

AGENDA

MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101

WEDNESDAY, FEBRUARY 1, 2017 - 9:00 A.M.**

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

COMMITTEE MEMBERS:

Alan Bernstein, Chair
Yves Chery, Vice Chair
Anthony Bravo
Joseph Kelly
Ronald Okum, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of January 4, 2017

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Committee recommend to the Board of Retirement the following actions:

1. Approve the following LACERA classifications and pay ranges:
 - a. Principal Staff Counsel, LACERA, LS17
 - b. Deputy Chief Investment Officer, LACERA, (UC) LR24
 - c. Deputy Chief Executive Officer, LACERA, (UC) LS18
2. Direct staff to submit to the Board of Supervisors the required ordinance language to implement the new LACERA classifications by amending the Los Angeles County Salary Code Sections 6.28.050, 6.127.010, and 6.127.030.

IV. FOR INFORMATION

A. LACERA Operations Briefing
Robert Hill/JJ Popowich

B. Operations Oversight Committee Calendar of Discussion Topics
Robert Hill/JJ Popowich

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board 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 a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any 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, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626)-564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.

MINUTES OF THE MEETING OF THE
OPERATIONS OVERSIGHT COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

WEDNESDAY, JANUARY 4, 2017, 10:25 A.M. – 10:45 A.M.

COMMITTEE MEMBERS

PRESENT: Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David L. Muir, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
William de la Garza
Vivian H. Gray

STAFF, ADVISORS, PARTICIPANTS

Robert Hill	Gregg Rademacher
JJ Popowich	Holly Henderson

The meeting was called to order by Chair Kelly at 10:25 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of December 7, 2016

Mr. Chery made a motion, Mr. Okum seconded, to approve the minutes of the regular meeting of December 7, 2016. The motion passed, with Mr. Kelly abstaining.

II. PUBLIC COMMENT

III. FOR INFORMATION

A. Retirement Benefits Strategic Plan for Fiscal Years Ending 2018-2020
Gregg Rademacher

Mr. Rademacher discussed the Retirement Benefits Strategic Plan, including the current plan's strategic initiatives, making suggestions for improvement, and exploring new ideas to help achieve LACERA's mission to Produce, Protect, and Provide the Promised Benefits. Some key items being focused on are:

- Information Technology
 - Disability Retirement Modernization
 - Retiree Healthcare Program Support
- Quality
 - Formalized Operational Compliance Program
 - Member Centric Process Management

The Strategic Plan will be reviewed at the Board Offsite to ensure that we have alignment before bringing it to the Board in February for adoption.

B. LACERA Operations Briefing
Robert Hill/JJ Popowich

Messrs. Hill and Popowich presented the monthly briefing on LACERA's operations. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

III. FOR INFORMATION (Continued)

C. FY 2015-2016 Final Budget Control Report
Holly Henderson/Kaelyn Ung

Holly Henderson presented the Budget Control Report for fiscal year 2015-2016, based on actual expenditures through June 30, 2016. Total operating expenses for the LACERA Administrative Budget are \$67.3 million, an underexpenditure of approximately \$5.7 million from LACERA's operating budget.

The Retiree Healthcare Benefits Program Budget's total operating expenses are \$5 million. This represents an underexpenditure of approximately \$619,000 from the operating budget.

Total operating expenses for the OPEB Trust Budget are \$226,000, representing an overexpenditure of approximately \$70,000.

IV. GOOD OF THE ORDER

(For information purposes only)

V. ADJOURNMENT


The meeting adjourned at 10:45 a.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board 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 a subsequent meeting of the Board.**



January 20, 2017

TO: Operations Oversight Committee
Alan Bernstein, Chair
Yves Chery, Vice Chair
Anthony Bravo
Joseph Kelly
Ronald Okum, Alternate

FROM: Gregg Rademacher 
Chief Executive Officer

FOR: February 1, 2017 Operations Oversight Committee meeting

SUBJECT: **LACERA CLASSIFICATIONS**

RECOMMENDATION

It is recommended the Operations Oversight Committee recommend to the Board of Retirement the following actions:

1. Approve the following LACERA classifications and pay ranges:
 - a. Principal Staff Counsel, LACERA, LS17
 - b. Deputy Chief Investment Officer, LACERA, (UC) LR24
 - c. Deputy Chief Executive Officer, LACERA, (UC) LS18

2. Direct staff to submit to the Board of Supervisors the required ordinance language to implement the new LACERA classifications by amending the Los Angeles County Salary Code Sections 6.28.050, 6.127.010, and 6.127.030.

EXECUTIVE SUMMARY

Together, the Board of Retirement and the Board of Investments are responsible for administering a defined benefit pension plan and retiree healthcare program with approximately \$48 billion in assets serving 97,000 working members and more than 62,000 retired members on behalf of the County of Los Angeles and participating employers. The Boards are fiduciaries to the members and participating employers.

The organization to support the Boards has continued to grow and evolve in response to its changing environment. This includes growth in the size of the membership by 20% and growth of the assets under management by 57% over a fifteen year period. With the advent of new

programs, technology, and services, staffing levels have also increased by 35%. One constant during this time has been the leadership level of support provided to the Boards and the staff.

Evaluating three operational areas, Legal, Investments, and Executive, staff believes we can improve Board and overall organizational support with additional leadership positions. Specifically, creating a new:

- Principal Staff Counsel, LACERA
 - position reporting to the Chief Counsel
 - anticipate two persons
- Deputy Chief Investment Officer, LACERA (UC)
 - position reporting to the Chief Investment Officer
 - anticipate two persons
- Deputy Chief Executive Officer, LACERA (UC)
 - position reporting to the Chief Executive Officer
 - anticipate one person

The authority to add these classifications to the LACERA team rests jointly with the Board of Retirement and the Board of Investments. Such authority is provided in the California Government Code Sections 31522.1, 31522.2, and 31522.4, and will require the Board of Supervisors to amend the Salary Ordinance. The additional cost to fill these five positions based on the proposed salary range mid-points and benefits will be an annual approximate cost of \$1.9 million, which would increase the current salary and employee budget by approximately 3.2%.

PROPOSED CLASSIFICATIONS

Principal Staff Counsel, LACERA

Currently, LACERA's Chief Counsel directly supervises the work of all five sections, namely, litigation, benefits, investments, disability, and legislative. The Legal Division has become increasingly busy across all sections, and this trend is expected to continue. The Chief Legal Counsel is heavily involved in monitoring, at a close level, the work of all sections. In addition, the Chief Counsel spends significant time on governance, fielding questions from Board members and the Chief Executive Officer, and assisting management with a wide variety of strategic business issues. It is also anticipated that the Chief Counsel will become directly involved in organizational compliance as LACERA establishes a formal compliance function.

Better management of the Legal Division's personnel and work will be provided, now and in the future, by adding additional senior leadership to assist with the day-to-day workload through managing deadlines, follow-up on the flow of work, and communicating as needed with the management and staff in other divisions. The Chief Counsel will be able to devote more time to governance, strategic, and compliance issues. It is anticipated the sections allocated to the Principal Staff Counsel will be grouped into a Benefits/Disability/Legislation team and a Litigation/Investments team. The Chief Counsel will supervise and mentor each Principal Staff Counsel and initially oversee the compliance function.

The following table presents the Board approved counsel positions and the proposed Principal Staff Counsel positions.

Position	Number of Staff	Pay Range
Chief Counsel	1	LS 18
<i>Principal Staff Counsel</i>	2	<i>LS 17</i>
Senior Staff Counsel	5	LS 16
Staff Counsel	3	LS 12

Staff anticipates finding qualified Principal Staff Counsel candidates in-house. The proposed pay range is based upon the internal pay equity between the position's supervisor and subordinates. The anticipated annual salary and benefit cost for two Principal Staff Counsel at the salary range mid-point is approximately \$606,000, and the salary and benefit cost at the salary range maximum is approximately \$730,000. The proposed class specification is attached.

Deputy Chief Investment Officer, LACERA (UC)

The current investment staffing structure facilitates an operational silo approach to managing the asset classes. While the investment staff do cross collaborate on projects and use a matrix staff approach to complete on-going assignments, there could be further synergies gained from a regular and systematic cross collaboration across asset classes. This will become more evident as the investment staff engage risk identification and measurement tools. Furthermore, the investment staff could benefit from adding a team member with additional skill sets. Staff recommends adding the Deputy Chief Investment Officer classification as a tool for the Board and Chief Investment Office to consider implementing in the future as the Board, its consultants, and investment staff gain alignment through its long term strategic planning.

The following table presents the Board approved investment positions and the proposed Deputy Chief Investment Officer positions:

Position	Number of Staff	Pay Range
Chief Investment Officer	1	LR 25
<i>Deputy Chief Investment Officer</i>	2	<i>LR 24</i>
Principal Investment Officer	5	LR 23
Senior Investment Officer	4	LR 20
Finance Analyst III	8	LR 16
Finance Analyst II	8	LR 12
Finance Analyst I	4	99J

The proposed pay range is based upon the internal pay equity between the position's supervisor and subordinates. The anticipated annual salary and benefit cost for two Deputy Chief Investment Officers at the salary range mid-point is approximately \$1.0 million, and the salary and benefit cost at the salary range maximum is approximately \$1.2 million. The proposed class specification is attached.

Deputy Chief Executive Officer, LACERA (UC)

Over the past five years, the Board of Investments has directed the Chief Executive Officer to take an active role in assisting the Investment Office with operational support. As such, a greater amount of the Chief Executive Officer's time has been dedicated toward supporting the investment program than had been in the previous five years. It is anticipated for this level of commitment to continue in the future. Conversely, it has become apparent that the executive level support for benefit programs and administrative related divisions has diminished to some degree. While the Chief Executive Officer and the Assistant Executive Officers have been and will continue to adapt, it would be beneficial to the organization to add an additional executive level position as a resource to the administration of the benefit programs. This need becomes magnified with the understanding that the Chief Executive Officer and one of the Assistant Executive Officers are likely to retire within the next five years. Staff believes it would be beneficial to mentor an additional executive level staff prior to these departures. To facilitate this effort, staff proposes adding a Deputy Chief Executive Officer position reporting directly to the Chief Executive Officer. The Deputy Chief Executive Officer will supervise and support the Assistant Executive Officers and may have direct program oversight responsibility. This will facilitate the Chief Executive Officer's ability to dedicate more time to the investment program

while providing the benefit related programs and administrative divisions the executive level support they need.

The following table presents the Board approved executive positions and the proposed Deputy Chief Executive Officer position.

Position	Number of Staff	Pay Range
Chief Executive Officer	1	[20]
<i>Deputy Chief Executive Officer</i>	<i>1</i>	<i>LS 18</i>
Assistant Executive Officer	2	LS 14

Staff anticipates finding a qualified Deputy Chief Executive Officer candidate in-house. The proposed pay range is based upon the internal pay equity between the position's supervisor and subordinates. The County of Los Angeles salary code lists 36 separate Deputy Chief classifications with a median pay range at level 17 with a distribution from range 24 to range 9. The anticipated annual salary and benefit cost for one Deputy Chief Executive Officer at the salary range mid-point is approximately \$326,000, and the salary and benefit cost at the salary range maximum is approximately \$393,000. The proposed class specification is attached.

PROCEDURE FOR ESTABLISHING CLASSIFICATIONS

LACERA's Human Resources (HR) has drafted new classification specifications, please see attached. The salary recommendations for each position were established in relation to the internal pay equity between the position's supervisor and subordinates. Upon approval from the Board of Retirement and Board of Investments, HR will prepare a memorandum to the Los Angeles County's Chief Executive Office (LACCEO) which will include the classification specifications, salary schedule, and physical class. The LACCEO Class and Compensation staff will review the submitted documents to assure all necessary information is provided in order to add the classifications to the County's Payroll System and will then issue LACERA item numbers for the new classifications. Once the item numbers are received, HR staff, with the LACERA Legal Office's oversight, will prepare and submit an ordinance amending Sections 6.28.050 and 6.127.010 of LACERA's Salary Code to the Los Angeles County Counsel for their approval. Upon County Counsel's approval, LACERA's HR will submit the Ordinance Amendment to the Board of Supervisors for adoption.

COUNTY SALARY CODE

California Government Code Sections 31522.1, 31522.2, and 31522.4 in CERL provide that employees of the retirement system be included in the salary ordinance (code) adopted by the Board of Supervisors. In the past, the County Counsel has advised that the Board of Supervisors has a ministerial duty to adopt the positions and salary levels that are determined necessary by the LACERA Boards. As such, LACERA has a separate section within the County salary code documenting the LACERA Board approved compensation provisions.

The Los Angeles County Code Section 6.28.050 will need to be revised to list the new LACERA classifications and pay ranges. The proposed amendments are as follows (TBD – to be determined by the Los Angeles County's Chief Executive Office staff):

Item No.	Title	Effective Date	Note	Salary
TBD	Principal Staff Counsel, LACERA	TBD	TBD	LS17
TBD	Deputy Chief Investment Officer, LACERA (UC)	TBD	TBD	LS24
TBD	Deputy Chief Executive Officer, LACERA (UC)	TBD	TBD	LS18

The Los Angeles County Code Section 6.127.010 will need to be revised to include the new LACERA classifications. This code section lists all available LACERA classifications and their respective item numbers and the number of positions available to be filled. The proposed amendments are as follows:

Item No.	No. of Ordinance Positions	Title
TBD	2	Principal Staff Counsel, LACERA
TBD	2	Deputy Chief Investment Officer, LACERA (UC)
TBD	1	Deputy Chief Executive Officer, LACERA (UC)

The Los Angeles County Code Section 6.127.030.D.6.a will need to be revised to include the Deputy Chief Investment Officer in the listing of classifications eligible for additional compensation for holding a valid Chartered Financial Analyst certification. The proposed amendments (as underlined> are as follows:

6.127.030.D.6.a Any person employed at LACERA in one of the following classes who possesses a valid Chartered Financial Analyst certification from the CFA Institute shall be entitled to compensation at a rate two schedules higher than that established for the class in Section 6.28.050 of this code.

Title	Item No.
Chief Investment Officer, LACERA (UC)	0493
<u>Deputy Chief Investment Officer LACERA (UC)</u>	<u>TBD</u>
Finance Analyst I, LACERA	0767
Finance Analyst II, LACERA	0768
Finance Analyst III, LACERA	0769
Principal Investment Officer, LACERA	0495
Principal Investment Officer, LACERA, (UC)	0496

UNCLASSIFIED POSITIONS (UC)

Pursuant to the California Government Codes known as the County Employees Retirement Law (CERL) and the California Constitution, the Board of Retirement and the Board of Investments have joint responsibility to appoint personnel to accomplish the necessary work of the Boards. Generally speaking, the personnel shall be county employees subject to civil service rules and shall be included in the salary ordinance adopted by the Board of Supervisors.

In Los Angeles County, nearly all county employees are hired subject to the Civil Service system. These employees are also known as "classified" employees. However, Measure A, which was approved by Los Angeles County voters in March 2000, provides for specific employees to be hired at-will. These at-will employees are known as "unclassified" employees. Measure A applies to county employees hired by the Board of Supervisors; however, it does not apply to county employees hired by the LACERA Boards.

The CERL provides that most LACERA employees are classified employees. However, CERL was amended in 2001 to provide the LACERA Boards the choice to hire specified employees as being "at-will" (also known as being an "unclassified" employee), or being hired subject to the Civil Service rules (also known as being a "classified" employee). As such, it is LACERA Board policy on which positions among these specific categories of employees are at-will or subject to Civil Service.

Currently, the following LACERA positions filled after January 2001 are at-will: Chief Executive Officer, Assistant Executive Officer, Chief Investment Officer, and Principal Investment Officer.

CERL code sections 31522.2 and 31522.4 define the positions which the LACERA Boards may consider hiring as unclassified.

- Retirement Administrator
- Assistant Administrators
- Persons next in line of authority to Assistant Administrators
- Chief Legal Officers
- Chief Deputy Legal Officers
- Chief Investment Officers
- Investment Officers next in line of authority to the Chief Investment Officer

As such, with the creation of the Deputy Chief Investment Officer (UC) position, future hires into the Principal Investment Officer position will be "classified" employees subject to Civil Service rules.

It is therefore recommended the Operations Oversight Committee recommend to the Board of Retirement the following actions:

1. Approve the following LACERA classification and pay ranges:
 - a. Principal Staff Counsel, LACERA, LS17
 - b. Deputy Chief Investment Officer, LACERA, (UC) LR24
 - c. Deputy Chief Executive Officer, LACERA, (UC) LS18

2. Direct staff to submit to the Board of Supervisors the required ordinance language to implement the new LACERA classifications by amending the Los Angeles County Salary Code Sections 6.28.050, 6.127.010, and 6.127.030.

GR:nm

Leadership Classifications OOC Feb 2017.docx

Attachments

Class Specification
Principal Staff Counsel, LACERA
Page 1

CLASS SPECIFICATION: PRINCIPAL STAFF COUNSEL, LACERA

ITEM NUMBER: to be determined

DEFINITION:

Acts as assistant to the Chief Counsel, LACERA, and has immediate charge of a highly specialized legal program of the Legal Division of the Los Angeles County Employees Retirement Association (LACERA).

CLASSIFICATION STANDARDS:

Positions allocable to this class report to a Chief Counsel, LACERA and are characterized by their responsibility for (1) managing or assisting in the management of one or more sections of the division responsible for providing professional legal services in the areas of public pension, investment law, and disability to LACERA staff and the Boards of Retirement and Investments (Boards), and related committees, and/or (2) independently serving as primary counsel for an assigned complex and sensitive section or sections of LACERA's legal program requiring highly specialized experience, skill, and expertise in investments, litigation, disability, benefits, employment, contracts, legislation, and/or governance in relation to the County Employees Retirement Law of 1937 (CERL), the Public Employees' Pension Reform Act of 2013 (PEPRA), the Ralph M. Brown Act, the Public Records Act, the Political Reform Act, and other applicable laws.

Incumbents are responsible for applying an extensive knowledge of, experience with, and judgment in Federal, State, and County laws, regulations, and legislation; current legal and public pension program standards, methods, and terminology; and LACERA rules, policies, and procedures to provide sound legal counsel based on analysis of ambiguous or conflicting information that may require considerable interpretation, apply creative and innovative solutions to complex problems, and assist in the development and implementation of policies, procedures, and systems to carry out LACERA's goals and objectives.

Incumbents must possess sufficient knowledge of management principles related to personnel and financial planning, resource allocation, and coordination of people and resources to assist the Chief Counsel, LACERA with planning, directing, implementing, and evaluating the activities and performance of subordinate staff, preparing budgets, and performing other administrative duties necessary to conduct or assist in conducting the affairs of one or more sections of the division.

Class Specification
Principal Staff Counsel, LACERA
Page 2

Incumbents must have strong written and verbal communication skills and exercise effective interpersonal skills to maintain cooperative relationships with LACERA's Boards, committees, executive management, and other staff.

EXAMPLES OF DUTIES:

The following examples are intended to describe the general nature and level of work performed by persons assigned to each classification. Depending on the assignment, duties may include, but are not limited to the following:

1. Provides legal and policy advice, pre-litigation and litigation counsel, and program implementation guidance to LACERA, Boards and related Committees, executive management, and other staff on a wide variety of legal matters related to investments, pension benefits, disability retirement, retiree healthcare, fiduciary laws, litigation strategy and impacts, development and application of ethical standards, corporate governance, contracts, legislation, and internal Board governance and delegation.
2. Assists in the management of a Legal Division including planning, evaluating or assisting in evaluating, and directing work of subordinate staff, participating in the development of budget and policy, strategic planning, and program implementation.
3. Reviews, analyzes, and communicates case law developments, legislative issues, and legal trends impacting alignment with LACERA objectives.
4. Maintains liaison and consults with external subject matter experts on emerging legal, political, social, economic, and environmental issues potentially impacting the future of public pension funds, and coordinates litigation efforts with similarly situated funds.
5. Collaborates with internal and external working groups to implement legislative or case law changes to plan design, investment planning, healthcare, and tax qualification.
6. Prepares and tries highly complex administrative hearings and civil cases involving public pension law and other specialized areas of law such as institutional investments, family, tax, securities, probate, disability retirement, contracts and medical-legal issues.
7. Drafts and reviews contracts, resolutions, opinions, and other documents, including reviewing and ensuring compliance with public records requests.
8. Assists in the selection, management, and evaluation of outside counsel.
9. Attends Board and Committee meetings as a technical expert.

Class Specification
Principal Staff Counsel, LACERA
Page 3

10. May act in the absence of the Chief Counsel, LACERA.

11. May attend or serve on external committees and associations.

MINIMUM REQUIREMENTS:

Experience

OPTION A: Five (5) years of experience as a Senior Staff Counsel, LACERA.

OPTION B: Seven (7) years of post-bar experience in the practice of law relating to public pensions, investments, employee benefits, retirement systems, or a closely related field. Two (2) years of the required experience must have been in the technical supervision of attorneys.

License

1. Active member, in good standing, of the State Bar of California.
2. A valid California Class C Drivers License or the ability to utilize an alternative method of transportation when needed to carry out job-related functions.

Physical Class

Class 2 – Light. Positions within this class require light physical effort that may include occasional light lifting to a 10 pound limit and some bending, stooping, or squatting. Considerable ambulation may be involved.

DESIRABLE QUALIFICATIONS:

1. Demonstrated knowledge of California Government Code provisions, including the County Employees Retirement Law of 1937, the Public Employees' Pension Reform Act of 2013 (PEPRA), the Ralph M. Brown Act, and the Public Records Act.
2. Federal, State and County law, regulations and rules governing public pension fund administration in general and detailed knowledge of all statutes and regulations related to specific assignment, including pending legislation and legislative issues and proposals.
3. Parliamentary procedure, including Robert's Rules of Order.
4. Fiduciary obligations, conflict of interest, ethics, and the Political Reform Act and the regulations thereunder.

Class Specification
Principal Staff Counsel, LACERA

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5. Ability to work with, provide expert consultation to, and gain and maintain the confidence of the LACERA Boards, Committees, executive management, Legal Division staff, and other staff.
6. Prepare and handle all phases of complex civil actions and administrative matters, including evaluation, strategy, and handling all phases of litigation.
7. Draft legal opinions, pleadings, rulings, regulations, legislation, and contractual agreements.

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Class Specification
Deputy Chief Investment Officer, LACERA (UC)

Page 1

CLASS SPECIFICATION: DEPUTY CHIEF INVESTMENT OFFICER, LACERA (UNCLASSIFIED)

ITEM NUMER: to be determined

DEFINITION:

Acts as an assistant to the Chief Investment Officer, LACERA.

CLASSIFICATION STANDARDS:

The unclassified positions allocable to this class have responsibility for assisting the Chief Investment Officer, LACERA (CIO) in the planning, organization and direction of all investment operations of LACERA including those provided by LACERA to participating agencies, and implementing investment policies and programs adopted by the Board of Investments (Board). The position also serves as a liaison with County agencies, the public, and public agencies.

EXAMPLES OF DUTIES

The following examples are intended to describe the general nature and level of work performed by persons assigned to this unclassified position. Depending on the assignment, duties may include, but are not limited to the following:

1. Implement the investment policies and strategies established by the Board.
2. Develop, articulate, and present investment vision and strategies to the Board, Chief Investment Officer, and investment staff.
3. Establish reporting mechanisms to keep the Board informed as to the status of LACERA's investment programs and the procedures used to implement it.
4. Standardize policy and procedural guidelines to ensure consistency with investment strategies adopted by the Board and compliance with state and federal laws.
5. Make recommendations to the Board on the selection of external managers, funds, and contractors.
6. Oversee the Principal and Senior Investment Officers in the investment, monitoring, operations, and administration of the investment programs.
7. Evaluate the overall performance of the Principal and Senior Investment Officers, including their role as supervisors of staff.

Class Specification
Deputy Chief Investment Officer, LACERA (UC)

Page 2

8. Supervise and coordinate the activities between the Principal and Senior Investment Officers and external managers, advisors, and consultants.
9. Direct, plan, and supervise the activities of the investment staff.
10. Evaluate the overall performance of the external investment managers and funds.
11. As directed by the Chief Investment Officer, represent LACERA in the investment community, the media, a participant in various functions, and an expert spokesperson on investment matters relating to LACERA.
12. Advise the Chief Investment Officer as to the impact on the investment program from information released to the public, press, legislature, and other similar matters as needed.
13. Direct preparation of the Investment Office budget to ensure adequate staffing and resources to meet the goals and objectives of the Investment Office.
14. Assists the Chief Investment Officer with the administration of the Investment Office and all of its responsibilities.
15. May act in the absence of the Chief Investment Officer, LACERA.
16. May be required to perform other duties related to matters involving the investments or proposed investments, and related to managing, directing, and supervising staff engaged in the external or internal investment programs.

MINIMUM REQUIREMENTS:

Experience

OPTION A: A Bachelor's degree from an accredited university with major course work in economics or finance, and six years of investment management experience with a large financial institution or government agency which included responsibility for continuous supervision and review of an extensive investment program. A Master's degree in Business Administration or a related field may be used to substitute for one year of the required experience.

OPTION B: Three years experience at the level of Principal Investment Officer, LACERA.

Class Specification
Deputy Chief Investment Officer, LACERA (UC)
Page 3

License

A valid California Class C Drivers License or the ability to utilize an alternative method of transportation when needed to carry out job-related functions.

Physical Class

Class 2 – Light. Positions within this class require light physical effort that may include occasional light lifting to a 10 pound limit and some bending, stooping, or squatting. Considerable ambulation may be involved.

DESIRABLE QUALIFICATIONS:

1. Ability to work with and gain and maintain the confidence of the LACERA Boards, Committees, Investment Office staff, management, and other staff.
2. Ability to work collaboratively with third party partners including external investment managers, consultants, advisors, legal counsel, and auditors.
3. A demonstrated track record of investment program success with the ability to introduce new portfolio management techniques, risk assessment tools, and performance measurement tools.
4. A proven ability to recruit, develop and retain strong professionals in various asset classes in investment functions.
5. Excellent oral and written communication skills.

Class Specification
Deputy Chief Executive Officer, LACERA (UC)
Page 1

CLASS SPECIFICATION: DEPUTY CHIEF EXECUTIVE OFFICER, LACERA (UNCLASSIFIED)

ITEM NUMER: to be determined

DEFINITION:

Acts as assistant to the Chief Executive Officer, LACERA, in directing and overseeing operations of the Los Angeles County Employees Retirement Association (LACERA).

CLASSIFICATION STANDARDS:

The unclassified position allocable to this class has executive and administrative responsibility for assisting the Chief Executive Officer, LACERA (CEO) in the planning, organization and direction of all operations of LACERA including systems, programs, and administrative services for the administration of the pension fund. The position also serves as a liaison with County agencies, the public, and public agencies.

EXAMPLES OF DUTIES

The following examples are intended to describe the general nature and level of work performed by persons assigned to this unclassified position. Depending on the assignment, duties may include, but are not limited to the following:

1. Oversees the Assistant Executive Officer, LACERA positions, and other management and staff positions as required, in the overall operations and administration of LACERA.
2. Developing and articulating a strategic vision and obtaining support for implementation.
3. Developing and directing strategic planning efforts.
4. Formulating and evaluating departmental policy, operational practices, and programs by formulating revisions in policies and developing changes in organization, staffing, work processing, and management as needed to increase effectiveness and efficiency of LACERA.
5. Directing the development of recommendations for, and the monitoring of the administration of, the County Employees Retirement Law (CERL) and other laws and regulations required to govern the operation of the Department.

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Deputy Chief Executive Officer, LACERA (UC)

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6. Directing the preparation of recommendations for the adoption and enactment of amendments to the CERL, policies and procedures, State and Federal statutes and regulations to provide effective, efficient administration of LACERA.
7. Establishes and maintains effective working relations between the members of LACERA's Boards, representatives of County departments, governmental agencies, and the public.
8. Directing the fiscal operations; oversees the development of the budget and forecasts and budget expenditures throughout the year.
9. Reviews, revises, and approves staff reports regarding items on the agendas; meets with staff members to discuss agenda items and makes assignment for completion of preparatory work on projects prior to placing these items on the agenda.
10. Directing the preparation of various reports, memorandums and Board letters for the Boards, including reports regarding policy matters and periodic reports concerning accomplishments.
11. Acts in the absence of the Chief Executive Officer, LACERA.

MINIMUM REQUIREMENTS:

Experience

1. Demonstrated knowledge, skills, and abilities required in managing an organization. Such management includes directing budget, personnel, fiscal, supply, and other administrative functions of an organization as well as the direction of line functions.
2. Demonstrated knowledge, skills, and abilities required working effectively with public officials, organized groups, and the public at large.

License

A valid California Class C Drivers License or the ability to utilize an alternative method of transportation when needed to carry out job-related essential functions.

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Physical Class

Class 2 – Light. Positions within this class require light physical effort that may include occasional light lifting to a 10 pound limit and some bending, stooping, or squatting. Considerable ambulation may be involved.

DESIRABLE QUALIFICATIONS:

1. Education in business or public administration.
2. Demonstrated knowledge of Federal, State, and local laws and regulations governing public pension funds; a comprehensive program of retirement, disability, survivor, and health benefits for retired members.
3. Principles and practices of management necessary to plan, analyze, develop, direct and evaluate programs, administrative policies, and organizational structures; and principles and modern methods of administration, including: organization, fiscal management, budgetary preparation and controls, program planning, implementation and administration of public pension fund; operations analysis and evaluation skills, investigative aptitude; and use of personnel resources.
4. Ability to perform management activities including goal setting, budget management, human resources, strategic planning, and the formulation and implementation of departmental policy.
5. Work effectively with public and private officials, vendors, and the public.
6. Excellent oral and written communication skills.

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FOR INFORMATION ONLY

January 20, 2017

TO: Operations Oversight Committee
Alan Bernstein, Chair
Yves Chery, Vice Chair
Anthony Bravo
Joseph Kelly
Ronald Okum, Alternate

FROM: Robert R. Hill, Assistant Executive Officer 
JJ Popowich, Assistant Executive Officer 

FOR: February 1, 2017 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

The purpose of this briefing is to share insights on staff activities, updates on goals, and discuss opportunities and/or concerns. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

RRH:rrh

DATE RECEIVED	REQUESTER	DOCS REQUESTED
12-16-17	G. Davis, DA, LA County	<p>Requested information regarding what percentage of Plan B safety members retire at age 55.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent via email document with responsive data.</i></p> <p><i>Document titled saf_ret_age_55.pdf.</i></p>
12-20-16	Banares, Team@ Secondary Link	<p>Requested information regarding alternative investments:</p> <p>(1) Names of all limited partnerships (e.g. private equity, real estate, hedge fund, infrastructure and timber funds) your institution owns.</p> <p>(2) Sizes of all the limited partnerships.</p> <p>(3) Vintage years of all the limited partnerships.</p> <p>(4) Most updated information available on amount committed to the partnerships and amount drawn by the partnerships.</p> <p>(5) Distributions made by each individual partnership.</p> <p>(6) Net Asset Value of each partnership.</p> <p>(7) Internal rates of return (IRRs), TVPIs/Multiples, and DPI for each individual partnership, for the most recent date available. (Please specify whether the data is net or gross of expenses and fees.)</p> <p>(8) Date as of which all the above data was calculated.</p> <p>Requested <u>this same information for the underlying investments of the following vehicles:</u> JP Morgan/LACERA - Separate Account (1st Tranche), and JP Morgan/LACERA - Separate Account (2nd Tranche)</p> <p><i>Transmitted 4 documents.</i></p> <p><i>Sent via email:</i></p> <ol style="list-style-type: none"> <i>1. Q3 2016 Hedge Funds Report Performance Full;</i> <i>2. Q3 2016 LACERA PE Report;</i> <i>3. Q2 2016 LACERA RE Fund Performance, and</i> <i>4. JP Morgan 2016 Q3 Performance.</i>
01-04-17	LA County Sheriffs' Dept.	<p>Transmitted monthly request regarding 2 documents to LA County Sheriffs' Department:</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Sent via email:</i></p> <p><i>Monthly Fire Department List showing date run December 29, 2016 and Monthly Sheriff List showing date run of December 28, 2016.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
01-04-17	C. Deveraux, Bison	Requested Real Estate Performance Report. <i>Transmitted 1 document.</i> <i>Sent via email:</i> <i>Townsend Group Report, 2nd Q 2016.</i>
01-05-17	A. Poe, ReedSmith	Requested agenda packet for BOI meeting held on Wednesday, January 11, 2017. <i>Transmitted information via email.</i>
01-05-17	V. Desikan, Individual	Requested agenda packet for BOI meeting held on Wednesday, January 11, 2017. <i>Transmitted information via email.</i>
01-05-17	S. Moomjean, Los Angeles County	Requested agenda packet for BOI meeting held on Wednesday, January 11, 2017. <i>Transmitted information via email.</i>
01-05-17	Fred, Magna Capital Group	Requested agenda packet for BOI meeting held on Wednesday, January 11, 2017. <i>Transmitted information via email.</i>
01-06-17	J. Peterson, SBC Global	Requested agenda item for Real Estate Committee Meeting. <i>Transmitted 1 document.</i> <i>Sent via email:</i> <i>Agenda Item II.A. – Committee Priorities for 2017.</i>
01-06-17	G. Chung, FIN	Requested agenda packet for BOI meeting held on Wednesday, January 11, 2017. <i>Transmitted information via email.</i>
01-09-17	D. Kushner, Individual	Transmitted via email link to Agenda Packet for January BOR Meeting. <i>Link:</i> http://www.lacera.com/about_lacera/board_retirement.html
01-09-17	J. Hammond, RELAC	Monthly request for Retiree's List. <i>Transmitted 2 documents.</i> <i>Sent via email:</i> <i>January 4, 2017 and December 7, 2016 lists.</i>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
01-09-17	D. Kushner, Individual	<p>Monthly request January BOR Disability and Admin meeting.</p> <p><i>Transmitted Link via email:</i></p> <p>http://www.lacera.com/about_lacera/board_retirement.html.</p>
01-09-17	BOR Board Members	<p>Emailed link to BOR members for agenda packet for BOR Administrative and Insurance, Benefits and Legislative (IBL) Committee meetings to be held on Thursday, January 12, 2017.</p> <p><i>Link:</i> http://www.lacera.com/about_lacera/board_retirement.html</p>
01-09-17	W. Allen, Funds IQ	<p>Requested quarterly reports from December 31, 2014 to most recent reporting date for Hedge Funds, Real Estate and Private Equity Reports</p> <p><i>Transmitted via email 17 documents.</i></p> <p><i>Sent via email:</i></p> <ol style="list-style-type: none"> 1. 2014 4Q LACERA FINAL; 2. 2015 1Q LACERA FINAL; 3. 2015 2Q HF LACERA FINAL; 4. LACERA 2014.12.31; 5. LACERA 2015.06.30. 6. LACERA 2015.12.31; 7. PE 2Q16; 8. Q1 2016 Hedge Fund Performance Book; 9. Q2 2016 Hedge Fund Performance Book; 10. Q3 2015 Hedge Fund Performance Book FINAL; 11. Q3 2016 Hedge Fund Performance Book; 12. Q4 2015 Hedge Fund Performance Book; 13. RE Holdings 1Q15 PMR; 14. RE Holdings 1Q16 PMR; 15. RE Holdings 2Q15 PMR; 16. RE Holdings 3Q15 PMR, and 17. RE Holdings 4Q15 PMR.

DATE RECEIVED	REQUESTER	DOCS REQUESTED
01-11-17	D. Gregory, Public Plan IQ	<p>Requested electronic copies of:</p> <ol style="list-style-type: none"> 1. January 11, 2017 Board of Investment Meeting: All investment related discussion materials; 2. January 11, 2017 Corporate Governance Committee: All investment related discussion materials, and 3. January 11, 2017 Real Estate Committee Meeting: All investment related discussion materials. <p><i>Transmitted 3 documents.</i></p> <p><i>Sent via email:</i></p> <ol style="list-style-type: none"> 1. <i>Agenda packet for BOI meeting held on Wednesday, January 11, 2017.</i> 2. <i>Agenda packet for Corporate Governance meeting held on Wednesday, January 11, 2017, and</i> 3. <i>Agenda packet for Real Estate Committee meeting held on Wednesday, January 11, 2017.</i>
01-12-17	A. Kruk, Mandate Wire	<p>Requested agenda items:</p> <ol style="list-style-type: none"> 1. The CIO's report (memo dated 12/23/16); 2. The revisions to the investment policy statement (memo dated 12/29/16); 3. The Q3 hedge fund performance report - agenda item 10A, and 4. Question: What was discussed at the real estate committee meeting regarding 2017 priorities? <p><i>Transmitted 1 document.</i></p> <p><i>Sent via email:</i></p> <p><i>Agenda packet for BOI meeting held on Wednesday, January 11, 2017.</i></p>
01-12-17	J. Barger, Individual	<p>Requested CEO report.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent via email:</i></p> <p><i>Chief Executive Officer's Report dated January 3, 2017.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
01-13-17	Mr. Russin, Individual	<p>Requested 2017 Board Offsite Agenda.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent via email:</i></p> <p><i>LACERA Board Offsite Investment Portfolio Agenda dated January 26, 2017.</i></p>
01-11-17	S. Sutton, Buyouts Insider	<p>Requested:</p> <p>Two memos presented to the Board in late 2015 and early 2016. The first is Item VII E in the December 9, 2015 meeting; and, the second may refer to the same memo, but it's mentioned in IX C of the January 13 Board of Investments.</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Sent via email:</i></p> <ol style="list-style-type: none"> <i>1. BOI memo dated November 30, 2015 re Policy Governing Use of Open and Closed Sessions Under the Brown Act and California Public Records Act to Discuss and Act Upon Particular, Specific Proposed Investments, and</i> <i>2. BOI memo dated January 4, 2016 re Review of Implementation of Policy Governing the Use of Open and Closed Sessions to Discuss and Act Upon Particular, Specific Proposed Investments.</i>
01-18-17	C. Banares, Team@ Secondarylink.com	<p>Requested information regarding alternative investments:</p> <p><i>Transmitted 4 documents.</i></p> <p><i>Sent via email:</i></p> <ol style="list-style-type: none"> <i>1. PE 2Q16;</i> <i>2. Q3 2016 Hedge Fund Performance Book;</i> <i>3. RE Holdings, and</i> <i>4. 1Q16 PMR</i>

FOR DISCUSSION

January 19, 2017

TO: Operations Oversight Committee
Alan Bernstein, Chair
Yves Chery, Vice Chair
Anthony Bravo
Joseph Kelly
Ronald Okum, Alternate

FROM: Robert R. Hill, Assistant Executive Officer *RHH*
JJ Popowich, Assistant Executive Officer *JJ*

FOR: February 1, 2017 Operations Oversight Committee Meeting

SUBJECT: **Operations Oversight Committee Calendar of Discussion Topics**

In an effort to facilitate transparency and open communication, staff is soliciting Committee input regarding the schedule of recurring reports on performance and operational metrics to be presented at the Operations Oversight Committee. In addition to the suggested topics, staff will continue to bring one-time reports and demonstrations to the Committee so Board members can take a deep dive into the operations, project status, and/or overall performance of operating units.

We hope that this list will serve as a guide in determining future information needs of the Committee. We are looking forward to an interactive meeting to discuss these topics and others that may be of interest.

Retirement Benefits Strategic Plan (semi-annual)

The Chief Executive Officer will discuss and share goals, solicit Committee input and seek alignment on the proposed goals.

Budget Control Report (semi-annual)

Staff will provide a copy of the Budget Control Report and highlight material variances.

Technology Discussion/Report (annual)

The Chief Information Officer will provide insights on new and emerging information technology, security infrastructure, and LACERA's technology portfolio.

Operational Metrics (annual)

Staff collect, analyze, and manage various metrics, service levels, and plan experience. Staff will provide a comprehensive report sharing these key activities.

Quality Control Report (annual)

Each year Quality Control Staff review approximately 12,000 member service requests spanning 23 core business processes. This report will distill the results into an annual report that shares processing accuracy, trend analysis, and organizational productivity.

LACERA Diversity Reports (Quarterly)

Staff will prepare and provide reports that dissect the various types of diversity at LACERA.

Member Services Escalation Experience Report (annual report)

No matter what steps we take to ensure quality there are instances where human beings make mistakes or situations arise that require special handling. Member Services ensures we live up to our members' expectations by managing an escalation process that raises these sensitive issues to the level of a supervisor and closely tracks their resolution while keeping the member informed of our progress. Staff will provide an insight into the process.

Training & Development Programs (annual report)

LACERA prides itself on being a learning organization and thus provides many opportunities for ongoing training programs. These programs include the development of the Member Services Academy, the Core Benefits Courses offered to new hires, and a number of ancillary training programs that we offer staff throughout the year. This session will review and discuss the courses offered, provide a glimpse into future training and provide a census of staff attending the various training programs.

March Madness Update (annual)

Each year staff prepares resources so the organization is well positioned to efficiently and effectively process, consult, and retire the large volume of members that seek our services during the December through March rush, which we affectionately refer to as March Madness. Staff will discuss the successes, challenges, and the operating metrics of March Madness.

Overpayments and Forgery Receivables (semi-annual)

Staff will provide a report on the status of overpayments and collections efforts.