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

AGENDA OF THE SPECIAL MEETING OF THE JOINT ORGANIZATIONAL
GOVERNANCE COMMITTEE AND BOARD OF RETIREMENT
AND BOARD OF INVESTMENTS*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101
12:00 P.M., FRIDAY, MARCH 11, 2022

This meeting will be conducted by the Joint Organizational Governance Committee and the Board of Retirement and Board of Investments by teleconference under the California Government Code Section 54953(e).

Any person may view the meeting online at
<https://LACERA.com/leadership/board-meetings>

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

- I. CALL TO ORDER
- II. ELECTION OF OFFICERS
(Election of Chair and Vice Chair)
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Joint Organizational Governance Committee of December 15, 2021
- IV. PUBLIC COMMENT

(Written Public Comment - You may submit written public comments by email to PublicComment@lacera.com. 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.

Verbal Public Comment - You may also request to address the Board at PublicComment@lacera.com before and during the meeting at any time up to the end of the Public Comment item. We will contact you with information and instructions as to how to access the meeting as a speaker. If you would like to remain anonymous at the meeting without stating your name, please let us know.)

V. CONSENT ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee approves that, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Joint Organizational Governance Committee (JOGC) consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of the JOGC to meet safely in person and that the County of Los Angeles and other agencies still recommend social distancing such that the JOGC shall hold teleconference meetings for the next 30 days, so long as the State of Emergency is in effect, and direct staff to comply with the agenda and public comment requirements of the statute. (Memo dated March 4, 2022)

VI. NON-CONSENT ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee review and provide input on the Trustee Education and Travel Policies. (Memo dated March 7, 2022)

VII. ITEMS FOR STAFF REVIEW

VIII. GOOD OF THE ORDER

IX. ADJOURNMENT

**The Board of Retirement and Board of Investments have each adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five (5) or more members of the Board of Retirement or the Board of Investments (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board or Boards for which a quorum is present. Members of the Board of Retirement and Board of Investments who are not members of the Committee may attend and participate in a meeting of the Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at subsequent meetings of the Board of Retirement and Board of Investments.*

Documents subject to public disclosure that relate to an agenda item for an open session of the Committee that are distributed to members of the Committee less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Committee 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 SPECIAL MEETING OF THE JOINT ORGANIZATIONAL
GOVERNANCE COMMITTEE AND BOARD OF RETIREMENT
AND BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101
9:00 A.M., WEDNESDAY, DECEMBER 15, 2021

This meeting was conducted by the Joint Organizational Governance Committee
and the Board of Retirement and Board of Investments by teleconference under
California Government Code Section 54953(e).

PRESENT: Shawn R. Kehoe, Chair

Elizabeth Greenwood, Vice Chair (Joined meeting at 9:08 a.m.)

Alan Bernstein

Vivian H. Gray

Joseph Kelly

Keith Knox

Les Robbins

Herman B. Santos

MEMBERS AT LARGE:

William Pryor, Board of Retirement

Ronald Okum, Board of Retirement

Patrick Jones, Board of Investments

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Luis A. Lugo, Deputy Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Jon Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Carly Ntoya, Ph.D., Director of Human Resources

Tracy Kennedy, Sheppard Mullin

Samantha C. Grant, Sheppard Mullin

Klausner, Kaufman, Jensen & Levison

Robert D. Klausner, Fiduciary Counsel

I. CALL TO ORDER

The meeting was called to order virtually by Chair Kehoe at 9:01 a.m.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Joint Organizational Governance Committee of November 4, 2021

Mr. Bernstein made a motion, seconded by Mr. Knox, to approve the meeting minutes of November 4, 2021. The motion passed (roll call) with Messrs. Bernstein, Kehoe, Knox, Santos, Robbins, Kelly and Ms. Gray voting yes. Ms. Greenwood was absent for the vote.

III. PUBLIC COMMENT

There were no requests from the public to speak.

IV. CONSENT ITEMS

Mr. Kelly made a motion, seconded by Mr. Knox, to approve the following consent item. The motion passed (roll call) with Messrs. Bernstein, Kehoe, Knox, Santos, Robbins, Kelly and Ms. Gray voting yes. Ms. Greenwood was absent for the vote.

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee approves that, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Joint Organizational Governance Committee (JOGC) consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of the JOGC to meet safely in person and that the County of Los Angeles and other agencies still recommend social distancing such that the JOGC shall hold teleconference meetings for the next 30 days, and if so, direct staff to comply with the agenda and public comment requirements of the statute. (Memo dated December 9, 2021)

V. EXECUTIVE SESSION

Prior to going into Executive Session, Mr. Rice stated that this item is related to the employment claim of James Brekk.

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

Number of Cases: 1

There was nothing to report.

VI. NON-CONSENT ITEMS (Ms. Greenwood joined the meeting at 9:08 a.m.)

- A. Recommendation as submitted by Shawn R. Kehoe, Chair, Joint Organizational Governance Committee: That the Committee discuss whether it is necessary to amend the *Trustee Travel Policy* on business class travel. (Memo dated November 30, 2021)

VI. NON-CONSENT ITEMS (Continued)

Messrs. Kreimann and Rice were present and answered questions from the Committee.

Mr. Bernstein made a motion, seconded by Mr. Kehoe, directing staff to bring back to this Committee for review the Trustee Travel Policy with the requested revisions. The motion passed (roll call) with Messrs. Bernstein, Kehoe, Knox, Santos, Robbins, Kelly, Ms. Gray and Ms. Greenwood voting yes.

- B. Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Joint Organizational Governance Committee provide input and make a recommendation to the Board of Retirement and Board of Investments to utilize Prime Government Solutions, Inc. for the agenda management, livestreaming, recordings, online archives, and public interface solution and provide guidance on the length of archiving the recordings on lacera.com. (Memo dated December 2, 2021)

Mr. Lugo was present and answered question from the Committee. This item will be referred to the Board of Retirement's Operations Oversight Committee for consideration without a specific recommendation from the Committee.

- C. Recommendation as submitted by Carly Ntoya, Ph.D., Director of Human Resources: That the proposed classification and compensation changes be approved for implementation for the existing Executive Secretary, Secretary, Senior Secretary, and Management Secretary classifications by the Board of Retirement and Board of Investments, including submission to the Board of Supervisors; and that the proposed classification and compensation changes be approved for implementation for the creation of a new Senior Legal Secretary classification by the Board of Retirement and Board of Investments, including submission to the Board of Supervisors. (Memo dated December 1, 2021)

Mr. Kreimann and Ms. Ntoya were present and answered questions from the

VI. NON-CONSENT ITEMS (Continued)

Committee. Mr. Knox made a motion, seconded by Mr. Kelly, to approve staff's recommendation. The motion passed (roll call) with Messrs. Bernstein, Kehoe, Knox, Santos, Robbins, Kelly, Ms. Gray and Ms. Greenwood voting yes.

VII. REPORTS

- A. For discussion purposes as submitted by Robert D. Klausner, Fiduciary Counsel, regarding the Review of the Joint Organizational Governance Committee Charter on referral from the Board of Retirement (Memo dated December 6, 2021)

Mr. Kehoe made a motion, seconded by Ms. Greenwood, to recommend the revised Charter, with additional changes as directed, to the Board of Retirement and Board of Investments for adoption. The motion passed (roll call) with Messrs. Bernstein, Kehoe, Knox, Santos, Kelly and Mses. Gray and Greenwood voting yes. Mr. Robbins was absent for the vote.

- B. For Information Only as submitted by Laura Guglielmo, regarding the FY 2020-2021 Final Budget Control Report. (Memo dated December 8, 2021)

This item was received and filed.

VIII. ITEMS FOR STAFF REVIEW

There were no items to report.

IX. GOOD OF THE ORDER

There was nothing to report.

December 15, 2021

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X. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 10:54 a.m.

March 4, 2022

TO: Each Trustee,
Joint Organizational Governance Committee

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: March 11, 2022 Joint Organizational Governance Committee Meeting

SUBJECT: Approval of Teleconference Meetings Under AB 361 and Government Code Section 54953(e)

RECOMMENDATION

That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Joint Organizational Governance Committee (JOGC) consider whether to find that the Governor’s COVID-19 State of Emergency continues to directly impact the ability of the JOGC to meet safely in person and that the County of Los Angeles, the City of Pasadena, and other agencies still recommend social distancing such that the JOGC shall hold teleconference meetings for the next 30 days, subject to continuation of the State of Emergency, and if so, direct staff to comply with the agenda and public comment requirements of the statute.

LEGAL AUTHORITY

Under Section 10 of its Charter, the JOGC sets its own meeting schedule. Section 8 of the Charter provides that, “The JOGC is subject to the Ralph M. Brown Act.” Therefore, the JOGC has the ability to manage the scheduling and manner of Committee meetings under the Brown Act and to evaluate and act on legal options for the conduct of its meetings, such as whether to invoke teleconferencing of meetings under the terms and conditions provided in AB 361 and Government Code Section 54953(e) of the Brown Act to protect the health and safety of Trustees, staff, and the public.

DISCUSSION

A. Summary of Law.

On September 16, 2021, the Governor signed AB 361 which enacted new Government Code Section 54953(e) of the Brown Act to put in place, effective immediately and through December 31, 2023, new teleconferencing rules that may be invoked by local legislative bodies, such as the JOGC, upon making certain findings and following certain agenda and public comment requirements.

Specifically, Section 54953(e)(3) provides that the JOGC may hold teleconference

meetings without the need to comply with the more stringent procedural requirements of Section 54953(b)(3) if a state of emergency under Section 8625 of the California Emergency Services Act impacts the safety of in person meetings or state or local officials have imposed or recommended social distancing rules, provided that the JOGC makes the following findings by majority vote:

(A) The JOGC has considered the circumstances of the state of emergency; and

(B) Any of the following circumstances exist:

- (i) The state of emergency continues to directly impact the ability of the Trustees to meet safely in person; or
- (ii) State or local officials continue to impose or recommend measures to promote social distancing.

If the JOGC makes the required findings, the Committee may hold teleconference meetings for the next 30 days without the need to comply with the regular rules of Section 54953(b)(3) provided that the State of Emergency remains in effect and that: agendas are prepared and posted under the Brown Act; members of the public are allowed to access the meeting via a call-in option or an internet-based service option; and the agenda provides an opportunity for public comment in real time and provides notice of the means of accessing the meeting for public comment.

B. Information Supporting the Required Findings and Process if the JOGC Determines to Invoke Section 54953(e).

The Governor's State of Emergency for the COVID-19 pandemic as declared in the Proclamation of a State of Emergency dated March 4, 2020 remains active. The Proclamation was issued under the authority of Section 8625 of the California Emergency Services Act. It is unclear when the State of Emergency will end, although the Governor extended certain COVID-19 emergency provisions only to March 31, 2022. See Order No. N-21-21, issued November 10, 2021.

The Los Angeles County Department of Public Health maintains guidance to "Keep your distance. Use two arms lengths as your guide (about 6 feet) for social distancing with people outside your household when you are not sure that they are vaccinated." <http://publichealth.lacounty.gov/acd/ncorona2019/reducingrisk/>. The County Public Health Department also maintains guidance that employers should, "Implement policies and practices that support physical distancing: Whenever possible, take steps to reduce crowding indoors and enable employees and customers to physically distance from each other. Generally, at least 6 feet of distance (2 arm lengths) is recommended, although this is not a guarantee of safety, especially in enclosed or poorly ventilated spaces." <http://publichealth.lacounty.gov/acd/ncorona2019/bestpractices/>. These standards may

be revised following the March 3, 2022 order relaxing the County mask mandate, although social distancing is expected to remain a recommendation for vulnerable populations.

The City of Pasadena (City), where LACERA's offices are located and JOGC meetings are held, has maintained guidance for employers to "Implement Physical Distancing Measures." The City guidance suggests that employers should, among other things, "Implement measures to encourage physical distancing among employees, customers, and the public: • Limit the number of employees who are on-site to the minimum number necessary, and institute work-from-home, alternate, or staggered schedules when possible. • Reconfigure customer areas, office spaces, workstations, and breakrooms to allow for 6 feet of physical distancing between individuals. Utilize measure to promote physical distancing such as floor markers and signs. • Where 6 feet of physical distance is not possible such as cashier counters and host stand, install protective, plastic barriers. • Stagger customer arrival times and utilize waiting areas that allow for physical distancing." <https://www.cityofpasadena.net/public-health/wp-content/uploads/sites/32/Reducing-Risk-for-COVID-19.pdf?v=1645483664134>. This guidance may be changed following the recent changes in the mask mandate.

The Centers for Disease Control and Prevention (CDC) has recently updated its guidance, but the CDC still advises the public to "Stay 6 feet away from others" and that, "Indoors in public: "If you are not up to date on COVID-19 vaccines, stay at least 6 feet away from other people, especially if you are at higher risk of getting very sick with COVID-19." <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html#stay6ft%20>.

The pandemic continues to present a significant health risk, as the virus presents itself in different variants. LACERA has not yet returned to the office. Management has prepared return to office vaccination and testing protocols to ensure the safety of LACERA employees, members, and others, including Trustees.

Under these circumstances, the JOGC may reasonably conclude and find that teleconferencing under Section 54953(e) is appropriate for Committee meetings during the next 30 days because (1) the State of Emergency continues to directly impact the ability of the Trustees to meet safely in person, and (2) the County, the City of Pasadena, and other authorities continue to recommend measures to promote social distancing, as required by the statute.

If the JOGC makes these findings and directs teleconferencing under Section 54953(e), procedures exist and will be implemented to ensure compliance with the agenda and public comment requirements of the statute, as stated above.

Re: Approval of Teleconference Meetings Under AB 361 and Gov't Code § 54953(e)

March 4, 2022

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CONCLUSION

Based on the above information, staff recommends that, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the JOGC consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of the Committee to meet safely in person and that the County of Los Angeles, the City of Pasadena, and other agencies still recommend social distancing such that the JOGC shall hold teleconference meetings for the next 30 days, subject to continuation of the State of Emergency, and if so, direct staff to comply with the agenda and public comment requirements of the statute.

Attachments

c: Santos H. Kreimann
Jonathan Grabel

Luis A. Lugo
Laura Guglielmo

JJ Popowich
Carly Ntoya

February 28, 2022

TO: Each Trustee,
Joint Organizational Governance Committee

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

FOR: March 11, 2022 Joint Organizational Governance Committee Meeting

SUBJECT: 2022 Joint Organizational Governance Committee Proposed Meeting
Calendar and Agenda Items

RECOMMENDATION

That the Joint Organizational Governance Committee (JOGC) schedule the 2022 calendar year meetings and review and supplement proposed agenda items.

DISCUSSION

In addition to the March meeting, the JOGC is scheduled to meet four additional times in calendar year 2022. A draft of the 2022 schedule of topics for your review is provided below.

Staff would like the Committee's input on any additional topics and/or educational sessions that can be added to the remaining meetings for 2022. In addition to these items, the committee will hold closed sessions as needed on matters within the JOGC's scope under its Charter. The Charter provides for meetings in February to elect officers (which will be done at the March meeting this year), in April for budget review, and such further meetings as needed with the concurrence of the Board Chairs or the committee Chair. The Charter further provides that, to the extent possible, meetings will alternate between BOR and BOI meetings, as needed.

Month	Potential Meeting Dates to Consider	Item Description
April 2022	Wed., 4/20, Thurs., 4/21, Wed., 4/27, Thurs., 4/28	FY 22-23 Proposed Preliminary Budget for Discussion, Timeline and Direction
August 2022	Wed., 8/17, Thurs., 8/18, Wed., 8/24, Thurs., 8/25	Items to Be Determined.
November 2022	Thurs., 11/3, Thurs., 11/10, Wed., 11/16, Thurs., 11/17	FY 22-23 Mid-Year Budget Adjustment
December 2022	Thurs., 12/8, Fri., 12/9, Thurs., 12/15	FY 21-22 Final Budget Control Report

Staff looks forward to the Committee's comments and input at the JOGC meeting on March 11, 2022.

March 7, 2022

TO: Each Trustee,
Joint Organizational Governance Committee

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: March 11, 2022 Joint Organizational Governance Committee Meeting

SUBJECT: Review and Provide Input on the Trustee Education and Travel Policies

At its December 15, 2021 meeting, the Joint Organizational Governance Committee (JOGC) approved a recommendation to the Board of Retirement and Board of Investments to revise the Trustee Travel Policy to (1) give the Board Chairs or the Chief Executive Officer (CEO) authority to approve expense deviations of up to \$1,000; and (2) authorize business class travel for trips that have roundtrip travel time of ten hours or more.

The JOGC also directed that the trustees on both Boards be polled as to additional issues and that both the Education and Travel Policies be brought back to JOGC for further review. The trustees were polled, and staff involved in education and travel issues were also provided with an opportunity to comment. The suggestions of the trustees and staff are included in the annotated Trustee Education Policy attached as Attachment A and the annotated copy of the Trustee Travel Policy attached as Attachment B. Attachment B also include redlines for the changes to the Travel Policy approved at the JOGC December 2021 meeting.

The policies are presented to the JOGC for review and input, including making a recommendation to the Boards for approval of additional changes.

DISCUSSION

The comments of the trustees who responded to staff's poll and input from staff as shown in Attachments A and B are summarized as follows:

A. Trustee Education Policy (Attachment A)

1. Section I – Purpose

1a. A suggestion is made to add a reference that the CEO and CIO will oversee education standards for staff.

2. Section II – Principles

2a. A suggestion is made to incorporate fiduciary duty language from other

LACERA documents. Staff believes it is helpful and important to include fiduciary duty language in the Education Policy, presented in the context of education and travel.

3. Section III – New Trustee Orientation and Support

- 3a. The comment is made that, due to holidays, it is not always possible to schedule orientation before a new trustee's first meeting.
- 3b. A trustee notes that the list of orientation topics is long and that it would be helpful to state the time necessary to complete the orientation program, e.g., a day, a week, etc. Another suggestion is to provide trustees with a physical or electronic "binder" of orientation materials.
- 3c. A trustee comments that mentoring should be mandatory. The trustee also notes that the mentoring framework need not be prescribed but can be decided by the two trustees on their own.

4. Section IV – Ongoing Trustee Education

- 4a. A trustee comments that a schedule for fiduciary counsel training should be developed.
- 4b. The current policy defines educational limits, outside of California, in terms of the number of domestic and international conferences that may be attended per fiscal year. A trustee suggests this language be deleted and that instead each trustee should be given an annual budget within which trustees may maximize their individual opportunities according to their needs. A trustee also suggests that a definition of external education be provided before the number limits are stated.
- 4c. A suggestion is made that the policy clarify that virtual education is not limited as to cost.

5. Section V – Administrative Meetings

- 5a. A trustee asks why Administrative Meetings are included in the Education Policy if they are not education. The trustee also suggests that this section be reworded so as not to presume Board approval of such meetings.

6. Section VIII – Travel Policies and Procedures

- 6a. A trustee requests that the Education and Travel Policies be combined into a single document and cross-referenced more effectively. In the 2020

Mosaic review, the consultant recommended that the policies be separated.

7. Section IX – Other Charters and Policies

- 7a. A trustee suggests that the Sexual Harassment subsection be renamed as Prevention of Sexual Harassment Training.

B. Trustee Travel Policy (Attachment B)

1. Section I – Purpose

- 1a. A trustee asks if the policy is for reimbursement of travel or incurring travel expenses. Staff notes that LACERA has not historically prepaid reimbursable travel expenses and that administratively, it is easier for staff to process all reimbursable travel expenses after a trip has been completed.
- 1b. A trustee asks whether speaking at an Administrative Meeting should be clarified when the speech has an educational purpose. Such a conference could be considered an Educational Conference. In addition, a reference can be added in this section to state the CEO and CIO's separate authority over staff travel.

2. Section II – Principles

- 2a. A trustee makes comments regarding the drafting of the fiduciary duty subsection. A suggestion is made to incorporate fiduciary duty language from other LACERA documents. Staff believes it is helpful and important to include fiduciary duty language in the Education Policy, presented in the context of education and travel.
- 2b. A trustee finds the subsection heading "Member-Centric Concentration" to be confusing because the focus is on fiscal prudence. Staff agrees, while preserving the concept that travel should further the fund's purpose to pay member benefits.
- 2c. A trustee suggests that the Transparency section clarify that transparency is in the interest of all stakeholders, not just members.
- 2d. A trustee points out that the annual attestation requirement is not being enforced. Other trustees ask whether this requirement is necessary.
- 2e. A trustee finds the phrase "trustee expense methods" to be vague. The

trustee also points out that there are expense methods other than the per diem method.

3. Section III – Trustee Travel

- 3a. A trustee suggests that each trustee be given a travel budget within which to maximize their educational opportunities. This approach would replace the current approach of defining education and travel in terms of numbers and geography. If this approach is adopted, it may still be appropriate to recognize that certain types of expenditures may not be recognized as appropriate.
- 3b. A trustee suggests that Section III.A of the policy be clarified to state that all travel must be approved, subject to the California exception. A trustee asks that education expenses that do not require travel, such as NACD certification through self-study, be recognized. Another trustee requests that the limit for California conferences and meetings be increased to \$20,000 total and a pre-approved limit of \$3,000 per event.
- 3c. A trustee suggests that Section III.B regarding when a trustee must cease travel should be modified because the current language referencing awareness of when their service will end is not meaningful because a trustee is aware from the beginning that their term will end on a fixed and certain date.
- 3d. A trustee requests that Section III.C regarding Authorized Expenses be rephrased in the active voice to read, "LACERA shall reimburse trustees in accordance with Appendix A."
- 3e. A trustee suggests that Section III.D. re Costs of Administration be clarified to state that gifts of travel, if allowed, are reportable as gifts.
- 3f. A trustee asks where to find the "expense voucher form." Staff notes that it provided in BoardVantage or via email. The trustee also asks for examples of which trustee expense reports are subject to production under the Public Records Act.
- 3g. Annotation 3g is the language approved by the JOGC on December 15, 2021 to allow the Board Chairs or the CEO to approve travel expense deviations of less than \$1,000 per trip. Another trustee notes that this issue can be addressed by raising dollar limits through the policy to grant more flexibility.

- 3h. A trustee requests that a checklist of relevant information be required for each travel item submitted to the Boards for approval.
 - 3i. A trustee notes a typo in the section on cancelation of travel. The trustee also points out that this section conflicts with the requirement to purchase nonrefundable tickets.
 - 3j. A trustee believes that the section on responsibility for untimely cancellation should be clarified and that section should state who will notify the trustee when reimbursement is due.
 - 3k. A trustee strongly disagrees with the policy against cash advances because some trustees may not be able to front the costs of travel.
 - 3l. A trustee suggests that the section on Ground Transportation recognize that some air tickets include a limo or executive car.
 - 3m. A trustee requests that the section on Travel Reports provide that all trustees be informed of the travel by members of both Boards.
 - 3n. A trustee requests that timely information be provided as to when a trustee is approaching the \$10,000 California travel limit.
4. Section IV – Administrative Meetings
- 4a. A trustee requests that this section be revised consistent with the provision that California administrative meetings totaling no more than \$10,000 per year are pre-approved.
 - 4b. A trustee requests that the reference to “number limits” in this section be clarified. However, administrative meetings are not subject to the number limits applicable to non-California education.
5. Section VII – Education Policies and Procedures
- 5a. A trustee requests that the Education and Travel Policies be combined into a single document and cross-referenced more effectively. In the 2020 Mosaic review, the consultant recommended that the policies be separated.
6. Section VIII – Policy Provisions and Applicable Law
- 6a. A trustee states that the policy provides for waiver of policy requirements to be presented at a regularly scheduled meeting.

7. New Section on Sustainability

A trustee requests that the concept of sustainability be added to the Travel Policy. The trustee states that the policy should require that the carbon and environmental footprint of travel be stated in all requests for Board approval. An annotation to where such information may be found in Google Flights is provided in the annotations in Attachment B.

8. Policy Appendix A, I. Transportation – Airline Travel

8a. The annotations in Attachment B include redlined language approved at the December 15, 2021 JOGC meeting that business class is permitted for trips have a total roundtrip travel time of 10 hours or more.

8b. A trustee requests that the policy be changed to permit travel on any airline, with the fare justified against three other airlines. Staff believes that this change would be more difficult to administer.

8c. A trustee requests that the policy address whether reimbursement is allowed when points or a credit balance with an airline are used to purchase a ticket. Staff notes that this may not be prudent because the cost of points is usually more than the costs of a ticket.

9. Policy Appendix A, II. Lodging

9a. A trustee notes that the policy reference to per diem rates established by the Internal Revenue Service is incorrect. Staff agrees. The policy should refer to rates established by the “U.S. General Services Administration (GSA).”

10. Policy Appendix A, III. Meals

10a. A trustee requests that the concept of pre-payments be expanded and addressed in its own paragraph.

10b. A trustee requests a clear statement as to whether trustees may accept meals paid for by third parties.

10c. A trustee questions the provision requiring meal reimbursement on the per diem basis because the actual cost of meals may be less than the per diem rate.

11. Policy Appendix B, Travel Attestation

11a. A trustee suggests that the attestation be expanded to include a statement that expenses may not be incurred or a commitment to attend be made to a conference host until the Board gives its approval.

CONCLUSION

Staff requests that the JOGC provide input on the attached annotations, as listed above, and any other changes the Committee deems appropriate.

Attachments

c:	Santos H. Kreimann	Laura Guglielmo	Ted Granger
	Jonathan Gabel	JJ Popowich	Christina Logan
	Luis A. Lugo	Richard Bendall	Ervin Wu



TRUSTEE EDUCATION POLICY

LACERA Board of Retirement & Board of Investments

Adopted December 16, 2020

TRUSTEE EDUCATION POLICY

I. PURPOSE

The purpose of this policy is to align the elements of LACERA's Trustee education program with the Mission, Vision, Values, and work culture of the organization. More specifically, the program is intended to assist all Trustees to obtain knowledge and receive relevant information that will enhance their understanding of the issues facing LACERA and equip the Trustees to discharge their fiduciary duties for the sole benefit of active members, retirees, and their beneficiaries under a framework compliant with applicable law and policy, including the 24-hour biennial education requirement of Government Code Section 31522.8 and the beliefs set forth in LACERA's Investment Policy Statement. The program will be administered in a manner that can be overseen by the Board of Retirement and Board of Investments and understood by LACERA's members and other stakeholders as reasonable and cost-effective in fulfilling LACERA's Mission to Produce, Protect, and Provide the Promised Benefits. This policy applies to LACERA Trustees only.

1a. With reference to the last sentence, a statement can be added that the CEO and CIO will oversee education standards for staff.

II. PRINCIPLES

The following principles shall govern what, why, when, where, and how Trustee education is obtained and the interpretation of this policy.

A. Performance of Fiduciary Duty. Education is necessary and should be encouraged and undertaken in order that Trustees may obtain knowledge relevant to the proper performance of their fiduciary duty under the California Constitution, the County Employees Retirement Law of 1937 (CERL), and other applicable laws by a reasonable method and at reasonable cost for the value received. Specifically:

1. Duty of Loyalty. Education must assist the Trustees to perform their fiduciary duty of loyalty to act solely in the interest of providing benefits to members and their beneficiaries, minimizing employer contributions, and defraying reasonable expenses of administering the system, with the duty to members and their beneficiaries being paramount.
2. Duty of Prudence. Education must assist the Trustees to perform their fiduciary duty to act with the care, skill, prudence, and diligence that a prudent person acting in a like capacity would use in the conduct of a public pension system.

2a. A trustee suggests that the discussion of fiduciary duty is not entirely consistent with the discussion in other documents; fiduciary duty could be incorporated from another source. Staff believes it is helpful and important to include a statement of fiduciary duty in the policy phrased in the context of education and travel.

- B. Further a Common Foundation of Knowledge.** A foundation of common knowledge, or Trustee Competencies, relevant to LACERA and its Mission is necessary among all Trustees to fulfill their fiduciary duty.
- C. Opportunities for Enrichment.** The fiduciary value of education includes alternatives and choices for individual Trustees to pursue enrichment in areas of interest and specialization related to LACERA and its Mission, and to stay abreast of current developments.
- D. Sharing of Information.** Because education is a group effort as well as an individual endeavor, Trustees are encouraged to share information and perspectives concerning the education they separately pursue with fellow Trustees. For this reason, education should also include the flexibility and opportunities for Trustees to network with and obtain relevant knowledge from others in the public pension and investment communities.
- E. Leverage LACERA Resources.** A concerted effort should be made to present educational presentations in the boardroom to take advantage of the expertise of LACERA staff, LACERA consultants, and other outside experts to create a shared educational environment for all Trustees to interact, question, and receive common benefit.
- F. Annual Review of Education and Needs.** The fiduciary value of Trustee education is enhanced by each Trustee, on an individual basis, reviewing their past education each year and planning in advance when possible for how to meet their educational goals in the coming year. An annual review process recognizes that Trustees and their individual educational needs evolve over time, and no single method of educating Trustees is optimal. Instead, the ability of Trustees to develop flexible education plans for themselves and to employ a variety of methods is necessary and appropriate and will assist staff to source and provide appropriate choices and opportunities that meet Trustee needs.
- G. Transparency and Monitoring.** Trustee education and its fiduciary value and cost should be transparent to LACERA's members and other stakeholders. The Boards should be provided with information on a periodic and consistent basis to enable effective oversight of the Trustee education program.

III. NEW TRUSTEE ORIENTATION AND SUPPORT

- A. Attendance.** Each new Trustee and alternate, including the Treasurer and Tax Collector's Chief Deputy, shall attend orientation.
- B. Timing for Orientation.** Orientation should occur before a new Trustee attends their first Board meeting.

3a. Due to holidays, it is not always possible to schedule orientation before a new trustee's first meeting.

- C. Development and Content.** Orientation will be developed and overseen by the Chief Executive Officer and will, at a minimum, include the following topics:

3b. A trustee notes that the list of orientation topics is long and that it would be helpful to include the time frame in which the information is shared, e.g., will this information be shared in a single day or a week of meeting time.

Another suggestion is to provide trustees with a physical or virtual “binder” before the first orientation meeting containing materials covering all these topics to be used as a reference. Such a binder may help facilitate focused discussion of areas of interest during the orientation.

1. Overview and importance of LACERA’s Mission, Vision, and Values.
2. The California Constitution (Proposition 162), CERL, and the other primary laws, with an emphasis on the fiduciary duty of Trustees.
3. LACERA’s status as an independent public agency under the law, including the role of the plan sponsors.
4. The regulations, charters, policies, procedures, and rules governing LACERA and its Boards.
5. Transparency, including the Ralph M. Brown Act regarding open meetings, Robert’s Rules of Order, and the Public Records Act.
6. LACERA’s benefit structure and processes, including membership, service retirement, and disability retirement, including the relationship with the County-offered 457(b) and 401(k) plans.
7. Pension funding and processes, including actuarial valuations and experience studies, employer and employee contributions, investment earnings, and the Boards’ funding policy.
8. LACERA’s strategic plan and strategic planning process.
9. System expenses, budgeting, and accounting protocols.
10. The Investment Policy Statement, strategic asset allocation, and investment processes.
11. The retiree healthcare program (including governing healthcare agreements), and the role of LACERA and the participating employers in the administration of the program.
12. Retiree healthcare program funding, including current payments and the OPEB Trust.
13. The Internal Audit function, including the independent role of the Audit Committee.
14. Principal fund consultants and their role, including consulting and reviewing actuaries, financial auditor, investment consultants, healthcare consultant, and fiduciary counsel. Meetings with the consultants will be arranged, if possible.
15. Conflicts of interest and ethics, including Form 700, Political Reform Act, and LACERA’s Code of Ethical Conduct.
16. Board composition, including the committees and their purposes, and best practices for Board governance.
17. Trustee education and travel.

18. Current and emerging issues before the Board.
19. LACERA's Executive Management team, division managers, and other staff, including the organizational chart, roles and responsibilities, and communication protocols.
20. Media and public relations, including lacera.com and member and stakeholder communications.
21. Technology, including equipment and support.
22. A tour of the LACERA offices, if practicable.

D. Orientation Materials. At or before orientation, the following materials shall be made available to new Trustees:

1. A confidential roster of names, addresses, and contact information for the Board Trustees.
2. A confidential roster of names, addresses, and contact information for the Executive Management team.
3. Board agendas, minutes, policies and procedures, the strategic plan, applicable law, and other available resources, and how to access them.
4. Other relevant material requested by the new Trustee or deemed appropriate by the Chief Executive Officer.

E. Mentoring. Any new Trustee may request a mentor to assist them in becoming familiar with their responsibilities on the Board. If a request is made, the Board Chair(s) will designate one experienced Trustee to be a mentor to the new Trustee for a period of one year.

3c. A trustee suggests that mentoring be mandatory, rather than optional. The trustee notes that the framework for mentoring should not be prescribed and that the two trustees could determine that on their own.

F. Returning Trustees. Trustees who have previously served non-consecutive terms on the Boards shall attend orientation to refamiliarize themselves with the content described in Section III.C and changes to the system during their absence. The content of returning Trustee orientation will be developed by the Chief Executive Officer in collaboration with each returning Trustee.

IV. ONGOING TRUSTEE EDUCATION

A. Required Education. CERL requires that all Trustees receive a minimum of 24 hours of Trustee education within the first two years of assuming office and for every subsequent two-year period the Trustee continues to serve on the Board. This requirement sets a minimum standard. Trustees may obtain additional education consistent with the provisions of this policy.

B. Appropriate Subject Matter. All education must be relevant to the duties and responsibilities of Trustees. In accordance with CERL, the Boards identify knowledge in the matters and areas set forth in the Trustee Competencies stated in Appendix A as appropriate for required education. All Trustees must seek education in and should strive to have knowledge in these areas to assist

in the performance of their fiduciary duty and delivering on LACERA's Mission. In addition to these areas, Trustees may obtain education in other areas relevant to their fiduciary responsibilities. Members of Board committees are encouraged to focus a portion of their education on the subject matter of their committee.

C. Methods of Education. Since no one method of education is optimal, a Trustee's annual education should include various methods. In considering the various methods, Trustees should weigh the costs and benefits of each method. Trustee education may be obtained through the following:

1. In-House Education. The Chief Executive Officer will obtain annual Board approval for a program of in-house education for Trustees during regularly scheduled Board meetings, offsites, and other settings as may be permissible under the Brown Act. Such education will be provided by staff, LACERA consultants, and outside experts, except that the Chief Investment Officer will be responsible to plan and oversee investment-related education. LACERA consultants will be required in their contracts to provide Trustee education.

In addition to such other in-house education as may be provided, the Trustees shall annually receive training from fiduciary counsel in (1) fiduciary duty, (2) ethics and conflicts of interest, (3) governance, and (4) the Brown Act and Public Records Act.

4a. A fiduciary counsel training schedule needs to be developed.

2. In-Person External Conferences. Trustees may pursue in-person external education as provided in this policy, including conferences, seminars, and meetings. The Chief Executive Officer will obtain annual Board approval, maintain, and update on a current basis, a list of external educational options, organized by subject matter, appropriate for Trustees. The conferences listed in Appendix B are pre-approved. Trustees may attend external education that meets the criteria of this policy without additional approval, subject to the Boards' Trustee Travel Policy, provided that all international education must be approved by the applicable Board. For purposes of this policy Mexico and Canada are not considered international locations.

Every Trustee is authorized to attend up to 4 in-person external education opportunities per fiscal year (of which no more than 1 may be international), and up to 6 if the Trustee is serving simultaneously on both Boards at any time during the fiscal year (of which no more than 1 may be international), except that a Board may approve education in excess of these limits upon good cause. External education must have at least 5 hours of educational content per day. "International" education is all education that takes place

outside the United States. Two conferences separated by no more than one day, with no additional travel, count as one conference.

4b. The suggestion has been made to give each trustee an annual budget, with trustees allowed to maximize their educational opportunities within that budget. Under this suggestion, the limits on number of conferences in the current policy would be deleted and other changes may also need to be made.

A trustee also suggests that the definition of external educational opportunities be moved before the limits.

Conferences located in California are not subject to the hour and number limits stated in the preceding paragraph.

The Chief Executive Officer will maintain Domestic and International Education Priority Lists for each Board for use when attendance at an event is limited. Trustees will be offered the opportunity to attend based on their place on the appropriate priority list. Trustees on each Board initially will be placed on applicable lists in order of the start date of their earliest term of continuous service on the Board (for appointed Trustees, a gap of 18 months or less will not break continuity of service). Trustees with the same priority date will be given priority in alphabetical order. A Trustee who attends an event based on their priority will be placed at the bottom of the list. New Trustees with no prior Board service or a gap of more than 18 months will be placed at the top of the list to facilitate their education.

Prior to attending an international benefits conference, a Trustee is required to attend an American Health Insurance Plans (AHIP) National Policy Forum or World Health Care Congress. Prior to attending an international investment conference, a Trustee is required to attend the State Association of County Retirement Systems (SACRS) Public Pension Investment Management Program or the University of Pennsylvania Wharton School of Business Portfolio Concepts and Management course. These courses are within the limits described above in this Section IV.C.2.

3. Virtual Education. Trustees are encouraged to attend webinars and other forms of virtual education, including the conferences described in Section IV.C.2 above and Appendix B when offered virtually. If attendance is limited at a virtual event, the same priority list as described in Section IV.C.2 will be used. Attendance at virtual education is exempt from the limits stated in Section IV.C.2 as to the number of in-person educational opportunities that may be attended.

4c. The policy should clarify that virtual education is not limited as to cost.

4. Periodicals. Trustees are encouraged to read periodicals related to the performance of their fiduciary duties as a valuable method of keeping current on relevant news and pension and investment trends, including but not limited to those selected from a list of pension and investment-related periodicals maintained by the Chief Executive Officer. All subscriptions must be arranged through the Executive Office, and LACERA will bear the expense. The Chief Executive Officer will annually review and update the periodical list with input from Trustees.
5. Evaluation. Trustees may complete and submit to the Chief Executive Officer for distribution to all Trustees, an evaluation or syllabus of all in-person external conferences and virtual education attended. A suggested sample evaluation form is attached as Appendix C. Trustees are also encouraged to share knowledge from education at Board meetings during a Report on Trustee Education agenda item or when relevant during specific agenda items.

D. Assessment and Planning. Trustees are encouraged to assess their educational status and needs against the Trustee Competencies in Appendix A at the beginning of each calendar year and to use such information as the basis for establishing the Trustee's own self-development goals and education plan for the year. A suggested sample education plan format is attached as Appendix D.

E. Reporting and Monitoring. All Trustee education will be reported to the Chief Executive Officer. The Chief Executive Officer shall provide the Boards quarterly reports concerning the amount and type of Trustee education and post them on lacera.com. In addition, in compliance with CERL, the Chief Executive Officer will annually provide the Boards and post on lacera.com a report of each Trustee's compliance with the education requirement described in Section IV.A of this policy.

V. ADMINISTRATIVE MEETINGS

"Administrative Meetings" are meetings attended by Trustees in their LACERA capacity and that have a non-educational purpose in furtherance of LACERA's interests, including legislative advocacy, speaking engagements, positions in the administration of pension-related organizations, and similar events. The relevant Board will be informed of a Trustee's need to attend Administrative Meetings and provide approval on such terms as deemed appropriate. Attendance at Administrative Meetings is exempt from the limits stated in Section IV.C.2 as to the number of in-person educational opportunities that may be attended.

5a. A trustee asks why "Administrative Meetings" are included in this policy if they are not education. The trustee also suggests that this section be reworded so as not to presume Board approval.

///

VI. BROWN ACT COMPLIANCE

Attendance at external education and Administrative Meetings by more than four members of a Board is not a violation of this provision, provided that the members may not discuss any item of LACERA business.

VII. GIFTS AND CONFLICTS

The Boards desire to avoid even the appearance of impropriety in connection with education, and related expenses. The Boards acknowledge that acceptance of gifts of education and related expenses, such as registration, transportation, meals, and lodging by a public agency, though permitted under certain circumstances by applicable law, can create the appearance that LACERA encourages “pay to play” and may, unwittingly, create opportunities for undue influence on Trustees. This policy therefore does not permit LACERA as an entity to accept gifts of education, and related expenses. This policy does not prohibit certain payments for education and/or related expenses as part of the negotiated consideration under agreements with vendors, consultants, and managers, although all such payments should be reviewed in advance with the Legal Division to ensure compliance with applicable law, regulations, and reporting.

Items provided during education may constitute reportable gifts.

Trustees should be familiar with the provisions of LACERA’s Code of Ethical Conduct as it may apply to certain education and interaction with and items received from the sponsors or other attendees.

VIII. TRAVEL POLICY AND PROCEDURES

This policy is subject to and will be read and interpreted in conjunction with the Trustee Travel Policy.

6a. A trustee requests that the Education and Travel Policies be consolidated in a single document and that they be cross-referenced more effectively.

IX. OTHER CHARTERS AND POLICIES

To reconcile this policy with the Board Charters and other Board policies:

A. *Sexual Harassment.* Sexual harassment training will be obtained by Trustees as provided in the Boards’ Policy on Sexual Harassment Prevention Training for Board Members.

7a. A trustee suggests that this section be renamed and clarified that it relates to prevention of sexual harassment training.

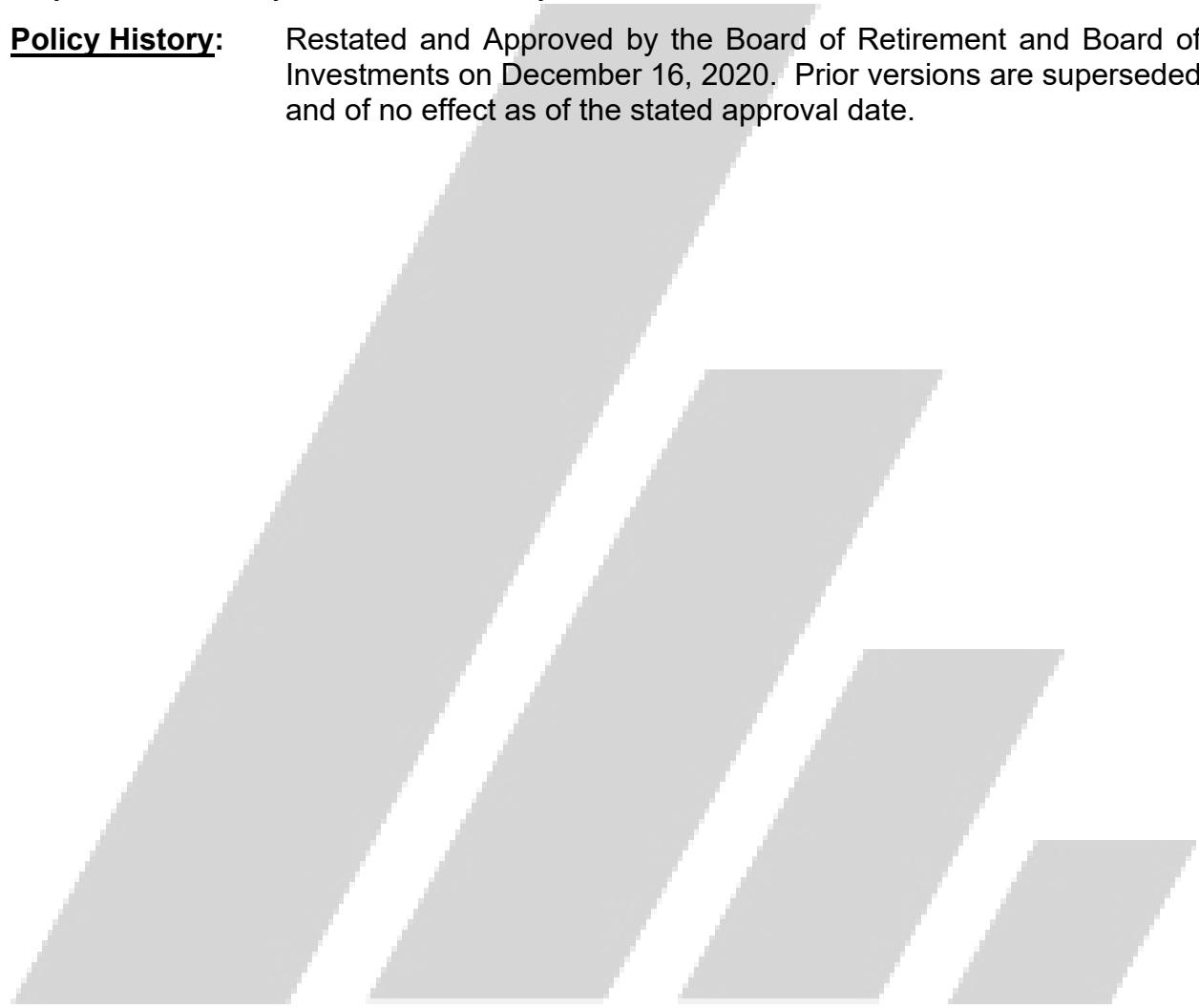
B. *Board Charters.* This policy constitutes the development policy and addresses Trustee education programs, as referenced in Section 6.1.4 of the Board of Retirement Charter and Reserve Power 5 of the Board of Investments Powers Reserved and Delegated Authorities and Powers Reserved Defined.

C. *Prior Board Educational Requirements Policies.* This policy supersedes and replaces the LACERA Board of Retirement Board Member Educational Requirements Policy and LACERA Board of Investments Board Member Educational Requirements Policy, which are of no further force or effect.

X. REVIEW

This policy shall be reviewed by the Joint Organizational Governance Committee, the Board of Retirement, and the Board of Investments every three years or as needed and may be amended by both Boards at any time.

Policy History: Restated and Approved by the Board of Retirement and Board of Investments on December 16, 2020. Prior versions are superseded and of no effect as of the stated approval date.



APPENDIX A TRUSTEE COMPETENCIES

- **Governance**
 - Understanding Board function, processes, committee structure, exercise of discretion, delegation of responsibilities and oversight role.
 - Understanding the organizational structure and roles of staff and consultants, including the actuary, auditors, healthcare consultant, investment consultants, and fiduciary counsel,
 - Understanding the laws and rules governing the system.
 - Understanding the Boards' governing documents.
 - Understanding the system's independence under applicable laws.
 - Understanding best practices for public pension board governance.
 - Understanding information technology and data security.
 - Understanding the meaning and role of diversity, equity, and inclusion.
 - Understanding Robert's Rules of Order.

- **Fiduciary Duties and Responsibilities**
 - Understanding the duty of loyalty.
 - Understanding the duty of prudence.
 - Understanding the paramount fiduciary duty to members and beneficiaries.
 - Understanding the fiduciary duty to minimize employer contributions.
 - Understanding the fiduciary duty to defray the reasonable costs of administering the system.
 - Understanding how to delegate authority while retaining appropriate oversight.

- **Benefits Administration**
 - Service Retirement
 - Understanding the different plans available to employees and retirees.
 - Understanding how the system communicates with members.
 - Understanding the difference between the responsibility for plan design (plan sponsor) and plan administration (LACERA).
 - Understanding the administrative appeal process.
 - Disability Retirement
 - Understanding the qualifications for a disability retirement and the benefits that are provided.
 - Understanding the process that is followed in disability applications, from intake through determination of eligibility.
 - Understand the medical and legal issues that are discussed during consideration of disability matters.
 - Understanding the disability hearing and appeal process.
 - Understanding fair hearings and decision-making standards.
 - Retiree Healthcare
 - Understanding the healthcare program structure.

- Understanding the history, agreements, and relationship with the County and other participating employers in connection with the funding and administration of the program.
- ***Ethics, Conflicts of Interest, and Disclosures***
 - Understanding the Form 700 process, and Conflict of Interest Code.
 - Understanding applicable conflict of interest laws and the duty to avoid participating in a decision that affects a Trustee's economic interests.
 - Understanding the LACERA Code of Ethical Conduct.
 - Understanding the RFP quiet period and Trustee disclosure obligations.
- ***Open Meeting and Public Records***
 - Understanding the importance of transparency to stakeholders.
 - Understanding the notice requirement for meetings, including teleconference meetings under the Brown Act.
 - Understanding the limitations on discussing matters that have not been noticed on the agenda.
 - Understanding the circumstances under which communications outside of noticed meetings can be deemed to be a prohibited meeting under the law.
 - Understanding what may and may not be discussed during a closed session.
 - Understanding what constitutes a “public record” under the law and circumstances under which records must be disclosed or withheld.
- ***Financial Controls and Audits***
 - Understanding the role of LACERA staff, Internal Audit, the outside financial auditor, and the Audit Committee.
 - Understanding the Comprehensive Annual Financial Report (CAFR).
 - Understanding the concepts of “risk assessment” and developing internal controls to address those risks.
 - Understanding the responsibility for maintaining the security of confidential information kept by the system, including privacy rights.
 - Understanding vendor selection policy and practices.
- ***Pension Funding and Actuarial Process***
 - Understanding of how assets and liabilities of the system are calculated on an actuarial basis, and the role of actuarial consultants.
 - Understanding the difference and relationship between the actuarial value of assets and the market value of assets and the asset smoothing process.
 - Understanding how changes in actuarial assumptions have an impact on system assets and liabilities.
 - Understanding the nature of the plan sponsors’ funding obligations and the responsibility of the Board of Investments to determine the annual required contribution and employee contributions and provide oversight of the actuarial process.
 - Understanding OPEB pay-as-you-go and trust funding mechanisms for retiree healthcare, and the Board of Retirement’s oversight role.

- **Investments**

- Understanding the comprehensive nature of the investment process.
- Understanding portfolio construction.
- Understanding different asset categories and portfolio complexity.
- Understanding responsible stewardship of LACERA's investments in a manner that promotes and safeguards the economic interests of LACERA and its members, including robust investor rights, strong corporate governance practices and policies at the firms in which LACERA invests, and sound public policies governing financial markets help generate long-term economic performance.



APPENDIX B APPROVED EXTERNAL EDUCATION

The following list of approved external education is provided under Section IV.C.2 of the Trustee Education Policy as a resource to Trustees in selecting pre-approved education that will support required education, Trustee Competencies, and educational assessment and planning. Education is organized by primary subject matter, although some events may provide education in multiple areas. All conferences on this list are intended only to refer to domestic U.S. events.

Governance

National Association of Corporate Directors (NACD) conferences, seminars, and meetings

Pension Benefits and System Administration

California Association of Public Employee Retirement Systems (CALAPRS) conference, seminars, and meetings, including Principles of Pension Management Course

Government Finance Officers Association (GFOA) conferences, seminars, and meetings

Harvard Law School Labor and Worklife Program conferences, seminars, and programs

Koried conferences, seminars, and programs

National Conference on Public Employees Retirement Systems (NCPERS) conferences, seminars, and meetings

National Institute on Retirement Security (NIRS) conferences, seminars, and meetings

Public Retirement Journal conferences, seminars, and meetings

State Association of County Retirement Systems (SACRS) conferences, seminars, and meetings

Retiree Healthcare

America's Health Insurance Plans (AHIP) conferences, seminars, and meetings, including Annual Institute, Annual Medicare Conference, and Annual National Policy Forum

California Retired County Employees Association (CRCEA) semi-annual conferences

Federal and state legislative hearings on pension and retirement health care issues

International Foundation of Employee Benefit Plans (IFEBC) conferences, seminars, and meetings, including Annual Employee Benefits Conference, Annual Benefits Conference for Public Employees, Annual Health Care Cost Management Conference, Annual Investments Institute, and Annual Washington Legislative Update Conference

Investments

Association of Asian American Investment Managers conferences, seminars, and meetings

Association for Private Capital Investment in Latin America (LAVCA) conferences, seminars, and meetings

Council of Institutional Investors (CII) conferences, seminars, and meetings

Harvard Kennedy School, Trustee Leadership Forum for Retirement Security and Initiative for Responsible Investment

Harvard Law School Forum on Corporate Governance

Information Management Network (IMN) Beneficial Owners' International Securities Lending Summit Annual Conference

International Corporate Governance Network (ICGN) conferences, seminars, meetings

Institutional Limited Partners Association (ILPA) conferences, seminars, and meetings

Milken Institute conferences, seminars, and meetings

National Association of Investment Companies conferences, seminars, and meetings

National Association of Securities Professionals (NASP) conferences, seminars, and meetings, including Annual Pension and Financial Services Conference

New America Alliance conferences, seminars, and meetings

Pacific Pension & Investment Institute (PPI) conferences, seminars, and meetings

Pension Bridge conferences, seminars, and meetings

Pension Real Estate Association (PREA) annual spring and fall conferences and institute

United Nations Principals of Responsible Investing (UNPRI) conferences, seminars, and meetings

University of Pennsylvania Wharton School's Pension Fund and Investment Management and the Portfolio Concepts and Management courses

Women in Institutional Investments Network conferences, seminars, and meetings

**APPENDIX C
SUGGESTED SAMPLE CONFERENCE EVALUATION FORM**

Under Section IV.C.5 of the Trustee Education Policy, Trustees are encouraged to complete an evaluation form or provide a syllabus for all in-person external conferences and virtual education attended.

TRUSTEE NAME:

CONFERENCE NAME:

CONFERENCE DATE:

RANKING 1-10:

1 (lowest) 2 3 4 5 6 7 8 9 10 (highest)

DO YOU RECOMMEND THE COURSE TO OTHER TRUSTEES? Yes No

WHY?

DESCRIPTION OF SUBJECT MATTER (attach syllabus if available):

HIGHLIGHTS:

WEAKNESSES:

Return to:

Board Offices

BoardOffices@lacera.com

**APPENDIX D
SUGGESTED TRUSTEE EDUCATION PLAN**

Under Section IV.D of the policy, Trustees are encouraged to assess their personal educational status and needs as against the Trustee Competencies in Appendix A at the beginning of each calendar year and to use such information as the basis for establishing the Trustee's own self-development goals and education for the year.

TRUSTEE NAME:

PLAN FOR YEAR: 20____

HAVE I COMPLETED MY 24 HOURS OF CERL-REQUIRED EDUCATION EVERY TWO YEARS? Yes No

FIVE AREAS WHERE I WOULD LIKE TO GET ADDITIONAL EDUCATION THIS YEAR TO HELP IN THE PERFORMANCE OF FIDUCIARY DUTY:

- 1.
- 2.
- 3.
- 4.
- 5.

SUGGESTIONS FOR INTERNAL EDUCATION I WOULD LIKE TO SEE THIS YEAR (you may email them to the CEO, skreimann@lacara.com):

IDEAS FOR EXTERNAL EDUCATION I WOULD LIKE TO PURSUE THIS YEAR:

ARE THERE ANY ADDITIONAL EDUCATIONAL RESOURCES I NEED FROM THE EXECUTIVE OFFICE THIS YEAR (you may email them to the CEO, skreimann@lacara.com):



TRUSTEE TRAVEL POLICY

LACERA Board of Retirement & Board of Investments

Adopted December 16, 2020

TRUSTEE TRAVEL POLICY

I. PURPOSE

The purpose of this policy is to align travel by Trustees in connection with educational conferences and administrative meetings on LACERA's behalf with the Mission, Vision, Values, and work culture of the organization. The Board of Retirement and Board of Investments recognize that travel associated with education and administrative meetings on LACERA's behalf is a component of building the knowledge base and operational understanding of Trustees given their fiduciary responsibilities and will equip them to discharge their fiduciary duties for the sole benefit of active members, retirees, and their beneficiaries. To ensure reimbursement for travel is allowed for only those expenses deemed reasonable and necessary for the proper administration of the system, the policy will be administered in a manner that can be overseen by the Boards and understood by LACERA members and other stakeholders as reasonable, cost effective, value-driven, and necessary to fulfill LACERA's Mission to Produce, Protect, and Provide the Promised Benefits.

1a. A trustee asks if the policy is for reimbursement of travel or the incurrence of travel expenditures given that the latter comes first. Under the current policy, reimbursement for all travel expenses is made after a trip is completed and all expenses can be considered together. Staff notes that LACERA has not historically prepaid reimbursable travel expenses and that administratively, it is easier for staff to process all reimbursable travel expenses after a trip has been completed.

This policy applies to travel in connection with Educational Conferences and Administrative Meetings. "Educational Conferences" are those conferences, seminars, and meetings that have an educational purpose. "Administrative Meetings" are meetings attended by Trustees in their LACERA capacity and that have a non-educational purpose in furtherance of LACERA's interests, including legislative advocacy, speaking engagements, positions in the administration of pension related organizations, and similar events. This policy applies to LACERA Trustees only.

1b. A trustee asks whether the definition of "Administrative Meetings" should be clarified in the situation when a speaking engagement occurs at a conference that has an educational purpose. Such a conference could also be considered an "Educational Conference." Also, after the last sentence, a reference to the CEO and CIO's separate oversight of staff travel policy can be added.

II. PRINCIPLES

The following principles shall govern Trustee travel in connection with Educational Conferences and Administrative Meetings on LACERA's behalf and the interpretation of this policy.

TRUSTEE TRAVEL POLICY

A. Performance of Fiduciary Duty. Travel for educational conferences and administrative meetings in furtherance of LACERA's interests is necessary and should be encouraged and undertaken in order that Trustees may obtain and share knowledge relevant to the proper performance of their fiduciary duty under the California Constitution, the County Employees Retirement Law of 1937 (CERL), and other applicable laws by a reasonable method and at reasonable cost for the value received. Specifically:

1. Duty of Loyalty. Education and attendance at administrative meetings must assist the Trustees to perform their fiduciary duty of loyalty to act solely in the interest of providing benefits to members and their beneficiaries, minimizing employer contributions, and defraying reasonable expenses of administering the system, with the duty to members and their beneficiaries being paramount.

2. Duty of Prudence. Education and attendance at administrative meetings must assist the Trustees to perform their fiduciary duty to act with the care, skill, prudence, and diligence that a prudent person acting in a like capacity would use in the conduct of a public pension system.

2a. A trustee points out certain phrases, such as "travel for educational conference and administrative meetings," and certain concepts, such as the fiduciary implications of travel, are repeated in the policy. The trustee suggests that the drafting be tightened. The trustee also suggests that the discussion of fiduciary duty is not entirely consistent with the discussion in other documents; fiduciary duty could be incorporated from another source. Staff believes it is helpful and important to include a statement of fiduciary duty in the policy phrased in the context of education and travel.

B. Member-Centric Concentration. Trustees have a fiduciary duty to make policy decisions consistent with applicable law, including constraints imposed by the Fund's budget. At the same time, travel may be necessary to support and enhance LACERA's Mission to Produce, Protect and Provide the Promised Benefits on behalf of LACERA members.

2b. A trustee found the title of this section confusing, since the focus is on fiscal prudence. Staff agrees with this suggestion, while preserving the concept that travel should further the fund's purpose to pay members benefits.

Trustees are expected to be and believed to be mindful and financially prudent in all travel and trip-related expenditures that consume resources funded by LACERA members.

- i. All monies held in the Fund by LACERA are ultimately due and payable in the form of pension benefits to active and retired members. Therefore, all

TRUSTEE TRAVEL POLICY

administrative, operational and travel expenditures should be able to withstand the scrutiny of our members, stakeholders, plan sponsors and the public at large, thereby minimizing any reputational risk to LACERA.

- ii. Trustees are accountable for their actions and responsible for appropriate use of organizational resources and establishing policy creating limits and constraining expenditures. Travel policies for staff can be more restrictive depending on circumstances and financial constraints.

C. Transparency. Travel administrative procedures and guidelines are established and carried out in a manner that is easy for members to identify actions taken by Trustees.

2c. A trustee stated that transparency is in the interest of all stakeholders, not just members.

- i. Expenses incurred for travel and trips are clearly identifiable as business-related expenses only, not for personal expenses of the Trustee or any traveling companions.
- ii. Travel expenses and trip information are reported to LACERA members and stakeholders via a public forum.
- iii. Trustees recognize and accept their accountability and responsibility to LACERA members for travel and trip expenditures which are charged to LACERA.
- iv. All Trustees acknowledge and sign a travel attestation document (Appendix B) annually, confirming their commitment to act responsibly and prudently and in the best interest of LACERA members.

2d. A trustee pointed out that the annual attestation requirement is not being enforced. Other trustees have indicated concern whether the attestation is necessary.

D. Simplicity, Uniformity and Consistency. Travel administrative procedures and guidelines for claiming and reimbursing expenses are designed to be simple, uniform, and consistent, and should not be overly onerous so as to negatively affect Trustees.

- i. Travel procedures should be a guide with simple, unambiguous rules for making and approving travel arrangements, and for the timely processing and accounting of trip related expenditures and reimbursements.
- ii. Travel expenditures are documented on expense claims that are clear and concise.
- iii. Travel expense reimbursement processes should be clear, consistent, transparent, convenient, efficient, and compliant with the Trustee Travel Policy.
- iv. Travel expense methods are simple and universally applied so the reimbursement claim process is streamlined (e.g., all meals are claimed under the Per Diem Method).

2e. A trustee found the phrase “trustee expense methods” vague. The trustee also pointed out that there are exceptions in the policy to the per diem method of meal reimbursement.

TRUSTEE TRAVEL POLICY

- v. Travel procedures, including administrative expense guidelines and reimbursement process, are maintained under the direction of the Chief Executive Officer (CEO) or their designee.

E. Ease of Execution. Travel administrative procedures and guidelines are established with administrative ease and designed to reduce the manual processes and the considerable effort required of staff. Processes related to travel reimbursements and processing expense claims should not be cumbersome and complicated for staff and Trustees.

- i. Travel accommodations and Trustee conveniences are streamlined and provide a group of appropriate choices instead a vast menu of options.
- ii. The process itself of conducting travel bookings and expense processing are considered a priority.
- iii. Expense categories, reimbursement process, and claim forms are periodically reviewed and updated by staff.
- iv. Trustees, not proxies, are responsible for obtaining, gathering, and submitting the appropriate documentation justifying expenditures in a timely manner.
- v. External providers including travel agents and other travel-related industry services are to be considered and integrated into the process for Trustees and administrative ease.
- vi. Technological tools for capturing and recording trip documentation are employed where reasonable and necessary considering cost implications.
- vii. Practices will periodically be reviewed to ensure best practices and industry norms are included within the Trustee Travel Policy.

III. TRUSTEE TRAVEL

3a. The suggestion is made to give each trustee an annual budget and trustees should be allowed to maximize their educational opportunities within that budget. This suggestion may require a restructuring of some of the expense limitation provisions in the current policy. The JOGC may also consider that it may still be appropriate to places limits on certain types of expenditures that LACERA will not recognize as appropriate.

A. Approval. All travel requires approval of that Trustee's Board, except Educational Conferences and Administrative Meetings in California where the total cost of attendance is no more than \$2,000 are pre-approved for attendance and reimbursement, provided that a Trustee may not incur over

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TRUSTEE TRAVEL POLICY

\$10,000 for all expenses of attending all such Educational Conferences and Administrative Meetings in a fiscal year without Board approval.

3b. A trustee believes the language of this paragraph should be clarified to clearly state that all travel must be approved, subject to the California exception. A trustee asks that education expenses that do not require travel, such as NACD certification through a self-study program, be included in the policy. Another trustee requests that the limit for California conferences and meetings be increased to \$20,000 total and a pre-approved limit of \$3,000 per event.

B. Cease Travel. Trustees shall cease arranging future travel for Educational Conferences once they become aware their term of service will end. For appointed Trustees, this occurs in the final year of their appointment and after the Board of Supervisors votes on the next appointment. For elected Trustees this occurs if an elected Trustee is replaced once election results are certified by the Board of Supervisors. For the Ex-Officio Trustee, this occurs once a retirement is announced.

3c. A trustee suggests that the first sentence of this section be clarified as to when an outgoing trustee should cease travel. A trustee is aware from the beginning of their term as to when it will end, so "awareness" is not a good measure or should be clarified.

C. Authorized Expenses. Authorized travel expenses shall be determined by the Boards as set forth in Appendix A. LACERA Trustees shall be reimbursed for reasonable and necessary expenses incurred, and documented, in connection with LACERA business.

3d. A trustee suggests that the second sentence should read "LACERA shall reimburse trustees in accordance with Appendix A," so that it is phrased in the active voice.

D. Costs of Administration. Travel expenses for Trustees shall be administrative costs of the Fund and may not be paid through third party contracts. It is LACERA's policy that LACERA, as an agency, and its Trustees shall not accept gifts of travel.

3e. This provision should be clarified to stated that gifts of travel, include transportation, meals, and other expenses, and are reportable, if allowed, as gifts by individual trustees if not paid by LACERA.

TRUSTEE TRAVEL POLICY

E. Claims for Reimbursement.

- i. Submission. A travel expense reimbursement shall be claimed by completing an expense voucher form available on the LACERA intranet website and submitting it to the appropriate authorizing person. Trustees may submit their expense reimbursements to their respective Executive Board Assistant. All expense reimbursement requests shall be accompanied by receipts and/or other reasonable documentation. Expense reimbursement records are subject to disclosure under the Public Records Act, with redaction of confidential information. The deadline for submitting an education and travel reimbursement claim is 90 days after completing the education, or 30 days after the fiscal year-end, whichever comes first. Extensions to this deadline may be granted by the Board Chair.

3f. A trustee asks where trustees may find the “expense voucher form.” (Staff note: It is provided in BoardVantage and via email.) The trustee also requests examples be included as to when expense documents are subject to disclosure under the Public Records Act.

- ii. Approval. The Executive Board Assistants will receive and review, for compliance with this policy, all expense reimbursement requests prior to submission. The Financial and Accounting Services Division (FASD) will review expense reimbursement requests for compliance with this policy and shall only process and pay those that are in compliance and approved by the CEO or their designee. FASD will notify the CEO or their designee of all deficiencies in a submission by a Trustee, and the CEO or their designee will in turn notify the respective Trustee. LACERA will not reimburse a Trustee for expenses that are not authorized under this policy unless specifically exempted and approved by that Trustee’s Board, except that, without Board approval, each Board Chair or the Chief Executive Officer may authorize deviations of less than \$1,000 per trip from the expense limits in this policy.

3g. Recommendation of the above change was approved at the December 15, 2021 JOGC meeting. Some trustees thought the amount of deviations that can be approved by the Chairs or CEO should be higher.

Another trustee believes that the issue can be addressed by raising the dollar limits throughout the policy to grant more flexibility,

3h. A trustee requests that a checklist of all relevant information required for approval be included in every travel item submitted for Board approval.

TRUSTEE TRAVEL POLICY

F. Cancellation of Travel Arrangements.

- i. Responsibility for Time Cancellation. Trustees are responsible for timely canceling travel arrangements made on behalf of the Trustee which will not be used so that no costs will be incurred by LACERA.

3i. A trustee points out that “time” should be “timely” in the heading of this section. A trustee states that this section conflicts with the requirement to purchase non-refundable tickets.

- ii. Responsibility for Untimely Cancellation Costs. Trustees are responsible for all costs LACERA incurs as a result of the Trustee’s failure to cancel travel arrangements before cancellation charges accrue, unless the failure to cancel was due to facts or circumstances beyond the Trustee’s control. The Trustee must reimburse LACERA within 30 days after notification of the amount due. If reimbursement is not made within such 30-day period, and payment is still due, the amount shall be deducted from any payment due the Trustee from LACERA. If a Trustee is enrolled for an Educational Conference or Administrative Meeting but fails to attend or timely cancel and LACERA incurs an expense as a result (e.g., conference registration, travel and lodging cancellation fees), that conference or meeting counts toward the limit under Section IV.C.2. of the Trustee Education Policy until the Trustee reimburses LACERA for all expenses incurred or cancellation is excused under Section III. F. iii. of this Trustee Travel Policy.

3j. A trustee believes the heading to this section should refer to costs incurred when a reservation is not canceled timely and that this section state who will notify the trustee when reimbursement is due.

- iii. Approval of Cancellation Costs with Good Cause. If the Trustee believes the failure to cancel was due to facts or circumstances beyond their control, they must submit written justification to the Board Chair within 30 days after receiving notification of the cancellation expenses due. For Trustees, the Board Chair will approve or disapprove the excuse in writing to the Trustee, with a copy to the Executive Board Assistant. If the individual is a Board Chair, then the written excuse must be submitted to that Board’s Vice Chair who will then approve or disapprove the excuse. If the individual is a Vice Chair simultaneously serving as the acting Chair, then the Vice Chair’s written excuse must be submitted to that Board’s Secretary who will then approve or disapprove the excuse. Should a Trustee disagree with the Board Officer’s determination, the Trustee may request the Executive Board Assistant to agendize the matter for consideration by the full Board.

TRUSTEE TRAVEL POLICY

G. Cash Advances. Cash advances will not be allowed unless specifically approved for Trustees by the appropriate Board.

3k. A trustee strongly disagrees with the policy against cash advances because some trustees may not be able to front their travel expenses.

H. Expenses for Traveling Companions. Travel expenses for family members and/or traveling companions are not reimbursable by LACERA.

I. Additional Travel Days to Minimize Overall Travel Cost. Travel resulting in arrival one day prior to and/or one day after an Educational Conference or Administrative Meeting will be reimbursed if reasonably necessary because of time constraints. Travel resulting in arrival two days prior to and/or one day after international travel will be reimbursed as reasonably necessary based on the location of the Educational Conference or Administrative Meeting. In addition, lodging and per diem for extra days prior to or after an Educational Conference or Administrative Meeting will be reimbursed if such extension results in lower overall trip costs. If a Trustee adds personal travel before or after a trip, the extra personal days outside of the above restrictions shall not be reimbursed. Written justification for travel expenses incurred prior to or after an Educational Conference or Administrative Meeting shall be submitted with the claim for reimbursement.

J. Ground Transportation. Trustees will be expected to use taxis or ride sharing services to and from domestic destinations. Limousine or executive car services shall not be used in domestic locations unless the cost for such services is comparable to that of taxi services and/or airport parking; they may be used without restriction in international locations. Reimbursement of rental vehicles require justification and prior approval from the Chief Executive Officer. When renting a vehicle, purchase of optional insurance is not necessary as LACERA's insurance will cover the same risks.

3l. A trustee requests that this section reference that an airline ticket sometimes includes the cost of a limo or executive car.

K. International Travel Insurance. LACERA will purchase travel insurance covering Trustees while traveling internationally on LACERA business. The insurance will include accident, medical, security assistance and evacuation, travel assistance, trip cancelation, interruption or delay, and baggage loss or delay coverage.

L. Travel Reports.

- i. Monthly. A monthly Travel Report shall be submitted to both Boards listing the current fiscal year's completed, anticipated, and canceled Education

TRUSTEE TRAVEL POLICY

Conferences and Administrative Meetings (including whether excused under Section III. F. iii).

3m. A trustee requests that this section clarify that travel reports for both Boards are provided to all trustees.

- ii. Quarterly. A quarterly Travel Report shall be submitted to both Boards listing education and administrative travel expenses paid/reimbursed by LACERA. Such report shall identify whether each item of travel was for an Educational Conference or Administrative Meeting, the purpose, location, cost by expense category, and whether excused under Section III. F. iii.
- iii. Availability. The monthly and quarterly reports shall be agendized as reports for the Boards in the first month after they are available (and for privacy and personal security reasons, after travel has been completed) and shall be posted on lacera.com.

3n. A trustee requests that timely information be provided showing when a trustee is reaching the \$10,000 California travel limit.

IV. ADMINISTRATIVE MEETINGS

For attendance at an Administrative Meeting, as defined above, the Trustee will notify the relevant Board of a Trustee's need to attend and the Board will provide approval on such terms as deemed appropriate.

4a. A trustee requests that this section should be revised to be consistent with the provision that California administrative meetings totaling under \$10,000 are pre-approved.

Due to the unique nature of Administrative Meetings, this travel does not have number limits, subject to the cost limits of Section III. A., and does not count towards the maximum approved number limits for travel unless in conjunction with an Educational Conference.

4b. A trustee requests that the term "number limits" be more clearly explained as referencing the number of conferences that may be attended.

V. BROWN ACT COMPLIANCE

Attendance at external Education Conferences and Administrative Meetings by more than four Trustees of a Board is not a violation of this provision, provided that the Trustees may not discuss any item of LACERA business.

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TRUSTEE TRAVEL POLICY

VI. GIFTS AND CONFLICTS

The Boards desire to avoid even the appearance of impropriety in connection with education, and related expenses. The Boards acknowledge that acceptance of gifts of education and related expenses, such as registration, transportation, meals, and lodging by a public agency, though permitted under certain circumstances by applicable law, can create the appearance that LACERA encourages “pay to play” and may, unwittingly, create opportunities for undue influence on Trustees. This policy therefore does not permit LACERA as an entity to accept gifts of education, and related expenses. This policy does not prohibit certain payments for education and/or related expenses as part of the negotiated consideration under agreements with vendors, consultants, and managers, although all such payments should be reviewed in advance with the Legal Division to ensure compliance with applicable law, regulations, and reporting.

Items provided during Educational Conferences and Administrative Meetings may constitute reportable gifts.

Trustees should be familiar with the provisions of LACERA’s Code of Ethical Conduct as it may apply to certain education and administrative meeting interaction with and items received from the sponsors or other attendees.

The Boards acknowledge that international travel, though expensive, is increasingly necessary in light of today’s global economy and LACERA’s ongoing prudent investment of a substantial portion of its assets outside the United States.

VII. EDUCATION POLICY AND PROCEDURES

This policy is subject to and will be read and interpreted in conjunction with the Trustee Education Policy.

5a. A trustee requests that the Education and Travel Policies be consolidated in a single document.

VIII. POLICY PROVISIONS AND APPLICABLE LAW

A. Waiver of Policy Provisions. For good cause presented in writing, and in the exercise of its sound discretion, the Board of Retirement or the Board of Investments may waive compliance with specific requirements of this policy when in the best interest of LACERA.

6a. A trustee requests that this language be clarified to state that waiver requests must be presented at a regularly scheduled meeting.

B. Applicable Law. This policy is to be implemented in compliance with the relevant provisions of the California Government Code and other applicable law, and in

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harmony with existing philosophy, objectives, policies and guidelines previously approved by the Board of Retirement and the Board of Investments.

IX. REVIEW

This policy shall be reviewed by the Joint Organizational Governance Committee, the Board of Retirement, and the Board of Investments every three years or as needed and may be amended by both Boards at such time.

Policy History: Restated and Approved by the Board of Retirement and Board of Investments on December 16, 2020. Prior versions are superseded and of no effect as of the stated approval date.

7a. A trustee requests that the concept of sustainability be added to the Travel Policy. The trustee states that the policy should require that the carbon and environmental footprint of travel be stated in all requests for Board approval. See information regarding an initiative by Google Flights at:

<https://www.npr.org/2021/10/06/1043803529/google-flights-carbon-emissions-air-travel>

TRUSTEE TRAVEL POLICY

APPENDIX A REIMBURSEMENT SCHEDULE

Amounts which can be reimbursed for transportation, lodging, meals, and other covered items are indicated as follows:

I. TRANSPORTATION:

A. Airline Travel

1. Trustees will travel in coach/economy class except that they may travel in business class or its equivalent for:
 - a. Flights having a scheduled non-stop roundtrip flight time or total connecting roundtrip travel time of ten hours or more.

8a. Recommendation of the above change was approved at the December 15, 2021 JOGC meeting.
 - b. Red-eye flights. "Red-eye flights" are defined as flights in which a majority of the flight time occurs between 10:00 PM and 6:00 AM.
 - c. Flights arriving or departing at an international location, including Canada and Mexico.
2. LACERA will reimburse the additional cost of coach/economy class seats advertised as having additional leg room regardless of flight time.
3. Air travel will only be reimbursed at the lowest available non-refundable fare at the time of purchase (for class travel authorized under this Policy). Trustee may elect to fly on United, American, Delta, JetBlue, or Southwest Airlines for the dates and times of travel. Other carriers are authorized, but reimbursement shall not exceed the lowest non-refundable fare offered either amongst the five major airlines carriers mentioned above or other major carriers who fly to selected destination.

8b. A trustee suggests that this section be changed to permit travel on any airline, with the fare justified against three other airlines. However, staff notes that this change made be more difficult to administer. See Section II.E regarding Ease of Execution.

4. Recognizing air carriers have begun charging for incidental items historically included in the ticket price (for example, checking luggage, providing pillows, blankets, and non-alcoholic beverages during flights, etc.), LACERA also will

TRUSTEE TRAVEL POLICY

APPENDIX A REIMBURSEMENT SCHEDULE

reimburse carrier charges for such incidental items upon submission of an itemized receipt. Alcoholic beverages will not be reimbursed.

5. Substantiation of airline travel shall include a copy of the ticket or E-mail confirmation showing the cost of the air travel.
6. Trustees traveling by air to conduct LACERA business may use only regularly scheduled airline services operating by an air carrier certified by the Federal Aviation Administration or comparable foreign authority. Trustees are prohibited from traveling on LACERA business via private aircraft, including but not limited to aircraft owned, leased, or rented by the individual Trustee. Persons traveling on LACERA business via private aircraft will be deemed to be acting outside the scope of their responsibilities and employment. They will not be covered by LACERA's liability insurance.

8c. A trustee requests that the policy address whether reimbursement is allowed when points or a credit balance with an airline are used to purchase a ticket. Staff notes that this may not be prudent because the cost of points is usually more than the costs of a ticket.

B. Other Common Carrier Travel

1. Travel permitted under this policy should be accomplished in the most cost-effective and efficient manner practicable, considering the costs of the mode of transportation, travel time, accommodations, and per diem.
2. Generally, air travel is the most cost-effective and efficient means for long distance travel, with "long distance travel" defined as a travel to a site more than 300 miles from LACERA's headquarters.
3. Where a traveler has special travel needs or concerns such that travel by air for long distance travel is not practicable, then the traveler may use an alternate common carrier (e.g., train or bus) and incur such reasonable expenses associated with that mode of travel (e.g., sleeper car, additional days of per diem).
4. Substantiation of other common carrier travel shall include a copy of the ticket or E-mail confirmation showing the cost of the travel.

II. LODGING:

A. Room Cost

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APPENDIX A REIMBURSEMENT SCHEDULE

Reimbursement is limited to a standard class single room rate, including mandatory taxes and hotel fees. Actual expenses for lodging will be reimbursed upon submittal of receipts. For example, room upgrades, and bed and breakfast additions will be at the expense of the Trustee, unless for good cause such as the unavailability of standard rooms and/or international destinations.

B. Government Rates

Trustees traveling on LACERA business should always request government rates when making reservations and/or checking in. LACERA recognizes that the governmental rate offered for local governmental entities like LACERA may be higher than the federal government rate, or may not be available at all, especially in connection with international travel.

C. Attendance at Educational Conferences and Administrative Meetings.

LACERA acknowledges that the cost of a standard room at an event hotel may exceed the standard lodging reimbursement rate. Nevertheless, Trustees attending events may stay at the designated hotel to promote convenient access, networking, and safety. Reimbursement for lodging at an event is limited to the standard room rate charged by the event hotel unless for good cause such as the unavailability of standard rooms and/or international destinations. When lodging at the event hotel is unavailable, reimbursement is limited to the best available rate for a standard room at a nearby hotel of comparable quality. The Trustee will be responsible for any excess cost.

D. Travel Not Connected With An Established Hotel Venue

The maximum lodging amounts are intended to cover the cost of lodging at adequate, suitable and moderately-priced facilities located near the destination city's airport or the specific area in the destination city where LACERA's business will be conducted without association with an established hotel venue. Reimbursement for lodging connected with such travel is limited to:

1. Domestic: Not more than three times the regular per diem rate for the location as established from time to time by the Internal Revenue Service, found at www.gsa.gov (click on "per diem rates").

9a. A trustee states the per diem rates are developed by the GSA, not the Internal Revenue Service. Staff concurs with this correction and suggests that the language be changed to refer to per diem rates established by the "U.S. General Services Administration (GSA)."

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APPENDIX A REIMBURSEMENT SCHEDULE

2. International: Not more than three times the rate for the location as established from time to time by the United States Department of State, found at: www.state.gov/m/a/als/prdm.

III. MEALS:

It is the policy's intent for the Trustee to be reimbursed for meals not pre-paid for by LACERA. As such, LACERA will not reimburse the Trustee for a meal which has been pre-paid for by LACERA (e.g., when conference registration includes meals), whether or not the Trustee consumed the meal, except where the Trustee could not consume the pre-paid meal because:

10a. A trustee requests that the concept of pre-payments be expanded and addressed in its own paragraph.

1. The Trustee has special dietary or medical concerns, or
2. It was reasonably necessary for the Trustee to conduct LACERA business while the pre-paid meal was being served.

Written justification as to which of the above two exceptions applies will be provided with the reimbursement request. However, written justification for any dietary restrictions or medical concerns need only be provided once annually by the Trustee.

Likewise, LACERA will not reimburse the Trustee for a meal paid for by a third party.

10b. A trustee requests a clear statement as to whether trustees may accept meals paid for by third parties.

Meal Reimbursement

Reimbursement for meals shall be based on the "Per Diem Method" only as defined below.

10c. A trustee questions this provision because the actual cost of meals may be less than the per diem rate.

A. The Per Diem Method

1. Under the Per Diem Method, the Trustee agrees to accept a flat rate for meals. Trustees are not required to submit receipts.

TRUSTEE TRAVEL POLICY

APPENDIX A REIMBURSEMENT SCHEDULE

2. The per diem allowance will be computed using the Meals & Incidental Expenses rate (the "M&IE Rate") published by the Internal Revenue Service and in effect on the date of travel for the locality of travel.
3. The per diem allowance shall be claimed in accordance with the Meals & Incidental Expenses Breakdown ("M&IE Breakdown") per the IRS, based on the M&IE Rate. The portion of the per diem the Trustee receives depends upon when the travel occurs. For example, if the travel occurs during normal breakfast and lunch times, the Trustee receives the per diem for breakfast and lunch; if the travel occurs during normal lunch and dinner times, the Trustee receives the per diem for lunch and dinner, etc.

IV. PORTERAGE:

Porterage may not be claimed using the Per Diem Method, as the Per Diem Method's IRS tables already factor in porterage reimbursement.

V. PARKING:

Parking, including airport parking, will be reimbursed at actual rate (receipt required).

VI. MILEAGE:

Use of a personal vehicle will be reimbursed on a per mile basis at the rate approved by the Internal Revenue Service as of the date of travel.

VII. OTHER BUSINESS EXPENSES:

Other covered business expenses reasonably incurred in connection with LACERA business, such as registration fees, business and personal telephone, fax, internet access, gym access (including the standard gym fee charged by the Trustee's hotel or, if hotel gym access is not available, the reasonable cost of daily access to a local gym or health facility), dry cleaning, and similar business expenses, shall be reimbursed upon submittal of receipts. The cost of membership in TSA Pre, Global Entry, NEXUS, SENTRI, or other expedited security and border processing programs shall be reimbursed upon submittal of receipts. Technology needs, for both international and domestic travel, may be discussed with the LACERA Systems Division in advance to develop appropriate solutions for the Trustee's needs and to manage cost.

Reimbursement for lost or damaged property is subject to a separate policy to be developed.

TRUSTEE TRAVEL POLICY

**APPENDIX B
TRAVEL ATTESTATION**

As a LACERA Board Trustee, I acknowledge:

- a. I have received, read, and understand all of the provisions within the Trustee Travel Policy; and
- b. I attest my commitment to act responsibly and prudently in the best interest of LACERA members, in all travel-related matters.

LACERA Board

Name

Signature

Date

11a. A trustee suggests that the attestation be expanded to include a statement that expenses may not be incurred or a commitment to attend be made to a conference host until the Board gives its approval.