

AGENDA

A REGULAR MEETING OF THE BOARD OF RETIREMENT LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., THURSDAY, FEBRUARY 15, 2018

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

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Special Meeting of January 30, 2018
 - B. Approval of the Minutes of the Special Meeting of January 31, 2018
 - C. Approval of the Minutes of the Special Meeting of February 1, 2018
- IV. OTHER COMMUNICATIONS
 - A. For Information
 - 1. Awards
 - 2. December 2017 All Stars
 - 3. Interim Chief Executive Officer's Report
(Memo dated February 5, 2018)
- V. PUBLIC COMMENT

VI. CONSENT AGENDA

- A. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the IACP Technology Conference on May 21-23, 2018 in Providence, Rhode Island and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated February 5, 2018)
(Placed on the agenda at the request of Mr. Kehoe)

VII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Richard Bendall, Chief Audit Executive Officer: That the Board elect a new member to the Audit Committee.
(Memo dated January 19, 2018)
- B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the ballot entitled "Powers and Duties of Retirement Board Members," which will be included with the ballot materials for the election of the Third Member of the Board of Retirement and posted on lacera.com.
(Memo dated February 5, 2018)
- C. Recommendation as submitted by Ted Granger, Assistant Chief Financial Officer: That the Board determine the Consumer Price Index changed by 3.61% (or when rounded to the nearest one-half of 1.00% as the COLA benefit rules require, 3.50%: the LACERA 2018 COLA Award), and approve cost-of-living increases and respective COLA Accumulation adjustments for retired LACERA members and beneficiaries, based on retirement plan and date of retirement or death, to become effective April 1, 2018 in accordance with applicable California Government Code Sections.
(Memo dated January 23, 2018)
- D. Recommendation as submitted by Ted Granger, Assistant Chief Financial Officer: That the Board determine the Consumer Price Index changed by 5.65% for the last two calendar years ended December 2017, and adjust the compensation for the review and analysis of disability retirement cases to \$118 per day for an eight-hour day, effective April 1, 2018.
(Memo dated January 24, 2018)

VIII. REPORTS

- A. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the Semi-Annual Interest Crediting for Reserves as of December 31, 2017. (Memo dated January 23, 2018)
- B. For Information Only as submitted by Robert R. Hill, Interim Chief Executive Officer, regarding the SACRS Board of Director Elections. (Memo dated January 31, 2018)

IX. REPORT ON STAFF ACTION ITEMS

- X. GOOD OF THE ORDER
(For information purposes only)

XI. EXECUTIVE SESSION

- A. Conference Legal Counsel - Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9)
 - 1. United States of America v. Gary Ordog
Case No. CV 17-1664-FMO (C.D. Cal.)

XII. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Retirement 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.

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 SPECIAL MEETING OF THE
BOARD OF RETIREMENT AND BOARD OF INVESTMENTS
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

THE HYATT REGENCY
200 SOUTH PINE AVENUE, LONG BEACH, CA

TUESDAY, JANUARY 30, 2018
9:00 A.M. – BEACON BALLROOM

PRESENT: Vivian H. Gray, Chair
Herman Santos, Vice Chair
Marvin Adams, Secretary
Alan Bernstein
JP Harris (Alternate Retired)
Shawn R. Kehoe (Left the meeting at approximately 12:05 p.m.)
Joseph Kelly
Les Robbins
Thomas Walsh
Gina Zapanta-Murphy

ABSENT: William Pryor (Alternate Member)

STAFF ADVISORS AND PARTICIPANTS

Robert R. Hill, Interim Chief Executive Officer
James Brekk, Interim Deputy Chief Executive Officer
Bernie Buenaflor, Interim Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

JJ Popowich, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Kathy Delino, Project Manager
Systems Division

Vanessa Gonzalez, Interim Division Manager
Benefits Division

Dana Brooks, Quality Auditor II
Quality Assurance and Metrics Division

Roxana Castillo, Interim Division Manager
Systems Division

Richard Bendall, Chief Audit Executive

Barry W. Lew, Legislative Affairs Officer

Joseph J. Ackler, Jr., Principal
Ackler & Associates

Anthony J. Roda, Principal
Williams & Jensen

Shane Doucet, Doucet Consulting Solutions

I. WELCOME

Mr. Hill welcomed everyone to the 2018 Board Offsite at 9:02 a.m.

II. PUBLIC COMMENT

Mr. Walsh thanked staff for selecting a union hotel to host the 2018 Board Offsite.

III. ACTION ITEMS

Without objection, Chair Gray postponed Item III until after the Technology Update presentation.

- A. The Chairs of the Board of Retirement and Board of Investments (Boards) recommend that the Boards dissolve the Joint Organizational Governance Committee (JOGC), terminate its Charter and the Boards' prior delegation of duties to the JOGC, and rescind the Boards' September 11, 2017 action directing that the JOGC conduct the Chief Executive Officer recruitment. The former responsibilities of the JOGC will return to the Boards and their duly created committees for actions appropriate on a case-by-case basis, in accordance with applicable law and LACERA policy. (Memo dated January 24, 2018)

(This item was held out of order, after Item V.)

Mr. Kehoe made a motion, Mr. Robbins seconded, to eliminate the CEO search from the JOGC Charter and rescind the 2017 Board action.

Mr. Santos made a substitute motion, Chair Gray seconded, to approve the recommendation.

Mr. Bernstein made a substitute motion, Mr. Kelly seconded, to place the agenda item for discussion at the March meeting. The motion failed (roll call) with Messrs. Kelly, Bernstein, Robbins, and Kehoe voting yes and Messrs. Adams, Walsh, Santos, Ms. Zapanta-Murphy, and Chair Gray voting no.

The motion to approve the recommendation passed (roll call) with Messrs. Adams, Walsh, Santos, Ms. Zapanta-Murphy, and Chair Gray voting yes, and Messrs. Kelly, Bernstein, Robbins, and Kehoe voting no.

III. ACTION ITEMS (Continued)

B. Board of Retirement and Board of Investments Elections of Joint Organizational Governance Committee Members.

Due to the action on Item III.A, this item became moot.

IV. FORWARD LOOKING

(This item was held out of order, before Item III. A.)

James Brekk introduced the theme for the day and introduced Kathy Delino, Vanessa Gonzalez, and Dana Brooks who provided a presentation to the Board.

V. TECHNOLOGY UPDATE

(This item was held out of order, after Item III. IV.)

Roxana Castillo provided a presentation to the Board.

VI. COMPLIANCE 2.0

Steven P. Rice provided a presentation to the Board.

VII. FIDUCIARY COUNSEL

Harvey L. Leiderman provided a presentation to the Board.

VIII. ENGAGEMENT

Barry W. Lew, Joe Ackler, Anthony J. Roda, and Shane E. Doucet provided updates and answered questions from the Board.

IX. CLOSING

There being no further business to come before the Board, the meeting was adjourned at 3:47 p.m.

MARVIN ADAMS, SECRETARY

VIVIAN H. GRAY, CHAIR

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF RETIREMENT AND BOARD OF INVESTMENTS
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

THE HYATT REGENCY
200 SOUTH PINE AVENUE, LONG BEACH, CA

WEDNESDAY, JANUARY 31, 2018
9:00 A.M. – BEACON BALLROOM

PRESENT: Vivian H. Gray, Chair
Herman Santos, Vice Chair
Marvin Adams, Secretary
Alan Bernstein
JP Harris (Alternate Retired)
Shawn R. Kehoe
Keith Knox
Les Robbins
Thomas Walsh
Gina Zapanta-Murphy

ABSENT: Joseph Kelly
William Pryor (Alternate Member)

STAFF ADVISORS AND PARTICIPANTS

Robert R. Hill, Interim Chief Executive Officer
James Brekk, Interim Deputy Chief Executive Officer
Bernie Buenaflor, Interim Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

JJ Popowich, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Dr. Vito Campese, Medical Advisor

Richard Bendall, Chief Audit Executive

Cassandra Smith, Director, Retiree Healthcare Division

Leilani Ignacio, Assistant Division Manager
Retiree Healthcare Division

Tionna Fredericks, Retirement Specialist III

Keisha Munn, Senior Retirement Specialist

Tatiana Bayer, Senior Retirement Specialist

Daljit Johl, Segal Consulting

Dr. J. Craig Collins, Kaiser Permanente

Nick Schubert, UnitedHealthcare Retiree Solutions

Nicole Bohnert, UnitedHealthcare Retiree Solutions

Stephen E. Murphy, Segal Consulting

Kathy Bakich, Segal Consulting

I. WELCOME

Mr. Brekk welcomed everyone to the 2018 Board Offsite at 9:03 a.m.

II. PUBLIC COMMENT

There were no requests from the public to speak.

III. THE 1982 AGREEMENT & PROGRAM PARAMETERS

Cassandra Smith and Tionna Fredericks provided a presentation to the Board.

IV. MANAGING HEALTHCARE PREMIUMS

Stephen Murphy and Daljit Johl provided a presentation to the Board.

V. MEDICARE 101

Cassandra Smith & Tatiana Bayer provided a presentation to the Board.

VI. MEMBER HEALTHCARE EDUCATION

Keisha Munn provided a presentation to the Board.

VII. HEALTHCARE DELIVERY TRANSFORMATION

J. Craig Collins, Nick Schubert, Nicole Bohnert and Stephen E. Murphy provided a presentation to the Board.

VIII. LEGISLATIVE UPDATE

Kathy Bakich provided a presentation to the Board.

IX. CLOSING

There being no further business to come before the Board, the meeting was adjourned at 3:22 p.m.

MARVIN ADAMS, SECRETARY

VIVIAN H. GRAY, CHAIR

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF RETIREMENT AND BOARD OF INVESTMENTS
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

THE HYATT REGENCY
200 SOUTH PINE AVENUE, LONG BEACH, CA

THURSDAY, FEBRUARY 1, 2018
9:00 A.M. – BEACON BALLROOM

PRESENT: Vivian Gray, BOR Chair
Herman B. Santos, BOR Vice Chair/BOI Trustee
Marvin Adams, BOR Secretary
Thomas Walsh, BOR Trustee
David Green, BOI Chair
Shawn Kehoe, BOI Vice Chair/BOR Trustee
Joseph Kelly, BOI/BOR Ex-Officio Member
Wayne Moore, BOI Secretary
David Muir, BOI Trustee
Ronald Okum, BOI Trustee
Gina V. Sanchez, BOI Trustee
Michael Schneider, BOI Trustee

STAFF ADVISORS AND PARTICIPANTS

Robert R. Hill, Interim Chief Executive Officer
Jonathan Gabel, Chief Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Steven P. Rice, Chief Counsel

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Vache Mahseredjian, Principal Investment Officer

Ted Wright, Principal Investment Officer

Christopher Wagner, Principal Investment Officer

John McClelland, Principal Investment Officer

James Rice, Senior Investment Officer

Meketa Investment Group

Leandro Festino, Managing Principal

Stephen McCourt, Managing Principal

John Haggerty, Managing Principal

Edmund Walsh, Vice President

StepStone Group LP

Jose Fernandez, Partner

Todd Lapenna, Infrastructure & Real Assets Investor &
Advisor

The Townsend Group

Jennifer Stevens, Principal

I. WELCOME

Mr. Green welcomed everyone to the 2018 Board Offsite at 9:02 a.m.

II. PUBLIC COMMENT

There were no requests from the public to speak.

III. ACTION ITEMS

- A. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board approve rescheduling the March and November Board of Investments meeting to March 5, 2018 and November 8, 2018, respectively. (Memo dated January 23, 2018)

This agenda item only relates to the Board of Investments. The Board of Retirement took no action.

- B. IN THE EVENT NOT ACTED UPON BY ONE OR BOTH OF THE BOARDS UNDER ITEM III.A OF THE JANUARY 30, 2018 AGENDA: The Chairs of the Board of Retirement and Board of Investments (Boards) recommend that the Boards dissolve the Joint Organizational Governance Committee (JOGC), terminate its Charter and the Boards' prior delegation of duties to the JOGC, and rescind the Boards' September 11, 2017 action directing that the JOGC conduct the Chief Executive Officer recruitment. The former responsibilities of the JOGC will return to the Boards and their duly created committees for actions appropriate on a case-by-case basis, in accordance with applicable law and LACERA policy. (Memo dated January 24, 2018)

This agenda item was previously decided at the January 30, 2018 meeting, as stated in the Minutes for that meeting. As a result, the item did not need to be addressed again at this meeting.

- C. IN THE EVENT NOT ACTED UPON BY ONE OR BOTH OF THE BOARDS UNDER ITEM III.B OF THE JANUARY 30, 2018 AND JANUARY 31, 2018 AGENDAS: Board of Retirement and Board of Investments Elections of Joint Organizational Governance Committee Members.

This item was rendered moot by the action taken on the preceding item at the January 30, 2018 meeting. As a result, the item did not need to be addressed at this meeting.

III. BRIDGING THE GAP: ACHIEVING ACTUARIAL TARGET IN A LOW EXPECTED RETURN ENVIRONMENT

Jon Grabel provided a presentation to the Board.

IV. ADVANCES IN ASSET ALLOCATION AND RISK MANAGEMENT

Meketa Investment Group, Inc. provided a presentation to the Board.

V. FIDUCIARY COUNSEL

Harvey L. Leiderman provided a presentation to the Board.

VI. REAL ASSETS: ROLE AND IMPLEMENTATION IN A PORTFOLIO

Meketa Investment Group, Inc., Stepstone Group, L.P., The Townsend Group, and Investment staff provided a presentation to the Board.

VII. INVESTMENT EXPENSE ANALYSIS

Several staff from the Investment team provided a presentation to the Board.

VIII. CLOSING

There being no further business to come before the Board, the meeting was adjourned at 3:08 p.m.

MARVIN ADAMS, SECRETARY

VIVIAN H. GRAY, CHAIR



February 5, 2018

TO: Each Member
Board of Retirement
Board of Investments

FROM: Robert R. Hill 
Interim Chief Executive Officer

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT**

I am pleased to present the Chief Executive Officer's Report that highlights a few of the operational activities that have taken place during the past month, key business metrics to monitor how well we are meeting our performance objectives, and an educational calendar.

March Madness

We refer to the period beginning in December through the end of March as "March Madness" because retirements tend to spike during this period as members desire to retire in time to be eligible for any April 1st cost-of-living adjustment (COLA) that may be approved. As we have in years past, we are continuing our commitment to share the annual March Madness statistics in the Chief Executive Officer's report. There are two key statistics we track during this time of year.

How well are we keeping up with our member's requests to retire? The chart below shows the total number of pending retirement elections. All incoming retirement requests are triaged by staff to facilitate processing those retirements with immediate retirement dates and those which will require special handling (i.e. legal splits and those with uncompleted service credit purchases).

Retirement Month	Retirement Elections
December 2017	16
January 2018	24
February 2018	24
March 2018	347
Pending Disability Cases	99
Total Pending	510

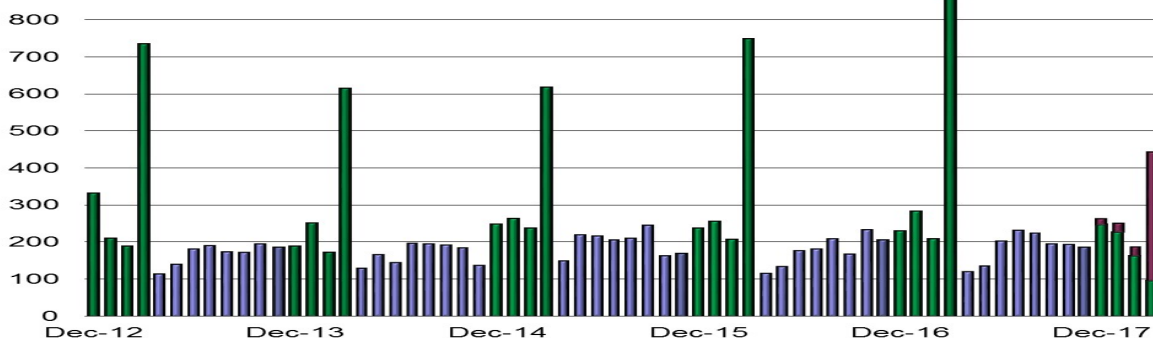
The 411 retirement elections not completed for December through March are pending for the following reasons: additional research or information required (1), pending a change of retirement date (3), pending member action (usually waiting for a signed election) (16), pending processing (391).

The Pending Disability Cases represents the number of approved disability cases being processed by the Benefits Division. Once a disability has been granted by the Board, the Benefits Division staff work with the member and their employer to select a disability effective date, determine the member's option election, and bring them on payroll. These disability cases are pending for the following reasons: pending reciprocal validation (3), pending a decision on the effective date (17), currently in process (22), and waiting for an action by the member (57). These cases are not assigned to a specific month in the "March Madness" period because the final effective date has not been determined. As with service retirements, some cases have mitigating factors such as legal splits and uncompleted purchases, which can also extend processing. We expect to successfully meet the retirement agenda deadlines for a majority of our March Madness retirees.

The second key statistic is the volume of retirements during the year, and especially during March Madness. This gives us an indication on the severity of the stress being placed on our capacity to meet our various member service requests and demands placed upon our staff.

The green bars in the following chart reflect those members who have been approved to retire (i.e., their retirement elections have been approved and completed). The red bars reflect those cases that have not been processed as of the date of this report. As of January 20, 2018, we have processed 411 out of 1158 retirements for the March Madness period so far. Comparing the total processed and pending per month we are running over the five-year average (last five completed years) for December (276 vs. avg. of 247), and on par for January (252 vs. avg. of 252), February (187 vs. avg. of 203) and March (443 vs. avg. of 716) are still in play and running as expected so far. Putting this into perspective during last year's March Madness 1,588 members retired, which was higher than the rolling five-year average of 1,418 (the five-year averages may change from month to month as disability cases are processed due to retroactive retirement dates).

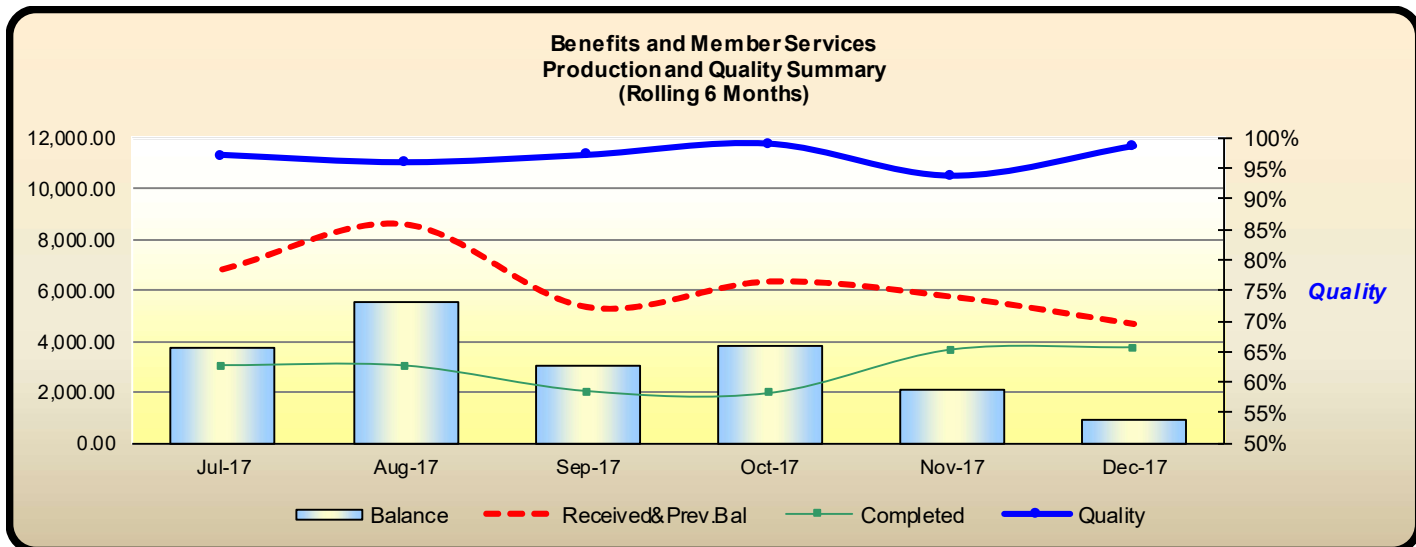
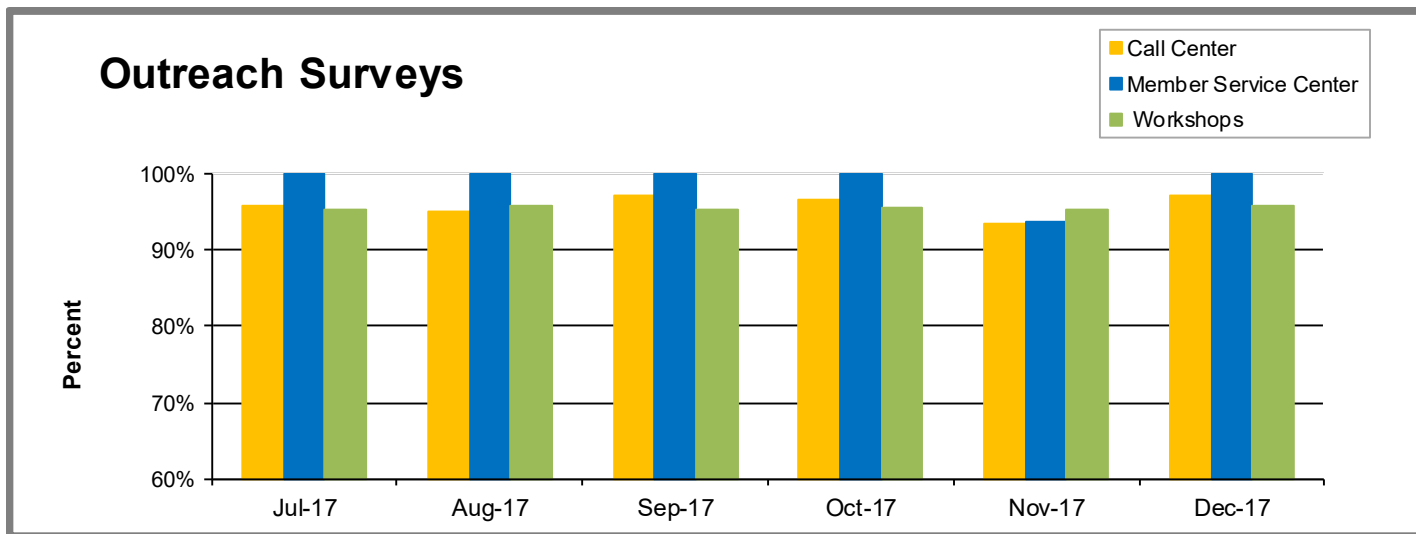
Rolling Five Year March Madness Trends



LACERA's KEY BUSINESS METRICS

OUTREACH EVENTS AND ATTENDANCE

Type	# of WORKSHOPS		# of MEMBERS	
	Monthly	YTD	Monthly	YTD
Benefit Information	12	100	399	5,565
Mid Career	1	7	17	234
New Member	13	79	196	1,662
Pre-Retirement	5	48	102	1,304
General Information	1	2	15	115
Retiree Events	1	5	75	612
Member Service Center	Daily	Daily	1,703	9,114
TOTALS	33	241	2,507	18,606



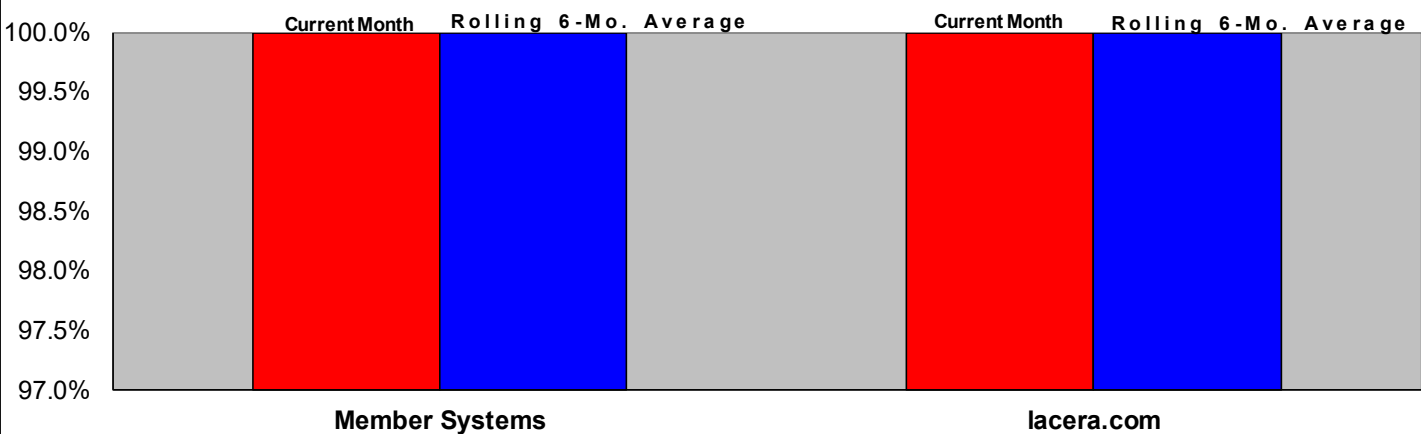
Member Services Contact Center			RHC Call Center	Top Calls
Overall Key Performance Indicator (KPI)		88.61%		
Category	Goal	Rating		Member Services
Call Center Monitoring Score	95%	94.89%	98%	1) Workshop Info./Appointments: Inquiry
Grade of Service (80% in 60 seconds)	80%	39%	32%	2) Benefit Pmts.: Gen Inq./Payday Info
Call Center Survey Score	90%	97.16%	xxxxx	3) Retirement Counseling: Process
Agent Utilization Rate	65%	74%	85%	
Number of Calls		10,169	4,025	Retiree Health Care
Number of Calls Answered		8,773	3,368	1) Medical Benefits - General Inquiries
Number of Calls Abandoned		1,396	657	2) Part B Premium Reimbursement
Calls-Average Speed of Answer (hh:mm:ss)		00:03:31	00:04:48	3) Medical-New Enroll./Change/Cancel
Number of Emails		292.16	212	
Emails-Average Response Time (hh:mm:ss)		07:40:48	(Days) 1	Adjusted for weekends

LACERA's KEY BUSINESS METRICS

Fiscal Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assets-Market Value	\$38.7	\$30.5	\$33.4	\$39.5	\$41.2	\$43.7	\$51.1	\$51.4	\$50.9	\$55.8
Funding Ratio	94.5%	88.9%	83.3%	80.6%	76.8%	75.0%	79.5%	83.3%	79.4%	n/a
Investment Return	-1.4%	-18.2%	11.8%	20.4%	0.3%	12.1%	16.8%	4.3%	1.1%	13.0%

DISABILITY INVESTIGATIONS						
APPLICATIONS	TOTAL	YTD		APPEALS	TOTAL	YTD
On Hand	598	xxxxxxx		On Hand	121	xxxxxxx
Received	53	280		Received	3	19
Re-opened	0	1		Administratively Closed/Rule 32	1	13
To Board – Initial	35	221		Referee Recommendation	0	6
Closed	3	36		Revised/Reconsidered for Granting	0	2
In Process	613	613		In Process	123	123

SYSTEMS AVAILABILITY - DECEMBER 2017



Active Members as of 2/1/18		Retired Members/Survivors as of 2/1/18			Retired Members	
		Retirees	Survivors	Total		
General-Plan A	164	18,022	4,583	22,605	Monthly Payroll	266.29 Million
General-Plan B	54	688	67	755	Payroll YTD	1.6 Billion
General-Plan C	65	423	62	485	No. Monthly Added	257
General-Plan D	44,498	13,482	1,249	14,731	Seamless %	99.61%
General-Plan E	19,060	12,065	1,029	13,094	No. YTD Added	1,624
General-Plan G	21,523	9	0	9	Seamless YTD %	99.63%
Total General	85,364	44,689	6,990	51,679	Direct Deposit %	96.00%
Safety-Plan A	7	5,567	1,574	7,141		
Safety-Plan B	10,634	5,009	262	5,271		
Safety-Plan C	2,323	4	0	4		
Total Safety	12,964	10,580	1,836	12,416		
TOTAL ACTIVE	98,328	TOTAL RETIRED	55,269	8,826		

Health Care Program (YTD Totals)		
	Employer Amount	Member Amount
Medical	236,698,779	20,053,671
Dental	21,175,794	2,184,762
Med Part B	28,332,662	xxxxxxxxxx
Total Amount	\$286,207,235	\$22,238,433

Funding Metrics as of 6/30/17	
Employer Normal Cost	9.97%*
UAAL	9.73%*
Assumed Rate	7.25%*
Star Reserve	\$614 million
Total Assets	\$52.7 billion

Health Care Program Enrollments (Monthly)	
Medical	49,139
Dental	50,234
Med Part B	32,809
Long Term Care (LTC)	698

Member Contributions as of 6/30/17	
Annual Additions	\$526.6 million
% of Payroll	6.65%*

Employer Contributions as of 6/30/17	
Annual Addition	\$1,331.4 million
% of Payroll	19.70%*

*Effective July 1, 2017, as of 6/30/16 actuarial valuation.

Date	Conference
March, 2018	
3-6	CALAPRS (California Association of Public Retirement Systems) General Assembly Meeting Indian Wells, CA
5-9	Healthcare Information and Management Systems Society Conference & Expo Las Vegas, NV
7-8	AHIP (America's Health Insurance Plans) National Health Policy Conference Washington D.C.
8-9	PREA (Pension Real Estate Association) Spring Conference Beverly Hills, CA
11-13	2018 Commonfund Forum Orlando, FL
12-14	Council of Institutional Investors (CII) Spring Conference Washington D.C.
14-16	Pacific Pension Institute (PPI) North American Winter Roundtable Washington D.C.
19-21	InfoSecWorld Conference & Expo 2018 Lake Buena Vista, FL
28-30	CALAPRS (California Association of Public Retirement Systems) Advanced Principles of Pension Management for Trustees at UCLA Los Angeles, CA
April, 2018	
9-11	IFEBP (International Foundation of Employment Benefit Plans) Investments Institute Naples, FL
10-11	Pension Bridge Annual Conference San Francisco, CA
16-18	CRCEA (California Retired County Employees Association) Spring Conference Santa Barbara, CA
23-26	Portfolio Concepts & Management (<i>prev. Fundamentals of Money Management</i>) Wharton School, University of Pennsylvania (IFEBP)
24-26	UCLA Anderson Executive Education-Corporate Governance Program Los Angeles, CA
29-May 2	World Healthcare Congress Washington D.C.
29-May 2	Milken Institute Global Conference Beverly Hills, CA



February 5, 2018

TO: Each Member
Board of Retirement

FROM: Robert R. Hill 
Interim Chief Executive Officer

FOR: Board of Retirement Meeting of February 15, 2018

SUBJECT: IACP Technology Conference on May 21-23, 2018 in Providence, Rhode Island

The International Association of Chiefs of Police (IACP) will be holding its Annual IACP Technology Conference on May 21-23, 2018 at the Orange County Convention Center in Orlando, Florida. The conference provides law enforcement executives, IT managers, technology specialists, state and local CIO's and CTO's, and others interested in public safety technology, with a forum in which to share information, best practices, and lessons learned regarding state-of-the-art law enforcement information management, communications, technology standards, and information sharing, analysis, and fusion. The conference provides training, professional development, and a forum to share best practices and lessons learned on a broad array of new and emerging technologies.

The main conference highlights include the following:

- Managing Cybersecurity Risk
- Bitcoin and Cryptocurrencies
- Strategizing Technology Decisions

The conference meets LACERA's policy of an average of five (5) hours of substantive educational content per day. The standard hotel rate at the Omni Providence Hotel is \$151 per night plus applicable taxes and the registration fee is \$750 when registered by May 1, 2018.

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve attendance of Board members at the IACP Technology Conference on May 21-23, 2018 in Providence, Rhode Island and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy.

RH/bn
Attachment



SCHEDULE AT A GLANCE

Dive into over 30 technology-oriented educational sessions including topics on:

MONDAY

- Next Generation First Responders
- Connected Patrol Car
- Improving Officer Safety with the Power of Today’s Technology
- Video Analytics in Law Enforcement
- Ensuring a Smooth Transition to NIBRS
- Monitoring Social Media in Real Time

TUESDAY

- Bitcoin and Cryptocurrencies
- Harnessing FirstNet to Reach First Line Officers
- Using Vehicle Data for Investigations
- Blockchain
- Strategizing Technology Decisions
- Mobile and Hand-Held Technology

WEDNESDAY

- Highly Autonomous Vehicles
- Advanced Analytics in Crime Analysis
- Managing Cybersecurity Risk
- Technology to Save First Responder Lives on Roadways
- Unmanned Aircraft Operations
- Dark Web Investigations

SUNDAY, MAY 20, 2018

8:00 AM – 1:00 PM	Communications and Technology Committee Meeting
8:00 AM – 1:00 PM	Computer Crime and Digital Evidence Committee Meeting
8:00 AM – 1:00 PM	Criminal Justice Information System Committee Meeting
1:30 PM – 3:30 PM	Joint Technology Committees Meeting
3:30 PM – 4:30 PM	Law Enforcement Information Management (LEIM) Section Meeting

MONDAY, MAY 21, 2018

9:00 AM – 10:30 AM	Opening Ceremony/Plenary Session
10:30 AM – 11:00 AM	Break
11:00 AM – 12:00 PM	Workshops (three concurrent)
12:00 PM – 1:00 PM	Lunch
1:00 PM – 2:00 PM	Workshops (three concurrent)
2:00 PM – 2:30 PM	Break
2:30 PM – 4:00 PM	Workshops (three concurrent)
4:00 PM – 6:00 PM	Exhibit Hall Opens/Reception

TUESDAY, MAY 22, 2018

8:00 AM – 9:00 AM	Plenary Session
9:00 AM – 9:30 AM	Break
9:30 AM – 10:30 AM	Workshops (three concurrent)
10:30 AM – 5:00 PM	Exhibit Hall Open
11:00 AM – 12:00 PM	Workshops (three concurrent)
12:00 PM – 1:00 PM	Lunch
1:00 PM – 1:30 PM	Exhibit Hall
1:30 PM – 2:30 PM	Workshops (three concurrent)
2:30 PM – 3:00 PM	Exhibit Hall
3:00 PM – 4:00 PM	Workshops (three concurrent)
4:00 PM – 5:00 PM	Exhibit Hall


WEDNESDAY, MAY 23, 2018

8:00 AM – 9:00 AM	Plenary Session
9:00 AM – 1:00 PM	Exhibit Hall
9:30 AM – 10:30 AM	Workshops (three concurrent)
10:30 AM – 11:00 AM	Exhibit Hall
11:00 AM – 12:00 PM	Workshops (three concurrent)
12:00 PM – 1:00 PM	Lunch
1:00 PM – 2:00 PM	Workshops (three concurrent)
2:00 PM – 2:30 PM	Break
2:30 PM – 3:30 PM	Workshops (three concurrent)



January 19, 2018

TO: Each Member
Board of Retirement

FROM: Richard Bendall 
Chief Audit Executive

FOR: Board of Retirement Meeting on February 15, 2018

SUBJECT: **AUDIT COMMITTEE – ELECTION ON VACANT SEAT**

RECOMMENDATION

It is recommended the Board of Retirement elect a new member to the Audit Committee.

BACKGROUND

The Board of Retirement nominated and elected Les Robbins to the Audit Committee at its Board meeting on January 11, 2018. Mr. Robbins has since resigned his seat on the Audit Committee, therefore leaving a vacancy on the Committee. Staff recommends that the Board elect a new member at the February 15, 2018 Board of Retirement meeting.

The Audit Committee Charter does not provide guidance on this specific situation. However, the Audit Committee Charter (Section III) does provide that, when a Board member leaves Board service, a replacement will be elected at the next regularly scheduled Board meeting. Staff believes this language reflects an intent to fill vacancies on the Audit Committee. At the next Audit Committee meeting in March 2018, Internal Audit staff will present a recommendation to update the language of the Audit Committee Charter to clarify this ambiguity.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

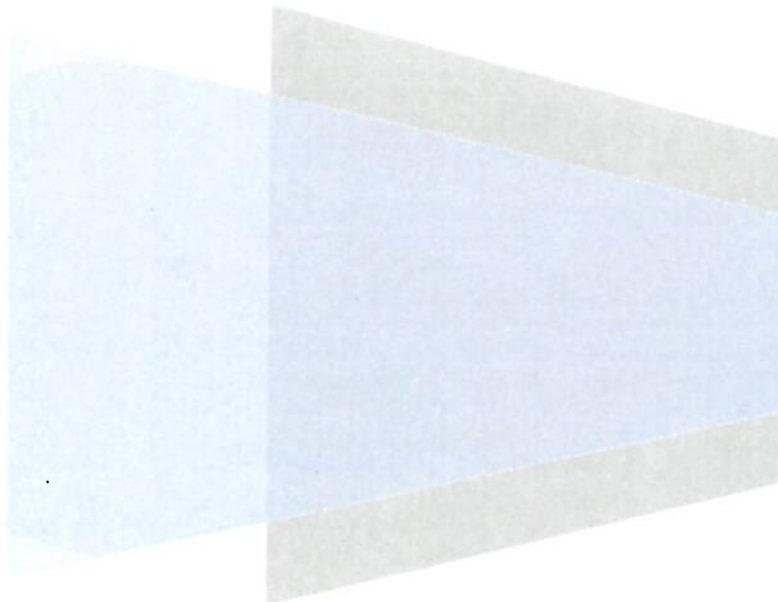
Elect a new member to the Audit Committee filling the vacant seat.

RB:bn

Attachment

Audit Committee Charter

November 2017



2017



AUDIT COMMITTEE CHARTER

I. PURPOSE 2

II. AUTHORITY..... 2

III. AUDIT COMMITTEE COMPOSITION AND CONSULTANT..... 3

IV. AUDIT COMMITTEE MEETINGS..... 3

V. RESPONSIBILITIES..... 4

 A. INTERNAL AUDIT 4

 B. CHIEF AUDIT EXECUTIVE 5

 C. EXTERNAL AUDIT..... 5

 D. FINANCIAL REPORTING PROCESS 5

 E. SYSTEMS OF INTERNAL CONTROLS 6

 F. MONITORING COMPLIANCE WITH LAWS AND REGULATIONS 6

 G. OTHER RESPONSIBILITIES 6

VI. APPROVAL 7



AUDIT COMMITTEE CHARTER

I. PURPOSE

In November 2003, the Los Angeles County Employees Retirement Association's Board of Retirement and Board of Investments established the LACERA Audit Committee.

The purpose of this "Audit Committee Charter" is to govern the Audit Committee that assists the Boards of Retirement and Investments (Boards) in fulfilling their fiduciary oversight responsibilities for the financial reporting process, the system of internal controls, the audit processes, and the organization's method for monitoring compliance with laws and regulations. The Audit Committee Charter is a living document and may be amended for procedural and administrative matters upon majority vote of the Audit Committee.

II. AUTHORITY

The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of responsibility.

It shall have the following authorities:

- A. Meet with LACERA's officers, Internal Auditors, External Auditors, or consultants as necessary.
- B. Seek any information it requires from employees, all of whom are directed to cooperate with the Committee's requests, or consultants, as necessary.
- C. Resolve any disagreements or coordinate between Management, Internal Audit, and/or External Audit.
- D. Oversee the work of Internal and External Audit, and any other consultants hired to assist the Audit Committee in fulfilling its fiduciary duties.
- E. Make recommendations to the Boards regarding:
 1. The appointment, compensation, and work of the External Auditor employed to audit LACERA's financial statements.
 2. The appointment, compensation, and work of accountants or other consultants to perform audits, reviews, or investigations related to financial or operational matters (when the cost is expected to exceed the Chief Executive Officer's discretionary allowance for such contracts).
 3. Such other matters as the Committee encounters in its work.



III. AUDIT COMMITTEE COMPOSITION AND CONSULTANT

The Audit Committee will consist of the chair and vice-chair of the Boards of Retirement and Investments, plus one additional Board member elected annually by each Board, for a total of four to six members¹. Board chairs and vice-chairs that leave Board service will be replaced automatically on the Audit Committee, when the Board replaces its missing officer while other Committee membership remains intact. If any elected Audit Committee member leaves Board service, the Board of the departing member, will elect a new Audit Committee member at the next regularly scheduled Board meeting. If Audit Committee voting results in a tie, the Committee will forward the recommendation to the appropriate Board for consideration and final decision.

The Committee shall have the authority to approve the hiring of the audit consultant as an advisor. The audit consultant will be designated as the audit technical and financial expert, to advise the Committee on audit and financial matters. The audit consultant's contract will be for three years with the option for the Audit Committee to choose to extend the contract for an additional two-year period.

At the first Committee meeting of each calendar year, the Committee shall elect a Chairman, Vice Chair and Secretary, each to serve for a term of one year or until his or her successor is duly elected and qualified, whichever is less. In the event of a vacancy in the office of chair, the vice chair shall immediately assume the office of chair for the remainder of the term. In the event of a vacancy in the office of vice chair or secretary, the Committee shall elect one of its members to fill such vacancy for the remainder of the term, at its next regular meeting.

IV. AUDIT COMMITTEE MEETINGS

The Audit Committee will conduct regular meetings at least three times per year, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting.

Regular meeting notices and agendas will be posted at least 72 hours in advance of the regular meetings, and will be made available to the public in accordance with the Ralph M. Brown Act (Government Code Sections 54950, et seq.). Public documents referred to in the agenda will be made available for review at the office of the staff secretary to the Committee. The Committee will invite members of management, Internal Auditors, External Auditors, and/or others to attend meetings and provide pertinent information, as necessary.

Special meetings of the Committee may be called in the manner provided by Government Code Section 54956(a). The Committee will have such other powers as provided in the Brown Act.

¹ The number of Committee members is dependent upon the designated Chair and Vice Chair appointments to the Boards of Retirement and Investments. If both Boards were to elect the same individuals to the positions of Chair and/or Vice Chair, the Audit Committee would be comprised of four or five Board Members.



Robert's Rules of Order, except as otherwise provided herein, shall guide the Committee in its proceedings; however, the chair of the Committee shall have the same rights to vote and participate in discussions as any other member of the Committee without relinquishing the chair. The order of business shall be as determined by formal action of the Committee. Four members of a six-member Audit Committee or three members of a four or five-member Audit Committee, excluding the audit consultant, constitute a quorum.

The secretary of the Committee shall cause to be recorded in the minutes the time and place of each meeting of the Committee, the names of the members present, all official acts of the Committee, the votes given by members except when the action is unanimous, and when requested by a member, that member's dissent or approval with his or her reasons, and shall cause the minutes to be written forthwith and presented for approval at the next regular meeting.

V. RESPONSIBILITIES

The Audit Committee will carry out the following responsibilities to fulfill their fiduciary oversight responsibilities:

A. Internal Audit

1. Approve the Internal Audit Charter.
2. Ensure the independence of Internal Audit.
3. Approve the Annual Audit Plan and all major changes to the Plan. Review and monitor Internal Audit's activity relative to its Plan.
4. Review, with the Chief Audit Executive (CAE), Internal Audit's resource plan, activities, and organizational structure.
5. Monitor Internal Audit's recommendations to ensure Management has adequately addressed the risk(s) identified, either through implementing a new policy, procedure, or process, or accepting the associated risk.
6. Review and discuss engagement reports to take the following action(s):
 - a. accept and file report and/or,
 - b. instruct staff to forward report to Boards or Committees and/or,
 - c. provide further instruction to staff.

**B. Chief Audit Executive**

Since the CAE reports to the Chief Executive Officer (CEO) for administrative purposes, but to the Audit Committee for functional purposes, the Audit Committee will be responsible for the following:

1. Make recommendations to both Boards regarding the appointment, discipline, dismissal, and/or removal of the CAE, which will be addressed by the Boards in a joint meeting. Both Boards will make the final decisions as to the appointment, discipline, dismissal, and/or removal of the CAE. The CEO has authority to administer minor discipline, which is limited to counseling memos and written warnings, with notice of such discipline to be provided to the Committee and the Boards at their next meetings. Consideration by the Boards and the Committee concerning the appointment, discipline, dismissal, and/or removal of the CAE will be made in executive session under Government Code Section 54957(b).
2. Perform the CAE's annual assessment with qualitative input from the CAE and CEO. The Committee's discussion regarding the CAE's annual performance evaluation will be made in executive session under Government Code Section 54957(b).
3. Administer the CAE's annual salary adjustment using the Boards' established compensation structure.

C. External Audit

1. Make recommendations to the Board of Retirement regarding the appointment, compensation, and the work of the External Auditor.
2. Oversee the work of the External Auditor, including review of the External Auditor's proposed audit scope and approach, as well as coordination with Internal Audit and Management.
3. Review the findings and recommendations of the External Auditor, Management's responses, and actions taken to implement the audit recommendations.
4. Approve all non-compliance work.

D. Monitoring the Financial Reporting Process

1. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, recent professional and regulatory pronouncements, and understand their impact on the financial statements.
2. Review with Management and the External Auditors the results of the audit, including any difficulties encountered.
3. Review the annual financial statements, consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.



4. Review with Management and the External Auditors all matters required to be communicated to the Committee under *Generally Accepted Auditing Standards*.

E. Monitoring Management's System of Internal Controls

1. Consider the effectiveness of LACERA's internal control system, including information technology security and control.
2. Understand the scope of Internal and External Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with Management's responses.

F. Monitoring Management's System of Compliance

1. Annually, review the effectiveness of Management's system of compliance with laws, regulations, policies, and procedures that are business critical.
2. As needed, review the findings of any examinations by regulatory agencies, and any auditor observations.
3. Annually, review Management's process for communicating LACERA's Code of Ethics to company personnel, and for monitoring compliance therewith.
4. Annually, review reported activity to ensure issues of fraud, noncompliance, and/or inappropriate activities are being addressed.

G. Conflicts and Ethics

Audit Committee members must comply with the BOR, BOI, and LACERA's Code of Ethics. Specific to the Audit Committee:

1. Avoid actual or potential conflict of interest or ethics issues. Members will notify the Audit Committee Chair and Vice Chair, the CEO, and Legal Counsel of such issues concerning themselves and other Audit Committee members related to the business of the Audit Committee.
2. Review reports received relating to conflict of interest and ethics issues, and if appropriate, make a recommendation to the Boards.

H. Other Responsibilities

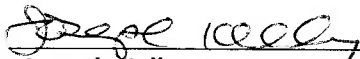
1. Report to the Boards as needed about the Audit Committee's activities, issues, and related recommendations.
2. Provide an open avenue of communication between Internal Audit, the External Auditors, Management, and the Boards.
3. Perform other activities related to this Charter as requested by the Boards
4. Review and assess the adequacy of the Committee's Charter annually, requesting the Boards' approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.



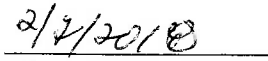
5. Communicates public disclosures related to the purpose, authority, function, and responsibility of the Audit Committee.

VI. APPROVAL OF PROCEDURAL AND ADMINISTRATIVE UPDATES

This Audit Committee Charter ("AC Charter") was updated for procedural and administrative matters, and approved by the Audit Committee on November 30, 2017. This updated AC Charter is thereby effective this day and is hereby signed by the Audit Committee Chair,




Joseph Kelly
Chair, Audit Committee



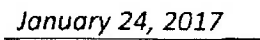
Date

VII. APPROVAL OF AUDIT COMMITTEE CHARTER

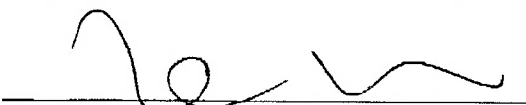
This Audit Committee Charter ("AC Charter") was reviewed by the Audit Committee on December 14, 2016, and approved by the Board of Retirement and Board of Investments on January 11, 2017 and January 12, 2017, respectively. This AC Charter is thereby effective January 12, 2017 and is hereby signed by the following persons who have authority and responsibilities under this Charter.



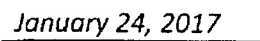
Shawn R. Kehoe
Chair, Board of Retirement



Date



David Green
Chair, Board of Investments



Date



February 5, 2018

TO: Each Member
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: February 15, 2018 Board of Retirement Meeting

SUBJECT: **LACERA ELECTION FOR THIRD MEMBER: STATEMENT OF
POWERS AND DUTIES OF RETIREMENT BOARD MEMBERS**

Recommendation

Approve the attached ballot insert entitled "Powers and Duties of Retirement Board Members," which will be included with the ballot materials for the election of the Third Member of the Board of Retirement and posted on lacera.com.

Legal Authority

The information in the Powers and Duties is based on the responsibilities of Board of Retirement members under the California Constitution (Cal. Const., art XVI, § 17), the County Employees Retirement Law of 1937 (CERL) (Cal. Gov't Code §§ 31540 et seq.), the California Public Employees' Retirement Law of 2013 (PEPRA) (Cal. Gov't Code §§ 7522 et seq.), and LACERA's policies and procedures. Approval of this document is consistent with the exercise of the Board's plenary authority over administration of the system under the California Constitution. Cal. Const., art. XVI, § 17.

Background

Each year, the Board of Supervisors adopts a resolution to govern that year's LACERA election. The election this year for the Board of Retirement will include the position of Third Member (currently held by Vivian Gray) for a three-year term commencing January 1, 2019.

At LACERA's request, the Board of Supervisors will include with Board election materials a ballot insert entitled "Powers and Duties of Retirement Board Members" provided by the Board to assist voters in evaluating candidates. In addition, the Powers and Duties serve as a reference for Board candidates to understand the responsibilities of Board members. Finally, the Powers and Duties are posted on lacera.com, and they are available to stakeholders and the public to communicate the responsibilities of Board members.

The proposed Powers and Duties is attached as Exhibit A. The document is based on a restated template reviewed and approved by the Board for the elections conducted in 2017. No changes have been made this year.

Discussion

The proposed Powers and Duties complies with best practices to fully and clearly describe the responsibilities and duties of Board members. The Powers and Duties is generally based on a template recommended in a report issued by The Stanford Institutional Investors' Forum Committee on Fund Governance. *The Clapman Report 2.0 Model Governance Provisions to Support Pension Fund Best Practice Principles*, at pages 9-10 (Clapman Report).

The proposed Powers and Duties includes the following information:

Introduction. This section states the general responsibilities of Board of Retirement members. The section states that, under the law, LACERA duties are included as part of an elected Board member's County or public employment and shall normally take precedence over any other duties. This section also addresses the time commitment required of Board members. The Clapman Report recommends that an estimated time commitment be provided. Last year, the Board approved an overall estimate of 120-140 hours per months to discharge all of their duties to the system. Staff requests the Board review this estimate and provide direction as to whether it is still accurate or should be changed.

Board Member Responsibilities. This section provides a detailed description of the main responsibilities of Board members, including paragraphs on:

1. Board and Committee Meetings;
2. General Management;
3. Payment of Retirement Pension Benefits;
4. Disability Retirement Applications;
5. Retiree Healthcare Benefits;
6. Claims and Litigation;

7. Retention of Vendors, Consultants, and Experts;
8. Delegation;
9. Legal Compliance; and
10. Education.

Fiduciary Duties. The Powers and Duties includes a separate section on fiduciary duties, with separate subsections on the Duty of Loyalty and the Duty of Care.

Conflicts of Interest. The Powers and Duties concludes with a section on basic conflict principles.

Conclusion

The proposed Powers and Duties provides additional information that will be helpful to voters, candidates, and the public in understanding the responsibilities of members of the Board of Retirement.

THEREFORE, IT IS RECOMMENDED THE BOARD:

Approve the attached ballot insert entitled “Powers and Duties of Retirement Board Members,” which will be included with the ballot materials for the election of the Third Member of the Board of Retirement and posted on lacara.com.

Attachment

c: Robert Hill
James Brekk
John Popowich
Bernie Buenaflor

EXHIBIT A
PROPOSED POWERS & DUTIES

POWERS AND DUTIES OF RETIREMENT BOARD MEMBERS

The Board of Retirement provides this summary to enable voters to evaluate candidates for the Board. The Board urges voters to review this summary prior to voting.

INTRODUCTION

The overall responsibility of the Board of Retirement is to oversee the administration of the retirement pension system and the retiree health care program to ensure that members are provided with the promised benefits upon completion of their public service with Los Angeles County and other participating public employers. In total, members of the Board of Retirement can expect to commit approximately 120-140 hours of their time each month to discharging their duties to the retirement system.

As to those elected Board members who are employed by the County or a participating district, the law provides that these LACERA duties are included as part of their County or other public employment and shall normally take precedence over any other duties. Given the time commitment necessary to fulfill the responsibilities of Board membership, elected Board members will be required to spend a great majority of their working time each month in carrying out their important LACERA duties and responsibilities.

The responsibilities and duties of Board members are explained in detail below.

BOARD MEMBER RESPONSIBILITIES

A Board member's duties include:

1. ***Board and Committee Meetings.*** The Board meets twice each month unless otherwise specified, usually on the first Wednesday and second Thursday, with each meeting generally lasting from 6 to 8 hours. In addition, the Board has established committees to assist in carrying out its responsibilities. The Board also shares additional committees jointly with the system's Board of Investments, including the Audit Committee. Some committees meet monthly; others meet less frequently but up to several times per year. Committee meetings may be held both before and after regular Board meetings, and at other times, and generally last 1 to 2 hours. In addition to the time required to attend meetings, considerable time is required to prepare for meetings and review relevant materials developed by staff and management.
2. ***General Management.*** The general management of LACERA is under the Board of Retirement's oversight. To exercise this responsibility, the Board establishes policies, procedures, and governance processes, and

receives, discusses, and questions reports on operational activities. A few management functions are shared with the Board of Investments. The Boards of Retirement and Investments, acting jointly, adopt the annual budget covering LACERA's operations. The two Boards also act jointly in certain employee relations matters, including approval of Memoranda of Understanding (MOU's) negotiated with SEIU Local 721, the union bargaining for represented employees of LACERA, and approval of compensation to be provided to LACERA's nonrepresented employees. The Board of Retirement is not responsible for investments or for the adoption of funding policies and the setting of contribution rates. The Legislature assigned those responsibilities to the Board of Investments.

3. ***Payment of Retirement Pension Benefits.*** The Board of Retirement administers a statutory retirement plan; it does not establish retirement benefits. This means that retirement benefits can only be provided if they have been authorized by the State Legislature in the County Employees Retirement Law of 1937, found in the California Government Code beginning at Section 31450, and the California Public Employees' Pension Reform Act of 2013, found in the California Government Code beginning at Section 7522. Retirement benefits not authorized by the retirement laws cannot be implemented by the Board of Retirement; rather, a bill must be processed through the Legislature to amend the retirement laws. With only a few exceptions, the Legislature has required the County Board of Supervisors to adopt a resolution approving benefit enhancements before they can take effect.
4. ***Disability Retirement Applications.*** One of the most important – and by far the most time consuming – duties of a Board member is to review disability retirement applications and to participate in the Board's decision to grant or deny disability retirements according to applicable legal standards. It is anticipated the Board of Retirement will process approximately 30 to 50 disability retirement cases per month. Board members carefully review each application and the medical evidence supporting the application. A Board member will then participate in the Board's deliberations and vote on each application.
5. ***Retiree Healthcare Benefits.*** The Board oversees the administration of retiree healthcare benefits under contract with the County and other participating employers.
6. ***Claims and Litigation.*** The Board decides claims made by members concerning their benefits and related issues. The Board also oversees litigation, other than securities litigation.
7. ***Retention and Oversight of Vendors, Consultants, and Experts.*** The Board approves and oversees the retention and performance of vendors,

consultants, and experts to assist in the administration of the system and to aid the Board when appropriate.

8. **Delegation.** The day-to-day operations of the retirement system are delegated to staff and outside service providers. Board members consider what responsibilities will be delegated and to whom delegation is made. Board members ensure that delegated responsibilities are properly performed through monitoring, questioning, and accountability.
9. **Legal Compliance.** The Board ensures that the retirement system maintains compliance with the plan documents and all applicable laws governing the system. Board members comply with this responsibility by conducting a periodic review of plan documents and monitoring changing legal requirements.
10. **Education.** Board members are legally required to educate themselves on appropriate topics, which may include benefits administration, disability evaluation, fair hearings, pension fund governance, new board member orientation, ethics, and fiduciary responsibilities, among other topics. Such education must consist of a minimum of 24 hours within two years of assuming office and 24 hours every subsequent two-year period the member continues on the Board. Board members may participate in state and national pension and retirement related organizations, including serving as an executive or committee member in these organizations.

FIDUCIARY DUTIES

Board members have the following fiduciary duties:

1. **Duty of Loyalty.** The California Constitution provides that Board of Retirement members are fiduciaries and are required to, “discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty.” All Board members, whether elected or appointed, have the same fiduciary duty. The Board members’ duty of loyalty at all times is to the participants and beneficiaries as a whole. Board members do not serve as the agent or representative of the agency or group responsible for their election or appointment. Where different groups of participants have different interests on an issue, Board members have a duty to be impartial as between conflicting participant interests and act to serve the overall best interests of all of the participants of the system.
2. **Duty of Care.** The California Constitution provides that assets of the retirement system are trust funds to be used only for the purpose of

providing benefits and paying the costs of administering the system. Under the Constitution, members of the Board of Retirement “shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.”

The duty of care means that Board members must exercise reasonable effort and diligence in administering and exercising oversight over the system, including: implementing, and periodically reviewing and updating, policies, procedures, and processes; requesting necessary reports and information; analyzing the information, advice, and recommendations received; asking questions; seeking expert advice when required from staff and outside expert consultants; deliberating carefully before making decisions; and understanding the reason for actions before taking them. Board members must monitor the administration of the system, follow the plan documents and applicable law, and take corrective action when required to ensure the sound administration of the system so that benefits and related services are timely and correctly delivered to participants and their beneficiaries and the other matters under the responsibility of the Board of Retirement are properly performed.

CONFLICTS OF INTEREST

Board members must be free of conflicts of interest in compliance with applicable legal requirements and LACERA’s Code of Ethical Conduct. Board members cannot participate in decisions that will impact, positively or negatively, their own financial interests or the interests of certain of their related persons and entities. Board members are public officials under California conflict of interest laws, and they must be familiar with and follow those laws. Board members are in positions that are subject to disclosure of economic interests and annual reporting requirements under the Political Reform Act and Fair Political Practices Commission regulations. Conflict of interest laws and regulations are complex, and Board members should seek legal advice when appropriate.

APPROVED BY THE BOARD OF RETIREMENT ON FEBRUARY __, 2018.



January 23, 2018

TO: Each Member,
Board of Retirement

FROM: Ted Granger, CPA, CGMA, CRMA *TG*
Assistant Chief Financial Officer

FOR: February 15, 2018 Board of Retirement Meeting

SUBJECT: COST-OF-LIVING INCREASES EFFECTIVE APRIL 1, 2018

CONSUMER PRICE INDEX CHANGE

Sections 31870, 31870.1, and 31495.5 of the California Government Code govern cost-of-living increases for retired LACERA members and beneficiaries. These sections provide that the Board of Retirement shall, before April 1 of each year, determine whether there has been an increase or decrease in the cost-of-living, as shown by the Bureau of Labor Statistics Consumer Price Index (CPI) for All Urban Consumers for the area in which the county seat is situated, as of January 1 of each year.

Information concerning the Bureau of Labor Statistics CPI for All Urban Consumers for the Los Angeles-Riverside-Orange County, CA area is as follows:

CPI Index for Year Ended December 2017	259.22
CPI Index for Year Ended December 2016	250.19
CPI Index Change	<u>9.03</u>
CPI Percentage Change	3.61%
LACERA 2018 COLA Award (rounded to nearest one-half of 1.00%)	3.50%

Note the Bureau of Labor Statistics updated the geographic areas based on the most recent 10-year census to ensure the sample of such areas reflects shifts in the U.S. population. Beginning with the 2018 CPI, the applicable geographic area to LACERA will be the Los Angeles-Long Beach-Anaheim, CA area. This change will be in effect when calculating the 2019 COLA Award.

MAXIMUM ALLOWABLE COST-OF-LIVING CHANGES

Every retirement allowance, optional death allowance, or annual death allowance payable to or on account of any member, who retires or dies or who has retired or died shall, as of April 1 of each year, be increased or decreased by a percentage of the total allowance to approximate to the nearest one-half of 1.00%, the percentage of annual increase or decrease in the cost-of-living as of January 1 of each year subject to the following limitations:

- Section 31870.1 of the California Government Code governing cost-of-living increases for retired Plan A members and beneficiaries provides that such change shall not exceed 3.00% per year.
- Section 31870 of the California Government Code governing cost-of-living increases for retired Plans B, C, and D, as well as PEPRA Plans C and G, members and beneficiaries provides that such change shall not exceed 2.00% per year.
- Section 31495.5 of the California Government Code governing cost-of-living increases for retired Plan E members and beneficiaries provides that such change shall not exceed 2.00% per year for Plan E members who retire on and after June 4, 2002. Plan E members with service *prior* to adoption of the resolution will have their COLA benefit reduced.

ACCUMULATED COST-OF-LIVING INCREASES

The above Code sections also provide that the amount of any CPI cost-of-living increase or decrease in any year, which is not met by the maximum annual change of 3.00% or 2.00% in allowances, shall be accumulated to be met by increases or decreases in allowances in future years. The accumulated percentage carryover is known as the *COLA Accumulation*.

COST-OF-LIVING INCREASES EFFECTIVE APRIL 1, 2018

Based on the LACERA COLA award of 3.50% and applicable Government Code provisions, cost-of-living increases for retired members and beneficiaries, which may be approved to be effective April 1, 2018 based on retirement plan and date of retirement or death, are as follows:

• **PLAN A MEMBERS AND ELIGIBLE BENEFICIARIES**

- ALL DATES: 3.00%

The 3.0% increase equals the maximum allowable increase of 3.00%.

• **PLANS B, C, & D, AND PEPRA PLANS C & G MEMBERS AND ELIGIBLE BENEFICIARIES**

- ALL DATES: 2.00%

The 2.00% COLA increase equals the maximum allowable increase of 2.00%.

• **PLAN E MEMBERS AND ELIGIBLE BENEFICIARIES**

- BEGINNING JUNE 4, 2002 TO MARCH 31, 2018: UP TO 2.00%

Plan E COLA increases apply only to service credit earned on and after June 4, 2002. Plan E members who retire on and after June 4, 2002 will receive up to a 2.00% COLA increase. The portion of the 2.00% COLA is based upon a ratio defined as the months of service earned on and after June 4, 2002 divided by the total months of service.

ADJUSTMENTS TO THE COLA ACCUMULATION FOR 2018

Based on the LACERA COLA award of 3.50% and applicable Government Code provisions, COLA Accumulation adjustments for retired members and beneficiaries, which may be approved to be effective April 1, 2018 based on retirement plan and date of retirement or death, are as follows:

- **PLAN A MEMBERS AND ELIGIBLE BENEFICIARIES (ATTACHMENT 1)**

- ALL DATES: 0.50% INCREASE

As the LACERA COLA award is 3.50%, the excess of 0.50% was added to the COLA Accumulation balance.

- **PLANS B, C, & D AND PEPRA PLANS C & G MEMBERS AND ELIGIBLE BENEFICIARIES (ATTACHMENTS 1 & 2)**

- ALL DATES: 1.50% INCREASE

As the LACERA COLA award is 3.50%, the excess of 1.50% was added to the COLA Accumulation balance.

- **PLAN E MEMBERS AND ELIGIBLE BENEFICIARIES (ATTACHMENT 3)**

- JUNE 4, 2002 TO MARCH 31, 2018: 1.50% INCREASE

As the COLA award is 3.50%, the excess of 1.50% was added to the COLA Accumulation balance.

The COLA Accumulation percentages as of April 1, 2018 are shown in the Attachments and reflect the above adjustments.

THEREFORE, IT IS RECOMMENDED THAT THE BOARD OF RETIREMENT:

For the year ended December 2017, determine the Consumer Price Index changed by 3.61% (or when rounded to the nearest one-half of 1.00% as the COLA benefit rules require, 3.50%: the LACERA 2018 COLA Award), and approve cost-of-living increases and respective COLA Accumulation adjustments for retired LACERA members and beneficiaries, based on retirement plan and date of retirement or death, to become effective April 1, 2018 in accordance with applicable California Government Code Sections.

BB:BSA:TG
COLA BOR Memo 2018_FINAL.doc

Attachments

REVIEWED AND APPROVED:



Bernie Buenaflor
Interim Assistant Executive Officer

1/24/18
Date

Cost-of-Living Accumulation Chart
 Percentages as of April 1, 2018

Retirement Date	Plan A				Plan B, C, or D			
	COLA % Accumulation 1-Apr-17	STAR Benefit Adjustment in 2018	COL Adjustment 1-Apr-18	COLA % Accumulation 1-Apr-18	COLA % Accumulation 1-Apr-17	STAR Benefit Adjustment in 2018	COL Adjustment 1-Apr-18	COLA % Accumulation 1-Apr-18
Before 4/1/77	6.0	0.0	0.5	6.5	-	-	-	-
4/1/1977 - 3/31/1978	6.0	0.0	0.5	6.5	15.0	0.0	1.5	16.5
4/1/1978 - 3/31/1979	6.0	0.0	0.5	6.5	15.0	0.0	1.5	16.5
4/1/1979 - 3/31/1980	6.0	0.0	0.5	6.5	15.0	0.0	1.5	16.5
4/1/1980 - 3/31/1981	6.0	0.0	0.5	6.5	15.0	0.0	1.5	16.5
4/1/1981 - 3/31/1982	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1982 - 3/31/1983	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1983 - 3/31/1984	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1984 - 3/31/1985	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1985 - 3/31/1986	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1986 - 3/31/1987	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1987 - 3/31/1988	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1988 - 3/31/1989	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1989 - 3/31/1990	0.0	0.0	0.5	0.5	15.0	0.0	1.5	16.5
4/1/1990 - 3/31/1991	0.0	0.0	0.5	0.5	12.4	0.0	1.5	13.9
4/1/1991 - 3/31/1992	0.0	0.0	0.5	0.5	7.8	0.0	1.5	9.3
4/1/1992 - 3/31/1993	0.0	0.0	0.5	0.5	7.2	0.0	1.5	8.7
4/1/1993 - 3/31/1994	0.0	0.0	0.5	0.5	7.2	0.0	1.5	8.7
4/1/1994 - 3/31/1995	0.0	0.0	0.5	0.5	7.2	0.0	1.5	8.7
4/1/1995 - 3/31/1996	0.0	0.0	0.5	0.5	7.2	0.0	1.5	8.7
4/1/1996 - 3/31/1997	0.0	0.0	0.5	0.5	7.2	0.0	1.5	8.7
4/1/1997 - 3/31/1998	0.0	0.0	0.5	0.5	7.2	0.0	1.5	8.7
4/1/1998 - 3/31/1999	0.0	0.0	0.5	0.5	7.2	0.0	1.5	8.7
4/1/1999 - 3/31/2000	0.0	0.0	0.5	0.5	7.2	0.0	1.5	8.7
4/1/2000 - 3/31/2001	0.0	0.0	0.5	0.5	6.9	0.0	1.5	8.4
4/1/2001 - 3/31/2002	0.0	0.0	0.5	0.5	5.2	0.0	1.5	6.7
4/1/2002 - 3/31/2003	0.0	0.0	0.5	0.5	5.1	0.0	1.5	6.6
4/1/2003 - 3/31/2004	0.0	0.0	0.5	0.5	3.4	0.0	1.5	4.9
4/1/2004 - 3/31/2005	0.0	0.0	0.5	0.5	3.4	0.0	1.5	4.9
4/1/2005 - 3/31/2006	0.0	0.0	0.5	0.5	1.0	0.0	1.5	2.5
4/1/2006 - 3/31/2007	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2007 - 3/31/2008	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2008 - 3/31/2009	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2009 - 3/31/2010	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2010 - 3/31/2011	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2011 - 3/31/2012	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2012 - 3/31/2013	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2013 - 3/31/2014	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2014 - 3/31/2015	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2015 - 3/31/2016	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2016 - 3/31/2017	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5
4/1/2017 - 3/31/2018	0.0	0.0	0.5	0.5	0.0	0.0	1.5	1.5

Cost-of-Living Accumulation Chart
 Percentages as of April 1, 2018

Retirement Date	PEPRA Plans C and G			
	COLA % Accumulation 1-Apr-17	STAR Benefit Adjustment in 2018	COL Adjustment 1-Apr-18	COLA % Accumulation 1-Apr-18
1/1/2013 - 3/31/2013	0.0	0.0	1.5	1.5
4/1/2013 - 3/31/2014	0.0	0.0	1.5	1.5
4/1/2014 - 3/31/2015	0.0	0.0	1.5	1.5
4/1/2015 - 3/31/2016	0.0	0.0	1.5	1.5
4/1/2016 - 3/31/2017	0.0	0.0	1.5	1.5
4/1/2017 - 3/31/2018	0.0	0.0	1.5	1.5

Note: PEPRA Plans G and C were effective January 1, 2013.

Cost-of-Living Accumulation Chart
 Percentages as of April 1, 2018

Retirement Date	Plan E		
	COLA % Accumulation 01-Apr-17	COL Adjustment 01-Apr-18	COLA % Accumulation 01-Apr-18
6/4/2002 - 3/31/2003	5.1	1.5	6.6
4/1/2003 - 3/31/2004	3.4	1.5	4.9
4/1/2004 - 3/31/2005	3.4	1.5	4.9
4/1/2005 - 3/31/2006	1.0	1.5	2.5
4/1/2006 - 3/31/2007	0.0	1.5	1.5
4/1/2007 - 3/31/2008	0.0	1.5	1.5
4/1/2008 - 3/31/2009	0.0	1.5	1.5
4/1/2009 - 3/31/2010	0.0	1.5	1.5
4/1/2010 - 3/31/2011	0.0	1.5	1.5
4/1/2011 - 3/31/2012	0.0	1.5	1.5
4/1/2012 - 3/31/2013	0.0	1.5	1.5
4/1/2013 - 3/31/2014	0.0	1.5	1.5
4/1/2014 - 3/31/2015	0.0	1.5	1.5
4/1/2015 - 3/31/2016	0.0	1.5	1.5
4/1/2016 - 3/31/2017	0.0	1.5	1.5
4/1/2017 - 3/31/2018	0.0	1.5	1.5

Notes: Plan E COLA benefit is effective for members who retire on and after June 4, 2002.



January 24, 2018

TO: Each Member,
Board of Retirement

FROM: Ted Granger, CPA, CGMA, CRMA *TG*
Assistant Chief Financial Officer

FOR: February 15, 2018 Board of Retirement Meeting

**SUBJECT: Disability Case Review CPI Increase in Compensation
Effective April 1, 2018**

BOARD COMPENSATION FOR REVIEW OF DISABILITY CASES

Section 31521.3 of the California Government Code provides that the fourth, fifth, sixth, eighth, ninth, and alternate retired members of the Board of Retirement receive compensation for the review and analysis of disability retirement cases. Compensation is, therefore, payable to the appointed and retired Board members only. Compensation is also limited to the first time the Board of Retirement considers a case. The number of hours of compensation may not exceed 32 hours per month. The County Board of Supervisors originally set the compensation at \$100 for an eight-hour day, which is prorated for less than eight hours of work in a single day. The hourly rate equated to \$12.50 per hour.

Also, Section 31521.3 provides that beginning on or before March 31, 2010, and on or before March 31 of each even-numbered year thereafter, the Board of Retirement may adjust the compensation biennially to reflect any change in the Consumer Price Index for the Los Angeles-Riverside-Orange County, CA area that occurred in the previous two calendar years, rounded to the nearest dollar. Effective April 1, 2016, your Board approved the current compensation for the review and analysis of disability retirement cases of \$112 per day for an eight-hour day.

CONSUMER PRICE INDEX CHANGE

Information concerning the Bureau of Labor Statistics CPI for All Urban Consumers for the Los Angeles-Riverside-Orange County, CA area for the two years is as follows:

CPI Index for year ended December 2017	259.22
CPI Index for year ended December 2015	<u>245.36</u>
CPI Index Change from 2015 to 2017	<u>13.86</u>
CPI Percentage Change	<u>5.65%</u>

Based on the CPI increase of 5.65% over the last two calendar years, the disability case review compensation for an eight-hour day of work will increase from \$112 to \$118 (\$118.33, rounded to the nearest dollar). The new hourly rate equates to \$14.75 per hour.

Note the Bureau of Labor Statistics updated the geographic areas based on the most recent 10-year census to ensure the sample of such areas reflects shifts in the U.S. population. Beginning with the 2018 CPI, the applicable geographic area to LACERA will be the Los Angeles-Long Beach-Anaheim, CA area. This change will be in effect when calculating the 2020 disability case review CPI compensation.

THEREFORE, IT IS RECOMMENDED THAT THE BOARD OF RETIREMENT:

Determine the Consumer Price Index changed by 5.65% for the last two calendar years ended December 2017, and adjust the compensation for the review and analysis of disability retirement cases to \$118 per day for an eight-hour day, effective April 1, 2018.

BB.BSA:TG
Disability Case Review CPI 2018_FINAL.doc

REVIEWED AND APPROVED:



Bernie Buenaflor
Interim Assistant Executive Officer

1/24/18

Date



FOR INFORMATION ONLY

January 23, 2018

TO: Each Member,
Board of Investments

FROM: Beulah S. Auten, CPA, CGFM, CGMA
Chief Financial Officer

FOR: February 14, 2018 – Board of Investments Meeting

SUBJECT: Semi-Annual Interest Crediting for Reserves as of December 31, 2017

Pursuant to the County Employees Retirement Law Section 31591, regular interest shall be credited semi-annually on June 30 and December 31 to all contributions in the retirement fund, which have been on deposit six months immediately prior to such date at an interest rate of 2.5% per annum, until otherwise determined by your Board.

The semi-annual interest crediting rate applicable for December 31, 2017, was 3.625% (i.e., 7.25% annual rate). You may recall that in December 2016, your Board approved a reduction in the assumed actuarial earnings rate from 7.50% to 7.25%. The new rate was implemented with your Board's adoption of the June 30, 2016 actuarial valuation. To provide ample time for both the plan sponsor and LACERA to prepare for the rate change implementation, the new 7.25% rate became effective July 1, 2017, which was also when the corresponding employer and employee contribution rates as recommended in the June 30, 2016 valuation report, took effect. Going forward, this annual rate of 7.25% will remain in effect unless your Board adopts a different rate.

The Retirement Benefit Funding Policy stipulates that interest credits for Reserve accounts are allocated in the same priority order as the allocation of actuarial assets. Such interest credits are granted based on Realized Earnings for the period. The allocation of Realized Earnings is performed twice each year on June 30 and December 31.

As of December 31, 2017, there were sufficient Realized Earnings to meet the required interest credit rate of 3.625%, applied to Priorities 1 and 3, the Member Reserve and Employer Reserve. Inasmuch as there were no Advanced Employer Contributions and County Contribution Credit Reserve balances at July 1, 2017, the remaining Realized Earnings, were applied to Priority 5, Employer Reserve. The table below depicts the actual interest credit allocations for the six-month period ended December 31, 2017.

Priority Order	Reserve Account	Interest Credit Rate Applied
1	Member	3.625%
2	Advanced Employer Contributions	N/A
3	Employer	3.625%
4	County Contribution Credit	N/A
5	Employer	0.96%

REVIEWED AND APPROVED:

ROBERT R. HILL
Interim Chief Executive Officer

Interest Credit Rate Dec 2017 (unaudited)_final.doc
RH:BSA:tg


c: Board of Retirement, LACERA
Sachi A. Hamai, CEO, Los Angeles County



FOR YOUR INFORMATION

January 31, 2018

TO: Each Member
Board of Retirement

FROM: Robert R. Hill 
Interim Chief Executive Officer

FOR: Meeting of February 15, 2018

SUBJECT: **SACRS BOARD OF DIRECTOR ELECTIONS**

The State Association of County Retirement Systems (SACRS) will be holding their Board of Director elections at the upcoming Spring Conference on May 15-18, 2018 at the Anaheim Marriott in Anaheim, CA. The SACRS Nominating Committee would like candidates who are interested in serving on the SACRS Board of Directors to submit a request via email no later than Thursday, March 1, 2018. For more information on this opportunity to serve the California pension community, please see the attached letter from the SACRS Nominating Committee Chair, Ray McCray.

RH:nm
SACRS Officer Election Notification 2018.doc

Attachment



January 9, 2018

To: SACRS Trustees & SACRS Administrators/CEO's
From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2018-2019 Elections

SACRS BOD 2018-2019 election process will begin **January 2018**. Please review the following timeline and distribute to your Board of Trustees.

DEADLINE	DESCRIPTION
March 1, 2018	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations prior to the first Business Day after March 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election.
March 25, 2018	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25.
May 18, 2018	Nominating Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 15-18, 2018).
May 18, 2018	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediately Past President, and two (2) regular members.

- A. Immediate Past President. The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.

- B. Two (2) Regular Members. Two (2) regular members shall also be members of the Board with full voting rights.

Section 2. Elections of Directors. Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations prior to the first Business Day after March 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election.

The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25.

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's recommended ballot and final ballot to each trustee and



placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform with Article V, Sections 6 and 7 of the Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

Interested candidates should submit their letter of intent and the form included in this letter to the Nominating Committee no later than the cut-off dates listed in the schedule. Candidates may submit for only one position on the Board:

- President
- Vice President
- Treasurer
- Secretary
- Regular Member 1
- Regular Member 2

The elections will be held at the SACRS Spring Conference May 15 – 18, 2018 at the Anaheim Marriott, Anaheim, CA. Elections will be held during the Annual Business meeting on Friday, May 18, 2018.

If you have any questions, please contact me at Ray McCray, raym1@sbcglobal.net or (209) 417-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

Ray McCray

Ray McCray, San Joaquin CERA Trustee
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Administrator



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2018-2019**

All interested candidates must complete this form and submit it along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2018.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net or to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	
Candidate Contact Information (Phone Number, Email Address and Mailing Address MUST be included)	
Name of Retirement System Candidate Currently Serves On	
Current Position On Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	
Applying for SACRS Board of Directors Position (You may only select one)	<ul style="list-style-type: none"><input type="radio"/> President<input type="radio"/> Vice President<input type="radio"/> Treasurer<input type="radio"/> Secretary<input type="radio"/> Regular Member
Brief Bio	



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**