schedule are by vote of the Board, thereby providing an opportunity for Member's to adjust their schedules to attend Board and committee meetings. Special meetings may occasionally be noticed without Board vote.

When Members are absent from any Board or committee meeting, they do not have a right to participate via teleconference, subject to Section C.5 below. However, the Ralph M. Brown Act, Government Code Section 54953(b), permits teleconference meetings in accordance with its terms. The purpose of the policy is to set forth a policy concerning the use of teleconference meetings by the Board of Retirement and its separate committees.

B. Definition.

For purposes of this policy, "teleconference" has the same meaning set forth in Government Code Section 54953(b)(4), which is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both."

C. Teleconference Meeting of the Board of Retirement.

1. *When A Teleconference Meeting May Be Held.*

Teleconference meetings of the Board of Retirement shall not be held except in unusual and material circumstances, which are defined to include, but are not limited to, health, family, or other personal issues and any meeting that will involve discussion and/or action on matters of sufficient importance to LACERA that participation by teleconference must be allowed to avoid risk to

LACERA or to the performance of the fiduciary duty of the Board and its trustees, including personnel and vendor issues, breach of security, breach of privacy, and fraud, claims and litigation, and emergencies and business continuity. Ordinary personal trustee convenience is not sufficient justification by itself for a teleconference meeting.

2. *Member Request, and Advance Board Action.*

Members shall plan in advance to determine if they will be absent from a meeting. If a Member will be absent from a future Board meeting for reasons that meet the criteria of Section C.1 or knows of an absence by another Member or Members, the Member may agendize a request for a future teleconference meeting for advance Board discussion and action by contacting the Executive Board Assistant to the Board in writing no later than noon of the fifth working day prior to any regularly scheduled or special meeting of the Board and specify the reason for the request within the meaning of Section C.1 and the proposed teleconference method and location. A timely request in accordance with the preceding sentence shall be agendized for Board discussion and action at the next Board meeting. If the Board approves the request, the requested future meeting shall be noticed as a teleconference meeting.

3. *Chair Determination.*

If, for good reason, there genuinely and reasonably is not enough time to agendize a teleconference meeting request for advance discussion and action by the full Board under Section C.2, the Chair of the Board, or the Vice Chair if the meeting concerns the Chair, may determine to agendize a teleconference meeting subject to the criteria in Section C.1 and decide the teleconference method and location. The Chair or Vice Chair shall act fairly and consistently in making such decisions.

4. *Meeting Procedure.*

If a teleconference meeting is approved, it shall be agendized and conducted in accordance with the provisions of Government Code Section 54953(b) and all other applicable provisions of the Brown Act and other law, including but not limited to:

- a. Each teleconference location shall be identified in the notice and agenda for the meeting
- b. Each teleconference location shall be accessible to the public, including compliance with all applicable access, communication, and other relevant requirements of Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in

implementation thereof, in the same manner as such requirements are complied with for a meeting at LACERA's offices. A teleconference location may be located anywhere in the world. Arrangements shall be made such that all proceedings are fully audible by speaker at the teleconference location to all persons who attend at that location.

- c. The agenda for the teleconference meeting shall be posted at all teleconference locations.
- d. The agenda shall provide an opportunity for members of the public to address the Board directly at each teleconference location on any subject matter within LACERA's jurisdiction, subject to Government Code Section 54954.3.
- e. During the teleconference meeting, at least a quorum of the members of the Board shall participate from locations in Los Angeles County.
- f. All votes at a teleconference meeting shall be by rollcall.
- g. Bilingual services required by the Dymally-Alatorre Bilingual Services Act, California Government Code Sections 7290 - 7299.8, will be provided at the teleconference meeting location in the same manner as such requirements are complied with for a meeting at LACERA's offices.

5. *Disability.*

In the event of Board Member disability, efforts shall be made to accommodate the Member if they desire to attend by teleconference, provided that the procedures for the meeting stated in Section C.4, including that the teleconference location be accessible to the public, must still be followed.

D. Teleconference Meetings of Board of Retirement Committee Meetings.

Teleconference meetings shall not be held for meetings of standing committees of the Board of Retirement.

E. Exclusions.

This policy does not apply to meetings of joint committees of the Board of Retirement and Board of Investments, which are subject to the terms of each joint committee's charter.

F. Review.

This policy shall be reviewed by the Board of Retirement at least every three years.

Approved by the Board of Retirement: May 1, 2019

EXHIBIT C

Current Board of Investments Policy

BOARD OF INVESTMENTS
TELECONFERENCE MEETING POLICY

A. Statement of Purpose.

In order for Members of the Board of Investments to participate most effectively in Board and committee meetings, the Board finds that members should be personally present. Personal attendance provides Members with the most effective means to interact with each other, staff, and other presenters, enhances receipt of information, deliberations, and decision-making, and furthers the performance of each Member's fiduciary duty and the fiduciary duty of the Board as a whole. The Board finds that attendance at Board and committee meetings should take precedence over any other LACERA business by Members.

The regular Board meeting schedule is set according to the Board's Bylaws, providing for regular monthly meetings on the second Wednesday of every month. This schedule, unless changed by Board action, provides certainty to Members in planning to attend Board and committee meetings. Changes in the regular schedule are by vote of the Board, thereby providing an opportunity for Members to adjust their schedules to attend Board meetings. Special meetings may occasionally be noticed without Board vote.

Notwithstanding the preference for Members to personally attend meetings, the Board finds that there are limited circumstances when it is appropriate to permit teleconference meetings in accordance with the Ralph M. Brown Act, Government Code Section 54953(b), as described in this policy.

B. Definition.

For purposes of this policy, "teleconference" has the meaning set forth in Government Code Section 54953(b)(4), which is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both."

C. Teleconference Meeting of the Board of Investments.

1. *Less than 20 Days' Notice.*

Teleconference meetings shall be allowed for all meetings set on less than 20 days' notice at the request of any Member who will be out of state or due to health-related concerns. A teleconference venue that meets the requirements of the Brown Act shall be provided by LACERA at its expense, only if necessary.

///
///

2. Chair Determination.

The Chair of the Board, or the Vice Chair if the meeting concerns the Chair, may determine to agendize a teleconference meeting under any circumstances in their discretion.

3. Member Request, and Board Action.

A Member may agendize, in accordance with the Board's Bylaws, a request to hold any meeting by teleconference for action by the full Board, provided that the request must be presented for action no later than the Board meeting immediately preceding the meeting for which a teleconference meeting is proposed to be held.

4. Meeting Procedure.

If a teleconference meeting is approved, it shall be agendized and conducted in accordance with the provisions of Government Code Section 54953(b) and all other applicable provisions of the Brown Act or other law, including but not limited to:

- a. Each teleconference location shall be identified in the notice and agenda for the meeting.
- b. Each teleconference location shall be accessible to the public in accordance with the protections and prohibitions of Section 202 of the Americans with Disabilities Act (42 U.S.C. § 12132). A teleconference location may be located anywhere in the world.
- c. The agenda for the teleconference meeting shall be posted at all teleconference locations.
- d. The agenda shall provide an opportunity for members of the public to hear the proceedings and address the Board directly at each teleconference location on any subject matter within LACERA's jurisdiction, subject to Government Code Section 54954.3.
- e. During the teleconference meeting, at least a quorum of the members of the Board shall participate from locations in Los Angeles County.
- f. All votes at a teleconference meeting shall be by rollcall.
- g. Bilingual services required by the Dymally-Alatorre Bilingual Services Act, California Government Code Sections 7290 - 7299.8, will be provided at the

teleconference meeting location in the same manner as such requirements are complied with for a meeting at LACERA's offices.

D. Board of Investments Committee Meetings.

Teleconference meetings shall not be held for meetings of standing committees of the Board of Investments.

E. Exclusions.

This policy does not apply to meetings of joint committees of the Board of Retirement and Board of Investments, which are subject to the terms of each joint committee's charter.

F. Review.

This policy shall be reviewed by the Board of Investments at least every three years.

Approved by the Board of Investments: August 14, 2019

September 23, 2019

TO: Each Member,
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: October 2, 2019 Board of Retirement Meeting

SUBJECT: Update on Additional LACERA Positions and Salaries

At its August 7, 2019 administrative meeting, the Board of Retirement gave staff informal direction to discuss with the County certain previously disapproved positions and salaries. As reported at the September 4, 2019 Board meeting, discussions have taken place and are ongoing. Staff will provide a further update on the status.

c: JJ Popowich
Jon Grabel
Annette Cleary

September 26, 2019

TO: Each Member,
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: October 2, 2019 Board of Retirement Meeting

SUBJECT: Update on External Review of Education and Travel Expenses, the Education and Travel Policy, and Implementation Practices for FYs 2016, 2017, 2018, and 2019

At the August 7, 2019 meeting, the Board of Retirement authorized the Chief Counsel to issue a Request for Proposals (RFP) and select an external consultant to review LACERA's education and travel expenses, the Education and Travel Policy, and policy implementation practices during Fiscal Years 2016, 2017, 2018, and 2019 and present results and findings with 60 days.

An RFP was issued on August 12, 2019. As reported at the September 4, 2019, the RFP response period was extended to permit additional response. A copy of the RFP is attached as Exhibit A.

Two responses were received: one from Mosaic Governance Advisors, LLC (Exhibit B) and the other from FTI Consulting (Exhibit C). Both firms are highly competent and capable of successfully completing the scope of work.

Chief Counsel selected Mosaic based on price, approach to the project, and public pension experience. Mosaic is a woman-owned business that specializes in public fund governance. The firm serves the boards and senior staffs of public pension funds, state investment boards, and state treasuries nationwide on board and organizational governance matters. Policy review and Board education and trustee development are two of Mosaic's core service areas. For example, Mosaic performed education policy consulting work for CalSTRS. Mosaic has also performed consulting projects for the Missouri State Employees' Retirement System and the Denver Employees Retirement Plan.

Mosaic's project plan and schedule for LACERA, information about the project team, and additional background on the firm are included in their RFP response. The proposed project cost is \$205,000, plus expenses, which are estimated at approximately \$12,800,

Each Member, Board of Retirement

Re: External Review of Education and Travel Expenses, Policy, and Implementation

September 26, 2019

Page 2

for a total estimated project cost of \$217,800. This contrasts with FTI's estimate of \$290-380,000, plus expenses.

Subject to Board input, Chief Counsel intends to execute a contract with Mosaic shortly after the October 2, 2019 Board meeting based on the authority granted at the August 7, 2019 meeting. The work will likely be completed and Mosaic's reported delivered for presentation to the Board by January 2019. While this date is beyond the 60-day time period specified in the original Board action, additional time is necessary to properly complete the project, as explained in Mosaic's proposal.

Attachments

c: JJ Popowich
Jon Gabel
Richard Bendall
Beulah Auten
Ted Granger

EXHIBIT A

Request for Proposals

AUGUST 12, 2019



REQUEST FOR PROPOSALS

EDUCATION AND TRAVEL POLICY, EXPENSES, AND PRACTICES

STEVEN P. RICE, CHIEF COUNSEL

626.564.6000 / SRICE@LACERA.COM

300 NORTH LAKE AVENUE, SUITE 620, PASADENA, CA 91101

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SECTION 6	PROPOSAL REVIEW, EVALUATION, NEGOTIATION, AND SELECTION

1. REQUEST FOR PROPOSALS

The Los Angeles County Employees Retirement Association (LACERA) is seeking proposals from consulting firms with substantial and relevant experience with regard to public pension finances and governance in order to review LACERA's Education and Travel Policy, expenses, and implementation practices.

2. BACKGROUND

LACERA administers and manages the retirement fund and retiree healthcare program for the County of Los Angeles. Based in Pasadena, California, it is the largest county retirement system in the United States, with approximately \$56.6 billion in assets, serving 171,800 members and more than 64,800 benefit recipients. As an independent governmental entity, LACERA is separate and distinct from the County of Los Angeles. Its fiduciary responsibility is to promote, enhance, and efficiently administer a financially sound retirement and healthcare benefits program through sound practices, prudent investments, and the conservation of plan assets.

LACERA is committed to being a premier public pension system and industry leader through its administrative practices, innovative strategies, advanced technological applications, and general expertise. These actions require Board members and a professional management team that engages staff, provides leadership toward LACERA's goals and mission, and represents an effective role model for the values of the organization. LACERA has an impressive track record of introducing and implementing processes, technologies, and business practices that not only improve the service and quality to our membership, but also influence or lead the entire pension industry.

LACERA's staff of approximately 400 current employees is comprised of individuals from diverse backgrounds, all contributing to the excellence and mission of LACERA to provide the promised benefits to our members.

LACERA'S MISSION, VISION, AND VALUES

Mission: To Produce, Protect, and Provide the Promised Benefits

Vision: Excellence, Commitment, Trust, and Service

Values: Professionalism, Respect, Open Communication, Fairness, Integrity, and Teamwork

LACERA GOVERNING BOARDS

Board of Retirement (BOR) – This nine-member Board, with two alternates, is responsible for the overall management of the retirement system. Under the policy guidance of the BOR, LACERA strives to create innovative ways to streamline and expedite retirement processes, integrate new technologies, and introduce new member services options and upgrades.

Board of Investments (BOI) – This nine-member Board is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority over the investment management of the fund's diversified portfolio and actuarial matters.

The two Boards share joint responsibility for LACERA's budget, personnel classifications

and compensation, and the CEO's performance evaluation.

In order to fulfill the Mission, Board members and staff obtain education and engage in administrative activities, some of which require travel. The Boards adopted an Education and Travel Policy to establish relevant standards and practices.

3. SCOPE OF SERVICES REQUESTED, AND TIMELINE

The selected consultant will provide consulting services regarding LACERA's Education and Travel Policy, Board and staff expenses, and implementation practices, including but not limited to the following:

1. Review and evaluate the current Education and Travel Policy.
2. Review and evaluate Board and staff education and travel expenses during Fiscal Years 2016, 2017, 2018, and 2019 under the current policy and in comparison to peer systems, other organizations, and best practices. LACERA's fiscal year runs from July 1 to June 30.
3. Review and evaluate compliance with the current Education and Travel Policy on the part of Board and staff travelers, including consistency of compliance.
4. Review and evaluate compliance with the current Education and Travel Policy on the part of staff responsible for processing and accounting for travel expenses, including consistency of application of standards to payment approval and consistency of enforcement when there are deviations from policy.
5. Review and evaluate the current Education and Travel Policy, expenses, compliance, processing, accounting, enforcement practices, and other aspects of the policy and its implementation against peer systems, other organizations, and best practices, and make recommendations.
6. Preparation of a written report and presentation to the Board of Retirement at a public meeting with regard to the consultant's findings and recommendations with regard to the subjects listed above.

PROPOSED TIMELINE

The goal of LACERA, subject to change, is to complete the Scope of Services by October 10, 2019.

Below is the anticipated timeline for selection of a consultant and execution of a contract under this RFP.

RFP Issue Date	August 12, 2019
Deadline for Proposals	5:00 p.m. PDT, August 20, 2019
Telephone Interview of Finalist Firms and Selection	August 21, 2019

4. FORM AND CONTENT OF PROPOSALS

Proposals shall take the form of a letter, not to exceed 15 pages, excluding permitted attachments, with the following:

- a) A brief description of the firm and scope of its practice, including information relating to its organization.
- b) A statement of relevant experience.
- c) A statement of proposed approach to the Scope of Services.
- d) Names, qualifications, and experience of personnel to be assigned to the project. Biographies may be attached separately.
- e) Three client references.
- f) A detailed fee and expense structure, including retainer, timing of the invoicing, pay schedule, and a summary of associated expenses.
- g) Confidentiality safeguards.
- h) Proposed engagement letter, which may be attached separately.
- i) Other information applicable to the project.

5. DELIVERY OF PROPOSAL

Proposals shall be emailed no later than 5:00 p.m. PDT, on August 20, 2019, to:

Los Angeles County Employees Retirement Association
Steven P. Rice, Chief Counsel
300 North Lake Avenue, Suite 630
Pasadena CA 91101
Email Address: srice@lacera.com

By submitting a proposal, the proposer represents that it has thoroughly examined and has become familiar with the requested services and the contents of this RFP and that it is capable of performing quality services to achieve LACERA's objectives. The proposer is responsible for requesting clarification of any deficiency, ambiguity, error, or omission contained in this RFP, or any provision in this RFP that the proposer fails to understand. Any communication regarding this RFP must be submitted by email.

The information submitted in response to this RFP becomes the exclusive property of LACERA. LACERA will not return proposals or reimburse proposers for any proposal preparation expenses.

6. PROPOSAL REVIEW, EVALUATION, NEGOTIATION, AND SELECTION

LACERA will perform an evaluation of each proposal. Criteria used as the basis for evaluation and ranking shall include:

- Professional capability, demonstrated competence, and specialized experience of the proposer.
- Staffing capability, workload, and ability to meet schedules.
- Experience and education of key personnel.
- Nature and quality of completed services for other clients.
- Reliability and continuity of firm.
- Work plan and methodology.
- Proposed agreement terms and price proposal.

The evaluation criteria may be applied to and weighted in considering the proposals at LACERA's sole discretion.

LACERA may reject all proposals without further discussion or commence negotiations with the best qualified proposer. If LACERA commences negotiations, LACERA may negotiate any component of the proposal.

In the event negotiations with the initial proposer are not successful, LACERA may suspend negotiations with the initial proposer and commence negotiations with another proposer. This process shall be followed until negotiations are successfully concluded or LACERA, at any time, rejects all proposals.

ADDITIONAL INFORMATION

LACERA may at any time request additional information or clarification from the proposer or may request the proposer to verify or certify certain aspects of its proposal.

ADDENDA

LACERA may, from time to time, amend this RFP by addenda.

WITHDRAWAL OF PROPOSALS

The proposer may withdraw its proposal before the due date by means of a written request signed by the proposer or its properly authorized representative. Such written request must be delivered to LACERA prior to the due date.

LACERA'S RIGHTS REGARDING RFP

LACERA reserves the right to:

- Disqualify any proposer in accordance with the instructions herein.
- Reject any and all proposals, at its discretion, including proposals found to be conditional or incomplete, contain irregularities or not responsive to this RFP.

- Investigate the qualifications of any proposer under consideration.
- Require confirmation of information furnished by the proposer.
- Require additional evidence of qualifications to perform the services described in this RFP.
- Contact the submitted references regarding the information provided in the proposal.
- Postpone or cancel the entire RFP or a portion thereof.
- Postpone the proposal opening or award for its own convenience.
- Award a contract to other than the lowest proposer.
- Award a contract in part or in combination of items, and negotiate in part or in combination of items.
- Issue subsequent RFPs.
- Disqualify a proposal upon evidence of collusion, with intent to defraud, or other illegal practices on the part of the proposer.
- Waive any errors or informalities in any proposal to the extent permitted by law.

LACERA has no obligation to consider any proposal unless it is responsive to this RFP. This RFP does not commit LACERA to enter into any type of contract.

NOTICE REGARDING THE CALIFORNIA PUBLIC RECORDS ACT AND BROWN ACT

The information submitted in response to this RFP will be subject to public disclosure under the California Public Records Act (California Government Code Section 6250, et. seq.) and the Brown Act (California Government Code Section 54950, et seq.) (collectively, the Acts). The Acts provide that records relating to a public agency's business are open to public inspection and copying and that the subject matter of this RFP is a matter for public open session discussion by the Boards unless specifically exempted under one of the several exemptions set forth in the Acts.

If a proposer believes that any portion of its proposal is exempt from public disclosure or discussion under the Acts, the proposer must provide a full explanation and mark such portion "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," and make it readily separable from the balance of the response. Proposals marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY" in their entirety will not be honored, and LACERA will not deny public disclosure of all or any portion of proposals so marked.

By submitting a proposal with material marked "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," a proposer represents it has a good faith belief that the material is exempt from disclosure under the Acts; however, such designations will not necessarily be conclusive, and a proposer must justify in writing and provide statutory citation why such material should not be disclosed by LACERA under the Acts.

While LACERA will consider marked material, LACERA retains the right to disclose any and all information provided by a proposer, without limitation or redaction, to the extent, in LACERA's sole judgment and discretion that it is required by the Acts.

If a proposer makes material "TRADE SECRETS," "CONFIDENTIAL," or "PROPRIETARY," then it must provide a redacted version of the response to LACERA at the same time the full response is submitted.

EXHIBIT B

Mosaic Proposal



September 16, 2019

Mr. Steven P. Rice
Chief Counsel
Los Angeles County Employees Retirement Association ("LACERA")
300 North Lake Avenue, Suite 630
Pasadena, CA 91101

Delivered via email to srice@lacera.com

Dear Mr. Rice:

On behalf of Mosaic Governance Advisors, LLC ("Mosaic"), thank you for the invitation to review LACERA's Request for Proposals ("RFP" or the "Project") for Education and Travel Policy, Expenses, and Practices. We have organized our proposal in alignment with the outline requested through the RFP. The RFP questions are restated in bold. Our corresponding response follows.

1) A brief description of the firm and scope of its practice, including information relating to its organization.

Mosaic is an independent firm with a national presence that provides consulting services for an array of challenges and opportunities in public fund governance. It was founded in early 2017 and is led by seasoned industry professional, Amy McDuffee, who has extensive experience advising the boards and senior staffs of public pension funds, state investment boards, and state treasuries nationwide on board and organizational governance matters.

Mosaic was established to provide a more focused and innovative type and level of service to address the unique challenges and opportunities that arise when the diverse elements of governance come together – like a mosaic – to achieve a public retirement system's intended purpose. Woman-owned, independent, and driven to deliver the highest quality of services at a reasonable cost, Mosaic is an experienced, high-impact, responsive partner.

Our work enables boards and executive staffs to elevate their governance environment by collaborating effectively and efficiently to make decisions in the best interest of the members, retirees, and beneficiaries they serve. We are the retained board governance consultant and advisor for public retirement systems throughout the U.S., including statewide and municipal retirement systems.

Mosaic's scope of practice is singular. We provide governance consulting services to the public pension fund community. Our clients engage us for our full array of services or work with us on a project/topic-specific basis. The core services we provide are:

- Policy Review and Development: Benchmarking, custom research, review and development of board governance models and policies of all types, board and committee charters, governance manual development
- Board Education and Trustee Development: Curriculum design, development and presentation for new trustee orientation, board continuing education, board officer training
- Board Facilitation: Board self-evaluation, executive performance evaluations, consultant evaluations and searches, succession planning, stakeholder educational meetings and workshops
- Strategic Planning: Strategic planning, management consulting, S.W.O.T. analysis and environmental scanning, stakeholder research and focus groups, strategy execution, and performance management
- Organizational / Leadership Assessment, Development, and Succession Planning: Executive assessment, executive coaching, team development, conflict resolution, organizational development, development of core values and mission, succession planning, and change management training

Mosaic (FEIN: 82-0679511) is a Colorado limited liability corporation (LLC) located in Westminster, CO. Mosaic's Founder and CEO is the sole owner of the firm. Mosaic is registered with the State of California (File No. 201713510213) and the City of Los Angeles (Business Tax Certificate 0002979294-0001-4). Mosaic is also certified as a Colorado Disadvantaged Business Enterprise (DBE)¹, and through SAM.gov as a Small Disadvantaged Business (SDB), Women Business Enterprise (WBE), and Women-Owned Small Business (WOSB).

2) A statement of relevant experience.

Our sole focus as a firm is to assist progressive public pension funds in elevating their governance standards. Through our current and prior work with other California statewide and county public retirement systems, we have a deep familiarity with California-specific public pension fund practices that are similar to LACERA's. Our

¹ Mosaic Governance Advisors LLC is listed on the Colorado Unified Certification Program (UCP) DBE Directory at <http://www.coloradodbe.org/>.

broader client work nationally and internationally also provides us with an extensive understanding of public pension fund educational policies and requirements in general, as well as common and leading practices. Finally, the members of our team have assisted public pension fund boards in developing and/or revising their board travel and education policies, are experienced in conducting fiduciary and benchmarking reviews, and have set up travel expense processing and approval systems for many private sector companies. In addition, a team member transitioned vendor payments and expense reimbursements from a manual to computerized systems and testing of the internal controls. Specific ongoing or recent projects of relevance for clients of our team members include:

- Drawing on nearly two decades of experience and expertise working with global pension funds in Canada and Europe, interviewed and surveyed trustees and executive staffs of national and international public pension funds regarding trustee education and travel practices and presented them to a large California statewide retirement system board.
- Ongoing work with a California statewide public retirement system to evaluate its trustee education policy in light of best practices, evaluate and overhaul its trustee orientation and continuing education program, and deliver new trustee orientation and education to the board.
- Recent and ongoing work with three statewide public retirement systems to review and evaluate their governance structures, policies, and practices, resulting in the development of charters, delegations of authority, and comprehensive board policy manuals.
- Through work with a prior firm, served on the governance consulting team that performed governance reviews for state and local public pension plans, including two of the Los Angeles City pension funds, and a large California county pension fund. The reviews were broad in scope and included areas such as governance structure, policies and practices, investment practices, and benefits administration. Several of the scopes included recalculation of benefits transactions which required understanding and applying complex parameters and formulas to determine if they were processed in accordance with applicable laws, policies and rules.
- Ongoing work as an IT project manager and assessor with the largest AICPA Firm dedicated to SOC attestations testing IT controls, and member of the AICPA section for IMTA.
- Prior work with a branch of the US military implementing software from manual warrant process payments to computerized process and implement new internal controls for procurement vendor payments and expense reimbursements.

Finally, it is important to note that we link trustee development and continuing education with the board self-assessment process. We routinely conduct board self-evaluations for

our clients, and through those, ask trustees to identify where they would like to enhance their knowledge or skills through continuing education over the coming year. We have worked with individual trustees to design a curriculum for their self-improvement in both technical and behavioral domain areas. Through our close relationship with our clients' boards, we have found that trustees feel comfortable having private, confidential conversations with us about their strengths and areas of development. We view this as a unique opportunity for us to share with LACERA what we observe as top of mind for public pension trustees across the country.

3) A statement of proposed approach to the Scope of Services.

As we understand it, the Project requests an in-depth compliance review into what the Board and staff education and travel policy and expenses are, how procedures for expenses are executed, and how those compare to peers. The Project also permits the opportunity to look into the broader picture from a governance standpoint as to what is driving the expenses.

We propose that at the conclusion of this project, Mosaic will deliver findings and recommendations in the form of a written report and Board presentation concerning the following four distinct modules:

1. Compliance of expenses with policies and procedures
2. Comparison of LACERA Education and Travel Policy and practices to peer policies
3. LACERA governance structures and processes driving expenses
4. Emerging trends in trustee education

In this section, we highlight each module in greater detail, and offer a proposed approach to form the basis of our work.

Overview of Modules

Module 1: Compliance of expenses with policies and procedures

Our approach includes reviewing a majority of expenses which are individually above a materiality threshold (to be determined) and which were incurred during the fiscal years 2016, 2017, 2018 and 2019. We estimate that the total number of expense items that we will be sampling ranges from 9,600 to 19,200 individual transactions. We will plan and perform the review of expense compliance to provide reasonable assurance as to whether the expense reporting is materially accurate and free of misstatements as prescribed by LACERA's Policy by matching the Policy to every line item on the sampled expense reports.

Each expense report will be validated for the following items:

- Existence of expense reports for non-employees,
- Authorization for travel,

- Validation of travel location and per diem rates, including comparison of the per diem rate to actual expenses,
- Reporting dates to ensure capture in the appropriate reporting period,
- Compliance with Policy in respect of reimbursement.

Notably, we will be doing attribute sampling of expense reports and not random sampling, meaning that we will be defining the upper and lower boundaries on the controls, eliminating the lower boundary transactions, and selecting all expense reports that exceed the upper boundary, including all anomalies or outliers. Emphasis will be placed on the hierarchy for staff positions and trustees so that greater sample sizes will be taken for travelers in higher positions of authority. We do this to reduce the inherent risk associated with sampling.

Because of the inherent limitations of an attestation of this type, combined with the inherent limitations of internal controls, and because we will not perform a detailed examination of all transactions, there is a risk that a material misstatement may exist and not be detected by us, even though the review is properly planned and performed.

In addition to reviewing expense receipts, we will gather data which will facilitate an overview of the type of expense incurred by traveler, who approved and processed the expense. This will enable us to provide an opinion on the consistency of compliance to the applicable Policy² as well as application of standards of payment approval. We will also conduct interviews with accounting/processing staff, executives providing approval, and internal and external auditors to develop an understanding on the above as well as consistency of enforcement in situations of deviations from the Policy. Finally, we will request and review any relevant additional documents, such as pertinent internal audit reports performed during the time periods in question.

Although sometimes phone-based interviews can work, we would not suggest doing so for the majority of the interviews. Appropriate face time is needed to facilitate candor and efficient information sharing.

Module 2: Comparison of LACERA Education and Travel Policy and practices to peer policies

In this Module, we will develop a custom survey, supported by telephonic interviews, to facilitate a review of LACERA's current Policy and practices against that of a sample of similarly sized and leading group of LACERA's domestic and international peers. We will select, with input from LACERA's management team, a group of ten US peer funds and five international peer funds to participate in the survey and interviews. With LACERA management's input, we also propose including two non-profit VEBA trusts given that they are healthcare organizations that serve the public employee market. Additional sources of interest for surveying could include the reputable industry associations that

² We understand from LACERA that more than one Policy was in force during the time period in question.

serve the public employee benefits and investing education market to determine information such as average organizational spend.

We will survey information pertaining to types of expenses, compliance, internal controls, processing, accounting, enforcement practices and other aspects relevant to travel and education. Additionally, we will gather travel and education related board governance policies from the peer funds, and information relating to board approval of the overall travel budget and individual travel expenses. We will gather data about the governance structures of each peer, including board size and composition, scope of board decision-making and oversight, delegations of authority in place, and use of consultants, among other topics.

Module 3: LACERA governance structures and processes

In addition to leveraging our knowledge and experience from decades of working with U.S. and international pension funds, we will interview all of the trustees of the boards of retirement and investments, and executives, as well as select consultants (e.g., investment, legislative, etc.) in order to obtain answers to the questions set out below. Similar to the interviews in Module 1, we propose to conduct the interviews for this Module in person as well.

- Is having both a Retirement Board and an Investment Board the most effective and efficient governance structure for LACERA?
- What is the current line between governance and management, and how is it impacting Trustees' perceived educational needs?
- Where do other similarly sized public pension fund boards draw the line and why? How does this compare to LACERA? What adjustments would be beneficial to consider and why?
- What is the current role and perception of LACERA's consultants given the Board's oversight and staff's capabilities? How it is impacting the Board and staff's perceived travel needs?
- How do other similarly sized public pension funds utilize consultants? How does this compare to LACERA? What adjustments would be beneficial to consider and why?
- For peer organizations, what is the legally provided or agreed-upon balance of power between the board and the Executive Director? How does this compare to LACERA's current governance model? What adjustments might be beneficial to consider and why?
- Given the stage of the organizational lifecycle that LACERA is in, what level of Board involvement is appropriate? What accompanying skills and attributes of trustees are needed, and why? Are there activities that the Board is engaging in that could be considered "implementation" and not "policy-level?"

Module 4: Emerging trends in trustee education

Given our mandates with other pension funds, we observe that existing education and travel-related policies are in a time of transition. This is true both here in the US as well as internationally. Over the past several years, a number of states have adopted continuing education requirements for trustees. At the same time some boards have voluntarily adopted or enhanced their continuing education requirements via policy. As each fund gains experience under their new requirements, they are making shifts to satisfy requirements and better accommodate the plate of board responsibilities.

Because new board education policies and practices are emerging, it is important to consider how peer practices are weighted for purposes of LACERA's review. A

review of existing peer policies may not adequately capture these contemplated changes that we see through active discussions with our clients. Some of the peer policies may be outdated and in the process of being rewritten. We believe that any expense LACERA incurs in connection with this Project should assist LACERA in, if deemed necessary, developing a policy, processes, and governance structures that embrace leading practices. We propose including in our survey of peer funds (Module 2) any future changes under consideration.

Proposed Approach

To accommodate a comprehensive review of the four modules as proposed, we suggest the following key activities:

- Entrance Conference – Meet onsite with LACERA staff assigned to the Project. Review objectives, clarify available data set for expense records, determine interviewees and peer funds, validate approach to peer survey, discuss and agree upon revisions to the proposed timeline, and determine communication points of contact for the Project.
- Discovery
 - Prepare to be onsite for data review, analysis, and interviews. Prepare and deliver a document request to LACERA identifying the information necessary for the Project, develop a communique to the interviewees (i.e., Board members/alternates, LACERA staff, and external consultants), and schedule interviews. We have tentatively identified up to forty individuals that we would like to interview. We propose to conduct as many of these interviews as possible in-person at LACERA's offices in Pasadena, California. Those interviewees not able to accommodate in-person interviews will be scheduled for phone appointments.
 - Onsite field work. Conduct in-person interviews, perform initial review of LACERA expense data and ask follow-up questions as necessary, conduct interviews. We have assumed that the majority of the

expense review and analysis can be done remotely through accessibility to an electronic dataset.

- Peer Survey – Design and administer peer surveys. Collect data and conduct telephone interviews as appropriate to verify data received and clarify our understanding of specific peer policies and practices, including any new practices not yet reflected in policy that may be under consideration.
- Conducting analysis, developing insights and conclusions; fact-checking with LACERA. Analyze the data from the discovery process and peer surveys. Communicate with LACERA to ensure accuracy of information driving assumptions and comparisons.
- Drafting written report consisting of four distinct modules
 - Compliance of expenses with policies and procedures
 - Comparison of LACERA Education and Travel Policy and practices to peer policies
 - LACERA governance structures and processes driving expenses
 - Emerging trends in trustee education
- Fact-checking with LACERA – provide select LACERA representatives with a copy of the draft report for the purpose of checking the accuracy of key information driving assumptions and comparisons.
- Final report – provide a written report that addresses all four modules. Our report is to be independent and objective; however, neither our clients, nor we, benefit if our comparisons and recommendations are based on inaccurate findings or information. Should we conclude that an adjustment to a recommendation is warranted as a result, we will identify where that occurred and why in our final presentation to the Board.
- Final presentation to the Board – prepare and deliver onsite at a regularly scheduled meeting, the significant findings and recommendations associated with the written report.
- Exit Conference – meet with LACERA representatives via telephone to debrief the presentation, identify and confidential and/or proprietary information delivered to us by LACERA in connection with the Project that needs to be returned to LACERA, and receive feedback on the approach.

We understand that LACERA seeks a reasonably aggressive timeline for this work to be concluded – by December 31, 2019. Some of the above steps can be run in parallel, while others need to be structured sequentially. The following chart provides a general workplan and timeline, assuming a start date of the week of September 30, 2019 and concluding with the delivery of a final report by December 31, 2019³. Two steps, the final presentation to the Board and the Exit Conference are tentatively slated for early

³ We anticipated limited Project activities being undertaken the week of 12/23/19, the US Christmas Holiday, due to schedules.

January 2020. We anticipate discussing and finalizing the timeline during the proposed Entrance Conference with LACERA representatives to reflect the new information we learn through that discussion.

Figure 1. General Timeline for Proposed Approach

Description	October 2019 (Week of)					November 2019 (Week of)				December 2019 (Week of)				Jan. 2020 (Week of)	
	30-Sep	7-Oct	14-Oct	21-Oct	18-Oct	4-Nov	11-Nov	18-Nov	25-Nov	2-Dec	9-Dec	16-Dec	30-Dec	6-Jan	13-Jan
1 Prepare for/Attend Entrance Conference/ Finalize timeline															
2 Develop/deliver document request to staff; develop/deliver memo to preview discussions with interviewees; schedule interviews															
3 Conduct interviews (onsite) and expense audit; conduct phone interviews as needed															
4 Design and administer peer surveys; conduct follow up telephone interviews															
5 Analyze data for insights and conclusions															
6 Verify facts and circumstances with LACERA															
7 Draft report															
8 System fact-checking of draft report/discussion with Mosaic															
9 Prepare final presentation to the Board															
10 Finalize report															
11 Deliver final presentation to the Board (onsite)															
12 Exit Conference															

It is important to clarify that the timeline is inclusive of time needed not only from our staff but also LACERA’s representatives. For example:

- All LACERA board members, and alternates, will be asked to participate in interviews; potentially former board members and alternates as applicable during the time period in question.
- Select LACERA staff will be asked to produce requested expense data and other documents, assist with scheduling interviews, participate in interviews to provide historical context and clarify current state process, policies and procedures, and fact-check the report draft.
- Select external consultants will be asked to participate in the interview process.

The estimated timeline contemplates ready availability of the aforementioned individuals; however, that assumption may not be realistic or practical given schedules. Should we

be selected for the Project, adjustment to the timeline to accommodate LACERA's input on these points will likely be necessary.

4) Names, qualifications, and experience of personnel to be assigned to the project. Biographies may be attached separately.

Our proposed team of highly skilled, senior-level professionals, each with strong experience in the public and private sectors, is set forth below. The team operates through a virtual, collaborative model with personnel as follows:

- Amy McDuffee, Founder and CEO, Mosaic, based in the Denver, Colorado metropolitan area
- Catherine Jackson, President of Jackson Principled Governance, based in Toronto, Ontario, Canada
- Saba Hashmi, Analyst, Mosaic, based in the Denver, Colorado metropolitan area
- Leslie Kaniecki, Principal, Kaniecki Accounting & Tax, based in the Denver, Colorado metropolitan area
- Donald Kaniecki, Principal, Kaniecki Accounting & Tax, based in the Denver, Colorado metropolitan area

Full biographies for each team member can be found in Attachment A to this letter.

Although the entire team has been newly constituted for purposes of this Project, the individual team members are connected through a working relationship with Amy McDuffee as follows:

- The working relationship between Amy and Saba Hashmi spans back to 2009, when both worked together on the same governance consulting team for a former firm.
- Amy recruited Catherine Jackson to provide a trustee education session to a California statewide public retirement system client in 2016. Amy, Catherine, and Saba have been working together on an industry research project since early 2019.
- The working relationship between Amy and Leslie and Don Kaniecki spans back to March 2017. Leslie and Don Kaniecki serve as a tax and accounting resource to Mosaic.

5) Three client references.

Although no two public retirement systems or projects are exactly the same, we encourage LACERA to speak with our clients about our professionalism and the merits of our work.

California State Teachers' Retirement System

Contact: Jack Ehnes, CEO

Email: jehnes@calstrs.com

Address: 100 Waterfront Place, West Sacramento, CA 95605

Phone: (916) 414-2201

Date services were provided – 3/1/2017 – present⁴

Nature of services: Ongoing retainer relationship, including board facilitation, policy review and development, board education and trustee development, and strategic planning.

Team members: Amy McDuffee, Saba Hashmi, Catherine Jackson

Denver Employees Retirement Plan

Contact: Heather Darlington, Director of Finance and Operations (current), Executive Director (appointed by the Board beginning 11/1/19)

Email: hdarlington@derp.org

Address: 777 N Pearl St., Denver, CO 80203

Phone: (303) 839-5419

Date services were provided: 3/1/2017 – present

Nature of services: Board facilitation, policy review and development, strategic planning, strategic communications.

Team members: Amy McDuffee, Saba Hashmi

Missouri State Employees' Retirement System

Contact: Ronda Stegmann, Executive Director

Email: rondas@mosers.org

Address: 907 Wildwood Drive, Jefferson City, MO 65109

Phone: (573) 632-6100

Date services were provided: 5/1/2018 – 6/30/2019

Nature of services: Board facilitation, policy review and development, board education, and strategic planning.

Team members: Amy McDuffee, Saba Hashmi

⁴ Amy McDuffee's relationship with CalSTRS in a governance consulting role spans back to 2009 through work with a prior firm. Amy became CalSTRS lead governance consultant in the end of 2014.

6) A detailed fee and expense structure, including retainer, timing of invoicing, pay schedule, and a summary of associated expenses.

A detailed fee schedule is provided as Attachment C for your consideration. We propose a retainer fee for advisory services of \$51,250.00, invoiced in accordance with the invoice schedule and timing outlined in Attachment C. The fee proposed is exclusive of estimated travel and expenses.

7) Confidentiality safeguards.

Our team routinely encounters confidential and sensitive information through our client work. We work as a team and therefore; confidential information shared with one team member during the process that is essential to completing our work is shared among team members.

We understand how critically important safeguarding confidentiality of client information is and have several mechanisms in place to offer LACERA in that regard:

- 1) Mosaic will agree contractually to confidentiality provisions. (Please see Attachment B for our proposed engagement letter).
- 2) Mosaic has a non-disclosure agreement on file with each team member.
- 3) It is our firm policy to not speak with the press about any client matters. No exceptions.
- 4) We encourage candor through the interview process by not attributing any comments to any individual person in our draft or final reports and presentations.

8) Proposed engagement letter, which may be attached separately.

Please see the proposed engagement letter in Attachment B.

9) Other information applicable to the project.

Our team has extensive experience in researching, sourcing, analyzing, and interpreting governance-related matters and benchmarking information from other public pension plans, within and outside of the U.S.

We have conducted primary research on a variety of topics for our clients. Excerpts of some of our research topics for public pension fund clients include the following:

- Governance models,
- Board and committee roles and responsibilities,

- Trustee education requirements,
- Trustee orientation and onboarding practices,
- Staff roles and responsibilities,
- Strategic plans.

We also have deep experience in reviewing all aspects of financial processes, including the collection and analysis of financial data as well as related processes such as developing and testing internal controls, mapping compliance with policies, evaluating effectiveness of current internal controls and implementing modifications of possible recommendations to include transition from manual process to computer software and utilizing new IT technologies.

- ***Sourcing and Interpreting Third-Party Research***

Our team also stays abreast of a steady stream of third-party research and information within and outside of the public pension fund industry. We have solid relationships with and routinely review research published by public retirement system industry associations such as NASRA, NCTR, NCPERS, NIRS, GFOA, CII, IFEBP, ICGN, the International Centre for Pensions Management, and others. In addition, we routinely review research for non-profit and corporate boards, including from the Council on Foundations, National Association of Corporate Directors, PwC Governance Insights Center, the Deloitte Center for Board Effectiveness, and others. Having familiarity with all types of practices within and outside of the public retirement system industry broadens the insights that we bring to our clients.

- ***Benchmarking Philosophy***

We believe it is important to strike an appropriate balance in the use of benchmarking studies. Peer practices are interesting but only worthwhile if they are appropriately translated back to LACERA's environment.

As consultants, we have become increasingly wary of those that promote a mindset of always needing to be aligned with "leading" or "best practices" in every way possible. It is simply not attainable in resource constrained environments, nor is it necessary, for most organizations to accomplish. Beyond creating a never-ending need for consulting resources, this type of philosophy can weaken the board/staff relationship, challenge an organization's identity, foster a sense of superiority that conflicts with a spirit of continuous learning needed to spark innovation, and cause a disconnected focus with the organization's purpose.

We believe that benchmarking can inform a board and staff as they work together to identify and implement ways to strengthen their systems, but it ought not to control or

direct these processes. We commit to offering insights and recommendations that are objective, practical, and appropriately sensitized to LACERA's operating environment.

Summary

Again, it is a distinct privilege to be invited to submit a proposal to assist LACERA with the review of its Education and Travel Policy, expenses, and practices. If we have misinterpreted the Project's objectives or scope of services, please let us know, and we will gladly adjust our proposal.

We look forward to the opportunity to speak with you further regarding the Project's objectives, timeline, and our qualifications and experience.

Sincerely,



Amy L. McDuffee
Founder and CEO
Mosaic Governance Advisors, LLC

- Attachments:
- A. Team Biographies
 - B. Proposed Engagement Letter
 - C. Detailed Proposed Fee and Expense Structure

Amy L. McDuffee, CEBS – Founder and CEO, Mosaic

Amy is the Founder and CEO of Mosaic Governance Advisors, LLC, a Colorado-based consultancy providing strategic board governance advice to the public fund community. Amy specializes in policy review and development, trustee education, benchmarking reviews, strategic planning, board self-assessments, executive and consultant evaluations, succession planning, program assessments, and other related matters. Over her twenty-year career, Amy has worked with over 40 public funds in twenty states including public retirement systems, state investment boards, and state treasuries. She also works with non-profit entities that provide health care and other post-employment benefits to state and local workers.

Her unique perspective on board governance best practices comes from her experience in both the public and private sectors. Before founding Mosaic, Amy was a lead consultant within the Fiduciary Services Practice of Aon Hewitt Investment Consulting (AHIC) where she served the Practice's largest public fund retainer clients and participated in broad-scope fiduciary audits.

Prior to becoming affiliated with AHIC's predecessor firm in 2009, Amy held senior and executive level positions respectively with a global asset management firm and a statewide public retirement system. Amy also served as Managing Director at Great-West Life & Annuity Insurance Company, now Great-West Financial. In that capacity, she was accountable to a board of directors for building and growing a new subsidiary company that provided investment advisory, education, and investment management services to the company's defined contribution retirement plan sponsors and participants.

Amy's career began at Mercer where she was a key member of the National Governance and Policy Practice. She was responsible for research, analyses, policy development, benchmarking reviews, and strategic planning for a broad range of public fund clients.

Amy is a graduate of the University of Wisconsin Stevens-Point and holds the Certified Employee Benefit Specialist designation from the Wharton School of the University of Pennsylvania and the International Foundation of Employee Benefit Plans (IFEBC). She also earned a Certificate of Achievement in Public Plan Policy.

Amy currently serves on the Public Employee Committee of the IFEBC Board of Directors and is an advisor to the Government Finance Officers Association (GFOA) Committee On Retirement and Benefits Administration (CORBA). She is the former President of the Colorado Chapter of Certified Employee Benefit Specialists and is frequently invited to speak on board governance matters. Her speaking events at national industry conferences have included the National Association of State Retirement Administrators, the National Council on Teacher Retirement, the Public Pension Financial Forum, and the Association of Public Pension Fund Auditors.

Catherine Jackson, CPA, CA, President, Jackson Principled Governance

Catherine is the President of Jackson Principled Governance. She has worked with institutional investors for nearly 20 years, and has served clients in Europe, Asia and North America, focusing on her clients' needs and leading with their long-term best interests. Some examples of her work include:

- In November 2016, on behalf of the International Centre for Pensions Management (ICPM), researched and presented to the CalSTRS Board of Trustees on evolving international trends in trustee education and new trustee orientation programs.
- In November 2017, identified and reported that the Bank of Canada did not consider climate change as a key risk or vulnerability, and that the Bank's leadership on climate change would be required for the risk to be appropriately considered in Canadian capital markets. This was addressed by the Bank in May 2019.
- Assembled and lead a group of U.S. investors, representing AUM in excess of \$9.55 trillion US, on the "Framework for US Stewardship and Governance", used by StateStreet Global Advisors, Bloomberg, and others for financial products and other purposes.

Beyond her more traditional governance consulting work, Catherine also advises on the intersection of capital allocation and ESG integration, and her clients' sustainability objectives. Catherine developed this expertise through two decades of leading global sustainable ownership activities at large long-term pension fund investors. She was Senior Advisor, Responsible Investment with sustainability leader PGGM, a Dutch pension fund manager and before that she was responsible for corporate governance at the Ontario Teachers' Pension Plan in Canada. Catherine also has five years of CPA audit and assurance expertise gained from working with a big four accounting firm.

Catherine is a CPA, CA with membership in both provinces of British Columbia and Ontario. She is an instructor for the Pension Governance Education Program developed by the ICPM and Rotman Executive Programs at the University of Toronto. The Pension Governance Education Program is a unique governance program designed for board members of large pension funds and long-horizon investment institutions from around the globe. It instills best practices in key areas such as organizational mission, fiduciary duties, investment styles, risk management and human resources management.

Catherine is frequently asked to write and speak at large scale industry events. She has been quoted in the global financial press including the *Financial Times*, the *Wall Street Journal*, the *New York Times*, Bloomberg, and the *Globe and Mail*.

Saba Hashmi – Analyst, Mosaic

Saba is an Analyst at Mosaic Governance Advisors. She is an integral part of the consulting team and focuses on strategic planning, trustee education, board self-evaluations, executive performance evaluations, research, and policy development. She has over five years of experience working with public funds including retirement systems and state investment boards.

Before Mosaic, Saba served as a Fiduciary Analyst in the Fiduciary Services Practice of Chicago based Ennis, Knupp & Associates, the predecessor firm to Aon Hewitt Investment Consulting. Saba was a project manager for the Practice's most significant engagements including broad-scale fiduciary reviews, which, in part, examined the policies and procedures used by boards and staffs in light of common and best practices. Additionally, Saba assisted in conducting governance facilitations such as board self-assessments, evaluating policies, including those relating to board and staff codes of ethics and conflicts of interest, and developing trustee orientation curriculums and continuing education. She has also conducted primary research related to best practices in the public sector regarding compensation, executive staff structure, organizational design, public fund governance authority, and other related topics.

Saba has worked with over ten state and local public sector clients in Arizona, California, Colorado, Maine, Michigan, New Mexico, North Carolina, Texas, and Wisconsin.

Saba earned a Bachelor of Science degree from Loyola University in Chicago and is currently pursuing additional degrees in accounting and mathematics. She also earned a Certificate of Achievement in Public Pension Policy through the International Foundation of Employee Benefit Plans.

Leslie Kaniecki, CPA/CGMA, MBA – Principal, Kaniecki Accounting & Tax

Leslie is a Principal with Kaniecki Accounting and Tax, a Colorado based accounting firm that provides on demand tax, accounting and financial advisory services unique to rapidly growing entities requiring integrated computer software and developing policies and controls. Her experience over the past 35 years has spanned the evolution of implementing manual accounting processes to integrated computer systems to include revising internal controls and related policies for precision financial reporting.

- Coalfire Controls LLC is a Certified Public Accounting (CPA) firm providing AICPA Service Organization Control (SOC) attestations and related information technology (IT) reporting. Leslie attended the first AICPA SOC training in 2012 in Chicago for CPAs. As an on demand employee, she was instrumental with implementing the initial internal processes for financial reporting, managing client documentation, and establishing SOC project management program for the firm. Coalfire Controls is now the largest AICPA firm dedicated to SOC attestations to include 4 of the largest IT cloud providers as clients.
- US Department of Defense Air Force civilian accountant, in 1989 Leslie was the accountant to transition RAF Alconbury procurement vendor payments and expense reimbursements from a manual warrant process to implement the first integrated mini main frame server dedicated for accounting on a US military base in England. RAF Alconbury was awarded runner up Accounting and Finance Department for US Air Force in 1990 for the accurate reporting as audited by GAO. In 1990, she assisted with the same implementation at RAF Lakenheath and RAF Mildenhall followed by assisting with the decommissioning of RAF Upper Heyford and RAF Molesworth. Leslie was awarded Civilian of the year for RAF Alconbury and Third Division USAFE. She was runner up for Civilian Accountant of the year for US Air Force in Europe.

In addition, Leslie's experience incorporates her in depth knowledge of IT and computer systems for managing IT infrastructure and internal testing of controls for financial reporting, tax compliance, DCAA audit requirements, cost accounting and SOC attestations.

Leslie is a CPA/CGMA and a member of the AICPA section for IMTA. She graduated with a MBA with a Certificate in Financial Analysis from Keller Graduate School of Management and her Bachelors of Science degree in Accounting was awarded from the University of Wyoming. She self-funded her college education by owning her first business at age 19 which provided her a unique understanding of the risks, requirements, reporting and management skills necessary for success. She imparts this knowledge with her clients on a daily basis.

Donald Kaniecki, CPA, MBA – Principal, Kaniecki Accounting & Tax

Don is a Principal with Kaniecki Accounting and Tax, a Colorado based accounting firm that provides on demand tax, accounting and financial advisory services unique to rapidly growing entities requiring integrated computer software and developing policies and controls. Don has over 40 years of tax and business-related experience helping entrepreneurs and professionals with their accounting and tax situations. For 27 years, Don founded, owned, and managed Kaniecki & Associates, CPA, P.C. During that time, Don opened the doors with literally no clients and grew the business to be the largest single office CPA firm in Eastern Boulder County, Colorado, and employed up to 10 professional and accounting staff. The firm specialized in tax issues, management consulting, and on-site accounting assistance for privately held companies. The firm's specific niche was knowing and serving clients who often felt left behind by larger firms who could not speak their language. Even when the firm was at its largest, Don personally reviewed every one of the 1000 individual and 300 business tax returns that went out the door.

The firm was sold in 2006 to give Don more time to develop other career interests. At the present time, he is a consultant for two Denver area CPA firms, an investment attorney, and is now managing a smaller, boutique practice for self-employed businesses and their owners.

Don is also the Lead instructor in Colorado for the Becker CPA Review, the largest and most respected review course in preparing candidates for the CPA Exam. Before the teaching format went online, Don taught live classes for over 30 years and was responsible for helping thousands of accounting graduates earn the CPA designation. Presently, Don serves as a subject matter expert for Becker which involves reviewing and editing CPA Continuing Education Classes and working electronically answering questions from CPA candidates.

Don's roots as a tax professional were planted when he worked with the Internal Revenue Service as an Accounting Student Trainee during his undergraduate years. He was specifically recommended for the job by one of his accounting professors at the time. That experience led to his first career job with the Buffalo, NY office of Seidman & Seidman, a national accounting firm. At that time, Seidman was considered one of the premier tax firms in the Western New York area.

Don has his undergraduate accounting degree from Canisius College where he was the Outstanding Accounting Student in his graduating class. He then received his MBA from SUNY – Buffalo before moving to the Denver Colorado area.

Don is a past president of Coal Creek Rotary Club and the Flatirons Optimist Club, and a long-time treasurer of both organizations. Don also served for eight years on the Board of Directors, including one year as the Chair, for the Sister Carmen Community Center, East Boulder County's premier Family Resource Center.

September 16, 2019

Mr. Steven P. Rice
Chief Counsel
Los Angeles County Employees Retirement Association ("LACERA")
300 North Lake Avenue, Suite 630
Pasadena, CA 91101

Dear Mr. Rice:

The purpose of this letter is to confirm our agreement regarding the governance consulting services that Mosaic Governance Advisors, LLC ("Mosaic") has been retained to provide to the Los Angeles County Employees Retirement System ("LACERA" or "Client"). This retainer agreement shall be for the period ending January 31, 2020, beginning upon the date of execution. The services and fees that may be provided are described in the attached Schedule A.

During the provision of our services to you, we may share confidential and proprietary information with each other. Our respective signatures on this letter agreement will confirm that each of our organizations will continue to retain all right, title and interest in and to our own proprietary information and that we will each maintain the confidentiality of each other's proprietary information. Any analysis, reports or advice we provide you is for management use and decision-making and is not to be shared with any third parties (other than your legal counsel or auditors, as necessary) or used in any communication to employees or other third parties without our written prior consent; provided that, LACERA may disclose any information to the extent required by law after giving reasonable notification to Mosaic.

To ensure that we have accurate information upon which to serve your needs, Mosaic will request, and LACERA will submit to Mosaic, all information in its control or under its direction necessary for Mosaic to perform the services covered by this Agreement. Mosaic will inform LACERA of any such information that Mosaic is aware is necessary and has not been provided. LACERA is responsible for the accuracy and completeness of any and all Client information that is submitted to Mosaic. In addition, you will promptly notify Mosaic in writing of any material changes and shall respond promptly to requests by Mosaic for information necessary to perform services herein. Mosaic shall be deemed to be unaware of any changes to information previously provided until new information is actually received by Mosaic.

Client retains exclusive fiduciary responsibility and authority for making all decisions with respect to plan matters, but in making those decisions, may draw upon the resources and expertise of Mosaic to the extent it deems necessary to perform its responsibilities consistent with the standard of care applicable to its members as fiduciaries. It is not intended, however, that Mosaic will provide any services that cause it to be a fiduciary. In providing the service described in the attached Schedule A, Mosaic will not provide legal, accounting, or investment advice.

LACERA may terminate this agreement for convenience at any time upon 30 days prior written notice to us. Mosaic may terminate this agreement only for cause upon 30 days prior written notice to LACERA. Upon the effective date of termination, LACERA will pay Mosaic for all fees and expenses due through the effective date of termination.

We will correct our work product without additional charge if any errors or omissions occur in our work. We will also indemnify and hold LACERA harmless from and against any and all claims, demands, actions, damages, losses, liabilities, and expenses of any nature (including reasonable attorneys' fees and expenses) (collectively, a "Loss" or "Losses") arising from our failure to comply with the terms and conditions of this agreement in an amount not to exceed the 50% of the proposed fee, and without regard to this limit for any Losses due to our gross negligence, willful, fraudulent or criminal misconduct, bodily injury, or breach of our confidentiality obligations.

Subject to our indemnity obligations in the preceding paragraph, LACERA will indemnify, defend and hold Mosaic harmless from and against any and all Losses of any nature made by third parties, including, without limitation, Client's employees, affiliates and benefit plans, with respect to the services provided under this engagement.

Mosaic uses a virtual team of subcontractors format to staff its client work. Mosaic agrees that it will not further assign or further subcontract the whole or any part of this Agreement to any individuals or subcontractors not already named in Schedule A without the prior written consent of LACERA. Any attempt to so assign or subcontract shall be invalid. No assignment shall relieve Mosaic of its obligations hereunder. This Agreement will be binding upon the Mosaic's successors and permitted assignees.

In the performance of this agreement, the parties agree that Mosaic, and any agents and employees of Mosaic, shall act in the capacity of an independent contractor and not as officers or employees or agents of LACERA.

No member of the LACERA Board of Retirement or Board of Investment or individual employed by LACERA at the time this agreement is executed or any time thereafter shall be admitted to any share or part of this agreement or to any benefit that might arise therefrom directly or indirectly that would constitute a violation of any applicable law. No other individual employed by LACERA at the time this agreement is executed or any time thereafter shall be admitted to any share or part of this agreement or to any benefit that might arise therefrom directly or indirectly due to the individual's employment by or financial interest in Mosaic or any affiliate of Mosaic without the written consent of LACERA.

Mosaic warrants that it has not employed or contracted with any company or person to solicit or secure this agreement and that it has not paid, or agreed to pay, any company or person any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon, or resulting from the award for making this agreement. For breach or violation of this warranty, LACERA shall have the right to annul this agreement without liability or, in its discretion to otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

Mr. Rice is designated as the LACERA Agreement Administrator during the term of this Agreement ("Agreement Administrator"). LACERA shall have the right to designate another Agreement Administrator upon written notice to the Mosaic.

All invoices, correspondence and related submission from the Mosaic shall be submitted to Steven P. Rice, Agreement Administrator, LACERA at srice@lacera.com.

In the event of any dispute between our organizations with respect to the terms of our engagement, this agreement will be construed and enforced in accordance with the laws and judicial decisions of the State of Colorado.

If this letter accurately describes the terms of this engagement, please print and sign 2 copies of this letter and Schedule A and return to Amy McDuffee at Amy.McDuffee@mosaicgovernance.com, and we will return one fully executed copy. We value our relationship with LACERA and look forward to serving your governance consulting needs.

Sincerely,

Amy McDuffee
Founder and CEO
Mosaic Governance Advisors, LLC

Accepted by:

Mosaic Governance Advisors, LLC

By: _____

Name: _____

Title: _____

Date: _____

Accepted by:

**Los Angeles County Employees
Retirement System**

By: _____

Name: _____

Title: _____

Date: _____

Schedule A to Letter Agreement by and between Los Angeles County Employees Retirement System (“LACERA” or “Client”) and Mosaic Governance Advisors, LLC (“Mosaic”) dated {Month, Date, Year} (the “Agreement”).

The following governs the services to be provided under this Schedule A (“Services”), which is executed as part of the Letter Agreement (“Agreement”) referenced above, between Mosaic and LACERA.

I. Description of Services

- a) Entrance Conference – Meet onsite with LACERA staff assigned to the Project. Review objectives, clarify available data set for expense records, determine interviewees and peer funds, validate approach to peer survey, discuss and agree upon revisions to the proposed timeline, and determine communication points of contact for the Project.
- b) Discovery
 - i) Prepare to be onsite for data review, analysis, and interviews. Prepare and deliver a document request to LACERA identifying the information necessary for the Project, develop a communique to the interviewees (i.e., Board members/alternates, LACERA staff, and external consultants), and schedule interviews. Includes up to forty individuals for interview, with as many as possible conducted in-person at LACERA’s offices in Pasadena, California. Those interviewees not able to accommodate in-person interviews will be scheduled for phone appointments.
 - ii) Onsite field work. Conduct in-person interviews, perform initial review of LACERA expense data and ask follow-up questions as necessary, conduct interviews. We have assumed that the majority of the expense review and analysis can be done remotely through accessibility to an electronic dataset.
- c) Peer Survey – Design and administer peer surveys. Collect data and conduct telephone interviews as appropriate to verify data received and clarify our understanding of specific peer policies and practices, including any new practices not yet reflected in policy that may be under consideration.
- d) Conducting analysis, developing insights and conclusions; fact-checking with LACERA. Analyze the data from the discovery process and peer surveys. Communicate with LACERA to ensure accuracy of information driving assumptions and comparisons.
- e) Drafting written report consisting of four distinct modules
 - i) Compliance of expenses with policies and procedures
 - ii) Comparison of LACERA Education and Travel Policy and practices to peer policies
 - iii) LACERA governance structures and processes driving expenses
 - iv) Emerging trends in trustee education
- f) Fact-checking with LACERA – provide select LACERA representatives with a copy of the draft report for the purpose of checking the accuracy of key information driving assumptions and comparisons.
- g) Final report – provide a written report that addresses all four modules. Our report is to be independent and objective; however, neither our clients, nor we, benefit if our comparisons and recommendations are based on inaccurate findings or information. Should we conclude that an

adjustment to a recommendation is warranted as a result, we will identify where that occurred and why in our final presentation to the Board.

- h) Final presentation to the Board – prepare and deliver onsite at a regularly scheduled meeting, the significant findings and recommendations associated with the written report.
- i) Exit Conference – meet with LACERA representatives via telephone to debrief the presentation, identify and confidential and/or proprietary information delivered to us by LACERA in connection with the Project that needs to be returned to LACERA, and receive feedback on the approach.

II. Assigned Resources

Ms. Amy McDuffee is the Project Lead in connection with the services described above. The following team members are also assigned to the Project:

- Ms. Saba Hashmi, Analyst, Mosaic
- Ms. Catherine Jackson, President, Jackson Principled Governance
- Ms. Leslie Kaniecki, Principal, Kaniecki Accounting & Tax
- Mr. Donald Kaniecki, Principal, Kaniecki Accounting & Tax

III. Fees and Other Payment Terms

- a) LACERA shall pay all reasonable and related travel expenses incurred by Mosaic's personnel in performing the governance services described in this Schedule.
- i) Schedule of Project invoices

Invoice Schedule	Invoice Timing	Fee
Invoice #1	Delivered on or after the date that the contract is signed <i>(anticipated end September 2019 or early October 2019)</i>	\$51,250
Invoice #2	Delivered on or after the date of the first interviews <i>(anticipated October 2019)</i>	\$51,250
Invoice #3	Delivered on or after the draft report is delivered <i>(anticipated December 2019)</i>	\$51,250
Invoice #4	Delivered on or after the date of the final presentation to the Board <i>(anticipated January 2020)</i>	\$51,250

- b) Fees and expenses are due and payable within 30 days of the invoice receipt date. Interest at 9% per year will accrue after the invoice date until payment is received.
- c) In the event Mosaic is requested or authorized by LACERA to provide additional testimony or attend additional meetings, or is required by a government regulation applicable to LACERA or a subpoena or other legal process issued in an investigation of LACERA or in a proceeding in which LACERA is a party, to produce our documents or our team members as witnesses with respect to services provided to LACERA, LACERA will, so long as Mosaic is not a party to the proceeding in which the information is sought, reimburse Mosaic for our professional time and

actual expenses incurred, as well as the fees and actual expenses of our counsel, incurred in responding to such requests. Hourly rates for team members are as follows:

- 1. Amy McDuffee: \$395/hour
- 2. Catherine Jackson: \$395/hour
- 3. Leslie Kaniecki: \$350/hour
- 4. Donald Kaniecki: \$350/hour
- 5. Saba Hashmi: \$170/hour

IV. General Terms and Conditions

a) Insurance Coverage. Mosaic shall maintain, at all times during the term of this Agreement, the following minimum insurance coverages and limits:

- i) Workers' Compensation and related insurance as prescribed by the law of the state in which the Services are to be performed;
- ii) General Liability in the amount of \$1,000,000; and
- iii) Professional Liability or Errors and Omissions coverage with limits up to \$1,000,000 per occurrence and in the aggregate.

V. Timing / Term

- a) Commencement Date of Services: Upon contract execution
- b) Completion Date of Services: January 31, 2020 or until terminated by either party as provided for in the Agreement
- c) Estimated Work plan for Services – Will be mutually agreed upon by Mosaic and LACERA during the entrance conference or shortly thereafter

VI. Main Contacts at CLIENT and Mosaic

Client: Steven P. Rice

Mosaic: Amy L. McDuffee

Los Angeles County Employees Retirement System

Mosaic Governance Advisors, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment C. Detailed Proposed Fee and Expense Structure

Proposers must provide a detailed fee and expense structure, including retainer, timing of invoicing, pay schedule, and a summary of associated expenses.

The following detailed fee schedule outlines a total proposed fee based on anticipated hours to be incurred by each staff member and their related rates, for each major phase of the project. The total proposed fee is exclusive of anticipated incidental and travel expenses.

Invoice Schedule	Invoice Timing	Steps of Suggested Approach Covered	Proposed Fee
Invoice #1	Delivered on or after the date that the contract is signed <i>(anticipated end of September 2019 or early October 2019)</i>	Retainer - 25% of proposed fee	\$51,250
Invoice #2	Delivered on or after the date of the first interviews <i>(anticipated October 2019)</i>	<ol style="list-style-type: none"> 1. Entrance Conference 2. Preparation for Discovery/Field Work 3. Onsite Interviews¹/Field Work² 4. Survey Design, Development, and Distribution 	\$51,250
Invoice #3	Delivered on or after the draft report is delivered <i>(anticipated December 2019)</i>	<ol style="list-style-type: none"> 5. Analysis, Insights and Conclusions 6. Fact-checking analysis, insights and conclusions/discussions with Mosaic 7. Drafting report and delivery of draft report 	\$51,250
Invoice #4	Delivered on or after the date of the final presentation to the Board <i>(anticipated January 2020)</i>	<ol style="list-style-type: none"> 8. Fact-checking draft report/discussions with Mosaic 9. Preparation/delivery of final report 10. Preparation/delivery of final presentation to the Board 11. Final presentation to the Board 12. Exit conference 	\$51,250
		Additional Testimony – invoiced at an hourly rate plus travel expenses	<i>See page 2 of this Attachment C</i>

¹ The number of interviews is estimated to be approximately 40, comprised of all trustees, 7 executives, 7 other staff travelers, 1 external audit partner, 2-3 internal audit staff and 2-3 internal accounting staff.

² While conducting field work, if Mosaic team members identify compliance exceptions or leading trend patterns that require additional sampling or 100% verification, time and materials will be submitted in advance to LACERA as a change request at the hourly rates set out on Page 2 of this Attachment.

Attachment C. Detailed Proposed Fee and Expense Structure

		Proposed Fee	\$205,000
		Additional Estimated Travel Expenses	\$12,800
		Proposed Fee plus Estimated Travel Expenses	\$217,800

Summary of Associated Expenses

Our proposed fee is exclusive of travel expenses. Travel expenses will be submitted to LACERA in arrears after the travel occurs as follows: 1) in December 2019 upon delivery of the draft report, and 2) in January 2020 after the final presentation to the Board. Travel expenses include coach airfare, lodging, transportation, meals, parking, and incidentals. Detailed receipts will be provided.

To minimize costs to LACERA, we have carefully considered team member travel. Detail regarding our estimates follows:

- We anticipate that one Mosaic team member, Amy McDuffee, will be onsite in Pasadena, California for the entrance conference with LACERA. The other three team members will participate via phone. We have estimated approximately \$1200 per traveler for this trip.
- Four Mosaic consultants will attend the onsite interviews/field work. Because of the number of interviews we believe are necessary to perform the work, and the volume of expense transactions to review, we anticipate being onsite at LACERA to conduct field work, primarily interviews for approximately five days/four nights. We have estimated approximately \$2000 per traveler for this trip.
- Three Mosaic consultants will be onsite to present the final report to the Board. We have estimated approximately \$1200 per traveler for this trip.
- In line with expected consultant travel set out in this section, travel expenses are expected to total \$12,800 and will be billed to LACERA as incurred in line with completing each step as outlined in the invoice schedule above.

Hourly Rates for Additional Testimony

The following schedule details the hourly rates for any additional testimony requested by LACERA, and preparation in connection with providing such additional testimony.

- Amy McDuffee: \$395/ hour
- Catherine Jackson: \$395/hour
- Leslie Kaniecki: \$350/hour
- Don Kaniecki: \$350/hour
- Saba Hashmi: \$170/hour

Attachment C. Detailed Proposed Fee and Expense Structure

Travel expenses (e.g., airfare, lodging, parking, meals, transportation, and associate incidentals, etc.) incurred in connection with Additional Testimony will be invoiced at cost to LACERA in arrears.

Summary

If there are adjustments to our scope of work that LACERA believes would better align with its objectives, we will gladly adjust our approach and proposed fee.

EXHIBIT C

FTI Proposal



LACERA

PROPOSAL TO REVIEW AND
EVALUATE LACERA'S EDUCATION
AND TRAVEL POLICY, EXPENSES,
AND PRACTICES

September 4, 2019





📍 FTI Consulting
Offices

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September 4, 2019



Steven P. Rice, Chief Counsel
Los Angeles County Employees Retirement Association
300 North Lake Avenue, Suite 630
srice@lacera.com

Re: Proposal to Review and Evaluate Education and Travel Policy, Expenses, and Practices

Dear Mr. Rice:

We appreciate the opportunity to present this proposal for the review and evaluation of the education and travel policy, expenses, and practices of the Los Angeles County Employees Retirement Association (“LACERA”) in connection with its RFP (the “Assignment”).

We understand that selecting the right consulting firm involves assessing each firm’s expertise and experience with regard to (1) developing and enhancing education and travel compliance policies and programs; (2) reviewing and evaluating related expenses and transactional accounting processes and enforcement practices; and (3) evaluating LACERA’s policies, programs, and processes against peer systems, other organizations, and other leading practices that organizations with mature compliance programs have generally found to be effective. We also understand that these substantive areas of expertise will need to be combined with the ability to execute the Assignment in a commercially reasonable manner.

We are confident that FTI Consulting (“FTI”) is the right choice for multiple reasons, including:

- **Extensive forensic investigations experience:** Our engagement team members have extensive experience conducting travel, entertainment, and other expense related investigations, including for retirement, pension, and benefits organizations.
- **Significant ethics and compliance experience:** Our engagement team includes a former industry ethics and compliance officer who has developed, implemented, and evaluated many compliance policies, programs, and practices, including the policies at issue for LACERA, and who has performed similar work at other government pension organizations. Additional compliance expertise is available if needed.
- **Our firm is well respected by clients, boards, and regulators, and has worked on numerous high stakes investigative matters, delivering pragmatic, cost-effective results:** Our firm and engagement team are well respected by our clients in effectively designing and executing forensic and compliance investigations including those related to education and travel expense matters. Our professionals have extensive referral contacts, three of whom are included with our proposal should you choose to inquire about their experiences working with us. Additional referrals can be provided upon request.
- **Collaborative working style:** We work collaboratively with our clients in planning, staffing and executing engagements, maintaining communication with our clients and inviting input and feedback throughout the course of our engagements to optimize results and manage professional fees.

We welcome the opportunity to meet and discuss this proposal, answer any questions you may have, or provide any additional information to assist you with your retention decision.

Thank you for the opportunity to propose on this important engagement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward J. Westerman'.

Edward J. Westerman
Senior Managing Director

FTI Consulting's Forensic Accounting & Compliance Investigations

FTI professionals combine end-to-end capabilities with unmatched qualifications in all types of investigations and compliance matters, including those related to education and travel expenses. Our consultants are among the most experienced in the industry and have been intimately involved in some of the world's most complex, high profile cases.

When compliance policies are subjected to scrutiny by the public, regulators, law enforcement officials or business counterparties, organizations require the support of independent forensic accounting and compliance experts. FTI provides its clients with rapid response capabilities on the typical triggers of accounting and compliance investigations. We understand the importance of reacting expeditiously and confidentially to address compliance issues whether it is responding to allegations of improper or illegal activity, safeguarding a company's assets and reputation, arriving at a resolution with minimum disruption to operations, and preventing recurrences through the design and implementation of effective policies and controls.

Our global Forensic Accounting and Compliance Investigations team provides a broad range of expertise that enables our clients to overcome governance challenges and assess enterprise risk. Our experts conduct independent internal investigations on a variety of issues, including allegations of improper expense reimbursements, whistleblower allegations, fraud, financial misstatement and inadequate disclosure investigations. We are a leading provider of independent accounting and compliance services to state and federal retirement and benefits administrators, domestic and foreign entities, and we work with our clients to design and monitor corporate compliance programs.

We employ a worldwide team of senior professionals, many of whom have backgrounds as former auditors and compliance advisors from the "Big 4" accounting firms, ethics and compliance officers, prosecutors and law enforcement officials, and regulatory bodies.

With forensic accounting and compliance investigations, one size does not fit all. We tailor our investigative approach for each of our investigative assignments in a focused and proportionately scaled manner to address the specific needs of the project. While we have the necessary resources to bring to bear to the largest and most complex investigations, a number of our assignments are conducted with small tactical investigative teams. In both instances, we work collaboratively with our clients to provide cost-effective solutions, enabling investigations to be efficiently executed.

Multidisciplinary Investigatory Capabilities

In addition to forensic accounting and compliance investigative professionals, our investigative team members are often drawn from other important disciplines described below.

COMPLIANCE CAPABILITIES

Organizations of every size face the challenge of effectively designing, implementing, and monitoring employee expense related policies and processes including those related to education and travel expenses. Such ongoing challenges require an operating environment that has robust compliance policies and internal controls including those pertaining to education, travel and other expense policies that are reviewed, evaluated, tested, and updated on an on-going basis. FTI Consulting provides industry specialists and compliance experts who offer a cost-effective approach to reviewing, evaluating, testing, enhancing and monitoring education and travel expense compliance programs. In matters involving public scrutiny of expense related policies, our professionals also understand the time-critical nature of reviewing and evaluating existing policies, implementing a plan of action, and communicating with multiple constituencies.

DATA ANALYTICS

Our Data & Analytics team specializes in the collection and in-depth analysis of large, disparate sets of financial, operational, and transactional data. Our specific services include the acquisition and normalization of relevant data, the identification of relationships between data sources, the design of tests to identify suspected transactions, and the implementation of a platform to allow the efficient review of these transactions among interested parties. Our team possesses a deep knowledge of most major ERP systems. Our fraud analytics allow the implementation of a customized approach to suit a particular investigative need and are based on a large analytics library of possible fraud indicators. This approach to managing large and disparate sources of information affords the opportunity to identify potential irregularities and patterns in the data which may indicate fraud.

Relevant Experience

FTI's professionals possess deep expertise in evaluating, designing, and enhancing compliance policies and programs – and in conducting investigations with regard to travel and education expenses. Our extensive experience includes compliance evaluations for retirement and benefits administrators. We are well-respected in the investigative and compliance space by government entities, non-profits, boards, law firms, and regulators. Herein are select case studies demonstrating our expertise and capabilities in this area.

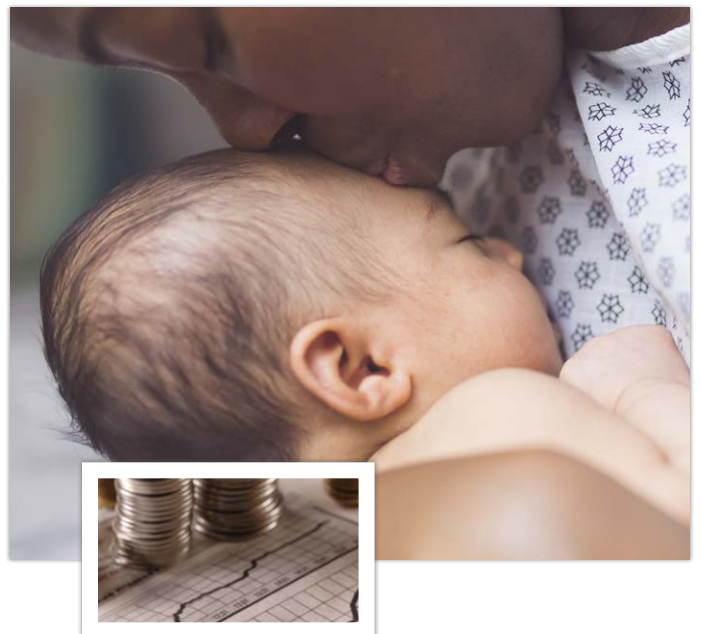
National Charitable Organization Employee Expense Investigation

On behalf of a national charitable organization dedicated to enhancing the lives of children with a critical illness, FTI was engaged to conduct a confidential investigation of a local chapter's travel and entertainment spending activities. The forensic examination was predicated on a whistle-blower complaint that was provided to the charitable organization's national headquarters. FTI professionals were retained and performed on-site interviews of senior management personnel to gather information about the travel and entertainment practices of the local chapter's representatives. In addition, FTI professionals conducted extensive forensic testing and analyses of the spending incurred by local chapter senior management personnel for travel, entertainment and donor engagement.

Pursuant to the forensic review, a pattern of inappropriate spending and usage of donor funds was uncovered. Further, the review revealed departures from the charitable organization's policies, procedures and controls governing travel and entertainment activities. Based on the work performed, the charitable organization replaced its senior management personnel at a local chapter.

Audit Committee Travel and Expense Investigation

FTI was retained to assist counsel to the Audit Committee in investigating allegations of improper expenses incurred by the company's CEO. Efforts included the review and analysis of travel and entertainment expense report data and a sample of expense report, corporate credit card, and air travel transactions, including the approval process and compliance with relevant T&E policies. Efforts included data analytics of expense information, reviewing submitted expense report documentation, reviewing email, conducting interviews, and recommending enhancements to the Corporate T&E policy.



National Healthcare Company Employee Expense Investigation

FTI was retained by legal counsel to a national healthcare company that operates more than 120 urgent care centers in the United States and employs over 300 physicians. The company's Board of Directors had received an anonymous whistle-blower complaint that alleged serious fraud, waste and abuse of company assets by the company's CEO and several other senior management members. The Board of Directors retained legal counsel to conduct a confidential investigation and counsel retained FTI to assist with a forensic examination of the spending activities of the named senior management members. FTI participated with legal counsel in interviews of relevant company professionals including the named senior management members. Additionally, FTI conducted a comprehensive review of the spending activities of the named senior management members, which included the design and creation of an electronic database of all spending activity over the relevant period by the named senior management members.



The results of the analyses performed by FTI uncovered instances of questionable spending activities by certain senior management personnel but not at the levels alleged in the whistle-blower allegation. Based on the work performed, the company's Board of Directors required reimbursement of the questionable expenditures by the senior management personnel. Additionally, changes to policies, procedures and practices around employee expenditures were made.



Board of Director Committee – Travel and Expense Investigation

FTI was retained by counsel to a special committee to investigate certain travel, entertainment, and other expenses incurred by the CEO of one of its subsidiaries and allegations of using corporate funds for personal benefit over multiple years. Work performed included the review and analysis of certain expense report and corporate credit card transactions, assessment of the subsidiary's T&E and related policies and approval processes, and recommending additional controls and enhanced T&E policies and procedures.

The United States' Largest State Teacher Retirement System

The country's largest state teacher retirement system retained members of our engagement team to (1) conduct an assessment of the design of the organization's ethics and compliance program and (2) develop a comprehensive risk profile for the organization. Through a series of work steps (e.g., document collection and analyses, interviews, surveys, etc.), this engagement involved assessing the design of the client's ethics and compliance program against a propriety framework that, in turn, is predicated on a wide variety of ethics and compliance program "drivers".¹



The engagement also involved identifying and prioritizing organization-wide ethics and compliance risk topics regarding which risks the client should continue to allocate compliance-related resources. Examples of key risks included:

- Budget Act Compliance
- Conflicts of Interest
- Financial Reporting
- Investment Compliance
- Third Party Risk Management

At the conclusion of the engagement, a presentation of the final report (including observations and recommendations) was provided to the client's board in a public forum.

¹ These "drivers" included, for example, the U.S. Federal Sentencing Guidelines for Organizational Defendants, Department of Justice Guidance on the Evaluation of Corporate Compliance Programs, COSO Internal Control Framework, and the Sarbanes-Oxley Act.

Large Public Pension Fund

FTI was retained by the manager of one of the largest pension funds in the United States to perform an operational due diligence review of several large private equity managers in areas that were identified by the SEC as potential areas of risk. FTI performed an onsite review of the private equity managers in areas including, but not limited to, fee calculations in accordance with policies, disclosure of fees, valuation policy and procedures, financial reporting policies and legal compliance. FTI's review included interviews of key management, review of all relevant policies and procedures, recalculation of fees, expenses and carried interest and review of sample valuations and calculations to evidence that policies and procedures were followed. Our review resulted in various observations and recommendations to enhance the client's due diligence questionnaire.

FTI was engaged by the same pension fund to assess compliance with the operating agreements governing private equity funds, primarily with regard to management fees, investment valuations, and carried interest. FTI reviewed the calculation methodologies prescribed in the operating agreements and assessed whether management fees and carried interest amounts were appropriate. In addition, FTI analyzed capital call notices and distribution notices that were received by and traced the amounts called and distributed to notices received from the underlying funds. FTI also independently confirmed distribution amounts with underlying fund managers.



Wounded Warrior Project Investigation

Wounded Warrior Project (WWP), a charitable organization dedicated to helping veterans and military service members transitioning to civilian life, faced well-publicized media accusations of misusing donor funds by the organizations senior executives and staff. In response, WWP's Board of Directors retained legal counsel and FTI Consulting to perform an independent investigation into the charity's financial reporting and spending practices.

FTI rapidly deployed a team to conduct interviews with all levels of former and current employees, including senior management and the Board of Directors. During the extensive financial assessment, FTI conducted analyses of WWP's program spending to that of comparable non-profit organizations and charities, and conducted a forensic examination of questionable expenditures for travel, entertainment, conferences and other events.

The review revealed the inaccuracy of many accusations previously reported by the media, but also found that some policies, procedures and controls had not adequately evolved with the charity's extremely rapid growth. Based on external counsel's investigation, combined with FTI's analyses, WWP replaced its CEO as part of an effort to strengthen their internal practices and continue their mission to honor and empower Wounded Warriors.



Proposed Work Plan

SUMMARY OF PROPOSED WORK PLAN

Our proposed workplan is designed based on the information provided in the RFP as well as our extensive experience in conducting similar forensic accounting and compliance services. The workplan is designed as a four phased approach to ensure we meet all objectives in this important Assignment in a strategic and efficient manner. We work very collaboratively with our clients in planning and executing engagements. In this regard, we will refine our proposed work plan, if necessary, as work progresses.

PHASE ONE: KICK-OFF, PLANNING, AND SCOPING

To commence the formal engagement, FTI and LACERA will schedule and conduct a project kick-off workshop. The primary objectives of this first phase will be to discuss and confirm the following:

- Project objectives and strategy
- Discuss work steps, level of effort, and division of labor between FTI and LACERA personnel
- Determine communication protocols, status reports, and other logistical items essential from a project-management standpoint
- Discuss more details regarding the final written report and presentation to the Board of Retirement

PHASE TWO: REVIEW AND EVALUATE LACERA'S CURRENT EDUCATION AND TRAVEL POLICY & PROCESSES

FTI will begin by obtaining an understanding of LACERA's current Education and Travel Policy (the "Policy"). This assessment phase will include obtaining an understanding of the processes and procedures pursuant to the Policy, review of existing internal controls, systems used to account for and log Policy data, available accounting and financial data relevant to the Policy (e.g., listing of expenses submitted and approved across periods, by individual), and conducting interviews (we estimate 3-4 interviews) with personnel most knowledgeable about the Policy and procedures including approvals. FTI will then obtain an understanding of how prior versions of the education and travel policy in place during fiscal years 2016 through 2019 materially differed and contemplate those differences in its overall assessments. The results of this phase will help guide the subsequent phases.

Based on our past experiences, we expect the following to be performed as part of our review and evaluation of the Policy:

- Review the Policy, as well as associated policy documents, as applicable, including, for example, the code of ethical conduct, conflict of interest code, and relevant internal documentation supporting these policies.
- Obtain an understanding of the established policies and procedures associated with the Policy including, for example, review and approval of expenses, documentation requirements, timeliness requirements, approval authorities, payment/reimbursement methods, eligible personnel, and enforcement protocols.

- Conduct informational interviews with personnel most knowledgeable to further understand, among other things, relevant business functions including perceived education and travel needs, compliance program elements/activities, the type and location of relevant documents and data, and the identities of knowledgeable personnel who can assist with the identification and collection of relevant data. This is expected to include an assessment of the available documentation and data to design and execute transactional testing in a strategic and efficient manner.
- Obtain an understanding of past and current policies and procedures for conducting periodic reviews and compliance testing associated with the Policy, including to what extent such reviews and/or testing was and/or is conducted by internal audit teams or similar functions. This will also include gaining an understanding of the results of past reviews, including violations and any disciplinary actions, to assist with execution of the ensuing phases of our proposed work plan.

Additionally, FTI will benchmark the Policy including expenses, compliance, processing, accounting, enforcement provisions and practices against peer systems, other organizations, and other leading practices that organizations with mature compliance programs have generally found to be effective. FTI will evaluate LACERA's current state of expense reporting, compliance, and enforcement to identify areas that could be improved, such as:

- The nature, cost, frequency, and extent of education and travel expenses permitted under the Policy;
- Policies, processes, procedures, and protocols for periodic review and reporting of expenditures;
- Policies, processes, procedures, and protocols for escalating, investigating and documenting allegations of misconduct or violations of the Policy;
- Systems and automation to assist in compliance with the Policy and to assist in the proactive identification of potential violations;
- Mechanisms for staff and others to ask questions, raise concerns, disclose potential conflicts of interest, and report suspected or actual misconduct or violations of the Policy on a confidential basis (and anonymously if they wish) and without fear of retaliation;
- Standardized disciplinary actions and remediation measures.

PHASE THREE: REVIEW AND EVALUATE BOARD AND STAFF EDUCATION AND TRAVEL EXPENSES DURING FISCAL YEARS 2016, 2017, 2018, AND 2019

Drawing on the information gathered during the previous phases, and by leveraging our experience in assisting organizations with assessing, strengthening, and improving governance and compliance programs, we will perform a review of all Board and staff education and travel expenses across fiscal years 2016, 2017, 2018, and 2019. This review is expected to include a combination of data analytics and more detailed testing procedures to assess the population of expenses. FTI anticipates using data analytics to evaluate the population of expenses across fiscal years to identify unusual, suspicious and potentially problematic expenses, which will be subjected to further evaluation procedures.² FTI will also perform select testing procedures on transactions

² FTI's proposal and related fees contemplate a two level review: (1) data analytics review and evaluation using data available from LACERA's Travel Manager and accounting system and (2) detailed transactional review of select transactions. To the extent that detailed transactional review of the entire expense population is required, FTI's estimate of fees is subject to change. Any necessary adjustments to fee estimates will be discussed with LACERA as soon as practical.

that are not initially considered unusual, suspicious, or potentially problematic as a means of performing a review across the population.

Based on our past experience, we expect the following to be performed as part of our review and evaluation of Board and staff education and travel expenses:

- Obtain and analyze Board and staff education and travel expenditures incurred during Fiscal Years 2016, 2017, 2018, and 2019.³
- For all Board and staff education and travel expenses, FTI will evaluate whether expenses received proper review(s) and approval(s) by designated personnel in accordance with the Policy. Evaluate the extent to which expenditures were appropriately escalated and/or denied to the extent expenditures are deemed to be out-of-compliance with the Policy.
- FTI will also apply data analytics techniques to review and evaluate the population of expenses across fiscal years to identify unusual, suspicious, or potentially problematic expenses.
- For expenditures identified as unusual, suspicious, or potentially problematic, obtain relevant accounting records and conduct a detailed assessment (e.g., review of expense submissions, approval/denial submissions, supporting documentation for expense reimbursements, etc.) and evaluate the extent to which expenditures complied with the Policy including prior versions applicable to the period under review. Our evaluation is expected to include review of the underlying expense reports and supporting documents (e.g., receipts, invoices, folios, etc.) and evaluation of those expenses against peer systems, other organizations, and other leading practices that organizations with mature compliance programs have generally found to be effective.

PHASE FOUR: PREPARE A WRITTEN REPORT AND PRESENT TO THE BOARD OF RETIREMENT

We intend to work collaboratively with you throughout the course of the Assignment. We will meet with you to review our preliminary observations, recommendations, and findings prior to the preparation of our written report and our presentation to the Board of Retirement.

FTI will include our findings and recommendations in a written report and give a presentation to the Board of Retirement at a public meeting. Overall, our findings and recommendations will focus on practical actions to enhance the Policy to a level at or exceeding that of peer organizations which can be implemented and undertaken in a cost-effective manner. Preliminarily, we anticipate our report will include a:

- Summary of our evaluation of the Policy
- Summary of our testing procedures and findings
- Summary of our benchmarking of the Policy against peer systems, other organizations, and best practices
- Summary of recommendations

³ As part of this phase, FTI will develop a document request list to obtain relevant underlying documents and data related to the Policy.

Estimated Range of Fees

While it is difficult to predict the total professional fees to be expended given our lack of knowledge of certain critical informational components (e.g., the level of information available in electronic format, and the organization and types of documentation and accounting records available to support the transactions and the approval process), based on our extensive experience in conducting similar forensic accounting and compliance services, below is our estimate based on the information available at this time. We are receptive to refining our estimates prior to the selection process based on discussions that you may be willing to have with us. We will, of course, keep you updated on fees incurred throughout the engagement.

A summary of our proposed work plan and estimated range of fees is below.

Phases	Estimated range of fees	
	Low	High
Phase One: Kickoff, Planning, and Scoping We will work with LACERA to schedule and conduct a kick-off meeting where we will work collaboratively to discuss and confirm objectives, strategy, and scope.	\$0 <i>Complimentary</i>	\$0 <i>Complimentary</i>
Phase Two: Policy and Processes Review We will conduct the following work steps to review and evaluate LACERA's current Policy: <ul style="list-style-type: none"> • Collect, analyze, and evaluate LACERA's current Policy and material changes from prior versions – both in terms of the substance of the Policy as well as the user-friendliness and plain-language readability of the Policy • Conduct interviews with key LACERA stakeholders who can provide insights into the letter, spirit, intent, and content of the Policy. We estimate 3-4 interviews • Benchmark LACERA's current Policy against peer organizations and other leading practices • Develop observations and recommendations regarding the Policy's content and format 	\$40,000	\$60,000
Phase Three: Transaction Review In this phase, we will review and conduct detailed testing over all Policy related expenses during the fiscal years 2016, 2017, 2018, and 2019. Our testing is designed to ensure this phase is executed strategically and efficiently.	\$230,000	\$280,000 ⁴
Phase Four: Meet and discuss our preliminary observations, recommendations, and findings and prepare a written report and present to the Board of Retirement.	\$20,000	\$40,000
Total Estimated Range of Fees:	\$290,000	\$380,000

⁴ The range of fees takes into consideration the volume and format of expenditures and associated supporting documentation, including the extent of electronic vs. manual information available.

Our Proposed Team

This engagement will be led by Edward Westerman, who will be supported by Stuart Frankel, Maurice Crescenzi, and Gregg Peat. We are prepared to begin work immediately upon approval by LACERA with the goal of completing our work by October 10, 2019.

As with all of our professional assignments, we will work closely with Mr. Rice to design and execute our work in an efficient and cost-effective manner and provide the highest quality service. These professionals will leverage certain tasks to lower level forensic staff, including from FTI's Los Angeles offices as appropriate. We believe that the compliment of these senior professionals and select junior staff bring to this Assignment the professional experience and expertise to best service your needs.

Below is a brief bio for each of these professionals, with full bios attached to this proposal for your reference.



Edward Westerman SENIOR MANAGING DIRECTOR

edward.westerman@fticonsulting.com

Mr. Westerman is a Senior Managing Director at FTI Consulting and co-leader of the firm's forensic accounting and advisory services practice. He has more than 20 years of experience providing consulting services regarding forensic accounting, investigative due diligence, and compliance, including numerous engagements involving the evaluation of education and travel related expenses.

Mr. Westerman is regularly engaged by counsel representing companies and board of director committees to conduct internal investigations in connection with subpoenas, government inquiries, and whistleblower allegations concerning time and expense fraud, accounting and financial reporting fraud and misappropriation of assets. These projects have pertained to, among other things, fraudulent reimbursements, kickback schemes, and embezzlements. He has assisted with the review and evaluation of company policies, internal controls, and remediation measures. During his career, Mr. Westerman has also been retained by the Securities and Exchange Commission, Department of Justice, California district attorneys, and non-profit entities.



Stuart Frankel CONSULTANT AND ADVISOR

stuart.frankel@fticonsulting.com

Stuart D. Frankel is President and CEO of Capital Formation, LLC, acting as a consultant and advisor to FTI Consulting. Mr. Frankel served as a member of the Board of Directors of Private Equity Holding, a One Billion Euro Fund-of-Funds based in Zurich investing Globally in Venture Capital and Buy-Out Funds, trading on the Swiss Stock Exchange. Mr. Frankel has served as an advisor to the Swiss Airways Pension Plan (Pensionskasse Der Credit Suisse Air Group). Until last year, Mr. Frankel was a member of the Board of Directors of "5E" a Swiss Fund-of Funds investing in Private Equity and Buy-Out Funds, in Central and Eastern Europe. Mr. Frankel has led numerous engagements for retirement and benefits administrators including, for example, CalSTERS and CalPERS.



Maurice Crescenzi

MANAGING DIRECTOR

maurice.crescenzi@fticonsulting.com

A former in-house compliance and ethics officer with more than 27 years of combined industry and Big Four experience, Mr. Crescenzi is a Managing Director within FTI Consulting where he works with clients across a range of industries and geographies on matters related to organizational governance, compliance, ethics, anti-corruption, and risk-management program design, implementation and evaluation. Mr. Crescenzi has conducted ethics and compliance consulting work with the largest state retired teachers system in the United States and for other governmental entities.

Mr. Crescenzi has conducted ethics and compliance work in more than 35 countries and has held in-house compliance officer positions at the leadership level in leading, global consumer products companies such as the Altria family of companies (Philip Morris, Kraft Foods, Miller Brewing, etc.), Schering-Plough Pharmaceuticals, and the DeVry Education Group. In these capacities, Mr. Crescenzi led the design and implementation of the companies' global compliance programs. As a compliance leader, Mr. Crescenzi has served on the companies' management teams, and has reported to the audit committee of the board. His experience includes developing policies, training, communications, and monitoring programs related to education, travel, and entertainment expense policies.

Mr. Crescenzi is recognized member of leading compliance organizations, and he speaks regularly at compliance and ethics conferences, both in the United States and abroad. He is also published on these topics.



Greggory Peat

SENIOR DIRECTOR

gregg.peat@fticonsulting.com

Mr. Peat uses his experience in accounting, auditing, and finance to lead forensic investigatory engagements related to financial and accounting matters. Mr. Peat has experience serving clients related to financial investigations including those related to education and travel expenses. Mr. Peat has advised on investigatory and litigation matters involving complex financial transactions, accounting and auditing, and mergers and acquisitions.

Mr. Peat has extensive knowledge and practical experience in identifying risks in organizations and designing and implementing policies, procedures, and internal controls within organizations to mitigate risks and comply with regulatory and other compliance requirements.

Fee & Expense Structure

FTI's work will be billed at established hourly rates applied to productive hours engaged in providing service plus reasonable out-of-pocket expenses (such as any travel, meals, messenger services, and other expenses specifically related to the Assignment). Hourly rates are based upon the experience and skills of the personnel involved. FTI will not require a retainer, and invoices will be presented on a monthly basis.

The current established hourly rates for our proposed project team leaders and other staff resources by professional level, net of a 25% discount, are as follows:

Project Team Leaders	
Name	Hourly Rate
Edward Westerman	\$630
Stuart Frankel	\$530
Maurice Crescenzi	\$530
Greggory Peat	\$480

Other Staff Resources			
Level	25% Discounted Standard Rate Ranges (USD)		
	Low		High
Senior Managing Director	\$540	-	\$710
Managing Director	490	-	550
Senior Director	460	-	500
Director	380	-	470
Senior Consultant	300	-	380
Consultant	230	-	290
Project Assistant	130	-	210

Client References

Organization	Name	Title	Contact Information
Latham & Watkins	Manny A. Abascal	Partner	+1 213 891 7889 manny.abascal@lw.com Latham & Watkins 355 South Grand Avenue, Suite 100 Los Angeles, CA 90071-1560
Wilson Sonsini Goodrich & Rosati	Caz Hashemi	Partner	+1 650 320 4827 chashemi@wsgr.com Wilson Sonsini Goodrich & Rosati 650 Page Mill Road Palo Alto, CA 94304
CITICPE (former Managing Investment Director at CalPERS)	Réal Desrochers	Managing Director	+1 212 218 1187 Real.desrochers@cpe-fund.com CITICPE 45 Rockefeller Plaza, Suite 1900 New York, New York 10111

Confidentiality Safeguards

FTI consistently works with confidential information received from its clients. Confidentiality is of utmost importance to us and is treated as such by our firm and all professionals. For this engagement, access to the hardcopy and electronic data we receive from LACERA will be limited to those FTI professionals working on the engagement. Public distribution of information provided by LACERA and the work performed and conclusions generated by FTI are controlled by LACERA and FTI will maintain the information in confidence. Our commitment to you in this regard is expressed in detail within the draft FTI letter of engagement that is attached to this proposal.

Any confidential information received by FTI from LACERA will only be used for the purposes of providing or receiving the services under our letter of engagement. Except as provided in FTI's standard terms and conditions attached to our draft letter of engagement, FTI will not disclose LACERA's confidential information to any third party without LACERA's consent. FTI understands that the confidential information, as well as its work product and files may become subject to discovery; however, unless materials are sought by subpoena or other process, they will be maintained by FTI as confidential. Materials and all other working papers and other documents prepared by FTI pursuant to this engagement will be maintained as confidential materials and will not be disclosed to third parties without LACERA's consent, except as may be required by law, regulation, or judicial or administrative process, and, except as prohibited by law, no disclosures will be made to any parties by FTI without first consulting with LACERA.

Language regarding confidential information and treatment is contained in the FTI letter of engagement included as an attachment to our proposal.

A low-angle, upward-looking photograph of a modern glass skyscraper. The building's facade is composed of a grid of windows, reflecting the sky. A vibrant rainbow is visible in the sky above the building. The overall color palette is dominated by blues and teals, with the rainbow adding a splash of color. A dark blue rectangular box is overlaid on the right side of the image, containing the title text.

Proposed Engagement Letter

September 4, 2019

Steven P. Rice, Chief Counsel
Los Angeles County Employees Retirement Association
PO Box 7060
Pasadena, CA 91109-7060

Re: LACERA Governance Consulting Matter
Matter No. 448677.0002

Dear Steven Rice:

This letter will confirm the retention of FTI Consulting, Inc. ("FTI") by the Los Angeles County Employees Retirement Association ("Client") in the above referenced matter (the "Engagement").

FTI's work is to assist Client with consultation and analysis in the above-referenced matter and to perform such other tasks as may be identified during the course of this Engagement.

All professional conclusions will be those of the FTI professionals working on this matter. The Client will make available to FTI the documents necessary for FTI to complete the analysis. Should FTI determine that additional documents are necessary, FTI will make all requests to the Client.

I, Edward Westerman, will maintain overall administrative responsibility for the Engagement, including billing and client relations. I will be actively involved in the performance of the Engagement and will use such other staff for assistance as deemed necessary. FTI's work will be billed at a 25% discount to the established hourly rates applied to productive hours engaged in providing service and out-of-pocket expenses. Hourly rates are based upon the experience and skills of the personnel involved.

The current established hourly rates by professional level, net of the 25% discount, are as follows:

Senior Managing Director	\$540-\$710
Managing Director	\$490-\$550
Senior Director	\$460-\$500
Director	\$380-\$470
Senior Consultant	\$300-\$380
Consultant	\$230-\$290
Project Assistant	\$130-\$210

FTI understands that Client will be solely responsible for payment of its fees and expenses. The name and address of the Client designee to receive and approve FTI's invoice is indicated on the signature page of this letter.

50 California Street | Suite 1900 | San Francisco, CA 94111
415.283.4200 telephone | 415.293.4488 fax | fticonsulting.com

September 4, 2019

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Certain of our services may be subject to sales taxes when oral or written reports are delivered by us in a state that levies sales tax on fees for investigative services. Where divisible, fees for services that are taxable will be detailed separately from non-taxable services.

A copy of FTI's standard terms and conditions, which Client accepts and hereby agrees to, is attached, and together with this letter of engagement, constitute the "Engagement Contract."

Client acknowledges its agreement with this Engagement Contract as evidenced by the signature below. Please return to FTI the signed copy of this Engagement Contract. FTI will not be able to begin work until it has received an executed Engagement Contract. If this Engagement Contract is not executed by Client and returned to FTI within ten days of the date of this letter, the offer to provide services is revoked and this Engagement Contract shall be deemed null and void.

Very truly yours,

FTI CONSULTING, INC.

By: _____
Edward Westerman
Senior Managing Director



Accepted by: Los Angeles County Employees Retirement Association

By: _____

Steven P. Rice, Chief Counsel

Date: _____

Name and Address of Los Angeles County Employees Retirement Association person designated to receive and approve invoices related to this Engagement:

Name: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Does Client require invoices to be submitted via an electronic billing system? Yes: ____ No: ____
If yes, which billing system? _____



FTI Standard Terms and Conditions

FTI's rates are subject to adjustment from time to time and at least annually effective October 1. FTI will advise Client immediately if a rate adjustment is being made. Further, if any work needs to be performed by FTI personnel in our international offices, such work will be billed at the standard rates set forth for the specific international office.

FTI will bill for reimbursement of reasonable and customary out-of-pocket expenses that are directly incurred on the Engagement, such as messenger, travel, meals, accommodations, computing resources, and other expenses specifically related to the Engagement. Further, if FTI and/or any of its employees are required to testify or provide evidence at or in connection with any judicial or administrative proceeding relating to this Engagement to which FTI is not a party, Client will compensate FTI at its regular hourly rates and reimburse FTI for reasonable direct and allocated expenses (including counsel fees) with respect thereto.

All payments will be due upon receipt of the invoice. For your information and use, FTI's Taxpayer Identification Number is 52-1261113. In the event Client disputes any of the fees or expenses on a specific invoice, the Client shall notify FTI within twenty (20) days of receipt of the invoice of such a dispute. If Client fails to notify FTI within the twenty (20) day period, the Client shall have waived its right to dispute such invoice.

Without limiting FTI's other rights and remedies, in the event any payment is not paid by Client within thirty (30) days of the date of invoice, then interest shall accrue, from the thirty-first (31st) day until payment in full is received, at the rate of one and one half (1 ½ %) percent per month. Nothing herein shall be construed as extending the due date of payments to be made by Client under this Agreement. In addition to any other remedies set forth above, and any other remedies available at law, FTI reserves the right to halt further services until payment is received on past-due invoices. It is FTI's normal practice to be paid in full for all work performed to date prior to issuance of a report, deposition testimony and/or trial testimony. Client agrees to pay all court costs, attorney fees (whether or not contingent on collection from Client) and other expenses which may be associated with the collection of unpaid invoices.

FTI's fees and expenses are not contingent upon the final results, nor does it guarantee any result or resolution in connection with this Engagement. FTI will meet with Client regularly to discuss the ongoing work and associated fees.

FTI is a global firm and, through its practice groups and affiliated entities, provides a variety of services to third parties on a non-exclusive basis including by way of example and not limitation, Forensic and Litigation Consulting, Technology Services, Corporate Finance/Restructuring, Economic Consulting and Strategic Communications. Other professionals of FTI may be engaged by parties with interests that are adverse to and may not be consistent with the interests of Client. During the pendency of this



Engagement, the FTI professionals providing services hereunder will not provide services to a party that is adverse to Client in this matter.

The parties hereto agree that any confidential information received from the other party shall only be used for the purposes of providing or receiving Services under this Engagement Contract. Except as provided below, neither party will disclose the other party's confidential information to any third party without the other party's consent. FTI understands that the confidential information, as well as its work product and files may become subject to discovery; however, until such materials are sought by subpoena or other process, they will be maintained by FTI as confidential. It is agreed that those materials and all other working papers and other documents prepared by FTI pursuant to this Engagement will be maintained as confidential materials and will not be disclosed to third parties without Client's consent, except as may be required by law, regulation, or judicial or administrative process. Unless prohibited by law, FTI agrees to notify Client promptly of any of the following events: (a) a request by anyone to examine, inspect, or copy such documents or records; or (b) any attempt to serve, or the actual service of, any court order, subpoena, or summons upon FTI that requires the production of such documents or records. Confidential information shall not include information that is or becomes generally available to the public other than as a result of a breach of a non-disclosure obligation hereunder, is acquired from a third party who, to the recipient party's knowledge, owes no obligation of confidence in respect of the information, or is or has been independently developed by the recipient.

Any advice given or report issued by FTI is provided solely for Client's use and benefit and only in connection with the purposes in which the services are provided including but not limited to all Permitted Disclosures (defined below). Except for Permitted Disclosures (defined below), Client shall not provide any advice given or report issued by FTI to any third party without FTI's prior written consent, which consent shall not be unreasonably withheld or delayed but may be conditioned on the recipient executing a third party release letter in the form provided by FTI. "Permitted Disclosures" means any disclosure that is required by law or legal process or is made in connection with the services or the related investigation, including disclosures in connection with related investigations, remediation, dispute or litigation. In no event shall FTI assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

While FTI's work may include an analysis of financial and accounting data, the Services will not include an audit, compilation or review of any kind of any financial statements or components thereof. Client management will be responsible for any and all financial information they provide to FTI during the course of this Engagement, and FTI will not examine or compile or verify any such financial information. Moreover, the circumstances of the Engagement may cause FTI's advice to be limited in certain respects based upon, among other matters, the extent of sufficient and available data and the opportunity for supporting investigations in the time period. Accordingly, as part of this Engagement, FTI will not express any opinion or other form of assurance on financial statements of the Client.

In the event the Services involve prospective financial information, FTI's work will not constitute an examination or compilation, or apply agreed-upon procedures, in accordance with standards established by the American Institute of Certified Public Accountants or otherwise, and FTI will express no assurance of any kind on such information. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. FTI will take no responsibility for the achievability of results or events projected or anticipated by the management of the Client.



The Client shall notify FTI in writing if Client delivers to FTI any personally identifiable information or equivalent and the Client shall instruct FTI if any additional measures (i.e. data transfer protections) are required. Upon written notice to the Client, FTI will, at its option, destroy or return to the Client all original materials provided by the Client to FTI, and all materials created by FTI specifically for the Client as a result of an engagement; provided, however, that with respect to back-up media, such materials will be overwritten or destroyed, subject to FTI's normal schedule for overwriting and destruction, as the case may be.

If this Engagement involves the processing of personal data as governed by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, the terms of the Data Protection Schedule attached hereto as Schedule A shall apply to this Engagement and it shall form an integral part of this Engagement Contract. In the event of a conflict between the terms of this Engagement Contract and the terms of Schedule A, the terms of Schedule A shall prevail in relation to the processing of such personal data. If such personal data is processed in connection with this Engagement, Client shall notify FTI in writing before any personal data is disclosed to FTI.

Client agrees that FTI shall not be liable under this Engagement Contract to the Client or their respective successors, assigns or affiliates for damages in excess of the total amount of the fees paid to FTI under this Engagement Contract. In no event shall FTI be liable for punitive or consequential damages of any kind. The Client shall indemnify FTI, and hold FTI harmless against any and all claims by third parties for losses, damages or liabilities, including reasonable attorneys' fees and expenses ("Losses"), arising in any manner out of or in connection with this Engagement, unless it is finally judicially determined that such Losses resulted from the gross negligence or willful misconduct of FTI. The terms of this paragraph shall survive the termination of this Engagement Contract and shall apply to any controlling person, director, officer, employee or affiliate of FTI.

The Engagement Contract shall be governed by and interpreted in accordance with the laws of the State of New York, without giving effect to the choice of law provisions thereof.

The United States District Court for the Southern District of New York and the appropriate Courts of the State of New York sitting in the Borough of Manhattan, New York City, shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Engagement and any matter arising from it. The parties submit to the jurisdiction of such Courts and irrevocably waive any right they may have to object to any action being brought in these Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction. In the event that differences concerning the services or other matters arising hereunder should arise that are not resolved by mutual agreement, to facilitate judicial resolution and save time and expense, Client and FTI irrevocably and unconditionally agree to waive a trial by jury in any action, proceeding or counterclaim arising out of or relating to the Engagement Contract.

SCHEDULE A

FTI CONSULTING DATA PROTECTION SCHEDULE

This Data Protection Schedule ("**Schedule**") forms part of the contract for services to which it is an attachment (the "**Contract**") between the client party identified in the Contract (the "**Client**") and the relevant FTI Consulting group entity identified in the Contract ("**FTI**").

1. Definitions

- 1.1 In this Schedule, unless otherwise defined herein, all defined terms shall have the meaning set out in the Contract.
- 1.2 In this Schedule, the following terms shall have the meanings set out below:
- 1.2.1 "**Data Protection Laws**" means applicable legislation protecting the personal data of natural persons and governing the processing of that data, including in particular the GDPR and any national legislation which supplements the GDPR, together with binding guidance and codes of practice issued from time to time by relevant supervisory authorities;
- 1.2.2 "**GDPR**" means the General Data Protection Regulation (EU) 2016/679;
- 1.2.3 "**Personal Data**", "**Process**", "**Controller**", "**Processor**", "**Data Subject**", "**Supervisory Authority**" and "**Personal Data Breach**" shall have the meanings given to them in the Data Protection Laws; and
- 1.2.4 "**Standard Contractual Clauses**" means the standard contractual clauses for the transfer of personal data to controllers established in third countries which do not ensure an adequate level of protection as set out in Commission Decision C(2004)5721, as updated, amended, replaced or superseded from time to time by the European Commission

2. Controller Terms

- 2.1 FTI and the Client will each act as separate and individual Controllers in relation to any Personal Data (including, without limitation, Personal Data relating to any of the Client's workers, FTI's workers, any litigation or arbitration opponent or customer or vendor or transaction partner) Processed by the Client or FTI to deliver the services set out under the Contract.
- 2.2 FTI and the Client will each comply with its own respective obligations under the Data Protection Laws in relation to their Processing of Personal Data under the Contract. In particular, the Client will ensure that any disclosures of Personal Data to FTI are lawful, and, in each case where necessary under the Data Protection Laws, the Client has notified and secured the consent of the relevant Data Subjects.
- 2.3 FTI may appoint Processors as required to deliver the services, who will process the Personal Data on FTI's behalf and at FTI's direction. Further, FTI may disclose Personal Data to other Controllers where necessary to deliver the services (including, but without limitation, law firms, accountants, other third party experts and any member of the FTI Group), or pursuant to a legally binding written request, an order or request of a court of competent jurisdiction or any governmental or regulatory authority or where disclosure is required by applicable law or regulation.
- 2.4 The Client acknowledges and agrees that FTI is located outside of the European Economic Area, and that certain Processors or Controllers engaged by FTI under paragraph 2.3 may also be located outside of the European Economic Area. In respect of onward transfers by FTI to other Controllers or Processors, FTI will

take steps in accordance with the Data Protection Laws to ensure an adequate level of protection for the Personal Data Processed by such Processors or Controllers. In particular, the Client acknowledges that FTI may transfer Personal Data to FTI Consulting, Inc. in reliance upon its certification under the EU - US Privacy Shield scheme.

- 2.5 The Client acknowledges that FTI's email records are replicated onto a Microsoft 365 Cloud system in the United States of America and the Client hereby consents that any Personal Data that is provided to FTI by email will be replicated accordingly. To the extent that the Client wishes to transmit certain information or data to FTI and the Client objects to that data being replicated in accordance with this paragraph, the Client will use a communication or transmission method other than e-mail or will use an alternative e-mail system.



Select Team Biographies



Edward Westerman

SENIOR MANAGING DIRECTOR

Forensic & Litigation Consulting

edward.westerman@fticonsulting.com

FTI Consulting

Certifications

Certified Public Accountant

Certified Fraud Examiner

Professional Affiliations

American Institute of Certified Public Accountants

Association of Certified Fraud Examiners

California Society of Certified Public Accountants

Education

B.S., Accounting, Marquette University

M.B.A., Finance, University of Wisconsin

Edward Westerman is a Senior Managing Director at FTI Consulting and a leader of the forensic accounting and advisory services practice. He has more than 20 years of experience providing consulting services regarding forensic accounting, investigative due diligence, internal controls & compliance, and financial damages.

Mr. Westerman is regularly engaged by counsel representing companies and board of director committees to conduct internal investigations in connection with subpoenas, government inquiries, and whistleblower allegations concerning accounting and financial reporting fraud and misappropriation of assets as well as Section 10A issues raised by auditors. Mr. Westerman has also worked on behalf of pension and investment funds as well as the Department of Justice, the Securities and Exchange Commission, and other California government entities.

Mr. Westerman's projects have been in the US as well as Asia and other foreign jurisdictions and have pertained to SOX and internal control deficiencies, travel and entertainment expense issues, revenue recognition, kickback schemes, reserves, embezzlement, insider trading, registration issues, and financial reporting disclosures. He has assisted with materiality assessments, financial restatements, and internal control and remediation measures.

In addition, Mr. Westerman is regularly retained in various securities litigation and white collar defense matters surrounding auditing, technical accounting issues and alleged fraud. Throughout his career, Mr. Westerman has also provided assistance to counsel, buyers and sellers regarding working capital adjustments, post-closing balance sheet adjustments, earn out calculations, and breach of reps and warranties. He has served as the neutral accounting arbiter adjudicating these disputes.

Mr. Westerman has testified at deposition, arbitration, and state court and has served as an arbiter, special master, and third party neutral in various engagements. During his career, he has participated in numerous speaking panels and other presentations regarding forensic accounting topics.

Prior to joining FTI Consulting, Mr. Westerman was a Managing Director, Leader of the Forensic Accounting practice, and Executive Director of the Litigation, Forensics & Finance business segment of an international firm. He was also a Partner in the Forensic Accounting practice of Deloitte.



Stuart Frankel

CONSULTANT

Capital Formation

stuart.frankel@fticonsulting.com

FTI Consulting

Associations

Capital Formation LLC
Columbia Capital

Education

B.A., Telecommunications,
University of Southern
California

Stuart D. Frankel is President and CEO of Capital Formation, LLC, acting as a consultant and advisor to FTI, Brown Advisor Savano Fund, Pillar Capital, and Columbia Capital. Mr. Frankel recently completed 10 years as member of the Board of Directors of Private Equity Holding, a Fund-of-Funds based in Zurich investing Globally in Venture Capital and Buy-Out Funds, trading on the Swiss Stock Exchange. He has served as an advisor to the Swiss Airways Pension Plan (Pensionskasse Der Credit Suisse Air Group). Until last year Mr. Frankel was a member of the Board of Directors of "5E" a Swiss Fund-of Funds investing in Private Equity and Buy-Out Funds, in Central and Eastern Europe. For both Private Equity Holding and 5E, he advised on fund raising and investor management.

In the Private Equity Industry, he was a General Partner and a Managing Director of Grotech Capital Group from 1982-2009 where he was responsible for all capital formation and fund raising for Grotech III-VII. At Grotech Mr. Frankel raised in excess of one billion dollars for the partnership. During the period from 2005-2008 he raised more than \$500 million from institutional limited partners, including state pension plans, foundations and private pension funds.

Mr. Frankel has held leading management positions at CBS Television, Westinghouse Broadcasting, S&F Communications, and Abell Communications where he was President of the Radio Division and subsequently participated in a management buy out of that company. He graduated from the University of Southern California with a degree in telecommunications.



Maurice L. Crescenzi, Jr.

MANAGING DIRECTOR

Ethics & Compliance | Anti-bribery & Anti-corruption Consulting

maurice.crescenzi@fticonsulting.com

FTI Consulting

Three Times Square
11th Floor
New York, NY 10036

+1 (646) 522 8475

Certifications

Certified Compliance and Ethics Professional (CCEP)

Certification in Executive and Ethical Leadership

Professional Affiliations

Society of Corporate Compliance and Ethics

Global Ethics Summit

Compliance Week

Education

Master of Arts, Law & Governance, Montclair State University

Bachelor of Arts, Political Science, Seton Hall University

A former in-house compliance and ethics officer with more than 27 years of combined industry and Big Four experience, Mr. Crescenzi is a Managing Director within FTI Consulting where he works with clients across a range of industries and geographies on matters related to organizational governance, compliance, ethics, anti-corruption, and risk-management program design, implementation and evaluation.

Experience

A seasoned compliance officer with cross-industry experience, Mr. Crescenzi has conducted ethics and compliance work in more than 35 countries and has held in-house compliance officer positions at the leadership level in leading, global consumer products companies such as the Altria family of companies (Philip Morris, Kraft Foods, Miller Brewing, etc.), Schering-Plough Pharmaceuticals, and the DeVry Education Group. In these capacities, Mr. Crescenzi led the design and implementation of the companies' global compliance programs. As a compliance leader, Mr. Crescenzi has served on the companies' management teams, and has reported to the audit committee of the board.

Mr. Crescenzi is well-versed in leading practices related to effective compliance program design and implementation – across programmatic elements (e.g., risk assessments, code of conduct, training, whistle-blowing, monitoring, etc.) and risk areas (e.g., anti-bribery and anti-corruption, conflicts of interest, antitrust, insider trading, records management, etc.).

Mr. Crescenzi is recognized member of leading compliance organizations, and he speaks regularly at compliance and ethics conferences, both in the United States and abroad. He is also published on these topics.

Industry Experience

Mr. Crescenzi has helped clients design, implement, and evaluate their governance, compliance, and risk-management programs in the following industries:

- Automotive
- Consumer and industrial products
- Energy, power, and utilities
- Financial Services
- Higher education
- Insurance
- Payroll services
- Pharmaceuticals and life sciences
- Retail
- Sports / Mega Sports
- Travel and entertainment

Prevent, Detect, and Respond Compliance Competencies

Mr. Crescenzi provides a full range of proactive and reactive ethics and compliance and anti-corruption services to clients across industries – helping clients prevent, detect, and respond to legal, regulatory, and policy non-compliance and ethical lapses. Some of the services Mr. Crescenzi provides include:

Prevention Services

- Vision, mission, and strategy development
- Compliance program framework design
- Enterprise, compliance, and fraud and misconduct risk assessments
- Compliance and ethics program assessments (at enterprise level, local level, and with regard to specific risk areas)
- Code of conduct development and evaluation
- Plain-language compliance policy development
- Instructor led compliance and ethics training
- Surveys, focus groups, and brainstorming sessions
- Compliance benchmarking research
- Third party compliance programs
- Due diligence and compliance integration
- Compliance and ethics change management
- Compliance monitorships

Detection Services

- Whistle-blowing or “Speaking Up” program design, implementation, and evaluations
- Compliance program monitoring design
- Compliance assessments and testing

Responsive Services

- Deferred prosecution / corporate integrity agreement implementation
- Design and evaluate programs, policies, and protocols related to issue resolution and case management
- Conduct investigations into allegations of misconduct
- Design and evaluate investigative procedures, controls, and protocols

Compliance Risk Domain Experience

Mr. Crescenzi has helped clients assess, design, implement, and optimize their governance structures, compliance programs, and risk-management related controls and systems related to a wide variety of risk areas, including:

- Anti-bribery and corruption
- Anti-harassment and discrimination
- Antitrust and competition law
- Code of conduct
- Conflicts of interest
- Corporate responsibility
- Culture of ethics
- Data privacy
- Environmental, Health & Safety
- Higher education compliance (e.g., FERPA, Student Financing, Hazing, etc.)
- Insider trading
- Intellectual property
- Records and information management
- Social media compliance
- Supply chain
- Sustainability
- Trade and customs



Gregg Peat

SENIOR DIRECTOR

Forensic & Litigation Consulting

gregg.peat@fticonsulting.com

FTI Consulting

Certifications

Certified Public Accountant (CPA)

Certified in Financial Forensics (CFF)

Professional Affiliations

American Institute of Certified Public Accountants (AICPA)

AICPA Forensic and Valuation Services Section Member

Education

B.S., Accountancy, Oregon State University

B.S., Finance, Oregon State University

Gregg Peat is a Senior Director in FTI Consulting's Forensic & Litigation segment. Mr. Peat uses his experience in accounting, auditing, and finance to lead dispute consulting and forensic investigatory engagements mainly related to financial and accounting litigation matters.

Mr. Peat has experience serving clients related to financial investigations and has advised on investigatory and litigation matters involving complex financial transactions, accounting and auditing, and mergers and acquisitions.

Prior to joining FTI Consulting, Mr. Peat provided audit and advisory services at the internationally recognized accounting firm of KPMG, including an international assignment to KPMG's Netherlands firm where he provided US accounting and financial reporting expertise to US SEC filers. His experience includes designing and executing transactional testing for the purpose of expressing opinion(s) over organizations' compliance with internal policies and generally accepted accounting principles.

Mr. Peat has served clients in various industries, including healthcare and not-for-profit, manufacturing, technology, telecommunications, and consumer products industries. Mr. Peat has extensive SEC experience and led advisory engagements for public enterprises, including financial statement investigations, technical accounting consultations and Sarbanes-Oxley implementations for multi-national enterprises abroad. Mr. Peat has extensive experience reviewing and evaluating financial and accounting policies, practices, and methodologies for compliance with company policies and US GAAP. Mr. Peat has extensive knowledge and practical experience in identifying risks in global organizations and designing and implementing internal controls over financial reporting within organizations to mitigate risks and comply with regulatory requirements.

Mr. Peat has led the instruction of a variety of technical accounting and auditing trainings for both foreign and domestic audiences. This has included presenting on technical accounting topics, audit methodologies, SOX 404 compliance and sampling courses.

Mr. Peat is a certified public accountant and certified in financial forensics. Mr. Peat is currently serving on the Oregon Board of Accountancy's Laws and Rules Committee as Committee Chairman and as an Oregon State University Accounting Advisory Board Member to advise on the academic and operational on goings of the University's accounting department.



About
FTI Consulting



About FTI Consulting

FTI Consulting is an independent global business advisory dedicated to helping organizations manage change and mitigate risk: financial, legal, operational, political & regulatory, reputational and transactional.

Individually, each practice is a leader in its specific field, staffed with experts recognized for the depth of their knowledge and a track record of making an impact. Collectively, FTI Consulting offers a comprehensive suite of services designed to assist clients across the business cycle – from proactive risk management to the ability to respond rapidly to unexpected events and dynamic environments.

Our Largest Industry Groups



Construction & Real Estate



Retail & Consumer



Telecom, Media & Technology



Environmental



Energy, Power & Products



Transportation



Healthcare & Life Sciences



Public Sector



Financial Institutions

A Leader Among Leaders

Every year, FTI Consulting helps more than 6,100 organizations globally transform the way they anticipate and respond to events, both at critical moments and for the long haul.

\$3.1BLN

Equity Market Capitalization*

Advisor to

97/100

of world's top law firms

Advisor to the world's

Top 10

bank holding companies

Publicly traded

NYSE:FCN

56/100

of Fortune Global 100
corporations are clients

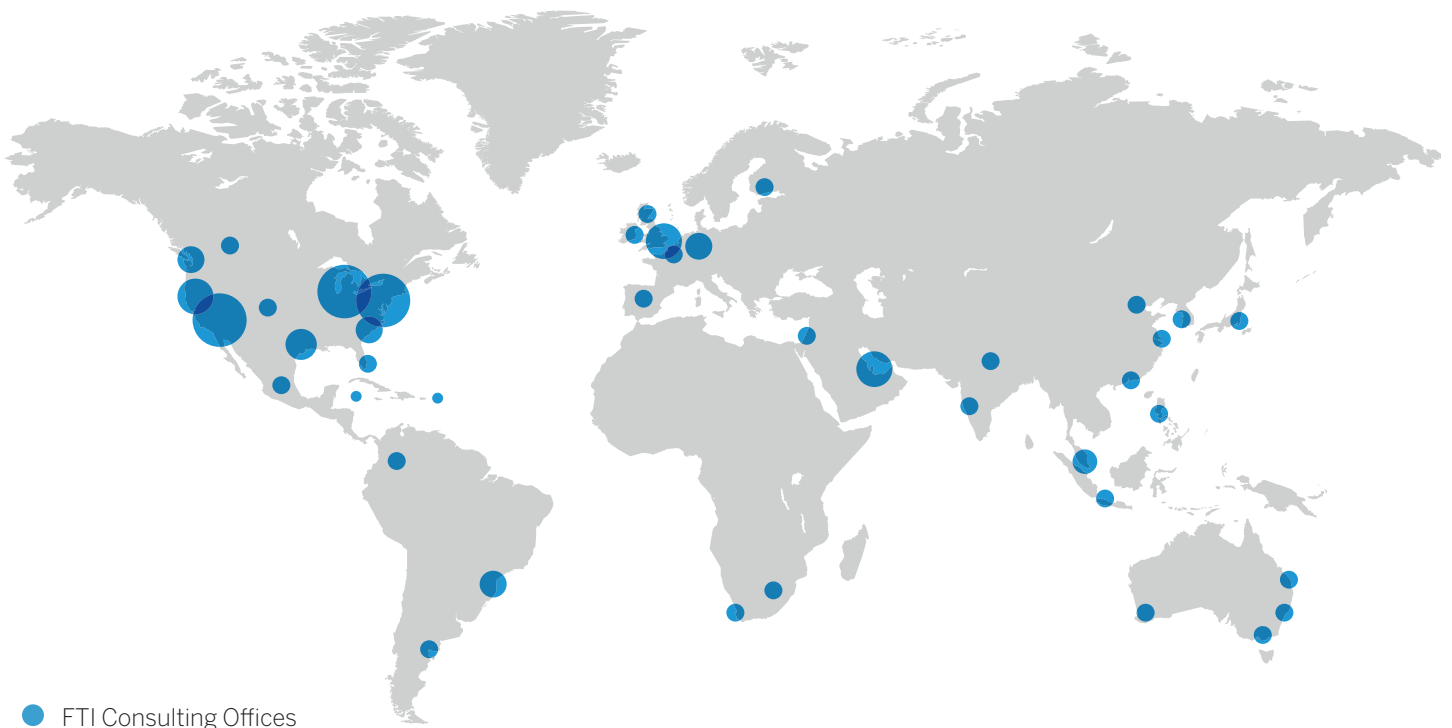
43/100

of FTSE 100 companies
are clients

* Number of total shares outstanding as of March 31, 2019, times the closing share price as of April 25, 2019

Our Global Reach

With more than 4,700 employees and offices in 27 countries on six continents, FTI Consulting's breadth and depth extends across every major social, political and economic hub around the globe.



Asia Pacific

Australia	Korea
China	Malaysia
India	Philippines*
Indonesia	Singapore
Japan	

Latin America

Argentina
Brazil
Caribbean
Colombia
Mexico

North America

Canada
United States

Europe, Middle East & Africa

Belgium	Netherlands
Denmark	Qatar
Finland	South Africa
France	Spain
Germany	United Arab Emirates
Ireland	United Kingdom
Israel	

* Affiliate



FTI Consulting's Definitive Expertise



For the fourth consecutive year, Forbes magazine recognized FTI Consulting in 20 sectors and functional areas in their annual **America's Best Management Consulting Firms** list (2019)



Led the Who's Who Legal Arbitration 2019: **Expert Witnesses** list for the ninth consecutive year, with 54 experts named (2019)



Named a **Best Firm to Work For** by Consulting magazine (2018)



Named International **E-Discovery Solutions** Advisory of the Year, ACQ Global Awards (2017)



#1 **Provider for Cybersecurity** in the Best of Corporate Counsel survey (2017), #1 **Provider for Crisis Management** in the Best of Corporate Counsel survey (2016)



#1 **Restructuring Advisor** by The Deal Pipeline for the last 11 years (2007-2018)



About FTI Consulting

FTI Consulting, Inc. is an independent global business advisory firm dedicated to helping organizations manage change and mitigate risk: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. Connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn.

www.fticonsulting.com

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**FOR INFORMATION ONLY**

September 25, 2019

TO: Each Member
Board of Retirement
Board of Investments

FROM: Beulah Auten, CPA, CGFM, CGMA
Chief Financial Officer

JA
For

SUBJECT: MONTHLY EDUCATION & TRAVEL REPORT – AUGUST 2019

Attached, for your review, are the Board and Staff Education & Travel Reports as of August 2019. These reports include travel (i.e., completed and canceled) during Fiscal Year 2019-2020.

REVIEWED AND APPROVED:

Steven P. Rice
Chief Counsel

BA/IS/krh

Attachment

c: J. Popowich
K. Hines

**BOARD EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
AUGUST 2019**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Alan Bernstein			
A	1 Edu - PPI 2019 Summer Roundtable - Chicago IL	07/10/2019 - 07/12/2019	Attended
Vivian Gray			
B	- Admin - SACRS Program Committee and SACRS Board of Directors Meeting - Sacramento CA	07/15/2019 - 07/16/2019	Attended
	- Admin - SACRS Legislative Committee - Sacramento CA	07/19/2019 - 07/19/2019	Attended
	- Edu - SACRS Public Pension Investment Management Program - Berkeley CA	07/22/2019 - 07/24/2019	Attended
James Harris			
B	- Edu - CALAPRS Principles of Pension Governance - Malibu CA	08/26/2019 - 08/29/2019	Attended
Shawn Kehoe			
A	1 Edu - IAFCI Annual Training Conference & Exhibitor Show - Raleigh NC	08/26/2019 - 08/30/2019	Attended
Wayne Moore			
A	1 Edu - PPI 2019 Summer Roundtable - Chicago IL	07/10/2019 - 07/12/2019	Attended
Gina Sanchez			
A	1 Edu - Oxford Impact Measurement Program - Oxford, United Kingdom	07/15/2019 - 07/19/2019	Attended
Gina Zapanta-Murphy			
B	- Edu - SACRS Public Pension Investment Management Program - Berkeley CA	07/22/2019 - 07/24/2019	Attended
	- Edu - Network Ethnic Physician Organizations (NEPO) Summit - Pasadena CA	08/23/2019 - 08/24/2019	Attended

Category Legend:

- A - Pre-approved conferences and conferences not listed in Attachment C of the LACERA Education and Travel Policy.
- B - Administrative conferences and/or local educational conferences that do not require common carrier travel and lodging totaling less than \$1,500.
- C - Events pending receipt of reimbursement claim.
- X - Canceled events for which expenses have been incurred.

**STAFF EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
AUGUST 2019**

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Benefits				
Sylvia Botros	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Financial & Accounting Services				
Ana Chang	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Esther Chang	1	Edu - Association of Government Accountants (AGA) 2019 Professional Development Training (PDT) - New Orleans LA	07/21/2019 - 07/24/2019	Attended
Chona Labtic-Austin	1	Edu - Association of Government Accountants (AGA) 2019 Professional Development Training (PDT) - New Orleans LA	07/21/2019 - 07/24/2019	Attended
Felisa Valdepenas	1	Edu - Association of Government Accountants (AGA) 2019 Professional Development Training (PDT) - New Orleans LA	07/21/2019 - 07/24/2019	Attended
Edward Wong	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Internal Audit				
Nathan Amick	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Richard Bendall	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Leisha Collins	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Kristina Sun	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Gabriel Tafoya	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Summy Voong	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Investments				
Didier Acevedo	1	Admin - Due Diligence of Illiquid Credit Finalist Managers - New York NY	08/27/2019 - 08/29/2019	Attended
Kevin Bassi	1	Admin - Due Diligence of Clarion Partners - Seattle WA	08/08/2019 - 08/08/2019	Canceled
David Chu	1	Admin - GGV Capital Limited Partner Advisory Committee Roundtable and Private Limited Partner Reception - San Francisco CA	07/25/2019 - 07/25/2019	Attended
Dale Johnson	1	Admin - Due Diligence with Prospective Manager - Plano TX	08/20/2019 - 08/20/2019	Attended
Vache Mahseredjian	1	Admin - Due Diligence of Illiquid Credit Finalist Managers - New York NY	08/27/2019 - 08/29/2019	Attended
Chad Timko	1	Admin - Due Diligence with Prospective Manager - Plano TX	08/20/2019 - 08/20/2019	Attended
	2	Admin - Due Diligence of Illiquid Credit Finalist Managers - New York NY	08/27/2019 - 08/29/2019	Attended
Scott Zdrazil	1	Admin - Council of Institutional Board and Committee meetings - Washington D.C.	07/31/2019 - 08/01/2019	Attended



**STAFF EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
AUGUST 2019**

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
QA & Metrics				
Derwin Brown	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Flora Zhu	1	Edu - ATD Certificate Program - Train the Trainer - Orlando FL	07/08/2019 - 07/10/2019	Attended
Retiree Healthcare				
Tionna Fredericks	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Systems				
James Brekk	1	Edu - IAFCI Annual Training Conference & Exhibitor Show - Raleigh NC	08/26/2019 - 08/30/2019	Attended



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

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

FOR INFORMATION ONLY

September 23, 2019

TO: Each Member
Board of Retirement
Board of Investments

FROM: Barry W. Lew
Legislative Affairs Officer

FOR: October 2, 2019 Board of Retirement Meeting
October 8, 2019 Board of Investments Meeting

SUBJECT: **Monthly Status Report on Legislation**

Attached is the monthly report on the status of legislation that staff is monitoring or on which LACERA has adopted a position.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

LACERA Legislative Report

cc: Steven P. Rice
John Popowich
Jon Gabel
Anthony J. Roda, Williams & Jensen
Joe Ackler, Ackler & Associates

LACERA Legislative Report
2019-2020 Legislative Session
Status as of September 23, 2019

File name: CERL-PEPRA-2019

CA AB 472	AUTHOR: TITLE: INTRODUCED: SUMMARY:	Voepel [R] Public Employees' Retirement 02/11/2019 Makes nonsubstantive changes to existing law which prescribes limits on service after retirement without reinstatement into the applicable retirement system. STATUS: 02/11/2019 Staff_Action:	INTRODUCED. Monitoring
CA AB 664	AUTHOR: TITLE: INTRODUCED: LAST AMEND: SUMMARY:	Cooper [D] County Employees' Retirement: Permanent Incapacity 02/15/2019 03/13/2019 Requires, for purposes of determining permanent incapacity of certain members employed as peace officers in Sacramento County, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer. Requires the Board of Retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement. STATUS: 06/26/2019	In SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Not heard. Comments: In 2017, the Board of Retirement adopted a Neutral position on AB 283 (Cooper), a similar bill by the same author. BOR_Position: Oppose 06/05/2019, Support 05/01/2019 IBLC_Recommendation: Support 04/11/2019 Staff_Recommendation: Watch
CA AB 979	AUTHOR: TITLE: INTRODUCED: SUMMARY:	Reyes [D] Judge's Retirement System II: Deferred Retirement 02/21/2019 Authorizes a judge who is a member of the Judge's Retirement system to retire upon attaining both 63 years of age and 15 or more years of service, or when a judge who has accrued at least 5 years of service and who has not received specified discipline is defeated for reelection. STATUS: 04/24/2019	In ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard. Comments: AB 979 proposes structural changes to the retirement eligibility provisions for judges and a different employee contribution percentage than that which is currently prescribed in PEPRA. Staff_Action: Monitoring
CA AB 1198	AUTHOR: TITLE:	Stone [D] Public Employees' Retirement: Pension Reform	

INTRODUCED: 02/21/2019

LAST AMEND: 03/21/2019

SUMMARY:

Excepts transit workers hired before a specified date, from the Public Employees' Pension Reform Act, or PEPRA, by removing the federal district court contingency language from the provision excepting certain transit workers from PEPRA.

STATUS:

04/24/2019 In ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard.

Comments:

The bill affects those retirement systems whose members include transit workers and whether they are subject to PEPRA.

Staff_Action: Monitoring

CA SB 430

AUTHOR: Wieckowski [D]

TITLE: Public Employees Retirement Benefits: Judges

INTRODUCED: 02/21/2019

LAST AMEND: 05/17/2019

SUMMARY:

Relates to the State Public Employees' Pension Reform Act of 2013. Grants a judge who was elected to office in a specific year the option of making a one-time, irrevocable election to have a membership status prior to a certain date in the Judges' Retirement System II for service accrued after a certain date.

STATUS:

06/26/2019 In ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard.

Staff_Action: Monitoring

CA SB 783

AUTHOR: Labor, Public Employment & Retirement Cmt

TITLE: County Employees Retirement Law of 1937

INTRODUCED: 03/07/2019

SUMMARY:

Corrects several erroneous and obsolete cross references within the County Employees Retirement Law of 1937.

STATUS:

05/16/2019 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

Comments:

The bill will be forwarded to the SACRS member systems for review and voting instructions for approval at the SACRS 2019 Fall Conference.

Staff_Action: Monitoring

File name: Federal-2019

US HR 141

SPONSOR: Davis R [R]

TITLE: Government Pension Offset Repeal

INTRODUCED: 01/03/2019

SUMMARY:

Amends Title II of the Social Security Act; repeals the Government pension offset and windfall elimination provisions.

STATUS:

01/31/2019 In HOUSE Committee on WAYS AND MEANS: Referred to

Subcommittee on SOCIAL SECURITY.
BOR_Position: Support 04/11/2019
IBLC_Recommendation: Support 03/14/2019
Staff_Recommendation: Support

US HR 1994

SPONSOR: Neal [D]
TITLE: Retirement Savings
INTRODUCED: 03/29/2019
SUMMARY:

Amends the Internal Revenue Code; encourages retirement savings.

STATUS:

05/23/2019 In HOUSE. Considered under the provisions of Rules Committee Resolution H. Res. 389.

05/23/2019 In HOUSE. Passed HOUSE. *****To SENATE. (417-3)

Comments:

Also known as the SECURE Act, the bill would increase the age for required minimum distributions from 70 1/2 to 72, which would require conforming amendments to CERL.

Staff_Action: Monitoring

US HR 3934

SPONSOR: Brady K [R]
TITLE: Windfall Elimination Provision Replacement
INTRODUCED: 07/24/2019
SUMMARY:

Amends Title II of the Social Security Act; replaces the windfall elimination provision with a formula equalizing benefits for certain individuals with non-covered employment.

STATUS:

07/24/2019 INTRODUCED.

07/24/2019 To HOUSE Committee on WAYS AND MEANS.

Staff_Action: Monitoring

US S 521

SPONSOR: Brown S [D]
TITLE: Government Pension Offset Repeal
INTRODUCED: 02/14/2019
SUMMARY:

Amends Title II of the Social Security Act; repeals the Government pension offset and windfall elimination provisions.

STATUS:

02/14/2019 INTRODUCED.

02/14/2019 In SENATE. Read second time.

02/14/2019 To SENATE Committee on FINANCE.

BOR_Position: Support 04/11/2019

IBLC_Recommendation: Support 03/14/2019

Staff_Recommendation: Support

File name: Other-2019

CA AB 199

AUTHOR: Calderon I [D]
TITLE: California Online Notary Act of 2019
INTRODUCED: 01/10/2019
SUMMARY:

Allows a notary public or an applicant for appointment as a notary public to register with the Secretary of State to be an online notary public by submitting

an application for registration that meets certain requirements. Authorizes an online notary public to perform notarial acts, and online notarizations by means of audio-video communication. Establishes various requirements applicable to an online notary public.

STATUS:

04/23/2019 In ASSEMBLY Committee on JUDICIARY: Not heard.
BOR_Position: Oppose 08/07/2019
IBLC_Recommendation: Support 07/11/2019
Staff_Recommendation: Support

CA AB 287

AUTHOR: Voepel [R]
TITLE: Public Employees' Retirement: Annual Audits
INTRODUCED: 01/28/2019
SUMMARY:

Requires each state and local pension or retirement system to post a concise annual audit of the investments and earnings of the system on that system's internet website no later than the ninetieth day following the audit's completion.

STATUS:

02/07/2019 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
BOR_Position: Support 05/01/2019
IBLC_Recommendation: Support 04/11/2019
Staff_Recommendation: Neutral

CA AB 1212

AUTHOR: Levine [D]
TITLE: Public Employees' Retirement: Pension Fund
INTRODUCED: 02/21/2019
LAST AMEND: 08/12/2019
SUMMARY:

Requires a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards, as described, and to provide it to them. Requires a state agency also to provide further project information to a board upon request. Defines a state agency for these purposes as the Department of Transportation and the Department of Water Resources.

STATUS:

09/19/2019 *****To GOVERNOR.
Staff_Action: Monitoring

CA AB 1332

AUTHOR: Bonta [D]
TITLE: Sanctuary State Contracting and Investment Act
INTRODUCED: 02/22/2019
LAST AMEND: 04/29/2019
SUMMARY:

Provides for the Sanctuary State Contracting and Investment Act. Requires the Department of Justice to publish a list on its internet website, based on specified criteria, of each person or entity that, in the opinion of the Department of Justice, is providing data broker, extreme vetting, or detention facilities support to any federal immigration agency. Prohibits an agency from entering into a contract with an entity that appears on the list except under certain circumstances.

STATUS:

05/16/2019 In ASSEMBLY Committee on APPROPRIATIONS: Held in

committee.

Comments:

As amended on 4/10/2019, the bill exempts contracts and agreements related to administration and investments of retirement benefits.

Staff_Action: Monitoring

CA AB 1400

AUTHOR: Kamlager-Dove [D]

TITLE: Employment Safety: Firefighting Equipment: Mechanics

INTRODUCED: 02/22/2019

LAST AMEND: 09/06/2019

SUMMARY:

Requires the Commission on Health and Safety and Workers' Compensation, in partnership with the County of Los Angeles and relevant labor organizations, to submit a study on the risk of exposure to carcinogenic materials and incidence of occupational cancer in mechanics who repair and clean firefighting vehicles in the County of Los Angeles.

STATUS:

09/20/2019 Enrolled.

Comments:

As amended on 7/2/2019, the bill no longer relates to a cancer presumption but would require a study on exposure to carcinogens and incidence of occupational cancer as well as adoption of related regulations. The LA County Board of Supervisors removed its support of the bill and has taken no position.

BOR_Position: No_Position 08/07/2019

IBLC_Recommendation: Watch, Watch 07/11/2019

Staff_Recommendation: Watch

CA SB 343

AUTHOR: Pan [D]

TITLE: Healthcare Data Disclosure

INTRODUCED: 02/19/2019

LAST AMEND: 08/12/2019

SUMMARY:

Eliminates alternative reporting requirements for certain plans or insurers. Requires instead that those entities report information consistent with any other health care service plan, health insurer, or health facility, as appropriate. Eliminates the authorization for hospitals to report specified financial and utilization data to the Office of Statewide Health Planning and Development.

STATUS:

09/05/2019 Chaptered by Secretary of State. Chapter No. 2019-247

BOR_Position: Watch 08/07/2019

IBLC_Recommendation: No_Position 07/11/2019

Staff_Recommendation: No_Position

CA SJR 3

AUTHOR: Wilk [R]

TITLE: Social Security Act

INTRODUCED: 03/04/2019

SUMMARY:

Requests the Congress of the United States to enact, and the President to sign, legislation that would repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act.

STATUS:

08/19/2019 Chaptered by Secretary of State.

08/19/2019 Resolution Chapter No. 2019-129

BOR_Position: Support 05/01/2019
Staff_Recommendation: Support

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