

LIVE VIRTUAL BOARD MEETING



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TO PROVIDE PUBLIC COMMENT

You may submit a request to speak during Public Comment or provide a written comment by emailing PublicComment@lacera.com. If you are requesting to speak, please include your contact information, agenda item, and meeting date in your request.

Attention: Public comment requests must be submitted via email to PublicComment@lacera.com no later than 5:00 p.m. the day before the scheduled meeting.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT

AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

8:00 A.M., WEDNESDAY, OCTOBER 28, 2020

This meeting will be conducted by the Board of Retirement and Board of Investments by teleconference under the Governor's Executive Order No. N-29-20.

Any person may view the meeting online at
https://members.lacera.com/lmpublic/live_stream.xhtml.

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

I. CALL TO ORDER

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of September 30, 2020

B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of September 30, 2020

III. PUBLIC COMMENT

(*You may submit written public comments by email to PublicComment@lacera.com. Please include the agenda number and meeting date in your correspondence. Correspondence will be made part of the official record of the meeting. Please submit your written public comments or documentation as soon as possible and up to the close of the meeting.

You may also request to address the Boards. A request to speak must be submitted via email to PublicComment@lacera.com no later than 5:00 p.m. the day before the scheduled meeting. Please include your contact information, agenda item, and meeting date so that we may contact you with information and instructions as to how to access the Board meeting as a speaker.)

October 28, 2020

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IV. NON-CONSENT ITEMS

- A. Recommendation as submitted by the Ad Hoc Media and Public Relations Consultant RFP Committee, Santos H. Kreimann, Chief Executive Officer, and Steven P. Rice, Chief Counsel: That the Boards approve the engagement of EKA Englander Knabe and Allen as media and public relations consultant.
(Memo dated October 19, 2020)

V. REPORTS

- A. Diversity, Equity, and Inclusion in the Boardroom, Part 2 – Continuing the Conversation, Embracing the Commitment, as submitted by Santos H. Kreimann, Chief Executive Officer and Carly Ntoya, Human Resources Director. (Memo dated October 21, 2020)

Rodney S. Patterson, The Learner's Group
Lisa Summerour, Ph.D., The Learner's Group
Brent Bilodeau, Ph.D., The Learner's Group

VI. NON-CONSENT ITEMS (Continued)

- A. Recommendation as submitted by the Ad Hoc Fiduciary Counsel RFP Committee, Santos H. Kreimann, Chief Executive Officer, and Steven P. Rice, Chief Counsel: That the Boards approve the engagement of 1) Klausner Kaufman Jensen & Levinson, 2) Nossaman LLP, and 3) Olson Remcho LLP as LACERA's fiduciary counsel panel for a five-year term. (Memo dated October 19, 2020)

VII. ITEMS FOR STAFF REVIEW

VIII. GOOD OF THE ORDER

IX. ADJOURNMENT

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

**Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.*

MINUTES OF THE BOARD OF RETIREMENT FROM
A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT
AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, SEPTEMBER 30, 2020

This meeting was conducted by the Board of Retirement and Board of Investments
by teleconference under the Governor's Executive Order No. N-29-20.

RESENT: Herman B. Santos, Chair

Vivian Gray, Vice Chair

JP Harris, Alternate Retiree Member

Keith Knox (Joined at 9:10 a.m.)

Wayne Moore

Ronald Okum

Les Robbins

Shawn Kehoe

Thomas Walsh

ABSENT: William Pryor, Alternate Safety Member

Gina Zapanta, Secretary

BOARD OF INVESTMENTS

PRESENT: David Green, Chair

Herman B. Santos, Vice Chair

September 30, 2020

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BOARD OF INVESTMENTS (Continued)

Wayne Moore, Secretary

Alan Bernstein

Shawn Kehoe

Keith Knox

David Muir

Gina Sanchez

ABSENT: Elizabeth Greenwood

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Jon Grabel, Chief Investments Officer

Steven P. Rice, Chief Counsel

Ted Granger, Interim Chief Financial Officer

Ervin Wu, Interim Accounting Officer

Richard Bendall, Chief Audit Executive

Mosaic Governance Advisors

Amy McDuffy

Catherine Jackson

David Maurek

Reed Smith LLP

Harvey Leiderman, Fiduciary Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Bozajian and Carter Insurance Services
Brian Bozajian, Insurance Agent

Glaser and Weil, LLP
Patricia Glaser
Michael Cypers

I. CALL TO ORDER

The meeting was called to order by Mr. Green at 9:00 a.m., in the Board Room of Gateway Plaza.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of August 18, 2020

Ms. Santos made a motion, Mr. Kehoe seconded, to approve the minutes of the special meeting of August 18, 2020. The motion passed (roll call) with Messrs. Walsh, Okum, Moore, Kehoe, Robbins, Santos and Ms. Gray voting yes.

B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of August 18, 2020

No action was taken on this item by the Board of Retirement.

III. PUBLIC COMMENT (Mr. Knox joined the meeting at 9:10 a.m.)

Damien Goodmon, Robert Farrell, Michael Guynn, Jan Williams, Jacqueline Taylor, David Odusanya, Vusisizwe Azania, Wendell Robinson, Ken Herbs, Beverly Taylor, Jackie Ryan and Linda Sam addressed the Boards regarding the Baldwin Hills Crenshaw Plaza investment transaction.

III. PUBLIC COMMENT (Continued)

Monique Bacon, Talia Shanell, Jess Estes, Jared Tolbert, Dante, Mary Calhoun, Felisa Gonzalez, Nolan Miller, Nancy Taylor, Alison Riley, Andrea Rojas, David Odusanya, Amber Height, Cynthia Machennname, Minerva Garcia, Nicole Battaglia, Eleni Johnson, Karla Montgomery, and April Robinson provided written comments regarding the Baldwin Hills Crenshaw Plaza investment transaction.

Alyssa Giachino, Ed Gadomski, David Hannon, Steve Schragg and Brenda Morisette addressed the Board regarding the Private Equity firm, Leonard Green. Steven Schrag and Alyssa Giachino provided a written comments related to this matter.

IV. REPORTS

- A. Review of the Education and Travel Policy, Expenses, and Practices Summary Report as submitted by Mosaic Governance Advisors, LLC.
(Report dated September 15, 2020)
(Presentation dated September 30, 2020)

Amy McDuffee, CEBS
Catherine Jackson, CPA, CA
David Maurek, CPA

(Mr. Okum left the meeting at 11:00 a.m.)

Ms. McDuffee, Ms. Jackson and Mr. Maurek provided a presentation and answered questions from the Board.

Mr. Kehoe made a motion, Ms. Gray seconded, to bring this item to the Joint Organizational Governance Committee for further review. The motion passed (roll call) with Messrs. Knox,

IV. REPORTS (Continued)

Walsh, Moore, Kehoe, Robbins, Santos and Ms. Gray voting yes.

- B. Management's Response to Mosaic Report on Review of Education and Travel Policy, Expenses, and Practices as submitted by Santos H. Kreimann, Chief Executive Officer. (Memo dated September 23, 2020)

Mr. Kreimann and Mr. Rice were present to answer questions from the Boards.

V. NON-CONSENT ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Boards approve an amendment to the Chief Executive Officer's Employment Agreement to provide that, due to the unavailability in the present market of life insurance as required by the agreement, LACERA will, until such time as insurance can be obtained, pay \$200,000 to the CEO's beneficiaries upon his death while employed by LACERA and for the rest of his life if employed at least three years after his original start date, provided he is not terminated by LACERA. (Memo dated September 22, 2020)

(Mr. Okum joined the meeting at 11:53 a.m.)

Mr. Rice and Harvey L. Leiderman of Reed Smith LLP provided a presentation and answered questions from the Board.

Mr. Kehoe made a motion, Ms. Gray seconded, to approve an amendment to the Chief Executive Officer's Employment Agreement to provide that, due to the unavailability in the present market of life insurance as required by the agreement, LACERA will, until such time as insurance can be obtained, pay \$200,000 to the CEO's beneficiaries upon his death while employed by LACERA and for the rest of his life if employed at least three years after his original start date, provided he is not terminated by

V. NON CONSENT ITEMS (Continued)

LACERA. The motion passed (roll call) with Messrs. Knox, Walsh, Okum, Moore, Kehoe, Robbins, Santos and Ms. Gray voting yes.

VI. ITEMS FOR STAFF REVIEW

There were no Items for Staff Review.

VII. GOOD OF THE ORDER

There was nothing to report during Good of the Order.

VIII. EXECUTIVE SESSION

- A. Public Employment
(Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

Title: Chief Executive Officer

The Boards did not meet regarding this item.

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

1. Number of Potential Cases: 1

The Boards met with legal counsel to discuss one piece of anticipated litigation. The Boards did not take any action.

VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:30 p.m.

September 30, 2020

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GINA ZAPANTA, SECRETARY

HERMAN SANTOS, CHAIR

MINUTES OF THE BOARD OF INVESTMENTS FROM
A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT
AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
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PRESENT: David Green, Chair

Herman B. Santos, Vice Chair

Wayne Moore, Secretary

Alan Bernstein

Shawn Kehoe

Keith Knox (Joined the meeting at 9:10 a.m.)

David Muir

Gina Sanchez

ABSENT: Elizabeth Greenwood

BOARD OF RETIREMENT

PRESENT: Herman B. Santos, Chair

Vivian Gray, Vice Chair

JP Harris, Alternate Retiree Member

Keith Knox

September 30, 2020

Page 2

BOARD OF RETIREMENT (Continued)

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Ronald Okum

Les Robbins

Shawn Kehoe

Thomas Walsh

ABSENT: William Pryor, Alternate Safety Member

Gina Zapanta, Secretary

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Patricia Glaser
Michael Cypers

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II. APPROVAL OF MINUTES

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No action was taken on this item by the Board of Investments.

- B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of August 18, 2020

Mr. Muir made a motion, Ms. Sanchez seconded, to approve the minutes of the special meeting of August 18, 2020. The motion passed (roll call) with Messrs. Santos, Kehoe, Moore, Bernstein, Muir, Green and Ms. Sanchez voting yes.

III. PUBLIC COMMENT (Mr. Knox joined the meeting at 9:10 a.m.)

Damien Goodmon, Robert Farrell, Michael Guynn, Jan Williams, Jacqueline Taylor, David Odusanya, Vusisizwe Azania, Wendell Robinson, Ken Herbs, Beverly Taylor, Jackie Ryan and Linda Sam addressed the Board regarding the Baldwin Hills Crenshaw Plaza investment transaction.

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(Presentation dated September 30, 2020)

Amy McDuffee, CEBS
Catherine Jackson, CPA, CA
David Maurek, CPA

Ms. McDuffee, Ms. Jackson and Mr. Maurek provided a presentation and answered questions from the Board.

Mr. Santos made a motion, Mr. Bernstein seconded, to bring this item to the Joint Organizational Governance Committee for further review. The motion passed (roll call) with Messrs. Knox, Santos, Kehoe, Moore, Bernstein, Muir, Green and Ms. Sanchez voting yes.

IV. REPORTS (Continued)

- B. Management's Response to Mosaic Report on Review of Education and Travel Policy, Expenses, and Practices as submitted by Santos H. Kreimann, Chief Executive Officer. (Memo dated September 23, 2020)

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V. NON CONSENT ITEMS (Continued)

Moore, Bernstein, Muir, Green and Ms. Sanchez voting yes.

VI. ITEMS FOR STAFF REVIEW

There were no Items for Staff Review.

VII. GOOD OF THE ORDER

There was nothing to report during Good of the Order.

VIII. EXECUTIVE SESSION

- A. Public Employment
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VIII. ADJOURNMENT

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September 30, 2020

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WAYNE MOORE, SECRETARY

DAVID GREEN, CHAIR

October 19, 2020

TO: Each Trustee,
Board of Retirement

Each Trustee,
Board of Investments

FROM: Ad Hoc Media and Public Relations Consultant RFP Committee
Vivian Gray, Board of Retirement
JP Harris, Board of Retirement
Ronald Okum, Board of Retirement
David Green, Board of Investments
Wayne Moore, Board of Investments
Gina Sanchez, Board of Investments

FOR: October 28, 2020 Joint Board of Retirement and Board of Investments Meeting

SUBJECT: Recommendation for Approval of EKA Englander Knabe & Allen as Media and Public Relations Consultant

RECOMMENDATION

That the Board of Retirement and Board of Investments approve the engagement of EKA Englander Knabe & Allen as media and public relations consultant.

LEGAL AUTHORITY

The Boards have plenary authority and fiduciary responsibility for the administration and investment of the fund. Cal. Const., art. XVI, § 17; Cal. Gov't Code §§ 31520; 31595. Engagement of a media and public relations consultant to assist in effective communication to members, employees, the public, the media, and other stakeholders concerning plan administration, investments, thought leadership, and other activities of the fund is within the scope of the Boards' authority.

DISCUSSION

A. Need for a Media and Public Relations Consultant.

This recommendation addresses LACERA's need to deepen and strengthen its media and public relations capabilities through the addition of an external consultant to work with internal resources.

LACERA and the Boards interact with stakeholders, including the plan sponsor, members and beneficiaries, employees, and the public, through media and public relations. Stakeholders' views of the fund are influenced by the information they receive about the

organization in the media, which broadly includes the written press, other traditional media, and social media and other third-party providers of information. LACERA also releases information directly to stakeholders through internally generated communications, publications, lacera.com, member service, and other statements. All these external and internal channels of information are collectively part of media and public relations.

During the past five years, and possibly earlier, external media and public relations services have been obtained ad hoc on an as-needed, case-by-case basis by the Chief Executive Officer or in certain circumstances through other staff or as a subcontractor through other vendors. External services have been provided through at least four different firms during this period. Because services have been obtained ad hoc, intermittently, and through different providers, these efforts have had mixed results, and there has been no overall strategic plan or continuity of approach to externally provided media and public relations efforts.

LACERA separately provides media and public relations through the Communications Division, which does an excellent job of producing a large volume of important, high quality, consistent, and impactful work on a continuous basis throughout the year in close collaboration with the Executive Office and other staff.

Based on this recognized need and input from trustees, the Joint Organizational Governance Committee (JOGC) acted at its April 29, 2020 meeting to recommend that the Board of Retirement and Board of Investments approve issuance of a Request for Proposals (RFP) for a media and public relations consultant to work with the Boards and internal staff to develop a cohesive strategic plan for LACERA. The consultant will have the expertise and contacts to understand and address all the many aspects of LACERA's business, including member service, benefits, investments, and others as well as larger public issues regarding defined benefit public pension plans that may arise in the media. In addition to assistance on strategic issues, the consultant will assist the Boards and staff in providing effective messaging on specific media and public relations issues that arise for immediate response from time to time, and will help in communicating LACERA's successes, thought leadership, and positive image in the media and with stakeholders on an ongoing basis.

It is important to emphasize that the media and public relations consultant will not replace or be duplicative of the Communications Division or the Public Information Officer (PIO) included in the proposed 2020-21 budget. Instead, the consultant will work with Communications, including the PIO, as well as the Executive Office, Investments Division, Legal Office, and other divisions as appropriate, on both strategic and tactical media and

public relations issues as part of a cohesive team approach that leverages both internal and external knowledge and capabilities.

At the BOR meeting on May 7, 2020 and the BOI meeting on May 13, 2020, the Boards approved the JOGC's recommendation and authorized issuance of an RFP for a media and public relations consultant.

B. Appointment and Work of the Ad Hoc Committee.

Twelve proposals were received in response to the RFP:

1. Cerrell Associates, Inc.
2. Cognito
3. Communications Strategy Group
4. EKA Englander Knabe & Allen
5. Fiona Hutton & Associates
6. Fraser Communications
7. FTI Consulting
8. LexisNexis
9. Marketcom PR
10. Olmstead Williams Communications, Inc.
11. Sard Verbinnen & Co.
12. Sitrick and Company

To assist in evaluating the proposals and making an advisory recommendation to the Boards, the Chairs appointed a joint ad hoc committee. The committee was assisted in its work by LACERA's Chief Executive Officer and Chief Counsel.

The committee met five times and engaged in the following process:

Step One – Discussion of Desired Attributes. The committee's initial meeting was devoted to discussion of the skills, qualities, and experience desired in LACERA's media and public relations consultant. The committee focused on "outreach" as the overarching theme, covering the ability to effectively communicate LACERA's strengths and positions across all LACERA's diverse stakeholder groups and interested parties. Within this theme, the committee identified six categories of selection criteria:

- Strategic, Tactical, and Opportunistic Mindset
- Communicating LACERA, with an Appreciation of All Stakeholders
- Knowledge and Experience
- Personal Traits
- Composition and Quality of Team, including Diversity
- Pricing and Value

Step Two – Review of Proposals and Identification of Semi-Finalists. The committee members read all twelve proposals, which together were over 900 pages. The committee members then discussed the proposals at length, based on the attributes listed above, to select five semi-finalist firms for interview. The semi-finalist firms were Cerrell Associates, Inc., Communications Strategy Group, EKA Englander Knabe & Allen, Fiona Hutton & Associates, and Sard Verbinnen & Co.

Step Three – Interviews of Semi-Finalists. Over the course of three meetings, the committee interviewed the proposed teams from each of the five semi-finalist firms. The interviews consisted of presentations by each firm, followed by questions from the committee members. The committee questions focused on areas, for example, such as: prior experience in the public pension area; proactive strategies to anticipate potential communication issues before they occur; specific public relations scenarios; strategies to communicate and enhance LACERA's brand; promoting LACERA's thought leadership; communicating LACERA's commitment to diversity, equity, and inclusion; proposals for Board support and interaction; interaction with the PIO and other staff; use of social media; investment knowledge; composition and role of each person in each firm's support team for LACERA; and promotion of LACERA in the broader diverse community, locally and beyond.

Step Four – Discussion, Evaluation, and Recommendation of Final Firm. Following the last interview and continuing into a fifth meeting, the committee discussed each of the firms at length and evaluated their strengths and weaknesses in detail. After a great deal of conversation with many perspectives expressed and carefully considered, the committee voted a final firm to be advanced to the Boards. The recommended firm is EKA Englander, Knabe & Allen (EKA).

The basis for the recommendation of EKA is discussed below. In addition, EKA will attend the joint board meeting, make a presentation (which is attached to this memo), and be available to answer questions from all trustees.

C. Qualifications of EKA Englander Knabe & Allen.

Founded in 2005, EKA is a Los Angeles-based firm providing strategic counsel on a range of issues, with particular focus on targeted communications, media relations, community relations, reputation and crisis management, public affairs, and marketing material development. EKA has experience in public pension issues throughout its existence, including, for example, representation of an employee organization in public relations communications regarding the impact of pension-related legislative proposals.

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EKA employs professionals from disciplines such as traditional and social media, community organizing, government affairs, law, public safety, and public relations. EKA's proposed team for LACERA includes:

- Eric Rose. Mr. Rose will be LACERA's lead consultant. He has more than two decades of experience advising companies, associations, and individuals on a wide range of political, governmental, and public relations issues, including public pension issues.
- Marcus Allen. Mr. Allen brings more than twenty years of public policy and project management experience, including service in Los Angeles City government positions.
- Hilary Ku'uleinani Brown. Ms. Brown is a public relations professional with experience in developing and applying proactive and defensive public affairs campaigns and community relations projects. She is experienced in social media and in the preparation of collateral public relations materials.
- Celine Cordero. Ms. Cordero has over fifteen years of experience in local, state, and federal governments, including three years as Director of External Affairs as Los Angeles World Airports and positions in Los Angeles City government.
- Jaime de la Vega. Mr. de la Vega has over twenty years of experience in the public sector including positions with the Metro and Metrolink Board of Directors and in Los Angeles City government.
- Kellie Hawkins. Ms. Hawkins has extensive experience in health benefit issues, including serving as Chief Operating Officer for the National Health Foundations. She also held positions with the U.S. Department of Health and Human Services, Los Angeles City government, and private companies.
- Doug Rose. Mr. Rose is a former prosecutor in the San Diego County District Attorney's Office. He served 12 years as an elected general member trustee on the Board of Retirement for the San Diego County Employees Retirement Association (SDCERA), including twice serving as Chair. He also served two terms as President of SACRS. He brings detailed knowledge of California county public pension systems.

During the interview, all proposed team members were present and actively participated in EKA's presentation and answering questions from the committee. They conveyed an energy, focus, and detail of thought in the media and public relations issues facing LACERA. The EKA team discussed community outreach and differing strategies to reach

LACERA's diverse stakeholder groups based on their unique separate perspectives and needs.

In assessing EKA, the ad hoc committee considered the local focus of EKA's practice and extensive Los Angeles City experience as a potential weakness in connection with national and investment issues that may face LACERA. However, EKA has experience beyond City government, including throughout Southern California and in various state and national issues. The committee appreciated EKA's community outreach focus and experience, public pension knowledge, diversity of thought, and passion and energy as strengths that will benefit LACERA.

Chief Counsel received three references for EKA from senior representatives of three present and former clients, all of which are employee organizations. The references were strong. They emphasized the success of EKA's communication initiatives, effectiveness in crisis management, the staff's 24/7 commitment, appreciation for the need to deploy differing strategies directed to impact different elements of the target group (for example, internal vs. external constituencies and generational differences), the use of nuanced strategies striking the correct tone tailored to the project at hand, effectiveness in social media as well as traditional media, and the ability of EKA's staff to effectively function as a team. One reference that relied upon EKA in connection with public pension issues praised the firm's understanding and effectiveness in this area, particularly emphasizing the skill of the proposed team leader for LACERA, Eric Rose. Another reference described the firm's social media skills, including development of a blog, which has turned into a weekly newsletter and topical articles, with a mailing list that now has over 10,000 subscribers. The third reference discussed skill in monthly messaging and in two difficult and important situations involving member deaths.

Chief Counsel also reviewed available media reports mentioning EKA. Some of the reports discussed EKA's billings and aggressive approach. EKA's work for LACERA will be performed under close oversight by staff, and the Boards as needed, to ensure alignment with LACERA's preferred messaging and financial controls.

After completion of the ad hoc committee's work, LACERA entered into a special project contract with EKA for a specific public relations project that required immediate action. That work will not be discussed here because it is not relevant to the ad hoc committee's selection process; it was a matter of other ongoing business to provide necessary support to meet important LACERA needs.

If the Boards approve EKA's engagement for media and public relations services under the RFP, a separate contract will be executed. EKA will perform services for LACERA at a flat hourly rate of \$340, which is competitive with the other firms considered, although

not the lowest rate quoted. The committee believes the rate is appropriate given the strong qualities discussed above.

CONCLUSION

For these reasons, the ad hoc committee supports and recommends that EKA be approved by the Boards to serve as LACERA's media and public relations consultant. Once the contract is executed, staff will work with EKA to appear before the Boards to discuss future plans and initiatives.

Attachment

c: Santos H. Kreimann
Jonathan Grabel
JJ Popowich
Steven P. Rice
Cynthia Martinez

Los Angeles County Employees Retirement Association Request for Proposals for Media and Public Relations Consultant

EKA

GOVERNMENT ADVOCACY
& PUBLIC AFFAIRS



OVERVIEW

- **TEAM**
- **EXPERTISE**
- **APPROACH**
- **EXPERIENCE**
- **CASE STUDIES**
- **QUESTIONS**

TEAM



ERIC ROSE
PARTNER & PROJECT LEAD



MARCUS ALLEN
PARTNER



CELINE CORDERO
SENIOR VP



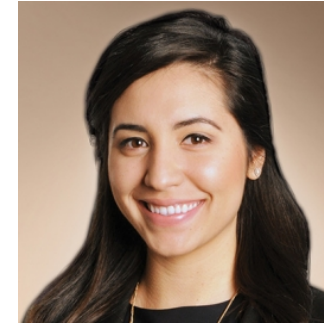
JAIME DE LA VEGA
SENIOR VP



KELLIE HAWKINS
SENIOR VP



DOUG ROSE
SENIOR ASSOCIATE



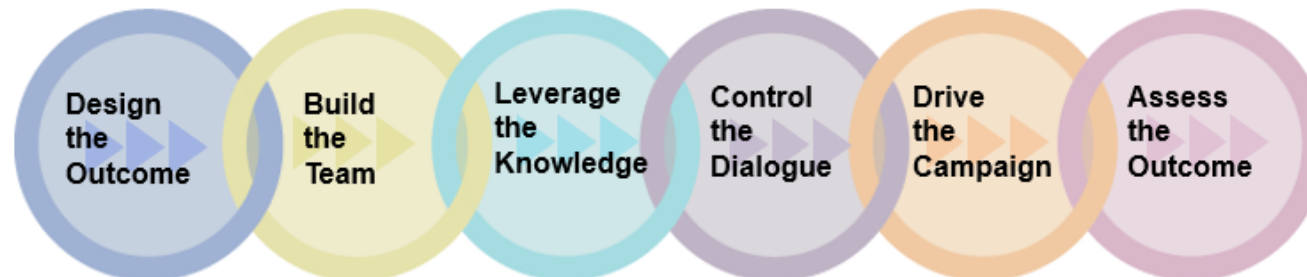
HILARY KU'ULEINANI BROWN
DIRECTOR

EXPERTISE

- EKA provides a full **strategic public relations service**, including **public affairs, media relations**, and **crisis communications**.
- EKA is an expert in **managing complex and nuanced communications** challenges, particularly in crisis management and legislative communications.
- The EKA team and project lead are **available 24/7** to respond to any crisis communications issues and will be prepared to draft and execute any messaging at any time.
- EKA has **extensive knowledge** of the inner workings of both the **City and County of Los Angeles**, and we have **long-standing relationships** with elected officials, staff, and members of the media.
- Multiple EKA staff have **experience in the highest level of local politics**, including elected official offices and lead agencies/departments.
- EKA has experience providing a variety of public affairs and advocacy services to both **public & private sector member service organizations**.
- EKA offers real-time traditional and news **media tracking**.

APPROACH

- **Phase I: Strategic Planning Process with LACERA team**
 - Allow EKA to understand LACERA's goals and expected outcomes
 - EKA provide an overview of the political and financial landscape for the appropriate local jurisdictions
 - Assess the issues and research accordingly to ensure we are aware of all relevant facts and information
- **Phase II: EKA to Develop Work Plan**
 - EKA will create a focused, targeted, and fluid strategy for our approach
 - Plan will include public statements & key messages that will prepare LACERA to respond quickly when needed
 - Plan will include a target list of key stakeholders (industry, media, government, private sector, and community) to help guide our outreach efforts to ensure that we are disseminating LACERA's key messages to the critical audiences
- **Phase III: Execute Developed Work Plan**
 - EKA will continue to refine the approach and strategy to meet LACERA's needs
 - EKA and LACERA will continue to work together through bi-weekly calls, planning sessions, and media training sessions to ensure we keep preparedness plans alive

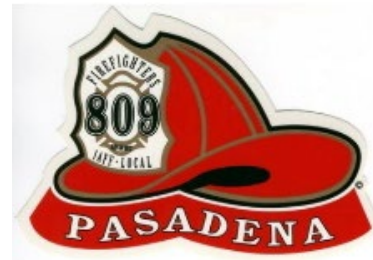


EXPERIENCE

- EKA has significant experience in providing media and public relations services to public sector and private sector member service organizations, including public pension systems.
- EKA has experience managing and providing communications assistance for public and private organizations.
- EKA advises multiple clients on issues and political considerations moving through the City and County of Los Angeles.



PROTECTING THE RIGHTS OF 1ST RESPONDERS SINCE 1954



**ASSOCIATION OF
DEPUTY DISTRICT ATTORNEYS**

CASE STUDIES

1– Association of Deputy District Attorneys (ADDA): EKA transformed the ADDA from an organization with no media presence to an organization considered as an authoritative voice on criminal justice issues. How?

- EKA crafted a proactive strategy to dramatically change the ADDA by using both relevant media and social media.
- EKA assisted with media outreach, training the organization leadership on how to communicate with reporters, on TV and on radio.
- EKA developed a weekly summary of issues that is distributed to members, media, and public officials around the state and local jurisdictions.

#2 – Los Angeles Police Protective League (LAPPL): EKA helped the LAPPL shut down Governor Schwarzenegger’s proposed pension initiative in 2005. How?

- EKA developed a strategic campaign, that included a proactive community relations piece, to combat Governor Schwarzenegger's proposed change to the pension system for all state public employees.
- EKA's strategy included educating LAPPL members, public officials, other unions, financial stakeholders, and the general public on the harms of the Governor's proposed legislation, and creating a campaign that humanized the issue and made the stakeholders aware of the emotional and financial impact of the proposal.
- EKA distributed information to a diverse list of stakeholders, regularly published press releases, and worked closely with the media throughout the campaign.

#3 – Ventura County Deputy Sheriff’s Association (VCDSA): When a ballot measure was proposed to limit and roll back public pensions VCDSA hired EKA to combat the initiative. How?

- EKA crafted a strategy to help provide an immediate response to the ballot initiative. This effort was crucial because the Ventura County Employees Retirement Association was sidelined in any effort to rebut false statements by initiative proponents.
- EKA completed an analysis of the initiative that showed the initiative did not reduce the costs of the defined benefit system, but instead increased them. EKA's campaign exposed the high cost outlays in transitioning to a newly defined contribution system and refuted claims of widespread pension “spiking”.
- EKA developed messaging points for members and allied organizations, assisting in the drafting and placement of op/ed pieces in local newspapers, and circulating "myths/facts" response paperwork to key organization leaders.

Questions?

EKA
GOVERNMENT ASSOCIACY
A PUBLIC AFFAIRS



October 21, 2020

TO: Each Trustee,
Board of Retirement

Each Trustee,
Board of Investments

FROM: Santos H. Kreimann ^{SHK}
Chief Executive Officer

Carly Ntoya, Ph.D. ^{CN}
Director, Human Resources

FOR: October 28, 2020 Joint Board of Retirement and Board of Investments
Meeting

SUBJECT: Diversity, Equity, and Inclusion in the Boardroom, Part 2 – Continuing the
Conversation, Embracing the Commitment

At the August 18, 2020 joint board meeting, The Learner's Group (TLG) led a discussion of diversity, equity, and inclusion. TLG introduced a framework and concepts for their application. The training continues today with further development of the subject matter and use of specific scenarios for discussion as part of the Boards' continuing commitment to progress in embracing DEI values. The TLG discussion leaders will again be Rodney Patterson, Dr. Lisa Summerour, and Dr. Brent Bilodeau. The Board memo from the August joint meeting is attached, providing a summary of the training program and its purpose and biographies of the TLG team members.

Attachment

c: Jonathan Gabel
JJ Popowich
Steven P. Rice

August 10, 2020

TO: Each Trustee,
Board of Retirement

Each Trustee,
Board of Investments

FROM: Santos H. Kreimann *SHK*
Chief Executive Officer

Carly Ntoya, Ph.D. *CN*
Director, Human Resources

FOR: August 18, 2020 Joint Board of Investments & Board of Retirement Meeting

SUBJECT: Diversity, Equity, and Inclusion in the Boardroom — What are They, and What do They Mean for LACERA Trustees as Fiduciaries

As the first element of the Boards' Diversity, Equity, and Inclusion program, this meeting will present an interactive session on the meaning and importance of these values, how they manifest themselves in the boardroom, and their role in the ongoing performance of the Boards' fiduciary duty to LACERA's members.

The program will begin with comments and discussion led by fiduciary counsel Ashley K. Dunning, of Nossaman LLP, concerning the role of diversity, equity, and inclusion in the governance framework within which the Boards do their work.

Then, Rodney S. Patterson, Dr. Lisa Summerour, and Dr. Brent Bilodeau, of The Learner's Group (TLG), will present and lead discussion with the trustees concerning diversity, equity, and inclusion as foundational principles and sustainable strategies designed to positively affect culture, governance, and engagement.

Throughout the session, fiduciary counsel and TLG will jointly participate with the trustees in reaching consensus on the meaning and importance of diversity, equity, and inclusion in the business of the Boards, and ideas to enhance the Boards' interaction and decision making with these values in mind.

Attached are biographies of the speakers. Also attached is a copy of the July 28, 2020 Board memo describing the Diversity, Equity, and Inclusion program.

Attachments

c: Jonathan Grabel
JJ Popowich
Steven P. Rice



Ashley Dunning is Co-Chair of the Public Pensions & Investments Group at Nossaman and is a member of the firm's Litigation Department. She has provided fiduciary and governance counsel services to public retirement systems since 1998. Ashley currently serves as fiduciary counsel to the California Public Employees Retirement System (CalPERS), and fiduciary, litigation, governance, and/or special projects counsel to the majority of the twenty California retirement systems governed by the County Employees Retirement Law of 1937 (CERL), and to the city retirement systems in San Francisco, San Diego and Los Angeles. She is also general counsel to the county retirement system in Marin. She has provided fiduciary training and advice to the Colorado Public Employees' Retirement Association's Board and staff and to the Board of the Government Employees' Retirement System of the Virgin Islands. Additionally, Ashley has represented public retirement systems in litigation in numerous cases resulting in published decisions.

Ashley speaks regularly at national pension conferences and seminars, including the National Association of Public Pension Attorneys (NAPPA), California Association of Public Retirement Systems (CALAPRS), and State Association of County Retirement Systems (SACRS). Ashley also has been an invited speaker at the annual conference of the National Conference on Teachers' Retirement Systems and Oklahoma Pension Conference.

Ashley was elected to the Executive Board of NAPPA in 2014 and currently serves as President of the organization. She is immediate past-Chair of NAPPA's Fiduciary and Governance Section, a position she held for several years.

THE LEARNER'S GROUP

RODNEY S. PATTERSON, CEO

Rodney Patterson is one of the nation's most effective and engaging diversity and inclusion facilitators. He served as the chief curriculum designer and lead facilitator for the Learner's Group's successful NCAA advanced diversity education programs. Mr. Patterson's numerous corporate roles include his former position as Corporate Diversity Officer for CoBank and Diversity Resource to Farm Credit System's four largest Banks. Previously, Mr. Patterson served as President of Hales Franciscan High School in Chicago, IL and Director of Inclusion and Talent Management at the executive search firm, Hudson Highland.

Mr. Patterson also held the position of Assistant to the Vice President for Multicultural Development and Director of Racial Ethnic Student Affairs for Michigan State University, where he designed and oversaw the implementation of a comprehensive diversity and inclusion model that successfully served MSU's entire campus enterprise. He served in a similar capacity at the University of Vermont. Mr. Patterson has had the privilege of serving as a consultant and facilitator for training and development for several Fortune

500, 100 and 50 organizations, governmental, non-profit, and social services agencies.

Mr. Patterson has served as a consultant with a broad array of large, multinational corporate clients, which included General Mills, Bank of America and Mercer. Mr. Patterson has also worked with professional sports franchises, the NFL's San Francisco 49ers, and the NBA's Denver Nuggets, on diversity matters. His consulting services with professional sports organizations ranged from working with the team's ownership and executive management to coaches, staff, and the professional athletes themselves. Mr. Patterson serves on the Board of Directors at Madonna University, the Agriculture Futures of America and the Denver Seminary.

Mr. Patterson has been certified as a trainer/facilitator with several major companies including ProGroup, Inc., Advanced Research Management Corporation (ARMC), Stir Fry Seminars, and Carlson Learning Company. In addition to his work in higher education, Mr. Patterson also served as the Assistant to the Mayor of Burlington, Vermont, Vermont's largest city.

Recently, Mr. Patterson republished his book, "[Trumping the Race Card: A National Agenda - Moving Beyond Race and Racism.](#)"

DR. LISA SUMMEROUR, SR. VICE PRESIDENT

As Senior Vice President of Consulting Services, Dr. Summerour relies on her skills as a facilitator, presenter and empowerment coach to help leaders establish a consensus across multiple organizational levels; for the purposes of improving employee relationships and fostering an environment that encourages discretionary effort, through effective and sustainable employee engagement strategies.

Dr. Summerour has worked as an adjunct professor teaching online courses in career development and exploration, and business ethics and sustainability, where she was known for creating successful online teaching environments that resulted in student engagement beyond the course structure. She also worked as an experiential learning specialist in career services where she developed and facilitated live, interactive webinars designed to educate students and alumni on career opportunities and interview preparation.

With over 30-years of experience in sales and customer service, Dr. Summerour has a strong focus on what she describes as internal and external client satisfaction. She has presented as a facilitator and motivational speaker, for sales teams of as few as 10 to national conventions hosting nearly 4,000 attendees. Dr. Summerour is a professionally trained life coach with specific training for facilitating groups in both telephone and online individual and group environments. She has completed the Train the Trainer certification, is a certified WholeBrain Practitioner, and certified to conduct Equitable Leadership Assessments (ELA).

Dr. Summerour co-authored "The 4-Tions: Your Guide to Developing Successful Job Search Strategies," which has been distributed to more than 20 countries. Most recently, Dr. Summerour published her, "[What Went Well? Journal](#)" The What Went Well? There is a journal for adults and one specifically designed for children. Both journals encourage individuals to be intentional about focusing on the good things that happen to them, around them, and because of them - daily.

Dr. Summerour earned a bachelor's degree in Sociology from Trenton State University, a Master's degree in Management from Indiana Wesleyan University and a second Master's degree in Christian Studies with a focus on Christian Leadership from Grand Canyon University. She earned her Ed.D. in Ethical Leadership from Olivet Nazarene University. Dr. Summerour is on the Board of Trustees at Villa Maria College in Buffalo, NY.

BRENT BILODEAU, PH.D., VP COLLEGE & UNIVERSITY RELATIONS

Dr. Bilodeau brings over 30 years of experience in higher education leadership to the Learner's Group, emphasizing collaboration, inclusion, and engagement in all that he does. He has held wide-ranging administrative leadership positions in student affairs, most recently serving as Assistant Vice Chancellor and Interim Vice Chancellor for Student Affairs at the University of Wisconsin-Whitewater. Dr. Bilodeau has previously served as the founding director of the Michigan State University LGBTQ+ Resource Center and as a staff member in the MSU Student Affairs Multicultural Development Office. He has also served in positions in university housing, student leadership development, and student life.

Dr. Bilodeau's campus diversity efforts are marked by collaboration with academic affairs on student success and retention initiatives, particularly those concerned underserved students. While at UW-Whitewater, he was the recipient of three Outstanding Faculty-Staff Awards for his support of the Black Student Union, Lambda Alpha Upsilon Latino Fraternity, and IMPACT, the campus LGBTQ+ student organization.

Dr. Bilodeau's research agenda has included campus diversity and campus climate, student belongingness, and non-cognitive variable aspects of student learning. A sample of published work includes *Developing gender-inclusive facilitation: Understanding genderism* in L. Landreman, Ed., *The Art of Effective Facilitation: Reflections from Social Justice Educators*, and the book, *Genderism: Transgender Students, Binary Systems and Higher Education*. He has also engaged in research on GLBT student identity development at three South African Universities.

His scholarship has been recognized with the American Educational Research Association's Scholar-Activist Dissertation Award, the National Association for Student Personnel Association's GLBT Knowledge Community Research Award and University of Wisconsin System "PB Poorman Pride Award" for his work on advancing the concerns of GLBTQ+ people on campus.

Dr. Bilodeau has wide-ranging experience as a diversity and inclusion educator, including the nation-wide campus NCAA diversity education project. He has served as an adjunct faculty member in the Higher Education Leadership Masters program at UW-Whitewater. His course teaching and co-teaching have included Introduction to Higher Education Leadership; Diversity and Equity in Higher Education; and Comparative Higher Education Travel Study, a course focusing on examining international systems of higher education, with Ecuadorian higher education reform as a primary comparison point.

Dr. Bilodeau is inspired to devote this phase of his career to the mission and vision of the Learner's Group.

FOR INFORMATION ONLY

July 28, 2020

TO: Each Trustee,
Board of Retirement

Each Trustee,
Board of Investments

FROM: Santos H. Kreimann *SHK*
Chief Executive Officer

Carly Ntoya, Ph.D. *CN*
Director, Human Resources

FOR: August 5, 2020 Board of Retirement Meeting
August 12, 2020 Board of Investments Meeting

SUBJECT: Diversity, Equity, and Inclusion Education Program and Action Plan

Diversity, equity, and inclusion are core concepts to LACERA as an organization. They are part of our ethics, boundaries, and values.

- **Diversity** means the strength that comes from building and celebrating differences of background and point of view, in all their many dimensions.
- **Equity** means fairness in the opportunity to access information, be heard, and succeed, and equality of treatment to all persons at all times.
- **Inclusion** means a culture that actively encourages participation by all individuals and validates that participation through civil and respectful discourse.

These values should be part of LACERA's day-to-day operations at all levels. Going forward, LACERA will strive to provide training to all staff to support existing practices, encourage improvement, facilitate discussion, and build a lasting culture where these traits are on display every day. This training program will demonstrate, in this time of daily headlines and other important discussions about inequality in our society, that LACERA "walks the talk" and models the work it takes to offer real fairness in our day-to-day interactions.

LACERA recognizes that leadership must include all levels of the organization. Therefore, as the first phase of this program, the Board Chairs and Vice Chairs and the Chief Executive Officer have discussed this topic and recommend that the trustees of the Board of Retirement and Board of Investments be provided education on diversity, equity, and inclusion in the boardroom. This education will take place in joint public meetings of the Boards. The education will be interactive and allow an opportunity for self-assessment. Each meeting will be led by outside experts, including consultants in board equity and excellence, fiduciary and employment counsel, and pension governance consultants. Additional support will be offered as needed in small groups and to individuals.

While diversity, equity, and inclusion reflect a philosophy to live by, they are the necessary foundation for sound governance in compliance with the trustees' fiduciary duties of loyalty and prudence — and that will be the focus of the program. The goal is to facilitate a discussion of practical tools, and possible changes in existing practices, that will enhance the Boards' service to LACERA and its members, and strengthen our organizational culture.

The Board program as proposed will have three modules specifically designed for LACERA and its trustees. The topics, with the current estimated schedule (actual dates may vary), are as follows:

Module 1: Diversity, Equity, and Inclusion in the Boardroom — What are They, and What do They Mean for LACERA Trustees as Fiduciaries. This session will lay out foundational principles, specifically for the LACERA Boards and trustees, with regard to diversity, equity, and inclusion, governance, and fiduciary duty. *August 2020.*

Module 2: Crucial Conversations in the Boardroom — Respect and Civility Coexist with Passionate Advocacy. Issues faced by the trustees on every agenda are of great significance to LACERA and its members to whom the trustees owe fiduciary duties of loyalty and prudence. Trustees may reasonably and strongly disagree with each other and with staff and consultants. The composition of the Boards is legislatively designed to reflect the different perspectives and experiences of trustees who are elected or appointed to, or *ex officio* on, the Boards. By law, the Boards' elected trustees are active general and safety, as well as retired, LACERA members. The appointed trustees are qualified electors of the County who are not connected with county government in any capacity. In the case of the Board of Investments, the appointed trustees also must all have significant experience in institutional investing. The County Treasurer and Tax Collector serves on both Boards. All views of each of these trustees, with the varied professional and personal perspectives they bring, can and should be expressed, discussed, and ultimately resolved by vote or other action in a way that is strong, honest, and direct, as well as respectful and business-like, among trustees, staff, and consultants. *October 2020.*

Module 3: What's Next? The outline for this module will be developed based on the outcome the first two modules to frame Board discussion as to a way forward, including potential governance changes. This module will also address ways to incorporate the lessons learned into LACERA as an organization. *November 2020.*

The Executive Board Assistants will reach out to calendar specific dates. In addition, governance issues will be part of the scheduled September 30, 2020 meeting regarding the Mosaic audit of the Education and Travel Policy.

The Executive team looks forward to working with the Boards, trustees, and staff in making the most of this important effort.

c: Jonathan Grabel Steven P. Rice
JJ Popowich

October 19, 2020

TO: Each Trustee,
Board of Retirement

Each Trustee,
Board of Investments

FROM: Ad Hoc Fiduciary Counsel RFP Committee
Vivian Gray, Board of Retirement
Herman Santos, Board of Retirement
Thomas Walsh, Board of Retirement
Elizabeth Greenwood, Board of Investments
Keith Knox, Board of Investments
David Muir, Board of Investments

FOR: October 28, 2020 Joint Board of Retirement and Board of Investments Meeting

SUBJECT: Recommendation for Approval of (1) Klausner Kaufman Jensen & Levinson, (2) Nossaman LLP, and (3) Olson Remcho LLP as Fiduciary Counsel Panel

RECOMMENDATION

That the Board of Retirement and Board of Investments approve the engagement of (1) Klausner Kaufman Jensen & Levinson, (2) Nossaman LLP, and (3) Olson Remcho LLP as LACERA's fiduciary counsel panel for a five-year term.

LEGAL AUTHORITY

The Boards have plenary authority and fiduciary responsibility for the administration and investment of the fund. Cal. Const., art. XVI, § 17; Cal. Gov't Code §§ 31520; 31595. Government Code Section 31529.6, which is a LACERA-specific provision, provides that "the board of retirement and the board of investment may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for the legal services and advice. The compensation shall be considered a cost of administration of the system."

Engagement of fiduciary counsel to assist the Boards, individual trustees, and staff is a prudent exercise of the Boards' constitutional and statutory authority to ensure that, in addition to the expertise of the in-house LACERA Legal Division, independent outside counsel is available when deemed appropriate. The Boards have adopted a Fiduciary Counsel Policy stating applicable policies and procedures. A copy of the Policy is attached as Attachment C.

DISCUSSION

A. Background.

The Boards last issued a Request for Proposals (RFP) for fiduciary counsel in 2015, selecting a three-firm panel which has remained in place since that time. At its April 29, 2020 meeting, the Joint Organizational Governance Committee (JOGC) recommended to the Board that a new RFP be issued. The recommendation was consistent with the Policy for Purchasing Goods and Services adopted by the Board of Retirement on November 6, 2019. The Policy provides in Section 14.2 that the standard term of a contract shall be five years, with a two-year optional extension period. While the JOGC could have chosen to wait up to another two years to run a new RFP, the committee determined that an RFP should be run now given the importance of fiduciary counsel to the Boards and LACERA staff.

At the BOR meeting on May 7, 2020 and the BOI meeting on May 13, 2020, the Boards approved the JOGC's recommendation and authorized issuance of an RFP.

B. Appointment and Work of the Ad Hoc Committee.

Seven proposals were received in response to the RFP:

1. Glaser Weil LLP
2. Klausner Kaufman Jensen & Levinson
3. Kutak Rock LLP
4. Nossaman LLP
5. Olson Remcho LLP
6. Reed Smith LLP
7. Sheppard Mullin

To assist in evaluating the proposals and making an advisory recommendation to the Boards, the Chairs appointed a joint ad hoc committee. The committee was assisted in its work by LACERA's Chief Executive Officer and Chief Counsel.

The committee met five times and engaged in the following process:

Step One – Discussion of Desired Attributes. The committee's initial meeting was devoted to discussion of the skills, qualities, and experience desired in fiduciary counsel. The committee identified six categories of selection criteria:

- Independence:
 - Understands that LACERA as an organization is the client
 - Direct and forthright

- Not involved politically; provides unbiased and objective advice
 - Cannot be swayed, even in difficult situations
- Knowledge and Experience:
 - Provides fiduciary services to other public agencies
 - Knowledge of California fiduciary law, the Constitution, the County Employees Retirement Law of 1937 (CERL), the Public Employees' Pension Reform Act of 2013 (PEPRA), the Brown Act, the California Public Records Act
 - Experience in ethics laws, including the Political Reform Act, Government Code Section 1090, and Fair Political Practices Commission (FPPC) regulations
 - Expert in principles of board governance
 - Experienced in internal and external dispute management, contracts, employment, actuarial and financial issues, investments, benefits, and investigations
- Personal Traits:
 - Gravitas, respected, high professional standing
 - Strong moral character, ethical, high integrity
 - Credibility and trustworthiness
 - Strategic, creative, nuanced
 - Consensus builder
 - Commitment to LACERA and development of a relationship with the organization
 - Accessible and responsive in a timely manner
- Communication Skills:
 - Written
 - Oral
 - Articulate, clear, concise
 - Effectiveness in providing training
- Composition and Quality of Team:
 - Lead attorney
 - Deep bench
 - Diversity
 - Cohesiveness of the team in functioning as a unit in support of LACERA
- Pricing and Value
 - Cost effective and efficient
 - Conscious of appropriate scale of projects

Step Two – Review of Proposals and Identification of Semi-Finalists. The committee members read all seven proposals, which together were over 325 pages. The

committee members then discussed the proposals at length, based on the attributes listed above, to select four semi-finalist firms for interview. The semi-finalist firms were Glaser Weil LLP, Klausner Kaufman Jensen & Levinson, Nossaman LLP, and Olson Remcho LLP.

Step Three – Interviews of Semi-Finalists. Over the course of three meetings, the committee interviewed the proposed teams from each of the five semi-finalist firms. The interviews consisted of presentations by each firm, followed by questions from the committee members. The committee questions focused on the attributes listed above and practical scenarios in which those attributes would be employed.

Step Four – Discussion, Evaluation, and Recommendation of Final Firm. Following the last interview and continuing into a fifth meeting, the committee discussed each of the firms at length and evaluated their strengths and weaknesses in detail. After a great deal of conversation, with many perspectives expressed and carefully considered, the committee selected a panel of three firms to be advanced to the Boards. In alphabetical order, the recommended firms are: (1) Klausner Kaufman Jensen & Levinson, (2) Nossaman LLP, and (3) Olson Remcho LLP.

The basis for the recommendation is discussed below. In addition, all three firms will attend the joint board meeting, make a presentation, and be available to answer questions from all trustees.

C. Qualifications of Proposed Panel Firms.

1. Klausner Kaufman Jensen & Levinson.

a. Firm Description and Skills.

Klausner Kaufman is a seven-lawyer firm (with two additional of counsel) based in Florida and devoted solely to the representation of state and local government retirement systems throughout the United States. The firm has one lawyer admitted to practice law in California. For over 40 years, the firm's lawyers have advised pension funds on the full spectrum of legal and fiduciary issues, including matters relating to board governance, ethics, benefits, investments, contracts, actuarial and financial issues, and employment disputes. The firm is knowledgeable about national trends and the status of fiduciary and other public pension law issues, having served as general counsel to NCPERS for more than 25 years as well as representing more than 150 pension funds in 25 states and territories.

The firm has participated in the California retirement case law dating back to the litigation which ultimately resulted in the adoption of Article XVI, Section 17 of the California

Constitution. They have advised numerous California systems, including LACERA, on fiduciary and ethical questions in all aspects of Board governance. The firm's litigation experience in California includes the application of the ethical issues for trustees up to the Supreme Court of California. The firm has also advised on questions of plan design up to and including the Supreme Court of the United States. While the firm has represented numerous California systems in the past, the client does not currently represent any systems in this state.

In addition to the firm's extensive experience on legal issues, the ad hoc committee noted the philosophy and temperament of the firm's lawyers in providing fiduciary advice. The firm's approach is to provide objective, independent, and constructive advice to the Boards and, when necessary, individual trustees, keeping in mind that the client is LACERA as an organization. The firm's lawyers are excellent communicators and will be adept at providing training to the Boards. For example, the committee reviewed fiduciary duty, ethics, and ESG presentations recently provided by the firm to several public pension boards. The firm also hosts a regular client conference, which was cancelled this year due to COVID-19.

The firm represented LACERA in the past on fiduciary, benefits, potential litigation, and other issues, and attended Board meetings to advise the Board of Retirement. For example, in 2008, Klausner Kaufman advised the Board on reciprocity issues.

The ad hoc committee considered that the firm is based in Florida, not California, and has only one California lawyer – name partner Adam Levinson. Geography was not an issue in the firm's prior representation of LACERA. The firm's work for LACERA will be managed so that the best lawyers in the firm for a particular task are assigned, with the direct oversight, involvement, and approval of Mr. Levinson on all matters; LACERA will not be charged for additional fees on account of this process. The firm's assignments will be tailored to its national expertise and will be managed keeping in mind limitations that may be imposed in any matter by geography or legal practice regulations under California law. The committee also considered succession planning and was satisfied that the proposed team provides a deep bench.

b. LACERA Team.

The team proposed for LACERA, all of whom attended and actively participated in the firm's interview with the selection committee, includes:

Robert Klausner. Mr. Klausner is the principal of the firm. He is admitted to the Florida and Texas Bars as well as numerous federal jurisdictions. For 43 years, he has been engaged in the practice of law, specializing in the representation of public employee

pension funds. Mr. Klausner has assisted in the drafting of many state and local laws on public employee retirement throughout the United States. Mr. Klausner is a frequent speaker on pension education programs and has also published numerous articles on fiduciary obligations of public employee pension trustees. He is co-author of the book *State and Local Government Employment Liability*, published by Thomson-West Publishers and is the author of the first comprehensive book on the law of public employee retirement systems, *State and Local Government Retirement Law: A Guide for Lawyers, Trustees, and Plan Administrators*, published in April 2009 and an expanded version published in November 2019. For more than 20 years, Mr. Klausner has been listed in the publication *The Best Lawyers in America* and holds an "AV pre-eminent" rating, the highest rating for competence and ethics, from the Martindale-Hubbell national lawyer rating service.

Adam Levinson. Mr. Levinson is a name partner in the firm. He is a member of both the California and Florida Bars, took a lead role in the primary amicus brief in the leading California Supreme Court decision on ethical issues for trustees under Government Code Section 1090 in the landmark 2010 decision, *Lexin v. Superior Court*. He has also been heavily involved in amicus briefs in numerous jurisdictions, including the Supreme Court of the United States. Mr. Levinson has substantial experience in plan drafting and drafting of briefs and memoranda of law in pension litigation matters. Mr. Levinson is a frequent lecturer at pension education conferences and in teaching principles of fiduciary duty to trustees.

Bonni Jensen. Ms. Jensen is a name partner in the firm. She has represented municipal general, police, and firefighter pension funds for thirty years and has devoted her legal career to employee pension benefits. Ms. Jensen focuses her practice on fiduciary counseling, implementation of tax compliance legislation, and issues of plan design. Ms. Jensen is a member of the Florida Bar and the bar of various federal jurisdictions. Ms. Jensen is a frequent speaker on trustee education.

Blanca Torrents Greenwood. Ms. Greenwood is a former prosecutor in Miami-Dade County, Florida with substantial trial experience. After leaving the State Attorney's Office, Ms. Greenwood became general counsel for one of Florida's largest police labor organizations and later was its executive director. Since joining the firm, Ms. Greenwood has taken a leading role as trial counsel in litigation defending boards of trustees in a variety of cases focusing on fiduciary duty.

c. Rates.

The fee for all services is billed at the rate of \$425.00 an hour for lawyer time and \$125.00 an hour for paralegals. The firm guarantees this rate for the five-year contract period.

These are the lowest rates of the three recommended firms. As noted above, the firm will not charge for duplicative fees resulting from the involvement of California counsel in all matters. The firm's billing philosophy is that the fee must be commensurate with value of the service provided. If a client believes a fee for a particular service is too high, the firm agrees that the client pays what it deems fair.

d. Conflict Check.

Because the firm has exclusively a public pension practice, no potential conflicts of interest have been identified.

2. Nossaman LLP.

Nossaman's meeting presentation is attached as Attachment A.

a. Firm Description and Skills.

Nossaman has committed itself to representing public employee retirement systems in California and nationally. The team proposed to support LACERA provides fiduciary counsel services to 13 of the 20 retirement systems in California that are governed by the County Employees Retirement Law of 1937 (CERL) and to the three Los Angeles City retirement systems. Lead counsel is also fiduciary counsel for CalPERS and its Board of Administration. The firm provide other legal and governance services to other public pension systems in California and nationally. The firm's proposed LACERA team has been involved, for many years, in leadership and training capacities with the National Association of Public Pension Attorneys (NAPPA), the State Association of County Retirement Systems (SACRS), and the California Association of Public Retirement Systems (CALAPRS). The firm hosts its own annual Fiduciaries' Forum.

The firm has been actively involved in many of the leading California appellate decisions affecting public pension systems during the past 20 years. The firm brings its knowledge of case law and dispute resolution to its role as fiduciary counsel. The firm has experience in the full range of pension system legal and fiduciary issues, including matters relating to board governance, ethics, benefits, investments, contracts, actuarial and financial issues, and employment disputes.

The firm's perspective is that experienced, careful, thoughtful, and informed advice provided by expert fiduciary counsel protects the retirement plan, its members and beneficiaries, and its trustees and officers. The firm understands its core responsibility to be independent and objective. The firm believes that its advice needs not only to be accurate but also practical, understandable, and sensitive to expectations as to fees. If selected to continue to serve as LACERA's fiduciary counsel, the firm will draw upon its

extensive experience as fiduciary counsel to the organization for the past five years (and Ashley Dunning since 2006 through prior firms) and dozens of other California public pension plans in order to provide LACERA with wise, accurate, efficient, prompt, and effective legal counsel.

The selection committee considered the very busy schedule of Nossaman attorneys, particularly Ms. Dunning, in representing other California systems, and discussed the firm's ability to be available and provide timely advice to the Boards when needed. The firm provided assurances that it will always provide timely advice and will do its best to be present for all Board meetings and other events. The committee noted that LACERA's experience with the firm is that its attorneys are available when needed and are prompt in providing written and oral advice. The committee also evaluated succession planning for lead counsel and concluded that succession should not be an issue during the period of this engagement.

b. LACERA Team.

The firm's legal team for LACERA includes:

Ashley Dunning. Ms. Dunning has served LACERA as a member of its fiduciary panel for the past five years, and when she was with other firms, has represented LACERA since 2006. She has substantial institutional knowledge of LACERA. She is Co-Chair of Nossaman's Public Pensions Group and serves on Nossaman's Executive Committee. She is a nationally recognized public pension counselor and litigator who has provided fiduciary and governance counsel services to public retirement systems throughout California since 1998. She also serves as fiduciary, litigation, governance, and/or special projects counsel to many California public pension systems at the state, county, and municipal levels, as outlined above. She was elected President of NAPPA in 2019, is immediate past Chair of its Fiduciary and Governance Section, and is a member of its Executive Board. She is on the Program Committee of SACRS. She was recently selected as one of the Top 100 Lawyers in California by the *Daily Journal*.

Peter Mixon. Mr. Mixon has more than 20 years of experience advising public pension plans and their boards of trustees. He focuses on trust and fiduciary law, governance, investments, benefits, and funding issues. He currently provides fiduciary advice to several plans in California and across the nation. Mr. Mixon has extensive experience representing public pension boards and committees in litigation involving fiduciary and investment issues. He served as the General Counsel to CalPERS for over a decade before coming to Nossaman. He is a former member of the Executive Board of NAPPA and is a well-known speaker on public pension issues. He continues to provide ethics and fiduciary training to clients and at public pension conferences. He has provided

expert testimony in state court on the fiduciary standards of public pension trustees in California.

Yuliya Oryol. Ms. Oryol is co-chair of Nossaman’s Public Pensions Group. She is also Chair of NAPPA’s Investment Section. She primarily represents public pension investors nationally and internationally in connection with public and private market investments, including alternative investments and related regulatory work. She is currently approved by LACERA to provide investment-related legal services.

Aalia Taufiq. Ms. Taufiq is an associate with experience representing clients in public pensions in state courts across California. She will assist the other team members in providing fiduciary counsel to LACERA.

c. Rates.

	Optional Extension						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Ashley Dunning	\$603	\$621	\$640	\$659	\$679	\$699	\$720
Peter Mixon	\$603	\$621	\$640	\$659	\$679	\$699	\$720
Yuliya Oryol	\$603	\$621	\$640	\$659	\$679	\$699	\$720
Senior Associate (5 years or more)	\$373	\$384	\$395	\$407	\$419	\$432	\$445
Associates (under 5 years)	\$315	\$324	\$334	\$344	\$355	\$365	\$376

d. Conflict Check.

To the extent any matter on which Nossaman advises LACERA implicates the County of Los Angeles or the Los Angeles Local Agency Formation Commission (LAFCO), Nossaman attorneys on the County/LAFCO side of an ethical wall would not be involved. In addition, while other attorneys at the firm provide legal services to the County and/or LAFCO, Nossaman will not be permitted to represent LACERA in litigation between LACERA and the County or LAFCO, as applicable, nor would the firm represent the County or LAFCO in any such litigation. The firm is not aware of conflicts with LACERA’s other plan sponsors, members, vendors, other contracting parties, investments, or employees, or of any positional conflicts.

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3. Olson Remcho LLP.

Olson Remcho's meeting presentation is attached as Attachment B.

a. Firm Description and Skills.

Founded on January 1, 2020 as the result of a merger between Olson Hagel & Fishburn, LLP and Remcho Johansen and Purcell, LLP, Olson Remcho LLP specializes in the laws regarding public retirement, conflict of interest/ethics, and governmental operations/public finance, among other areas. The firm's team offers decades of experience providing advice to clients in these areas and representing them before both administrative tribunals and state and federal courts. There are twenty-one attorneys and numerous paraprofessional staff that work in these areas. The firm (originally through Olson Hagel & Fishburn) has provided fiduciary advice to LACERA for many years; the firm is a member of the current fiduciary counsel panel.

The Public Retirement Law practice at the firm was established in December 2008 and is dedicated to providing legal advice, representation, and consulting services to state and local public retirement systems in: fiduciary and plan administration issues as well as responsibilities under applicable conflicts of interest, public meeting, and public records laws; litigation in areas such as actuarial and funding disputes as well as independence issues arising under fiduciary provisions of the California Constitution; consulting and training in the above areas as well as pension fund governance best practices, including the development of board policy and practice in areas such as committee structure, board member education and responsibilities, ethics policies, audit committee role and structure, and securities litigation; counseling on all aspects of compliance, including reporting, disclosure and disqualification requirements, under (1) ethics and conflicts of interest laws, (2) limitations and prohibitions on gifts and honoraria, and (3) revolving door restrictions; and representing clients who are subject to investigation or enforcement actions by regulatory agencies.

The firm serves as fiduciary counsel or outside general counsel for many California public pension systems at the county, city, and local levels. The firm has handled fiduciary projects for at least two state systems nationally.

The firm understands the need to provide independent advice to the Boards, trustees, and staff. The firm has demonstrated these skills in its advice to LACERA on governance, fiduciary, and ethics issues.

The committee considered succession planning at the firm. As a result of the merger that resulted in the formation of Olson Remcho, the firm can offer a deeper bench than had previously been the case at Olson Hagel & Fishburn.

b. LACERA Team.

The firm's legal team for LACERA includes:

Christopher Waddell. Mr. Waddell, a Senior Counsel with the firm, will be the primary contact and lead counsel in providing services to LACERA, as he has been for many years. Prior to joining Olson Remcho, Mr. Waddell served for ten years as the General Counsel to CalSTRS and then to the San Diego City Employees' Retirement System (SDCERS). Mr. Waddell serves as outside general counsel, fiduciary counsel and/or counsel to seven public retirement systems on fiduciary and plan administration issues and has worked with other systems on a project basis. In his work with public pension systems, he has provided advice on fiduciary issues raised by changes in actuarial assumptions, investment transactions, and the development of funding strategies. He has also worked on the development of best practice ethics and governance policies. Mr. Waddell speaks frequently on retirement law, plan governance, and fiduciary law issues. He has written extensively on public pension issue; for example, he is the lead author of the frequently cited *Clapman 2.0 Report* on best practices in pension governance released by the Stanford Institutional Investors' Forum Committee on Fund Governance.

Karen Getman. Ms. Getman is the firm's managing partner. Among other areas of responsibility in her practice, she advises government entities and private parties on complex matters of statutory and constitutional interpretation. A former chairperson of the California state Fair Political Practices Commission (FPPC), she regularly advises clients on compliance with reporting and disclosure laws, conflicts of interest and other government ethics laws, and open meeting and public records laws. She has represented clients in public policy and constitutional litigation.

James Harrison. Mr. Harrison has practiced government, election, and political law for almost 25 years. He has significant expertise in complex conflict of interest matters and the laws governing public agencies.

c. Rates.

The firm's rates for the first three years of the engagement will be:

Partner/Senior Counsel	\$475
Senior Associate	\$400
Junior Associate	\$325
Law Clerk/Paralegal	\$160

These rates will be subject to a 10% increase for years 4 and 5 of the contract.

d. Conflict Check.

The firm currently provides legal services to LACERA and has not identified any actual conflicts of interest during that engagement. The firm provides legal representation in the areas of governmental, election, and campaign finance law to a broad scope of clients, including public employee unions as well as public and private organizations. The firm currently provide such services to the County of Los Angeles and to some of the public employee unions that represent LACERA members and has provided such services in the past to the South Coast Air Quality Management District. In addition, the firm has investment management company clients whom it advises regarding lobbyist reporting obligations concerning marketing personnel. The above-described relationships could pose a potential conflict of interest with respect to a given assignment under a fiduciary counsel engagement with LACERA that would have to be analyzed and resolved at the outset of such an assignment.

CONCLUSION

For these reasons, the ad hoc committee recommends that the Boards approve the engagement of (1) Klausner Kaufman Jensen & Levinson, (2) Nossaman LLP, and (3) Olson Remcho LLP as LACERA's fiduciary counsel panel for a five-year term. Although the Boards are familiar with all three firms, updated reference checks are in progress by Chief Counsel and will be reported at the meeting.

Attachments

c: Santos H. Kreimann
Jonathan Gabel
JJ Popowich
Steven P. Rice

Attachment A
Nossaman Presentation



Presentation of Qualifications for Fiduciary Counsel Services

Los Angeles County Employees Retirement Association

October 28, 2020



Ashley Dunning
Partner



Ashley Dunning
Partner

Introduction

- **Professional Background**
- **Representative Clients**
- **Recent Non-Confidential Fiduciary, Governance and Litigation Counsel Services for Public Retirement Boards**
- **Other Nossaman Public Pensions & Investments Group Team Members**
- **Nossaman Offices**

Ashley Dunning



- **Partner, Co-Chair, Public Pensions & Investments Group**
 - More than 20 years providing fiduciary, governance, ethics and litigation counsel to boards of public retirement systems
 - Current fiduciary counsel clients include most state, county and city retirement systems in California, as well as select systems nationally
 - National Association of Public Pension Attorneys (NAPPA) member for 15 years
 - Immediate Past President
 - Executive Board member for 5 years
 - Past Chair of Fiduciary & Governance Section
 - State Association of Public Retirement Systems (SACRS) member for 20 years
 - Program Committee member for 10 years
 - Named a Top 100 Lawyer by the *Daily Journal*, 2020

Peter Mixon



- **Partner, Member, Public Pensions & Investments Group**
 - Advises public pension plans on trust law, governance, investments, benefits, and funding issues
 - Served as General Counsel of the California Public Employees' Retirement System for over a decade
 - Testified as an expert witness on public pension trustee fiduciary standards
 - NAPPA member
 - Emeritus Board member
 - Chair of NAPPA New Member Committee
 - National Conference on Public Employee Retirement Systems (NCPERS) member and regular speaker

Nossaman Representation

Partial List of Public Pension **Fiduciary** and/or **Governance Counsel** Clients

- Alameda County Employees' Retirement Assn.
- California Public Employees' Retirement System
- Kern County Employees' Retirement Assn.
- Los Angeles County Employees Retirement Assn.
- Massachusetts Pension Reserves Investment Management
- Marin County Employees' Retirement Assn.
- Mendocino County Employees' Retirement Assn.
- Merced County Employees' Retirement Assn.
- New York State Teachers' Retirement System
- Sacramento County Employees' Retirement System
- San Bernardino County Employees' Retirement Assn.
- San Diego County Employees' Retirement Assn.
- San Joaquin County Employees' Retirement Assn.
- San Francisco City Employees' Retirement System
- Sonoma County Employees' Retirement Assn.
- Tulare County Employees' Retirement Assn.
- Ventura County Employees' Retirement Assn.

Recent Non-Confidential Fiduciary and Litigation Counsel Services for Public Retirement Boards

- **Alameda County Employees' Retirement Association**
 - Fiduciary and litigation counsel defending the ACERA's Board's actuarial methodology for determining employer contribution rates
- **California Public Employees' Retirement System**
 - Provide Fiduciary Training for Trustees annually and when first joining CalPERS' Board
- **Los Angeles Fire & Police Pension Plan**
 - Fiduciary Training on Sound ESG Investment Decision-making
- **Marin County Employees' Retirement Association**
 - Fiduciary and litigation counsel defending the MCERA's Board's determination of benefits due to members in the face of legislative changes
- **Merced County Employees' Retirement Association**
 - Fiduciary and litigation counsel defending retention of California Rule and also defending MercedCERA's proper implementation of PEPRA
- **Sacramento County Employees' Retirement System**
 - Fiduciary and litigation counsel defending the SCERS' Board's improvements to methodology for calculating service credit and determining compensation earnable
- **San Bernardino County Employees' Retirement Association**
 - Fiduciary counsel advising on compensation earnable and other administrative matters
- **San Joaquin County Employees' Retirement Association**
 - Fiduciary and litigation counsel defending SJCERA's Board's development of reserving, interest crediting and actuarial policies
- **Sonoma County Employees' Retirement Association**
 - Fiduciary and litigation counsel defending SCERA's implementation of benefits challenged by taxpayer plaintiff

Examples of Fiduciary Counsel services to be provided to LACERA upon request

- Fiduciary training on specific and general topics to the Boards and incoming Board members
- Review of select Board policies for fiduciary compliance
- Advice to Boards and staff on LACERA Code of Ethical Conduct
- Presentations at Board meetings on fiduciary compliance related to proposed actions
- Advice to LACERA staff on fiduciary compliance related to proposed action
- Attendance at Board of Retirement and Board of Investment meetings
 - Ms. Dunning as lead Nossaman fiduciary counsel to Board of Retirement, with Mr. Mixon as back-up
 - Mr. Mixon as lead Nossaman fiduciary counsel to Board of Investment, with Ms. Dunning as back-up

Yuliya Oryol



- **Partner, Co-Chair, Public Pensions & Investments Group**
 - More than 20 years' experience representing public pension plan clients
 - Advises on investment, corporate and real estate matters, focusing on alternative investments
 - Clients include public pension systems in Texas, California, Colorado, Connecticut, Delaware, Hawaii, Maryland, Massachusetts and New York
 - NAPPA member
 - Chair of Investment Committee
 - Institutional Limited Partners Association (ILPA), member of Advisory Attorney Working Group
 - Assisted with Model Subscription Agreement, Model LPA and ILPA Principles 3.0

Aalia Taufiq



- **Associate, Member, Public Pensions & Investments Group**
 - Represents clients in public pensions, insurance recovery, complex commercial and appellate litigation in both federal and state courts
 - Practices in all phases of litigation, including case assessments, pleadings, discovery, motions, mediation and trial preparation
 - Currently working on litigation team defending
 - Alameda County Employees' Retirement Association
 - San Joaquin County Employees' Retirement Association
 - Marin County Employees' Retirement Association
 - NAPPA member

Nossaman Offices

Los Angeles, California
777 South Figueroa St., 34th Floor
Los Angeles, CA 90017

Austin, Texas
816 Congress Ave., Suite 970
Austin, TX 78701

Orange County, California
18101 Von Karman Ave., Suite 1800
Irvine, CA 92612

Sacramento, California
621 Capitol Mall, Suite 2500
Sacramento, CA 95814

San Diego, California
1925 Palomar Oaks Way, Suite 220
Carlsbad, CA 92008

San Francisco, California
50 California St., 34th Floor
San Francisco, CA 94111

Seattle, Washington
719 Second Ave., Suite 1200
Seattle, WA 98104

Washington, D.C.
1666 K St., NW, Suite 500
Washington, D.C. 20006

Attachment B
Olson Remcho Presentation

Olson Remcho, LLP

Los Angeles County Employees Retirement Association
RFP for Outside Fiduciary Counsel

Boards of Retirement and Investment Joint Meeting

October 28, 2020

Karen Getman, Managing Partner
James Harrison, Partner
Chris Waddell, Senior Counsel

Today's Agenda

- Our firm: Practice Areas and Offices
- Our team: Experience and Expertise
- Board Member Q & A.

Our Firm

- January 1, 2020 merger between Olson, Hagel & Fishburn, LLP (founded in 1977) and Remcho, Johansen & Purcell, LLP (founded in 1983).
- Practice areas: election/campaign finance, conflicts of interest/ethics, governmental operations/public finance and public retirement.
- Client advice and representation before administrative tribunals and state and federal courts.
- Offices in Sacramento, Oakland and Long Beach.

Our Public Retirement Law Practice

- Established in 2008.
- Headed by Chris Waddell, former General Counsel of CalSTRS and SDCERS.
- Representation of several California public retirement systems as fiduciary counsel or outside general counsel.
- Special fiduciary counsel engagements for retirement systems in other states.

Areas of Focus and Interest

- Fiduciary Law.
- Conflicts of Interest and Ethics.
- Pension Governance Best Practices.
- Complex issues of statutory and plan interpretation.
- Actuarial funding issues.

Our Government Law Practice

- James Harrison, Co-Lead.
- Significant expertise in complex conflict of interest matters and the laws governing public agencies.
- Previously served as outside General Counsel for California First 5 Commission and California Institute for Regenerative Medicine.
- Advising public agency and private entity clients on issues involving:
 - State conflict of interest laws (Political Reform Act and Government Code section 1090).
 - State transparency laws (Public Records Act; Brown and Bagley Keene open meetings Acts).

Our Public Finance and Litigation Practice

- Karen Getman, Managing Partner.
- Former FPPC Chairperson.
- Regularly advises clients on compliance with reporting and disclosure laws, conflicts of interest and other government ethics laws.
- Advice to and representation of public agencies and private clients in litigation involving complex constitutional and statutory interpretation related to public finance.
- All aspects of ballot measure drafting, qualification, and legal challenges.

Questions?

Chris Waddell

cwaddell@olsonremcho.com

Karen Getman

kgetman@olsonremcho.com

James Harrison

jharrison@olsonremcho.com

Attachment C
Fiduciary Counsel Policy

FIDUCIARY COUNSEL POLICY

1. PURPOSE

This policy confirms the role of outside fiduciary counsel and parameters for use of fiduciary counsel by LACERA and its Board of Retirement and Board of Investments (each, a Board), Board Committees, individual Board Members, and LACERA staff.

2. LEGAL AUTHORITY

Under Article XVI, Section 17 of the California Constitution, the Boards have “sole and exclusive responsibility to administer” LACERA. Under Government Code Section 31529.6, the Boards “may contract with attorneys in private practice for legal services and advice. The boards shall pay reasonable compensation for the legal services and advice. The compensation shall be considered a cost of administration of the system.” Under this authority, the Boards may engage outside fiduciary counsel to provide assistance in the exercise of fiduciary duties by LACERA and the Boards. The Boards, collectively and as individual Board Members, must satisfy their fiduciary duties in all matters they consider, all decisions they make, and all aspects of their conduct on behalf of LACERA.

3. POLICY STATEMENT

3.1 *Retention.* The Boards acting jointly shall retain one or more outside fiduciary counsel to represent the interests of LACERA and provide advice to the Boards and LACERA staff in connection with fiduciary issues under the terms of this policy.

3.2 *Scope of Services.* The services provided by outside fiduciary counsel shall include:

3.2.1 *Meeting Attendance.* An outside fiduciary counsel, selected from the list of Board approved and retained counsel, shall, upon request by a Board Chair, Committee Chair, any other Board Member, the Chief Executive Officer, or Chief Counsel, attend any Board of Retirement, Board of Investments, and Committee meeting to provide advice concerning fiduciary issues when such attendance appears relevant and helpful to an issue before a Board or Committee. Fiduciary counsel may also attend any meeting when, in counsel’s view after consultation with relevant Board Members, the Chief Executive Officer, or Chief Counsel, attendance is appropriate. In considering whether fiduciary counsel will attend a meeting, but without limiting attendance when appropriate, consideration shall be given to the cost of attendance as well as cost-effective and efficient alternatives to attendance, such as a

telephonic consultation prior to the meeting, appearance by telephone or video at a meeting, or a written opinion.

3.2.2 Advice to the Board Chairs and Other Board Members Outside Noticed Meetings. Outside fiduciary counsel shall provide such advice concerning fiduciary issues as may be requested by the Chairs and officers of the Boards or any Committee in the setting of Board and Committee agendas and in fulfilling their duties and responsibilities. Outside fiduciary counsel shall also, without limitation, provide advice in connection with fiduciary issues to any individual Board Member who requests it. Board Members are encouraged to seek counsel from LACERA's Chief Counsel or from outside fiduciary counsel on any fiduciary issues that may arise; however, without limiting the right of individual Board Members to contact outside fiduciary counsel, individual Board Members should be mindful of costs and issues of the attorney-client privilege and confidentiality (as outlined in Sections 3.3 and 3.4 of this policy) in determining whether to seek advice from outside fiduciary counsel on a given issue. Board Members are encouraged to discuss any questions regarding privilege and confidentiality with outside fiduciary counsel before beginning a substantive discussion or requesting specific advice.

3.2.3 Consultation with Staff. LACERA's Chief Executive Officer (CEO) and Chief Counsel, or their designees, may seek advice on fiduciary issues from outside fiduciary counsel. The Chairs shall be copied on staff's written communications, and promptly advised of staff's oral communications, with fiduciary counsel. Chief Counsel, in coordination with the CEO, shall provide the Board Chairs with a privileged monthly written report of staff written and verbal contacts, which shall also be copied to all Board Members.

3.2.4 Other Projects. Outside fiduciary counsel shall be available to perform any other work concerning fiduciary issues as may be requested from time to time by the Boards.

3.3 *Privilege and the Confidentiality of Communications.* LACERA is the client for which outside fiduciary counsel provides services. The Boards jointly are the highest authorities within LACERA overseeing outside fiduciary counsel. The confidentiality of communications between LACERA, acting by and through the Boards, and outside fiduciary counsel is subject to the attorney-client privilege under applicable California law, including the California Bar's Rules of Professional Conduct for attorneys.

The Boards jointly control the attorney-client privilege, which may not be waived except by joint action of both Boards. Communications with and information disclosed to or by fiduciary counsel during proceedings of one Board or Committee are subject to disclosure to all Boards and Committees, subject to the requirements of the Brown Act with respect to disclosures in closed session. Communications between any individual member of the Board or LACERA staff and outside fiduciary counsel are subject to disclosure to the Boards and other Board Members. Outside fiduciary counsel does not have an attorney-client relationship with individual Board Members or with LACERA staff.

Communications between Board Members and LACERA staff, on the one hand, and outside fiduciary counsel, on the other hand, about the business of LACERA, should be maintained as confidential as to third parties, unless and until the Boards jointly determine otherwise. In order to avoid waiver of the attorney-client privilege, individual Board Members and LACERA staff shall not disclose communications with outside fiduciary counsel to persons outside LACERA without the authority of both Boards, or their designated representatives.

- 3.4 Professional Responsibilities.** In representing LACERA, outside fiduciary counsel shall have such duties and responsibilities as are set forth in the California Rules of Professional Conduct.
- 3.5 Oversight.** LACERA's relationship with outside fiduciary counsel shall be managed by the Board Chairs, subject to the Scope of Services described above, with the Boards jointly having ultimate oversight. In the event advice is required from outside fiduciary counsel on a matter concerning a Board Chair, the Vice Chair of each respective Board shall manage such work. In the event a matter concerns both a Board Chair and Vice Chair, fiduciary counsel shall be overseen on such matter as determined by a majority vote of a quorum of the Board or Boards, with the Board Chairs and Vice Chairs excluded from the quorum count and vote.
- 3.6 Evaluation.** The Boards shall evaluate outside fiduciary counsel annually. Counsel may provide a self-evaluation in the process.

4. DEFINITION OF "FIDUCIARY ISSUES"

For purposes of this policy, "fiduciary issues" is defined to include all issues as to which the Boards, the Audit Committee, other Board Committees, individual Board Members, and LACERA staff may seek advice from independent counsel in the performance of their fiduciary duties, including but not limited to:

- 4.1 Fiduciary duties under the California Constitution, the County Employees Retirement Law of 1937, the California Public Employees' Pension Reform Act of 2013, and other applicable law.
- 4.2 Ethical issues, under LACERA's Code of Ethical Conduct, the Political Reform Act, California Government Code Section 1090 and other provisions of the California Government Code, Fair Political Practices Commission (FPPC) Regulations, FPPC and California Attorney General Opinions, and other applicable laws and LACERA policy relating to conflicts of interest and ethics of Board Members, LACERA staff, and/or LACERA vendors.
- 4.3 Board governance.
- 4.4 LACERA's organizational structure.
- 4.5 Disputes by and between Board Members.
- 4.6 Negotiation and drafting of contracts.
- 4.7 Actuarial and financial matters.
- 4.8 Employment-related matters.
- 4.9 Benefit-related matters, including service retirement, disability retirement, retiree healthcare benefits, and other benefit issues.
- 4.10 Investment-related matters.
- 4.11 Investigations.

5. SCOPE

This policy applies broadly to all matters that may be addressed by the Boards, Board Committees, individual Board Members, or LACERA staff with outside fiduciary counsel concerning fiduciary issues. This policy does not limit the ability of one or both of the Boards, in the exercise of their plenary authority to administer the retirement system, to engage separate outside fiduciary counsel to represent their interests as a Board or Boards in the event of a conflict of interest or in connection with special projects relating to fiduciary issues.

History:

Adopted as Revised June 13, 2018 by Board of Retirement and Board of Investments

Adopted November 2, 2017 by Board of Investments and November 9, 2017 by Board of Retirement