

LIVE VIRTUAL COMMITTEE MEETING

*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

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

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

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

AGENDA

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, NOVEMBER 4, 2020 - 9:00 A.M.**

This meeting will be conducted by the Operations Oversight Committee by teleconference under the Governor's Executive Order N-29-20.

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

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

COMMITTEE MEMBERS:

Thomas Walsh, Chair
Herman B. Santos, Vice Chair
Shawn R. Kehoe
Wayne Moore
Vivian H. Gray, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of October 7, 2020

II. PUBLIC COMMENT

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

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

III. REPORTS

- A. LACERA Operations Briefing
JJ Popowich, Assistant Executive Officer
- B. Privacy Incident: Personally Identifiable Information
JJ Popowich, Assistant Executive Officer
(Supporting Memo and Attachments Exempt from Public Disclosure Under Government Code Sections 6254(c), (k), and 54957.5(a))

IV. ITEMS FOR STAFF REVIEW

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.

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 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, OCTOBER 7, 2020, 10:21 A.M. – 12:39 P.M.

This meeting was conducted by the Operations Oversight Committee by teleconference under the Governor's Executive Order No. N-29-20.

COMMITTEE MEMBERS

PRESENT: Thomas Walsh, Chair
Herman B. Santos, Vice Chair
Shawn R. Kehoe
Wayne Moore
Vivian H. Gray, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Elizabeth Ginsberg
JP Harris
Ronald Okum
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Steven P. Rice, Chief Counsel
Kathy Delino, Systems Division Interim Manager
Carly Ntoya, Human Resources Director
Robert Schlotfeld, Chief Information Systems Officer

Michael Lavery
TransQuest, Inc.

The meeting was called to order by Chair Walsh at 10:21 a.m. As Mr. Santos had not yet joined the meeting, the Chair announced that Ms. Gray, as the alternate, would temporarily be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of September 2, 2020

Ms. Gray made a motion, Mr. Moore seconded, to approve the minutes of the regular meeting of September 2, 2020. The motion passed unanimously.

(Mr. Santos joined the meeting after the vote had been taken on the minutes.)

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Carly Ntoya, Director, Human Resources, and Johanna M. Fontenot, Senior Staff Counsel: That the Committee recommend the Board of Retirement approve the Proposed Post Retirement Employment Policy. (Memorandum dated September 22, 2020)

Mr. Santos made a motion, Mr. Moore seconded, to approve the recommendation. The motion passed unanimously.

IV. REPORTS

A. LACERA Operations Briefing
JJ Popowich

Mr. Popowich presented the monthly briefing on LACERA's operations, including the status of the Strategic Plan Goals and Operations Improvement Initiatives, progress on the "100-Day Management Report," and an update on other projects.

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

V. ITEMS FOR STAFF REVIEW

There was nothing to report.

VI. GOOD OF THE ORDER

(For information purposes only)

VII. EXECUTIVE SESSION

A. Potential Threats to Public Services or Facilities
(Pursuant to Subdivision (a) of California Government Code Section 54957)

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Systems Division Interim Manager Kathy Delino, Chief Information Security Officer Robert Schlotfeldt, and Outside Information Security Consultant Michael Laverty.

VIII. ADJOURNMENT

The meeting adjourned at 12.39 p.m.

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FOR INFORMATION ONLY

October 28, 2020

TO: Operations Oversight Committee
Thomas Walsh, Chair
Herman B. Santos, Vice Chair
Shawn R. Kehoe
Wayne Moore
Vivian H. Gray, Alternate

FROM: JJ Popowich, Assistant Executive Officer 

FOR: November 4, 2020 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, including the status of our Strategic Plan Goals and Operations Improvement initiatives. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive Operations Oversight Committee (OOC) presentation. The report is broken down into three main sections: Update on Current Strategic Plan Goals, Update on Other Projects, and updates on our progress meeting the goals and recommendations called for under the CEO's "100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments."

Update on Our Focus on Strategic Plan Goals and Operations Improvement

The Workgroups focusing on the top four Strategic Plan goals continue to meet regularly to move our goals forward. Here is a summary of the status of their efforts:

- **Case Management Capabilities:** There are no new updates for this plan. The Case Management project addresses several similar current Strategic Plan goals (Disability Retirement Services – Case Management system, Disability Litigation's Administrative Hearing Process, Legal's Writ Management Process, and Benefits and Member Services' Job Ticket system). Since the OOC presentation in October 2019, staff have been reviewing technical requirements and evaluating integration methods. A preliminary set of business requirements was developed and the team will be reconvening soon to further refine the business requirements and advance other tasks related to this project.

- **LACERA.com Redesign:** Communications and subject matter experts throughout LACERA have nearly completed their review of all of the revised content that we have created for the new site. They have spent the last several months completely updating the content to make sure it is fully up to date and explained in a manner that is clear and easily understood by our members.

We are back on track moving this project forward. As we shared last month, we recently completed a contract with Acquia to host and allow access to the Drupal content management system in the cloud. This provides us with a secure method of managing the content that appears on the site that is not dependent on supporting servers at LACERA. Earlier in October we were granted access to Drupal and completed testing to make sure it works with our new lacera.com infrastructure. Systems and Communications are currently going through training on how to use the software services. By November, I expect to have an updated project plan which will have milestones we will meet as we set the final path to rolling out the new website. Once again, I would like to thank the team from Systems, Legal, and Communications that worked to get us rolling again on this project.

- **Retirement Estimate Redesign Project:** The new Retirement Application and Summary is on hold pending the re-opening of the Member Service Center (MSC). Once the MSC has been re-opened, we will review our project timeline and set a date to begin beta testing the new form.

In the meantime, we have completed and started to use the new Pre-Retirement Guide that this team worked to complete.

Phase II of this project will be to develop the on-line election process. We will set a deadline for the completion of Phase II as we near the end of Phase I.

- **PEPRA Implementation:** This workgroup continues reviewing all the progress made to date on the implementation of the Public Employees' Pension Reform Act of 2013 and subsequent updates to the act passed since then. The Workgroup's main focus is on efforts by the Auditor-Controller's office to address the issue with the County payroll codes. As you may recall, for LACERA to readily assess what portion of an employee's total compensation is pensionable or not, the payroll code 099 must be made more transparent so it is easier to identify the pay codes that are embedded in this code.

The Auditor-Controller recently completed programming their payroll system to provide the non-pensionable portion of the payroll code 099 so that we can systematically remove non-pensionable amounts from the pensionable amount. We have completed testing of the files and it appears the programming changes are working and we are able to identify pensionable and non-pensionable items. Systems plans to release an update into the production version of Workspace in late November, allowing staff members to process member requests on a prospective basis through Workspace. Following this milestone, we will convert prior data back to July 15, 2020. Data prior to that will still need to be manually reviewed.

This is a major advancement for LACERA in meeting our PEPRA strategic plan goals. Currently, a small group of trained Retirement Benefit Specialists manually process all requests for PEPRA plan members. This process is detailed and can take hours of meticulous review of pay code 099 to break it up for processing.

The Workgroup continues to focus on another part of this goal, which intersects with another Strategic Plan goal, the redesign of the Annual Benefit Statement (ABS). Our current statement only supports legacy plan members and is not supported for PEPRA members. Considerable progress was already made on the redesign efforts by the Communications team. We are working to get a better timeline when we can bring an RFP to the Operations Oversight Committee.

Update Progress on the “100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments”

This section will discuss some of the efforts in place to move forward on the recommendations in the 100-Day report. It may not address all progress, but will focus on certain goals being worked on at the time.

- **Business Metrics:** The 100-Day report points out the need to move LACERA towards a metrics and data driven management process. It is the recognition that we need to be able to collect and review data and metrics in order to make informed business decisions designed to improve our operations and deliver on our promises to our members.

The Process Management Group (PMG) continues to refine business metrics for use across the Member Services Operations Group. The team working on this project recently produced a prototype dashboard and presented it to the Executive Office for review and input. They are also currently reviewing a new software that is specifically designed to generate metric reports.

Once we have some of the remaining refinements for version 1.0 of our Benefits Metrics program, we will schedule a briefing for the Operations Oversight Committee. We estimate this will occur in the second quarter of this Fiscal Year.

Update on Other Projects

My goal is to continue to keep the Committee updated on other cross-functional teams that are working hard to provide improvements to LACERA's operations and the services we provide to our members.

- **Business Continuity:** LACERA's Business Continuity Team (BCT) leads the update and completion process for the Business Continuity Plan (BCP). Over the past year a concerted effort has been put forth to assure that LACERA has an established BCP in place in the event of a crisis. The BCT is currently in discussions with the Systems team for a joint table top exercise to test our BCP plan and portions of our Disaster Recovery capabilities.

The team is also evaluating and discussing how we will develop an ongoing schedule of BCP table top exercises and tests. This may include future requests to engage an advisory consultant to help us design and implement the tests.

- **Retroactive Salary Projects:** Retroactive Salary adjustment projects continue to be a concerning trend that leads to an increased work load for LACERA's Benefits Division and confusion for our members. The County's payroll system was programmed in 2014 to collect contributions on retroactive salary adjustments for active members. However, for a variety of reasons, not all retroactive salary adjustments are processed in a manner that the system can recognize it as a retroactive adjustment and collect contributions. Additionally, the program changes did not account for retroactive salaries paid to retired or deferred members. In these instances, LACERA has to manually review and process these changes.

Our focus for October was to complete the Commissioners who were also impacted by the Mallano v. Chiang case. Working together, Benefits and Quality Assurance analyzed approximately 190 members in this population and identified 24 members who needed adjustments. Benefits completed 20 of the 24 cases. The remaining cases are in process.

We are still waiting for the Fire Department to complete updating member records with their retroactive salary adjustments.

As we reported previously, we also sent out notices in January to members in the Los Angeles County Fire Department to let them know that we will be processing any retroactive salary adjustments made by the Department once the department has completed updating the member's records. The team determined it is preferable to wait until all adjustments have been made to a member's account before we begin determining the impact. In addition to being more efficient, since we will only have to calculate the impact of the adjustments one time, it will also help to avoid having to send multiple letters to members about the adjustments. Staff contacted the department in early August and they were still processing changes. We will be reaching out to them this week for an update.

- **Member Demographic Information:** There is no new update on this project at this time. Our Systems Division is working with the Auditor-Controller to secure that data in future data feeds. This process is expected to take 2-3 months and will include the Auditor-Controller making changes to the data they send LACERA and LACERA's Systems modifying our internal systems to store the data once we receive it. We will keep the Committee updated on our progress.
- **Telecommuting Policy:** A Workgroup consisting of the Executive Office, Human Resources, and Systems is in the final stages of completing a draft policy for the CEO to review.

Attachments:

Public Records Request Update

Report of Felony Forfeiture Cases Processed

DATE RECEIVED	REQUESTER	DOCS REQUESTED
09-18-20	K. Green, Outlook	<p>Requested private equity fund performance data broken down by fund/firm.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent, on October 22, 2020, via email: 2020-09-09_boi_Total Fund Performance Review.pdf.</i></p>
09-24-20	P. Agarwal, Freelancer	<p>Requested most recent list of investments for " Los Angeles County Employees Retirement Association" that includes the amount owned</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent, on October 1, 2020, via email: LACERA Holders.xlsx</i></p>
09-29-20	S. Kemble, Fund Map	<p>Requested the Fund Name and management company with quarterly information quarterly as far back as records allow including standard data.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent, on October 1, 2020, via email: LACERA 2020 – 1Q20 PMR.pdf</i></p>
10-02-20	S. Patrick Kelly, Sidley Austin	<p>Requested All responses to the "Request for Proposal, Securities Lending Services" dated August 30, 2019 (the "Request")</p> <p><i>Transmitted, on October 22, 2020, via email 8 responsive documents relating to Request for Securities Lending Services.</i></p>
10-08-20	C. Devereaux, Cobalt Group	<p>Requested PE bi-annual report.</p> <p><i>Transmitted, on October 9, 2020, responsive comment shown below in italics and bold text.</i></p> <p><i>The Q2 2019 report is the previous report. We don't do a Q3 report, and the Q4 report wasn't done because of the timing of the change to including the PE report in the full Investment Performance book.</i></p>
10-08-20	V. Alvarez, HR, LA County	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent, on October 8, 2020, via email: Board of Retirement Meeting of October 7, 2020, Benefit Approval List.pdf.</i></p>
10-08-20	S. Ayers, TriStar Group	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent, on October 8, 2020, via email: Board of Retirement Meeting of October 7, 2020, Benefit Approval List.pdf.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
10-08-20	J. Hammond, RELAC	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent, on October 8, 2020, via email: Board of Retirement Meeting of October 7, 2020, Benefit Approval List.pdf.</i></p>
10-08-20	LA Sheriffs Dept.	<p>Per monthly request:</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Sent, on October 8, 2020, via email: Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing each dated October 7, 2020</i></p>
10-13-20	D. Kushner, Individual	<p>Per monthly request:</p> <p><i>Sent, on October 13, 2020, via USPS First Class Mail 5 DVDS regarding Board of Investments Meeting and Open Session Committee Meetings.</i></p>



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

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