



February 4, 2020

TO: Each Trustee,
Board of Retirement

SUBJECT: Meeting on February 5, 2020 – Green Folder Item

Following you will find the Green Folder item for the above mentioned meeting:

Item IX. A. – 2020 Board Election Process Update (Memo dated February 4, 2020)

EXECUTIVE OFFICE



CELIA ZAVALA
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES
EXECUTIVE OFFICE
BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 383
LOS ANGELES, CALIFORNIA 90012
(213) 974-1411 • www.bos.lacounty.gov

MEMBERS OF THE BOARD

HILDA L. SOLIS

MARK RIDLEY-THOMAS

SHEILA KUEHL

JANICE HAHN

KATHRYN BARGER

February 3, 2020

David L. Muir, President
Retired Employees of Los Angeles County (RELAC)
1000 S. Fremont Ave., Unit 15
Alhambra, CA 91803-8802

Dear Mr. Muir:

2020 LACERA ELECTION PROCEDURES

I am in receipt of your letter expressing RELAC's concerns regarding this year's upcoming Retired Members' LACERA election. Thank you for sharing those concerns with me.

Last year's Safety Member LACERA election was our first successful step in implementing an online and telephonic voting process. As you are aware, overall voter participation for LACERA elections have been low. Our primary goal is to provide accessible and more efficient voting options, increase voter participation, and reduce costs of elections. We recognize that this year's election participants include retired members which will require a thoughtful approach to ensure appropriate voting options are provided for this population. Additionally, we also recognize that our members (both active and retired) possess a vast range of accessibility needs and options.

While we do not want to assume a voter's preference based on retirement status or other demographic elements, we understand that some retired members may not have access to the required technology and/or the ability to use the online option. We believe that the telephonic voting option provides an acceptable alternative; however, we will continue to explore the feasibility of offering paper ballot option. We believe that this should be accomplished through voter outreach and sentiment analysis.

For this year's election, we will offer retired members an option of receiving paper ballots if requested. A notification will be sent to retired members explaining the voting options available and allowing them to request a paper ballot by a given deadline, if

desired. This will allow us to gage the interest in receiving paper ballots in future elections, while also encouraging the use of less costly voting options.

To assist in our analyses, we would like to request the following:

- 1. Utilization metrics of retired members receiving online services through "MY LACERA" website portal; including but not limited to the frequency of access to the online portal.**
- 2. The volume of retired members who have provided an email address as a communication option.**

This data will be important in determining retiree preference and/or behavior as it relates to utilizing online tools.

We will contact you, as well as LACERA, to schedule a meeting within the next week to discuss your concerns and to provide a demonstration of the online and telephonic voting options so you and other interested members of LACERA can experience the process. We believe you will find the experience intuitive, accessible and convenient.

Thank you again for your feedback and I look forward to discussing this further.

Please feel free to contact me if you have any questions at (213) 974-1401; or you may contact Jeremy Gray, Chief Deputy, at (213) 974-1646.

Sincerely,



Celia Zavala
Executive Officer

JG:KM:dg

c: Each member, Board of Supervisors
Sachi A. Hamai, County CEO
Santos H. Kreimann, LACERA CEO
Steven Rice, LACERA Chief Counsel



Retired Employees of Los Angeles County
(A non-profit organization – serving over 19,000 members)

February 3, 2020

Ms. Celia Zavala
Executive Officer
Los Angeles County Board of Supervisors
500 West Temple Street
Room 383
Los Angeles, CA 90012

Dear Ms. Zavala,

**Re: 2020 LACERA Election Procedures
Board of Retirement (Eighth Member, Retired) and Alternate Retired
Member Board of Investments (Eighth Member, Retired)**

Thank you for reviewing our letter of January 21, 2020 in which we delineated the concerns of the Board of Directors of the Retired Employees Association of Los Angeles County (RELAC) regarding the election process. We understand your office is looking into an option in which you will send all retirees a postcard requesting them to notify your office or the contracted vendor relating to a choice regarding a paper ballot. An ad-hoc committee of the Board of Directors that is exclusively devoted to these election matters reviewed this option. I thought it would be helpful if I forwarded these comments to you prior to our meeting later this week.

In general, we believe the postcard approach is problematic from several perspectives, and depending on the response rate, it could be a more expensive solution than simply including a paper ballot in the voting packet that each voter receives. The specific issues that the committee discussed included, but are not limited to, the following:

- 1. Direct mailing firms typically use postcards in direct mail campaigns and the more successful campaigns utilize graphics and eye-catching phrasing. Postcards typically are not used for election purposes. Does the contracted vendor have experience in conducting a post card campaign for elections? If it does, was the campaign successful?**
- 2. The postcard is, in essence, a mail survey of a certain population and response rates to mail surveys vary depending on a number of nuanced factors.** In short, a response rate of around 50% is considered

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- very good. A low response rate can give rise to sampling bias if the nonresponse is unequal among the participants regarding the outcome.
3. **A postcard is likely to confuse retirees, particularly if the limited space on the card is insufficient to explain fully the purpose of the card and the next steps.** The card itself will need to include contact information for questions. Do you envision your office, or the contracted vendor would disposition these calls?
 4. **The manner in which your office instructs the recipient to register a choice can impact the overall response rate.** What is the proposed mechanism for the recipient to register a choice? The recipient can't return the postcard, because it is a single, double-sided card. If the retiree needs to return something to your office, that will mean the retiree needs to apply postage to the envelope. Requiring the recipient to spend 55 cents to mail something will likely lower the response rate. In addition, we are concerned that if your office sends a paper ballot only to those who returned a response with postage applied, your office has, in essence, established a cost to participate in this election through a paper ballot.
 5. **What is the proposed deadline to respond?** And if the recipient sends in a response that your office receives after that deadline, what happens?
 6. **We performed a "back of the envelope" analysis in an attempt to determine if the post card was a cost-effective solution.** Regular postage for a postcard is \$.39, but it can drop to as low as \$.265 if the sender leverages automated processing and presort functionality. Assuming your office mails 70,000 postcards, the cost is \$27,300 or \$18,550. The benefit that will accrue to the County from mailing the postcards is that your office will have identified a population of retirees who responded and some of those may have indicated they did not want a paper ballot. However, we believe the postage costs to identify that population could actually exceed the postage costs of including a paper ballot for that very same population.

The table below delineates the calculation of the cost of identifying a population to whom your office will not send a paper ballot, per retiree, assuming 25% of retirees return the postcard, and of those, 50% opt out from receiving a paper ballot.

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70,000	RETIREES
17,500 8,750	25% respond to the postcard 50% of those who respond say NO paper ballot
\$27,300 \$18,900	\$0.39 high cost estimate to mail postcards to 70,000 \$0.27 low cost estimate to mail postcards to 70,000
\$3.12 \$2.16	high cost for each of the 8,750 to opt out of paper ballot low cost for each of the 8,750 to opt out of paper ballot

RELAC's request is to include a paper ballot in the mailing that all retirees will receive. We appreciate that there are costs to print and assemble the ballots in addition to mailing costs. But for purposes of this exercise, we looked only at postage costs. The Postal Service charges based on weight. We assumed the paper ballot weighs one ounce and will increase the weight of the voter packet by that same amount. According to the United States Postal Service Commercial First-Class Pricing Chart (see Attachment A), the inclusion of the paper ballot will increase the cost for each voting package by \$0.15 cents, for a total of \$10,500.

We have demonstrated in this exercise using reasonable assumptions, that it cost from \$3.12 to \$2.16 in postage for each retiree to contact you or your vendor relating to a choice regarding a paper ballot. The incremental cost of including the ballot is an estimated \$0.15 cents. Accordingly, the postcard mailing does not appear to be a cost-effective exercise.

Thank you again for your assistance in this matter, and I look forward to our conversation later this week.

Sincerely,



Dave Muir
Attachment

Copy to: Dean Logan, Registrar Recorder – County Clerk
Santos Kreimann, LACERA CEO
Steve Rice, LACERA Chief Counsel

Celia Zavala
February 3, 2020

ATTACHMENT A

First-Class Mail [^ Top](#)

Commercial

Letters & Cards

Commercial Letters & Postcards

Weight Not Over (oz.)	Automation ¹			Machinable	Nonmachinable
	5-Digit	AADC	Mixed AADC	Presorted	(Broken out separately on Postage Statement)
1	\$0.389	\$0.419	\$0.439	\$0.460	\$0.610
2	0.389	0.419	0.439	0.460	0.610
3	0.389	0.419	0.439	0.460	0.610
3.5	0.389	0.419	0.439	0.460	0.610
Postcard	0.260	0.270	0.276	0.285	-

Residual Single-Piece Letters

Weight Not Over (oz.)	(B4)
1	\$0.56
2	0.56
3	0.56
3.5	0.56

Single Piece—Letters & Postcards

			Pieces from USPS MKT Mail	
Weight Not Over (oz.)		Cross reference to PS Form 3600-FCM	Weight Not Over (oz.)	(B6 and B9)
1	\$0.50	B5, B8, D5, D13	1	\$0.55
2	0.65	B5, B8, D5	2	0.70
3	0.80	B5, B8, D5	3	0.85
3.5	0.95	B5, B8, D5	3.5	1.00
Postcard	0.35	B2	-	-