

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 would like to remain anonymous at the meeting without stating your name, please let us know.

Attention: Public comment requests must be submitted via email to PublicComment@lacera.com.

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, AUGUST 4, 2021 - 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.xhtml

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

COMMITTEE MEMBERS:

Shawn R. Kehoe, Chair
Herman B. Santos, Vice Chair
Ronald A. Okum
Les Robbins
Vivian H. Gray, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of July 7, 2021

II. PUBLIC COMMENT

(Written Public Comment – You may submit written public comments by email to PublicComment@lacera.com. Correspondence will be made part of the official record of the meeting. Please submit your written public comments or documentation as soon as possible and up to the close of the meeting.

Verbal Public Comment – You may also request to address the Committee. A request to speak must be submitted via email to PublicComment@lacera.com. We will contact you with information and instructions as to how to access the meeting as a speaker. If you would like to remain anonymous at the meeting without stating your name, please let us know.)

III. ACTION ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee review the Board Teleconference Meeting Policy and provide input as whether to recommend changes to the Board of Retirement. (Memorandum dated July 26, 2021)
- B. Recommendation as submitted by James Beasley, Supervising Administrative Assistant, Admin Services: That the Committee recommend the Board of Retirement to (1) approve the purchase of Fiduciary and Cyber Liability Insurance effective October 9, 2021 with Euclid/Hudson Insurance Company/Westchester Fire Insurance Company, and NAS Insurance Company/Brit Global Specialty, respectively, and (2) moving forward, authorize presenting insurance options directly to the Board of Retirement to approve all insurance renewals, bypassing the Operations Oversight Committee, due to the timeliness of insurance bids and the close deadlines for renewals. (Memorandum dated July 20, 2021)

IV. REPORTS

- A. LACERA Operations Briefing
JJ Popowich, Assistant Executive Officer
- B. Overview & Status of the LACERA Enterprise Wi-Fi Project
Kathy Delino, Interim Division Manager, Systems
Summy Voong, Interim Assistant Division Manager, Systems
- C. Public Records Act Presentation
John Harrington, Staff Counsel

V. ITEMS FOR STAFF REVIEW

VI. GOOD OF THE ORDER

(For information purposes only)

VII. 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, JULY 7, 2021, 10:38 A.M. – 10:43 A.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: Shawn R. Kehoe, Chair
Ronald A. Okum
Les Robbins
Vivian H. Gray, Alternate

ABSENT: Herman B. Santos, Vice Chair

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Alan Bernstein
JP Harris
Keith Knox

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Steven Rice, Chief Counsel
Allan Cochran, Member Services Division Manager
Kathy Delino, Interim Systems Division Manager
Kimberly Hines, Manager, Administrative Services Division
Cynthia Martinez, Chief, Communications
James Beasley, Administrative Services Division

STAFF, ADVISORS, PARTICIPANTS (Continued)

Penni Campbell
Karcher Campbell & Associates Insurance Brokerage
Jolene Williams
Karcher Campbell & Associates Insurance Brokerage

The meeting was called to order by Chair Kehoe at 10:38 a.m. Due to the absence of Mr. Santos, the Chair announced that Ms. Gray, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of June 2, 2021

Mr. Okum made a motion, Mr. Robbins seconded, to approve the minutes of the regular meeting of June 2, 2021. The motion passed unanimously.

II. PUBLIC COMMENT

III. 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

B. Business Insurance Renewal Summary Update
James C. Beasley, Jr., Supervising Administrative Assistant

Mr. Beasley was present to answer questions from the Committee.

C. LACERA Paperless Initiative Update
Allan Cochran, Member Services Division Manager
Cynthia Martinez, Chief, Communications

Ms. Martinez and Mr. Cochran were present to answer questions from the Committee.

III. REPORTS (Continued)

- D. Privacy Incident: Personally Identifiable Information
JJ Popowich, Assistant Executive Officer
(Memo Exempt from Public Disclosure
California Public Records Act, Cal. Gov't Code § 6254(c), (k)
Brown Act, Cal. Gov't Code § 54957.5(a))

Mr. Popowich was present to answer questions from the Committee.

- E. Privacy Incident: Personally Identifiable Information
Kathy Delino, Interim Systems Division Manager
(Memo Exempt from Public Disclosure
California Public Records Act, Cal. Gov't Code § 6254(c), (k)
Brown Act, Cal. Gov't Code § 54957.5(a))

Ms. Delino was present to answer questions from the Committee.

- F. Privacy Incident: Personally Identifiable Information
Kimberly D. Hines, CPA, Manager, Administrative Services Division
(Memo Exempt from Public Disclosure
California Public Records Act, Cal. Gov't Code § 6254(c), (k)
Brown Act, Cal. Gov't Code § 54957.5(a))

Ms. Hines was present to answer questions from the Committee.

IV. ITEMS FOR STAFF REVIEW

There was nothing to report

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 10:43 a.m.

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

July 26, 2021

TO: Operations Oversight Committee
Shawn R. Kehoe, Chair
Herman B. Santos, Vice Chair
Ronald A. Okum
Les Robbins
Vivian H. Gray

FROM: Steven P. Rice, *SPR*
Chief Counsel

FOR: August 4, 2021 Operations Oversight Committee Meeting

SUBJECT: Review of Teleconference Meeting Policy

Recommendation

That the Operations Oversight Committee (OOC) review the Board Teleconference Meeting Policy and provide input as whether to recommend changes to the Board of Retirement.

Legal Authority

Under Article XVI, Section 17 of the California Constitution, the Board of Retirement has plenary authority and exclusive fiduciary responsibility for the administration of the system, which includes policies for the efficient conduct of Board meetings. Under the Board of Retirement Standing Committee Charters, the OOC has initial authority to consider possible revisions to the Teleconference Meeting Policy because the Policy is a matter of "Enterprise Governance." (Charter, Section I.1.) The OOC has authority to "Review any proposed changes to the governance of LACERA and make recommendations to the BOR." (Charter, Section I.1.6.)

Background

On recommendation of the OOC, the Board at its May 1, 2019 meeting, initially adopted the Board of Retirement Teleconference Meeting Policy. The Policy was revised at the Board's October 2, 2019 meeting. The current Policy is attached as Attachment A. The supporting memos (without attachments) from the May 1, 2019 and October 2, 2019 Board meetings are attached collectively as Attachment B.

The Board of Retirement and Board of Investments adopted separate policies, without prior recommendation from the Joint Organizational Governance Committee (JOGC). While the two Boards' policies were initially slightly different, the October 2, 2019

revision by the Board of Retirement brought its Policy in line with that of the Board of Investments. The Board of Investments Teleconference Meeting Policy is attached as Attachment C. Because the original Board of Retirement Policy was adopted through the OOC without JOGC involvement, this current Policy review is also being handled through the same process.

Discussion

A. The Brown Act, and the Current Board of Retirement Teleconference Meeting Policy.

As described in Attachment B, Government Code Section 54953 of the Brown Act permits teleconference meetings subject to a strictly defined process. The Brown Act process includes that: (1) the teleconference meeting and all teleconference locations are noted on the agenda; (2) the agenda must be posted at all teleconference locations; (3) all locations must be open and accessible to the public and allow an opportunity for the public to listen to the full meeting and participate; (4) a quorum of the Board members must be at locations in Los Angeles County; and (5) all votes are by roll call.

The current Policy states that trustees should be present for meetings, but that teleconference meetings are allowed in limited circumstances. Under the current Policy, teleconference meetings are permitted: (1) for meetings set on less than 20 days' notice, when a trustee will be out of state or for health concerns; (2) at any time for any reason in the discretion of the Chair, or Vice Chair if there is a conflict; and (3) upon duly agendized action by the full Board in advance at the request of any member. The Policy provides that it does not apply to the Board's standing committees.

B. COVID and the Governor's Executive Orders.

During the COVID-19 pandemic, the Governor issued Executive Order No. N-29-20 on March 17, 2020, which suspended application of the Brown Act teleconference rules. The Board of Retirement and its committees have been holding virtual meetings under Order No. N-29-20 since it was released. Executive Order No. N-29-20 is attached as Attachment D. However, on June 11, 2021, the Governor recently issued Executive Order No. N-08-21, which terminates the prior order effective September 30, 2021. For the LACERA Board of Retirement, this means a return to the normal Brown Act rules and the current Teleconference Meeting Policy unless the Governor issues a further extends the relaxed rules or legislation is passed amending the Brown Act.

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C. Review of the Current Teleconference Meeting Policy.

Staff requests the OOC to review the current Policy to determine if any changes should be made to meet the Board's needs after Executive Order No. N-29-20 is no longer in effect. In its review, the OOC should keep in mind that, unless amended by the Legislature, the regular Brown Act rules for teleconference meetings under Section 54953 will again be in full effect and the Board will need to conduct its teleconference meetings under the Act. Board policy cannot be inconsistent with the Brown Act.

The OOC may consider the following areas for potential changes to the Policy:

1. Add a paragraph that teleconference meetings under the Brown Act shall be held when any federal, State of California, County of Los Angeles, or City of Pasadena emergency health order is in place.
2. Add language that LACERA shall hold teleconference meetings under the Act when the Chair, CEO, and Director of Human Resources believe that the health interests of trustees and staff support it. With regard to this option, the OOC may keep in mind that the current Policy gives the Chair complete discretion, as noted above, to call a teleconference meeting at any time without any specific cause.
3. Expand the ability of trustees to request a teleconference meeting under the Act due to health concerns at any time up to five (5) days before the posting deadline for the agenda of any meeting, without the need for a prior Board vote.
4. Extend the Teleconference Meeting Policy to Board committees.

Conclusion

Based on the information in this memo, staff recommends that the OOC review the Board Teleconference Meeting Policy and provide input as to whether to recommend changes to the Board of Retirement.

Attachments

c: Santos H. Kreimann
Luis Lugo
JJ Popowich
Johanna Fontenot

Attachment A
Current Board of Retirement
Teleconference Meeting Policy

BOARD OF RETIREMENT
TELECONFERENCE MEETING POLICY

A. Statement of Purpose.

In order for Members of the Board of Retirement to participate most effectively in Board and committee meetings, the Board finds that members should be personally present. Personal attendance provides Members with the most effective means to interact with each other, staff, and other presenters, enhances receipt of information, deliberations, and decision-making, and furthers the performance of each Member's fiduciary duty and the fiduciary duty of the Board as a whole. The Board finds that attendance at Board and committee meetings should take precedence over any other LACERA business by Members.

The regular Board meeting schedule is set according to the Board's Regulations, providing for regular monthly meetings on the first Wednesday and the Thursday after the second Wednesday of every month. This schedule, unless changed by Board action, provides certainty to Members in planning to attend Board and committee meetings. Changes in the regular schedule are by vote of the Board, thereby providing an opportunity for Members to adjust their schedules to attend Board meetings. Special meetings may occasionally be noticed without Board vote.

Notwithstanding the preference for Members to personally attend meetings, the Board finds that there are limited circumstances when it is appropriate to permit teleconference meetings in accordance with the Ralph M. Brown Act, Government Code Section 54953(b), as described in this policy.

B. Definition.

For purposes of this policy, "teleconference" has the meaning set forth in Government Code Section 54953(b)(4), which is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both."

C. Teleconference Meeting of the Board of Retirement.

1. *Less than 20 Days' Notice.*

Teleconference meetings shall be allowed for all meetings set on less than 20 days' notice at the request of any Member who will be out of state or due to health-related concerns. A teleconference venue that meets the requirements of the Brown Act shall be provided by LACERA at its expense, only if necessary.

2. Chair Determination.

The Chair of the Board, or the Vice Chair if the meeting concerns the Chair, may determine to agendize a teleconference meeting under any circumstances in their discretion.

3. Member Request, and Board Action.

A Member may agendize, in accordance with the Board's Regulations, a request to hold any meeting by teleconference for action by the full Board, provided that the request must be presented for action no later than the Board meeting immediately preceding the meeting for which a teleconference meeting is proposed to be held.

4. Meeting Procedure.

If a teleconference meeting is approved, it shall be agendized and conducted in accordance with the provisions of Government Code Section 54953(b) and all other applicable provisions of the Brown Act or other law, including but not limited to:

- a. Each teleconference location shall be identified in the notice and agenda for the meeting.
- b. Each teleconference location shall be accessible to the public in accordance with the protections and prohibitions of Section 202 of the Americans with Disabilities Act (42 U.S.C. § 12132). A teleconference location may be located anywhere in the world.
- c. The agenda for the teleconference meeting shall be posted at all teleconference locations.
- d. The agenda shall provide an opportunity for members of the public to hear the proceedings and address the Board directly at each teleconference location on any subject matter within LACERA's jurisdiction, subject to Government Code Section 54954.3.
- e. During the teleconference meeting, at least a quorum of the members of the Board shall participate from locations in Los Angeles County.
- f. All votes at a teleconference meeting shall be by rollcall.
- g. Bilingual services required by the Dymally-Alatorre Bilingual Services Act, California Government Code Sections 7290 - 7299.8, will be provided at the

teleconference meeting location in the same manner as such requirements are complied with for a meeting at LACERA's offices.

D. Board of Retirement Committee Meetings.

Teleconference meetings shall not be held for meetings of standing committees of the Board of Retirement.

E. Exclusions.

This policy does not apply to meetings of joint committees of the Board of Retirement and Board of Investments, which are subject to the terms of each joint committee's charter.

F. Review.

This policy shall be reviewed by the Board of Retirement at least every three years.

Approved by the Board of Retirement: October 2, 2019

Attachment B
May and October 2019
Board of Retirement Meeting Memos

April 17, 2019

TO: Each Member,
Board of Retirement

FROM: Operations Oversight Committee

FOR: May 1, 2019 Board of Retirement Meeting

SUBJECT: Teleconference Meeting Policy

RECOMMENDATION

That the Board of Retirement approve the Teleconference Meeting Policy.

LEGAL AUTHORITY

The Board of Retirement has plenary authority over administration of the system (Cal. Const., art. XVI, § 17), which includes the ability to formulate policies, such as the Teleconference Meeting Policy proposed here, to facilitate and manage the conduct of the Board's business. Under the Board of Retirement Standing Committee Charters, the Operations Oversight Committee (OOC) had initial authority to consider and recommend the proposed policy because it is a matter of "Enterprise Governance." (Charter, Section I.1.6.)

DISCUSSION

A. Teleconference Meetings Under the Brown Act.

The Brown Act, Cal. Gov't Code §§ 54950 *et seq.*, was enacted in 1953. The Act was originally conceived and built around the concept of open and public in-person meetings as the required means of ensuring transparency in conducting the public's business.

In 1994, the Brown Act was amended to permit video conferencing subject to certain conditions and protections. In 1997, the provision was extended to permit audio and video conferencing, both of which are now included in the definition of "teleconferencing." Cal. Gov't Code § 54953(b).

Section 54953(b) provides in full as follows:

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the

legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

In summary, Section 54953(b) establishes the following requirements for a teleconference meeting:

- Teleconferencing may be used for all purposes during any meeting.
- At least a quorum of the members must participate from teleconferencing locations within the legislative body's jurisdiction, which in LACERA's case is Los Angeles County.

- Each teleconference location must be identified in the notice and agenda of the meeting.
- Agendas must be posted at each teleconference location.
- Each location must be accessible to the public. As a side note on accessibility, Section 54953.2 requires that all public meetings, which includes both in person and teleconference meetings, “shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof.” The ADA addresses issues of access and communication disabilities, and requires appropriate physical accessibility and auxiliary communication aids or services.
- The agenda must provide the opportunity for the public to address the legislative body directly at each teleconference location.
- All votes must be by rollcall.

California law also requires in the Dymally-Alatorre Bilingual Services Act, California Government Code Sections 7290 - 7299.8, that a local agency servicing a “substantial number of non-English-speaking people shall employ sufficient bilingual persons or interpreters to “ensure provision of information and services” (which includes public hearings or other public activity) in such persons’ languages. The local agency is given discretion in the Act to determine what constitutes a “substantial number of non-English speaking people.” Written materials shall also be translated, but the Act leaves the determination of “when these materials are necessary when dealing with the local agency” to the local agency itself.

There is no limitation in Section 54953(b) as to where in the world a teleconference location may be noticed. Accordingly, teleconference locations anywhere in the United States or internationally are permitted provided they are accessible to the public and the other requirements of Section 54953(b) are satisfied. The right of the local community to attend and participate is protected by the provision of Section 54953(b) that requires at least a quorum of the legislative body’s members must participate from locations within the body’s jurisdiction. For LACERA, this provision means that a quorum of board members must participate from locations in Los Angeles County.

Section 54953(b) itself does not give any member the right to participate by teleconference. Therefore, a legislative body may enact policy governing the use of

teleconference meetings. Nevertheless, a California Attorney General addressed the issue of whether a disabled member had a right to participate in meetings by teleconference under the Americans with Disabilities Act (ADA). 84 Ops.Cal.Atty.Gen. 181 (2001). In that opinion, the Attorney General opined the member did not have a right to participate under the ADA because the location in question was not open to the public. While a full examination of the rights of disabled members is beyond the scope of this memo, it is important to keep this issue in mind in determining whether a member should be allowed to participate by teleconference.

B. The Proposed Teleconference Meeting Policy.

At its April 11, 2019 meeting, the OOC reviewed and commented upon the proposed policy, including requesting that revisions be made, and voted to recommend the policy to the Board. (Messrs. Kehoe, Kelly, and Walsh voted yes; Mr. Robbins voted no.) The attached proposed policy includes the OOC's changes. The proposed policy is based on the principle that in person meetings are the most effective because they provide a public environment in which Board members may transparently interact with each other as a group in one place to hear presentations, deliberate, and act. This principle is the foundation of the Brown Act as noted above. Teleconference meetings are less transparent to the public because the members are not all in one place to be observed. Teleconference meetings also create a different, more challenging environment for the Board members themselves because of the inability to see, clearly hear, and otherwise personally interact with other members, presenters, and public participants.

It follows from these considerations that teleconference meetings should be held rarely and in limited circumstances.

The proposed policy provides that teleconference meetings will be permitted only in "unusual and material circumstances," which are defined to include unusual personal circumstances, such as health, family, or other personal considerations, and any meeting that will involve discussion and/or action on matters of sufficient importance to LACERA that participation by teleconference must be allowed to avoid risk to LACERA or to the performance of the fiduciary duty of the Board and its trustees. The policy provides examples of such circumstances, including personnel and vendor issues, claims and litigation, and emergencies and business continuity. Ordinary personal convenience alone is not sufficient.

The policy provides for any member to request advance Board approval of a teleconference meeting request if there is sufficient time for such a request to be heard by the Board before the proposed teleconference meeting. The policy also provides

Each Member, Board of Retirement
Re: Teleconference Meeting Policy
April 17, 2019
Page 5

that, if, based on good cause, there is genuinely and reasonably not enough time to agendaize a request for the full Board, the Board Chair has discretion to grant or deny approval. This approach places the onus on each member to monitor their personal schedules so as to notice a teleconference meeting request for Board action if there is time. However, the policy provides flexibility for Chair action when, with good cause, there is not enough time for Board action.

The policy lists the teleconference meeting procedures that must be followed to comply with the Brown Act. The policy also provides for the recognition of disabilities by members and members of the public as required by the ADA under the Brown Act as well as bilingual services as required by the Dymally-Alatorre Act. These procedures will be the same as currently provided for in person Board meeting. Finally, the policy provides for review at least every three years.

CONCLUSION

For these reasons, the OOC recommends that the Board of Retirement approve the Teleconference Meeting Policy.

Attachment

c: Lou Lazatin
JJ Popowich
Jonathan Grabel
Steven P. Rice

September 25, 2019

TO: Each Member,
Board of Retirement

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: October 2, 2019 Board of Retirement Meeting

SUBJECT: Review of Teleconference Meeting Policy

RECOMMENDATION

That the Board of Retirement review its current Teleconference Meeting Policy and the Board of Investments' Policy and determine whether to revise the current Policy.

LEGAL AUTHORITY

The Board of Retirement has plenary authority over administration of the system (Cal. Const., art. XVI, § 17), which includes the ability to formulate policies, such as the Teleconference Meeting Policy, to facilitate and manage the conduct of the Board's business.

DISCUSSION

The Board of Retirement approved a Teleconference Meeting Policy at its May 1, 2019 meeting. The Policy provides that teleconference meetings may be held under "unusual and material circumstances." The Policy provides that the decision to hold a teleconference meeting may be made on Board Member request followed by full Board action or by Chair determination if there is not enough time for Board action. The Board of Retirement Policy is attached as Exhibit B.

The Board of Investments, at its August 14, 2019 meeting, adopted a different Teleconference Meeting Policy, which provides that a Board Member has a right to a teleconference meeting if a Board meeting is called on less than 20 days' notice and if a Member will be out of state or has health-related concerns. The Policy also provides that a teleconference meeting may be held on Chair determination or full Board action. The Board of Investments Policy is attached as Exhibit C.

Chair Bernstein requested that the Board of Retirement be provided with a copy of the Board of Investments Policy so that the Board can discuss whether to maintain or revise its current Policy. A redlined copy of the current Board of Retirement policy showing the

Each Member, Board of Retirement
Re: Review of Teleconference Meeting Policy
September 25, 2019
Page 2

changes that would need to be made to bring it into alignment with the Board of Investments Policy is attached as Exhibit A.

CONCLUSION

Staff requests that the Board of Retirement review its current Teleconference Meeting Policy and the Board of Investments' Policy and determine whether to revise the current Policy.

c: JJ Popowich

Attachment C
Board of Investments
Teleconference Meeting Policy

BOARD OF INVESTMENTS
TELECONFERENCE MEETING POLICY

A. Statement of Purpose.

In order for Members of the Board of Investments to participate most effectively in Board and committee meetings, the Board finds that members should be personally present. Personal attendance provides Members with the most effective means to interact with each other, staff, and other presenters, enhances receipt of information, deliberations, and decision-making, and furthers the performance of each Member's fiduciary duty and the fiduciary duty of the Board as a whole. The Board finds that attendance at Board and committee meetings should take precedence over any other LACERA business by Members.

The regular Board meeting schedule is set according to the Board's Bylaws, providing for regular monthly meetings on the second Wednesday of every month. This schedule, unless changed by Board action, provides certainty to Members in planning to attend Board and committee meetings. Changes in the regular schedule are by vote of the Board, thereby providing an opportunity for Members to adjust their schedules to attend Board meetings. Special meetings may occasionally be noticed without Board vote.

Notwithstanding the preference for Members to personally attend meetings, the Board finds that there are limited circumstances when it is appropriate to permit teleconference meetings in accordance with the Ralph M. Brown Act, Government Code Section 54953(b), as described in this policy.

B. Definition.

For purposes of this policy, "teleconference" has the meaning set forth in Government Code Section 54953(b)(4), which is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both."

C. Teleconference Meeting of the Board of Investments.

1. *Less than 20 Days' Notice.*

Teleconference meetings shall be allowed for all meetings set on less than 20 days' notice at the request of any Member who will be out of state or due to health-related concerns. A teleconference venue that meets the requirements of the Brown Act shall be provided by LACERA at its expense, only if necessary.

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2. Chair Determination.

The Chair of the Board, or the Vice Chair if the meeting concerns the Chair, may determine to agendize a teleconference meeting under any circumstances in their discretion.

3. Member Request, and Board Action.

A Member may agendize, in accordance with the Board's Bylaws, a request to hold any meeting by teleconference for action by the full Board, provided that the request must be presented for action no later than the Board meeting immediately preceding the meeting for which a teleconference meeting is proposed to be held.

4. Meeting Procedure.

If a teleconference meeting is approved, it shall be agendized and conducted in accordance with the provisions of Government Code Section 54953(b) and all other applicable provisions of the Brown Act or other law, including but not limited to:

- a. Each teleconference location shall be identified in the notice and agenda for the meeting.
- b. Each teleconference location shall be accessible to the public in accordance with the protections and prohibitions of Section 202 of the Americans with Disabilities Act (42 U.S.C. § 12132). A teleconference location may be located anywhere in the world.
- c. The agenda for the teleconference meeting shall be posted at all teleconference locations.
- d. The agenda shall provide an opportunity for members of the public to hear the proceedings and address the Board directly at each teleconference location on any subject matter within LACERA's jurisdiction, subject to Government Code Section 54954.3.
- e. During the teleconference meeting, at least a quorum of the members of the Board shall participate from locations in Los Angeles County.
- f. All votes at a teleconference meeting shall be by rollcall.
- g. Bilingual services required by the Dymally-Alatorre Bilingual Services Act, California Government Code Sections 7290 - 7299.8, will be provided at the

teleconference meeting location in the same manner as such requirements are complied with for a meeting at LACERA's offices.

D. Board of Investments Committee Meetings.

Teleconference meetings shall not be held for meetings of standing committees of the Board of Investments.

E. Exclusions.

This policy does not apply to meetings of joint committees of the Board of Retirement and Board of Investments, which are subject to the terms of each joint committee's charter.

F. Review.

This policy shall be reviewed by the Board of Investments at least every three years.

Approved by the Board of Investments: August 14, 2019

Attachment D
Governor's Executive Order N-29-20

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-29-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

WHEREAS time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

WHEREAS social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

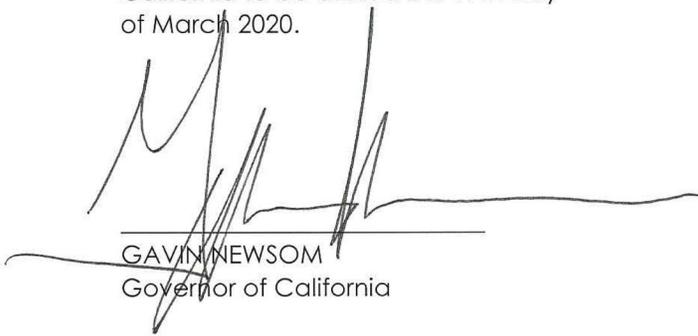
All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



July 20, 2021

TO: Operations Oversight Committee
Shawn R. Kehoe, Chair
Herman B. Santos, Vice Chair
Ronald A. Okum
Les Robbins
Vivian H. Gray, Alternate

FROM: James Beasley 
Supervising Administrative Assistant II

FOR: August 4, 2021 Operations Oversight Committee Meeting

SUBJECT: FIDUCIARY LIABILITY INSURANCE RENEWAL

RECOMMENDATION

That the Committee recommend the Board of Retirement to (1) approve the purchase of Fiduciary and Cyber Liability Insurance effective October 9, 2021, with the Insurance Carriers listed below and (2) moving forward, authorize presenting insurance options directly to the Board of Retirement to approve all Insurance renewals bypassing the Operations Oversight Committee due to the timeliness of insurance bids and the close deadlines for renewals.

Coverage Type	Carrier	Limits	Premium
Fiduciary Liability	Euclid/Hudson Insurance Company/ Westchester Fire Insurance Company	\$35 Million	\$324,126
Cyber Liability	NAS Insurance Company/ Brit Global Specialty	\$20 Million	\$230,000

EXECUTIVE SUMMARY

For nearly two decades, LACERA has been purchasing insurance coverage to mitigate the risk of unforeseen damages and potential losses to the Trust Fund. LACERA's insurance program consists of various lines of coverage and are divided into two separate renewal periods, namely, June 30th and October 9th. Insurance for the program is procured with the assistance of an insurance broker, Kaercher Campbell & Associates Insurance Brokerage (Broker), a member of the Seeman Holtz Family, who has over 25 years of experience working with various Pension Funds. The Broker services LACERA by procuring coverage quotations, negotiating premiums and coverage details, and

provides consulting and support services throughout the year. During this renewal period, the Fiduciary, Cyber Liability, and Crime insurance policies are up for renewal.

OVERVIEW

In order to conduct LACERA's search for insurance coverage, KCAIB obtained competitive bids from various insurance carriers for each line of coverage. Their marketing efforts were comprehensive, utilizing the marketplace to secure the best possible program renewals. KCAIB approached numerous insurance carriers and analyzed various programs to develop the most cost-effective program for LACERA.

The Insurance Selection Team (Team) consists of representatives from the Administrative Services Division, Legal Services, and the Executive Office. KCAIB presented an insurance proposal package to the Team for a complete analysis of each program, whereby all terms (including coverage limits and sub-limits, deductibles, endorsements, and exclusions) were compared side-by-side. The selection of an insurance carrier is based on several factors, including financial strength (A.M. Best financial strength and creditworthiness rating), policy limits, potential covered losses, and cost. The core function of the Team is to review all proposed quotes and determine which insurance policies best protect LACERA's stakeholders, the Trust Fund, Staff, and Trustees.

LACERA's total annual premium for this renewal period increased by 38%, mainly due to the current hard insurance marketplace and the significant impact to the insurance market caused by the surge of cyber-related crimes. A hard insurance market is the upswing in a market cycle when insurance premium rates are escalating, and insurance carriers are disinclined to negotiate terms. 2020 was a problematic year for many insurers and insureds, and unfortunately, there are no signs that the hard market will dissipate anytime soon. LACERA may continue to see rate increases across multiple lines of coverage.

Additionally, with the hard insurance market, insurance carriers are reluctant to provide quotes beyond 90-days of the policy expiration date, as underwriters want to conduct a thorough review of the potential risks before offering a firm quote. Our current approval process requires staff to present the insurance packages first to the Operations Oversight Committee (OOC) and then, if approved, to the Board of Retirement for final approval. Due to the schedule for the Committee and Board approval and the refusal of carriers to provide quotes prior to the 90-day limit, this presents a risk that KCAIB will be unable to solicit and obtain full quotes from multiple carriers in time for them to be reviewed and presented for approval. LACERA relies on obtaining multiple quotes to ensure that we

are obtain the coverage at the level we require from the highest rated insures with the best conditions and at the most reasonable costs.

LACERA has seen this issue during the last couple renewal periods, where several carriers did not participate, given that there was not enough time to provide KCAIB with quotes based on our timeline. During this renewal period, several insurance carriers declined to provide a quote or did not respond, leaving the KCAIB and the Team with limited options to choose from. For example, the quotes for the Cyber Liability Insurance are still pending as KCAIB only received an indication (estimated quote) from one of the carriers, as their underwriters are still working on finalizing the quote.

In the future, to ensure that KCAIB can provide LACERA with enough carrier quotes, we are recommending that rather than going to the Committee first with the insurance carrier selections, that they are taken straight to the Board for approval.

LACERA's insurance coverage and renewal cost overview:

Coverage Type	Carrier	Policy Limits	2019/20 Premium	2020/21 Premium	2021/22 Premium
Fiduciary Liability (Primary)	Euclid/Hudson Insurance Company	\$25 Million	\$215,355	\$228,590	\$248,841
Fiduciary Liability (Excess)	Westchester Fire Insurance Company	\$10 Million	\$64,586	\$68,986	\$75,285
Cyber Liability	NAS Insurance Company/ Brit Global Specialty	\$10 Million	\$113,701	\$147,055	\$230,000*
Fiduciary Liability OPEB Trust	Euclid/Hudson Insurance Company	\$10 Million	\$40,050	\$41,447	\$49,420
Crime	Great American Insurance Co.	\$10 Million	\$20,600	\$21,795	\$23,630

*Premium may change +/-

LACERA's insurance coverage and retention/deductible overview:

Coverage Type	2020/21 Current Retention/Deductible	2021/22 Proposed Retention/Deductible
Fiduciary Liability	\$250,000 – Indemnifiable \$0 – Non-Indemnifiable	\$250,000 – Indemnifiable \$0 – Non-Indemnifiable \$1,000,000 – Class Action Lawsuits

Coverage Type	2020/21 Current Retention/Deductible	2021/22 Proposed Retention/Deductible
Cyber Liability	\$100,000 Retention 1. Security and Privacy Liability 2. Privacy Regulatory Defense & Penalties 3. Multi Media Liability 4. Breach Event Costs 5. Network Asset Protection 6. Cyber Extortion 7. Dependent Business Interruption 8. Cyber Crime	\$100,000 Retention 1. Security and Privacy Liability 2. Privacy Regulatory Defense & Penalties 3. Multi Media Liability 4. Breach Event Costs 5. Network Asset Protection 6. Cyber Extortion 7. Dependent Business Interruption 8. Cyber Crime
Fiduciary Liability OPEB Trust	\$50,000 per claim	\$50,000 per claim \$250,000 class action claim
Crime	\$50,000 Deductible 1. Employee Dishonesty 2. Forgery or Alteration 3. Inside the Premises 4. Outside the Premises 5. Computer Fraud 6. Money Orders Counterfeit Paper Currency 7. Funds Transfer Fraud	\$50,000 Deductible 1. Employee Dishonesty 2. Forgery or Alteration 3. Inside the Premises 4. Outside the Premises 5. Computer Fraud 6. Money Orders Counterfeit Paper Currency 7. Funds Transfer Fraud

FIDUCIARY LIABILITY INSURANCE

LACERA Trust Fund

Fiduciary Liability insurance is targeted at protecting LACERA's assets against fiduciary-related claims of mismanagement of the employee benefit plan. The policy covers legal expenses from defending against claims made against LACERA, as well as the financial losses the Plan may have incurred due to errors, omissions, or breach of fiduciary duty. In order to protect the Trust Fund from liability due to a claim of breach of fiduciary duty, LACERA maintains \$35 million in coverage. The highest limit that Fiduciary Insurance Carriers are willing to underwrite for the coverage is \$25 million; therefore, LACERA is required to obtain the coverage in multiple layers, \$25 million primary and \$10 million excess, to reach the desired coverage of \$35 million.

To meet LACERA's insurance needs, KCAIB approached 23 different carriers to solicit quotes utilizing LACERA's Board-approved Purchasing Policy requirements and standard industry criteria, which enabled them to negotiate competitive renewal options. The majority of the insurance carriers that were approached declined to provide a quote because of various reasons and six of the carriers did not respond. Euclid/Hudson

Insurance Company (Hudson) and Westchester Fire Insurance Company were the only carriers willing to offer a competitive renewal option for the Fiduciary Liability coverage. Hudson, LACERA’s current Fiduciary Insurance carrier, has agreed to underwrite the \$25 million policy with a premium of \$248,841. In addition, Westchester Fire Insurance Company will underwrite the excess \$10 million policy with a premium of \$75,285. The Team identified the following advantages offered by Hudson:

- Lower retention rate (deductible)
- Waiver of Recourse flat annual fee of \$100
- Choice of legal counsel versus being required to use carrier panel counsel
- Settlers Claims Defense
- Supplemental Cyber coverage for content restoration and crisis notification expenditures

Fiduciary Liability Coverage

Risks	Policy Limits
<ul style="list-style-type: none"> • Accounting or Billing Errors or Omissions • Insufficiency of Funds • Poor or Negligent Investment Practices • Conflict of Interest • Errors in Computing or Administering Plans • Acts, Errors, and Omissions by Board • Trustees and/or Staff Members Acts, Errors, and Omissions by Investment Advisors 	<ul style="list-style-type: none"> • \$25,000,000 Aggregate • \$10,000,000 Excess

Waiver of Recourse – Supplemental Coverage

A Waiver of Recourse is an endorsement to a Fiduciary Liability Insurance Policy that prevents an insurance carrier from exercising its subrogation rights against an insured fiduciary (Board Trustees/Staff Members). Unlike most other forms of insurance, under Fiduciary Liability Policies, insurers have the right to exercise subrogation rights against insureds for non-willful or criminal acts.

Trustees of both Boards and specific Staff Members may have some potential individual exposure to Fiduciary Liability since they make decisions that could affect the Trust Funds. Board Trustees and Staff Members have the opportunity to protect themselves by purchasing the Waiver of Recourse supplemental coverage. Per Government Code Section 7511, Trust Fund assets cannot be used to purchase a Waiver of Recourse endorsement. The cost of this coverage for this renewal period is a flat fee of \$100.00 for

each Trust Fund. The fee per person is dependent on the number of enrollees and will be determined and communicated to Board Trustees and Staff Members at a later date.

CYBER LIABILITY

The costs and expenses of a data breach can be wide-ranging. According to the Cyber Claims Study conducted by Net Diligence (industry experts who provide cyber risk assessments), the average claim from a data breach for a large company was \$9.1 million. The smallest claims were less than \$1,000, and the largest claims were over \$120M. The numbers of records exposed ranged from 1 to over 300M, and the cost per record ranged from less than \$0.01 to over \$100K.¹ Although each breach has its own set of unique factors, the financial impact is fairly consistent across the board. Depending on the severity of the breach, the breach can be a financial burden to the organization, and to cover this risk, LACERA maintains \$20 million in coverage. The impact to the organization can consist of the following:

- Information Loss
- Business Disruption
- Financial Loss
- Equipment Damages
- Defense Cost
- Good Will to Members

As mentioned in the overview section of this memo, insurance carriers are reluctant to provide quotes beyond 90-days of the policy expiration date due to the climate of the insurance market. KCAIB reached out to 40 different insurance carriers in an effort to obtain quotes for the cyber insurance coverage. Several of the carriers declined to provide quotes for various reasons and 26 carriers did not respond due to time constraints or other business reasons.

Additionally, as a result of the negative impact on the Cyber Insurance market, carriers are no longer offering policy limits that are greater than \$5 million. However, to ensure that LACERA maintains the \$20 million in coverage, the Cyber Insurance will be purchased in multiple layers. At this time, NAS Insurance Company (NAS) and Brit Global Specialty provided quotes for the primary and first layer excess. We are still waiting for the remaining quotes. The total estimated premium for the Cyber Insurance is \$230,000, which is a 56% increase from last year's premiums of \$147,055. The unanticipated premium increase for the Cyber Insurance exceeds the budgeted amount by \$70,000.

¹ NetDiligence- 2020 Cyber Claims Study https://netdiligence.com/wp-content/uploads/2021/03/NetD_2020_Claims_Study_1.2.pdf

We intend on funding this increase within the existing budgetary resources savings as part of a mid-year budget adjustment. We will provide the final quote to the Board of Retirement at the September Board meeting.

Cyber Liability Coverage

Risks	Policy Limits
<ul style="list-style-type: none"> • Loss or Damage to Electronic Data • Loss of Income • Cyber Extortion • Public Perception/Reputation • Virus • Malware • Unauthorized Access to LACERA System • Failure to Properly Protect Confidential/Sensitive Data 	<ul style="list-style-type: none"> • \$20,000,000 Security & Privacy Liability • \$20,000,000 Privacy Regulatory Defense & Penalties • \$20,000,000 Multi Media Liability • \$20,000,000 Breach Event Costs • \$20,000,000 Network Assets Protection • \$20,000,000 Cyber Extortion • \$5,000,000 BrandGuard • \$1,000,000 Dependent Business Interruption • \$100,000 Cyber Crime

ADDITIONAL INSURANCE PROTECTION

In addition to the Fiduciary Liability (LACERA Trust), each line of coverage identified below is up for renewal. According to LACERA’s Policy for Purchasing Goods and Services (Purchasing Policy), Board approval is not sought for each line of coverage since the premiums for each Policy are within the CEO’s \$150,000 approval authority. The authorization will come from LACERA’s Purchasing Agent and the CEO. A summary of each line of coverage is provided to ensure transparency and fairness within the insurance program and the renewal process.

FIDUCIARY LIABILITY – OPEB

LACERA purchases Fiduciary Insurance to provide coverage for the OPEB Trust Funds, which is combined into one Insurance Policy. The OPEB Fiduciary Insurance program consists of the following Trust Funds:

- County OPEB Trust
- Superior Court OPEB Trust
- Master OPEB Trust

The annual premium for a \$10 million policy with Hudson Insurance Company is \$49,420 a slight increase in premium over the current expiring rate, \$41,447.

Just like the LACERA Trust Fund, the Board of Trustees and particular Staff Members have the opportunity to purchase the Waiver of Recourse supplemental coverage. The cost of this coverage for this renewal period is a flat fee of \$100 for each Trust Fund. The fee per person is dependent on the number of enrollees and will be determined and communicated to Board Trustees and Staff Members at a later date.

OPEB Fiduciary Coverage

<i>Risks</i>	<i>Policy Limits</i>
<ul style="list-style-type: none"> • Accounting or Billing Errors or Omissions • Insufficiency of Funds • Poor or Negligent Investment Practices • Conflict of Interest • Errors in Computing or Administering Plans • Acts, Errors, & Omissions by Board • Trustees and/or Staff Members Acts, Errors, and Omissions by Investment Advisors 	<ul style="list-style-type: none"> • \$10,000,000 Aggregate

CRIME INSURANCE

The Crime Insurance covers cash, assets, merchandise, or other property loss when someone perpetrates fraud, embezzlement, forgery, misrepresentation, robbery, theft, or any other type of business-related crime on the organization. The Crime insurance market remains stable even though social engineering fraud continues to be a growing issue for insurance carriers, which may lead to future premium increases and new Policy language.

Great American Insurance Group is the only carrier approached willing to offer a \$50,000 deductible. Due to the size of the risk, all other carriers require a minimum \$100K deductible, and they were not competitively priced as Great American. The premium rate with the incumbent carrier (Great American Insurance Group) is \$23,630 for a \$10 million policy limit.

Crime Coverage

<i>Risks</i>	<i>Policy Limits</i>
<ul style="list-style-type: none"> • Employee Dishonesty • Computer Fraud – Third Party • Impersonating as Staff Members to Acquire Funds • Funds Transfer Fraud (Third Party) • Forgery or Alteration of Checks 	<ul style="list-style-type: none"> \$10,000,000 Staff Member Dishonesty \$10,000,000 Forgery & Alterations \$10,000,000 Inside Premises \$10,000,000 Outside Premises \$10,000,000 Computer Fraud

<ul style="list-style-type: none"> • Loss of Cash, Securities and Other Property (Third Party) • Robbery 	\$10,000,000 Money Orders & Counterfeit Paper Currency \$10,000,000 Fund Transfer Fraud
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FISCAL IMPACT

The overall cost in premiums for the Fiduciary, Cyber, and Crime Insurance Program for the FY 2021-22 is \$627,176, a 38% increase from FY 2020-21 in the amount of \$454,292.

SUMMARY

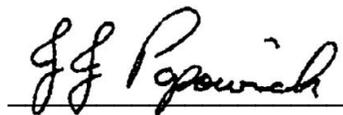
In summary, after an extensive review of the Fiduciary Liability Insurance and Cyber Insurance, it is recommended to bind a one-year Insurance Policy with the recommended Insurance Carriers as presented in this memo.

IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE recommend the Board of Retirement to (1) approve the purchase of Fiduciary and Cyber Liability Insurance effective October 9, 2021, with the Insurance Carriers listed below and (2) moving forward, authorize presenting insurance options directly to the Board of Retirement to approve all Insurance renewals bypassing the Operations Oversight Committee due to the timeliness of insurance bids and the close deadlines for renewals.

Coverage Type	Carrier	Limits	Premium
Fiduciary Liability	Euclid/Hudson Insurance Company/ Westchester Fire Insurance Company	\$35 Million	\$324,126
Cyber Liability	NAS Insurance Company/ Brit Global Specialty	\$20 Million	\$230,000

/JB

Noted and Approved



JJ Popowich
 Assistant Executive Officer

FOR INFORMATION ONLY

July 27, 2021

TO: Operations Oversight Committee
Shawn R. Kehoe, Chair
Herman B. Santos, Vice Chair
Ronald A. Okum
Les Robbins
Vivian H. Gray, Alternate

FROM: JJ Popowich, Assistant Executive Officer 

FOR: August 4, 2021 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:** The mid-year budget amendment for FY 2020-2021 was adopted by the Boards in early December 2020. We have completed our vendor research and have a solid outline of what LACERA needs from a Case Management System. The team is working on a finalized RFP, which is currently scheduled to be presented to the Operations Oversight Committee in September.
- **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.

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 focus is on efforts by the Auditor-Controller's (AC) 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. Accordingly, LACERA has requested this information from the AC.

The AC has completed their programming of the County's payroll system. Quality Assurance, the Benefits Process Management Group (PMG), and Systems have completed their testing of the files the AC provided to LACERA. The changes must allow LACERA to identify and systematically remove all non-pensionable payroll items from the reported actual earnings. The team has finalized a memo outlining the problems we identified with the present solution. We will be requesting a meeting with the AC in August to discuss how we can move forward.

There are no new updates on the Workgroup focusing on 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.

- **Communications, Social Media, and Public Relations Plan:** In January 2021, the Boards hired Englander, Knabe, and Allen, LLC (EKA) to assist LACERA in developing an integrated public relations strategy designed to increase LACERA's

visibility on the positive impacts of public pension plans and LACERA's efforts to advance public policy on pension issues and concerns. Our Communications team, as part of the CEO's 100 Day Report to the Board of Retirement and Board of Investments, has been tasked with developing a Communications and Social Media Plan for LACERA that addresses all aspects of communication internally, externally to members, and to the public in general, including the establishment of a social media presence.

EKA has provided an update on their progress and the Executive Office is currently reviewing their update at this time. There is no new update on this project.

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.

- **COLA Bank Retroactive Changes:** In April, the Board of Retirement approved corrections to the COLA Accumulation Bank which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation bank

The first phase was completed and members received their retroactive payments on July 15, 2021. These retroactive payments were made via a mid-month direct deposit for all members who are normally scheduled to receive benefit payments via direct deposit. This was a first for LACERA. In the past retroactive payments were made via check. Being able to pay members by direct deposit at times other than the normally scheduled payment at the end of the month is a big step forward in our paperless initiative. We plan on leveraging this method for other "off schedule" payments in the future.

In our next phase, we will be addressing approximately 673 members who were notified of their monthly increase and whom we notified we were still calculating their retroactive benefits. We expect the next batch of payments will be issued on September 15, 2021. We are working on finalizing the notification letter for these members, which will likely go out about a week or two prior to the payment of the benefit. As a reminder, these members included legal split payees, active death survivors, and survivors that had pay periods during the impacted periods which already had adjustments, had a past pay hold, or other anomaly at the time that required us to review our automated calculation process.

Approximately 259 received a notice that that they are due an increase and we will be contacting them at a later date. These members will require a complete manual calculation of the increase and retroactive amount due. We are reviewing the estimation of time to complete these cases and will report out at a future meeting.

The remaining population of 763 involve members and survivors that are both deceased. We will handle this population last as we need to contact the estates for their entitlements.

- **Business Continuity:** The Business Continuity Team is working on addressing the recommendations from our consultant and the observations made by Mr. Kreimann and the Executive team during our test earlier this year. We will provide updates as they become available.
- **Retroactive Salary Projects:** Our Benefits team is processing the last of the adjustments for Commissioners impacted by the Mallano v. Chang case. Staff has reported that we only have two remaining cases to process.

The team has met with the Auditor Controller on some of the issues we have noted about retroactive payments and the collection of related contributions. The Auditor-Controller is looking at the issues we have raised and will be working with us to address our concerns. The partnership with the Auditor-Controller is very productive and we appreciate their continued assistance as we address these issues.

- **Membership Category Reporting Project:** We report the total number of members and break down that number into specific categories across several platforms such as the CEO Dashboard Report, the Comprehensive Annual Financial Report (CAFR), among others. Recently, a Trustee pointed out that the categorization of members varied across platforms and recommended we standardize the categories we use so they are consistent. These various categorizations evolved over time due to the different reasons the reports were generated and depended on the point of view of those developing the reports. Standardizing the categories is a positive step to eliminate any confusion and, as a result, we have initiated a project to define a single schema for categorizing members and reporting those numbers across all platforms. We have had to push back the release of these new reporting categories and now expect to release it in late July.

- **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
12-21-20	D. Wells, Law offices of Gregory W. Smith	<p>Requested 14 categories of records, including operations of LACERA and hiring of employees and vendors.</p> <p>Request 11 - All video recordings and audio recordings of the April 9th, 2020 Board of Retirement meeting; the June 3rd, 2020 Board of Retirement meeting; and the June 25th, 2020 Audit Committee meeting.</p> <p><i>On December 21st, 2020, sent the <u>links to video and audio</u> of the June 3rd, 2020 Board of Retirement meeting, and the June 25th, 2020 Audit Committee meeting.</i></p> <p><i>On December 28th, 31st, 2020, and on January 11th, 2021, sent a <u>DVD of the April 9, 2020 Board of Retirement meeting</u> via FedEx Standard Overnight Delivery.</i></p> <p>Request 10 - Requested information regarding Udemy contract.</p> <p><i>On January 15th, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 9 - Requested information regarding Eagle Leadership contract.</p> <p><i>On January 22nd, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 8 - Requested information regarding KH Consulting contract.</p> <p><i>On February 1st, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 7 - Requested information regarding TransQuest contract.</p> <p><i>On February 2nd, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 1 - Requested Systems related communications by CEO Santos R. Kreimann.</p> <p><i>On February 8th, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 3 - Requested documents regarding hiring of Celso Templo.</p> <p><i>On February 8th, 2021, sent 11 sets of responsive documents.</i></p> <p>Time extension to the production of documents.</p> <p>Requests 2, 4-6, and 12-14 remain outstanding.</p> <p><i>On February 16th, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p>Request 2 - Requested documents and communications between CEO Santos R. Kreimann and Celso Templo.</p> <p><i>On February 26th, 2021, sent six (6) sets of responsive documents.</i></p> <p>Request 14 - Requested documents and communications sent or received by Carly Ntoya regarding James Brekk.</p> <p><i>On March 1st, 2021, sent one (1) set of responsive documents.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p>Request 3 - Requested documents regarding hiring of Celso Templo.</p> <p><i>On March 1st, 2021, sent one (1) additional set of responsive documents.</i></p> <p>Request 13 - Requested documents and communications sent or received by Celso Templo regarding James Brekk.</p> <p><i>On March 2nd, 2021, sent two (2) additional sets of responsive documents.</i></p> <p>Time extension to the production of documents.</p> <p>Requests 4-6, and 12 remain outstanding.</p> <p><i>On March 2nd, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p>Time extension to the production of documents.</p> <p>Requests 4-6, and 12 remain outstanding.</p> <p><i>On March 15th, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p>Request 4 - Requested Systems related communications by or to Celso Templo.</p> <p><i>On March 19th, 2021, sent one (1) set of responsive documents.</i></p> <p>Time extension to the production of documents.</p> <p>Requests 5, 6, and 12 remain outstanding.</p> <p><i>On March 31st, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p><i>On June 4th, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p><i>On June 30th, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p>Request 6 – Requested all documents and communications by Celso Templo regarding information technology vendor solicitation process.</p> <p><i>On July 7th, 2021, sent 1,400 responsive documents.</i></p>
05-25-21	J. Prover, FIN News	<p>Requested all submitted proposals for real estate consultant RFP that was issued August 2020.</p> <p><i>On June 2nd, 2021, sent email with timeline for response.</i></p> <p><i>On June 14th, 2021, sent email extending time to send files by link.</i></p> <p><i>On July 9th, 2021, sent responsive link via email.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
06-15-21	V. Sayas, Fund Map	Requested information related to 7 fund investments. <i>On June 25th, 2021, sent email extending time for response.</i> <i>On July 7th, 2021, sent three (3) responsive documents via email.</i>
06-16-21	M. Ceballos, Fund Map	Requested information related to 30 fund investments. <i>On June 25th, 2021, sent 14 responsive documents via email.</i>
06-21-21	N. Lee, Preqin Ltd.	Requested hedge fund holdings and performance metrics. <i>On June 21st, 2021, sent three (3) responsive documents via email.</i>
06-22-21	L. Robinson, Retired Employees Association of Orange County	Requested the procedure for filing an appeal disputing pensionable compensation. <i>On June 22nd, 2021, sent three (3) responsive links via email.</i>
07-07-21	LA County CEO, LA County Fire, LA County HR, and Judy Hammond	Standing request for monthly Ratification of Service Retirement and Survivor Benefit Application Approvals. <i>On July 7th, 2021, sent one (1) responsive document via email.</i>
07-07-21	LA County HR	Standing request for monthly disability retirement list for the BOR. <i>On July 7th, 2021, sent one (1) responsive document via email.</i>
07-07-21	LA County Sheriffs and Fire	Standing request for monthly BOR approved Fire and Sheriffs' Department retiree listing. <i>On July 7th, 2021, sent two (2) responsive documents via email.</i>
07-06-21	M. Kreimer, FOIA Professional Services	Requested information regarding LACERA's private equity advisor search. <i>On July 13th, 2021, sent one (1) email explaining that the RFP is still open and that the non-exempt documents will be available upon selection.</i>
07-13-21	T. Hettinger, LP Analyst	Requested information regarding LACERA's current holdings.

**FOR INFORMATION ONLY**

July 27, 2021

TO: Operations Oversight Committee
Shawn R. Kehoe, Chair
Herman B. Santos, Vice Chair
Ronald A. Okum
Les Robbins
Vivian H. Gray, Alternate

FROM: Kathy Delino 
Interim Division Manager, Systems Division

Summy Voong 
Interim Assistant Division Manager, Systems Division

FOR: August 4, 2021, Operations Oversight Committee Meeting

SUBJECT: **OVERVIEW AND STATUS OF THE LACERA ENTERPRISE Wi-Fi PROJECT**

As part of the Fiscal Year 2020-2021 Mid-Year Budget Adjustment, the Board of Retirement (BOR) approved staff's funding request to bring an enterprise Wi-Fi solution to LACERA at a budgeted amount of \$300,000. The Systems Division (Systems) is excited to share an overview of the project, a status on our progress to date, and report that the overall cost of the project will be approximately 30% less than budgeted. This is primarily due to Systems ability to fill IT staffing needs with qualified contractors as previously reported at the April 27, 2021, meeting of the Operations Oversight Committee. The contractors hired were able to perform the required site planning and survey thereby eliminating this cost from the project.

Background

Historically, LACERA has utilized a wired network infrastructure to facilitate business communications and to access the internet. However, the unpredictable and rapid change to public health advisories due to the COVID-19 pandemic has highlighted the critical need for LACERA to provide fast, reliable, and flexible data connections no longer limited to a stationary desktop computer in an office or cubicle. As social distancing requirements remain in effect and while we slowly welcome staff back to our offices, Wi-Fi connectivity will provide staff the ability to continue holding face-to-face meetings with colleagues and business partners from anywhere they happen to be working in our facility. In addition to the flexibility to foster productivity and collaboration, other key advantages of Wi-Fi include:

- Allowing easy access to the internal network, key documents, and software from multiple devices
- Cost-effective network expansion and scalability.
- Value-added service for our members, visitors, and guests.

Project Overview and Status

During the initial planning phases of the project, we identified three critical steps to achieve our goal of a robust and reliable Wi-Fi network. Those steps are:

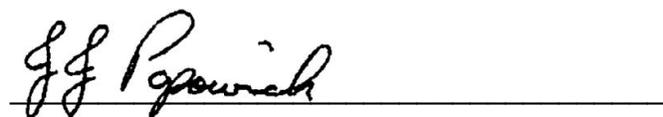
- 1) Create multiple segmented wireless connections or Service Set Identifiers (SSIDs) to ensure all wireless network traffic is properly segmented and protected from crossover, therefore keeping all data safe and secure.
- 2) Establish secured connections throughout the entire wireless network by applying industry recommended Wi-Fi Protected Access (WPA2) and 802.1x network security that allows encryption and secured authentication.
- 3) Develop a five (5) phase implementation plan to ensure each phase can be completed with minimal impact to LACERA staff working onsite.

To date, we are pleased to report that all the necessary FIBER and cable lines have been installed on all LACERA occupied floors. Installation of the Wireless Access Points (WAPs) and configuration of the Wi-Fi network switches is currently in progress, and initial configuration of the wireless network and testing is planned for the week of August 9, 2021. The Systems and Information Security Divisions have been working collaboratively on the design and architecture of the Wi-Fi environment. Pending the results of our testing and Information Security's final sign off on the network configuration, we anticipate the final roll out of the Wi-Fi network to occur during the week of August 16, 2021.

Conclusion

The COVID-19 pandemic has shown that flexibility and the importance of fast, reliable, and stable data connectivity are essential in today's business environments. While Wi-Fi was once considered a "nice-to-have," it is now an integral part of our personal and professional lives.

REVIEWED AND APPROVED



JJ Popowich
Assistant Executive Officer, LACERA

WI-FI PROJECT OVERVIEW & IMPLEMENTATION

LACERA

ADVANTAGES OF WIFI

1. Foster productivity and collaboration.
2. Access network from multiple devices.
3. Cost-effective network expansion and scalability.
4. Value-added service for our members, visitors, and guests.



DISADVANTAGES OF WIFI

- 1. Data transmission speeds.**
- 2. Signal interference with other wireless networks.**
- 3. Signal coverage and stability.**

WI-FI PROJECT OVERVIEW

- 1. Multiple Wireless Networks or Service Set Identifiers (SSIDs)**
- 2. Secured Connections**
- 3. Implementation Plan**

MULTIPLE WIRELESS SSID'S

1. LACERA Staff
2. Visitors/Guests
3. Bring Your Own Device (BYOD)*

SECURED CONNECTIONS

- 1. WIFI Protected Access (WPA2) and 802.1x Network Security.**
- 2. Single Sign on (SSO).**
- 3. Wireless Access Points (WAPs) will detect unknown devices and other rogue APs.**
- 4. All WAPs will be segmented.**
- 5. Allows maintenance to be performed on WIFI networks without outages.**

IMPLEMENTATION PLAN

- ❑ PHASE 1 – Installing FIBER and cables
- ❑ PHASE 2 – Hanging Access Points
- ❑ PHASE 3 – Installing wireless switches
- ❑ PHASE 4 – Initial turn up, testing, and acceptable usage policy development
- ❑ PHASE 5 – Role out to LACERA

STATUS UPDATE

1. **FIBER and Cables pulled on all LACERA floors.**
2. **Access Points installation in progress.**
3. **WIFI network switches configuration in progress.**
4. **WIFI network initial configuration and testing week of Aug 9th.**
5. **Final roll out after functional testing week of Aug 16.**



THANK YOU

PUBLIC RECORDS ACT PRESENTATION

Operations and Oversight Committee
August 4, 2021

LACERA LEGAL OFFICE

Presented by:

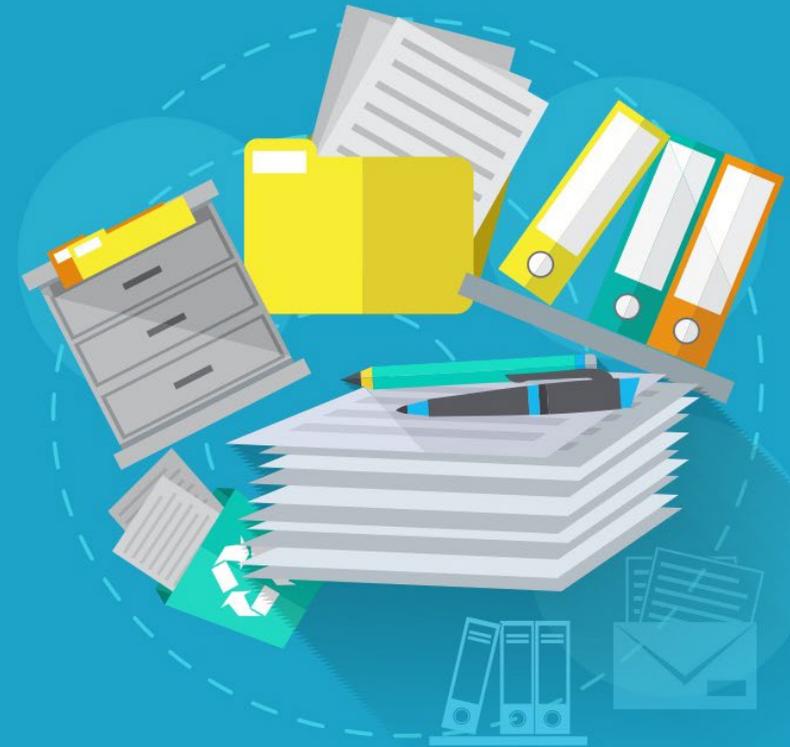
John Harrington, Staff Counsel

Administrative Assistance:

Irene Ballestero, Management Secretary

PRA TOPICS DISCUSSED TODAY

1. Review of CPRA fundamentals.
2. Advancing Transparency.
3. Current Issues in the PRA.
4. Tips for Trustees.
5. Future Plans.
6. Questions?



PUBLIC RECORDS ACT

Gov. Code §§ 6250-6276.48

What Is a Public Record?

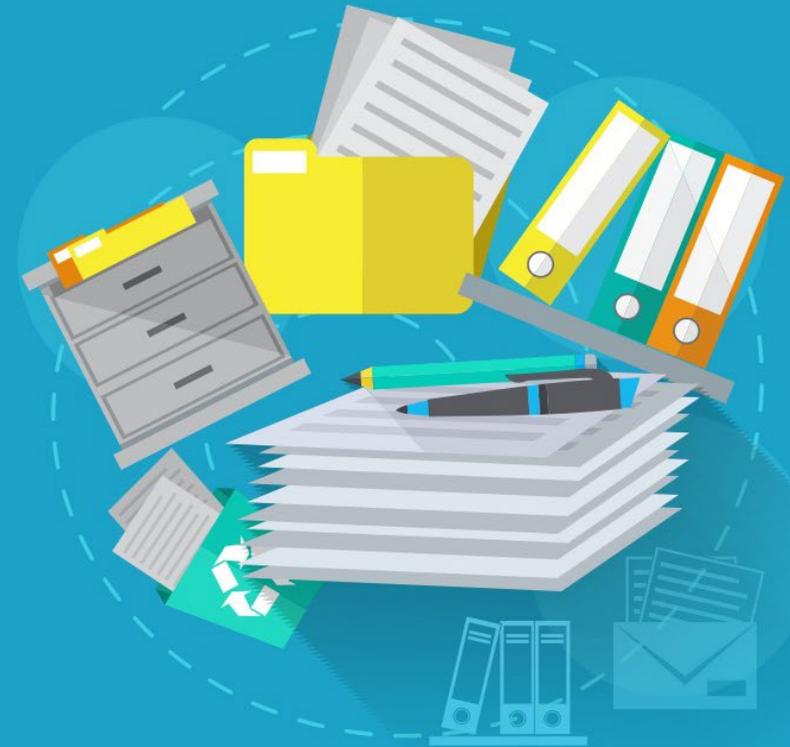
Any writing prepared, owned, used, or retained by a public agency.

Gov. Code, § 6252(e)

What is a Writing?

Any means of recording any form of communication or representation regardless of how retained or stored.

Gov. Code, § 6252(g)



**PUBLIC
RECORDS ACT
Fundamentals**

LACERA's PRA Process

LACERA values are core to the way we engage requests from the public.

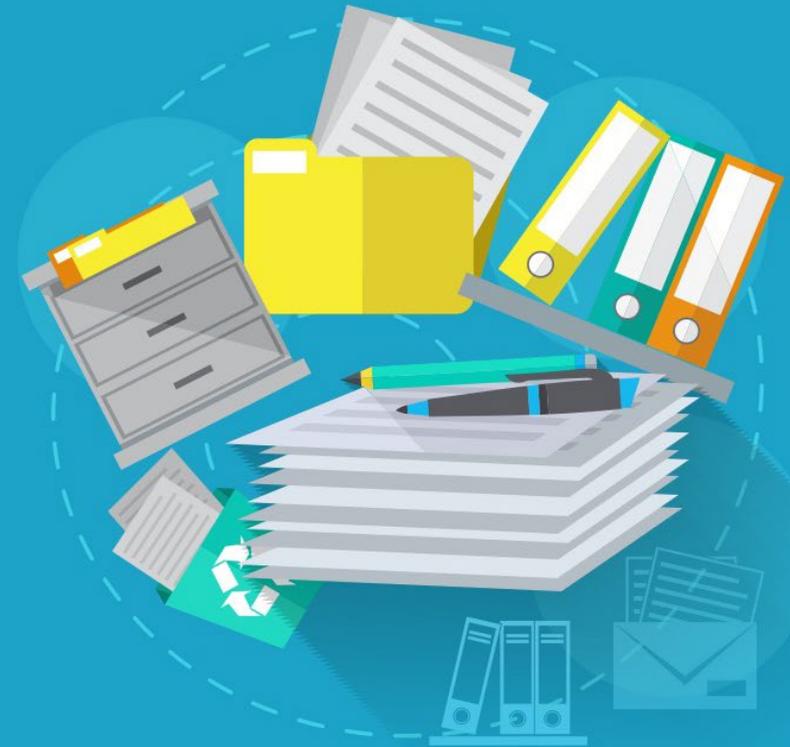
LACERA's role is to assist the public to receive the available documents that they seek.

Staff works with requests in an open, transparent and collaborative manner.

The Public can submit requests via lacera.com with a direct link to publicrecords@lacera.com

Much of LACERA's investment and financial information is also posted and easily available at lacera.com.

*Agency assistance is statutorily required (Gov. Code § 6253.1.)
Cost recovery minimal (Gov. Code § 6253(b).)*



**PUBLIC
RECORDS ACT
Fundamentals**

By the Numbers – PRA Requests

After many years of high numbers of public record requests, due to efforts to publish records online LACERA has experienced a decrease in the volume of requests.



**PUBLIC
RECORDS ACT
Fundamentals**



Advancing Transparency

Legal Division Role

The Legal Division coordinates LACERA response to public record requests. LACERA receives about 125 requests per year. Each request has a varying degree of complexity and resource demand.

Efforts to publish Board Agendas, asset reports, financial information, and other types of commonly requested data have reaped benefits of reducing the number of requests.

The Legal office prepares a monthly summary of requests to the Board Operations and Oversight Committee that outlines the requests received in the proceeding reporting period.



Advancing Transparency

Exemptions to Disclosure

Statutory Exemptions

The PRA contains approximately 76 express exemptions, including records that are otherwise exempt from disclosure by state or federal statutes. We must identify the specific exemption to disclosure in the response if we exempt a record or make a redaction.

Public Interest or Catch-All Exemption

An exemption that permits LACERA to withhold a record if we can demonstrate that on the facts of the particular case the public interest served by not making the record public **clearly outweighs** the public interest served by disclosure of the record.

Gov. Code §6255



Advancing Transparency

LACERA Values

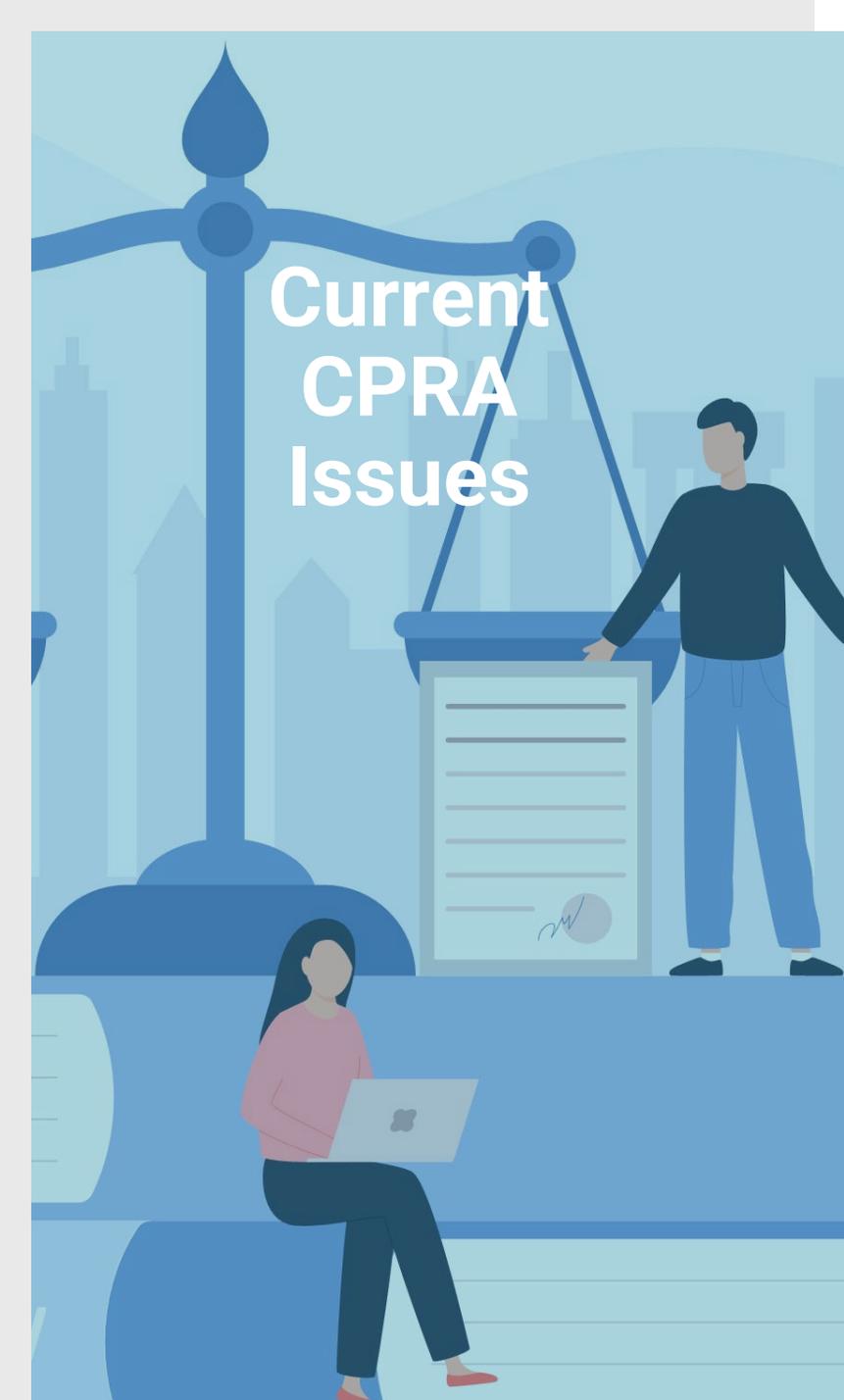
*Exemptions are a small sample; this is not an exhaustive list.

DISCLOSURE

- Public right to monitor governmental activities.
- Government use or allocation of public funds.
- Purpose or use of records does not determine disclosure duty.
- Information about third parties LACERA does business with.

EXEMPTIONS

- Explicit Statutory exemption.
- Individual right to privacy.
- Intellectual property or trade secrets.
- Balancing test protects records where the public interest in nondisclosure clearly outweighs the public interest in disclosure.



Current CPRA Issues

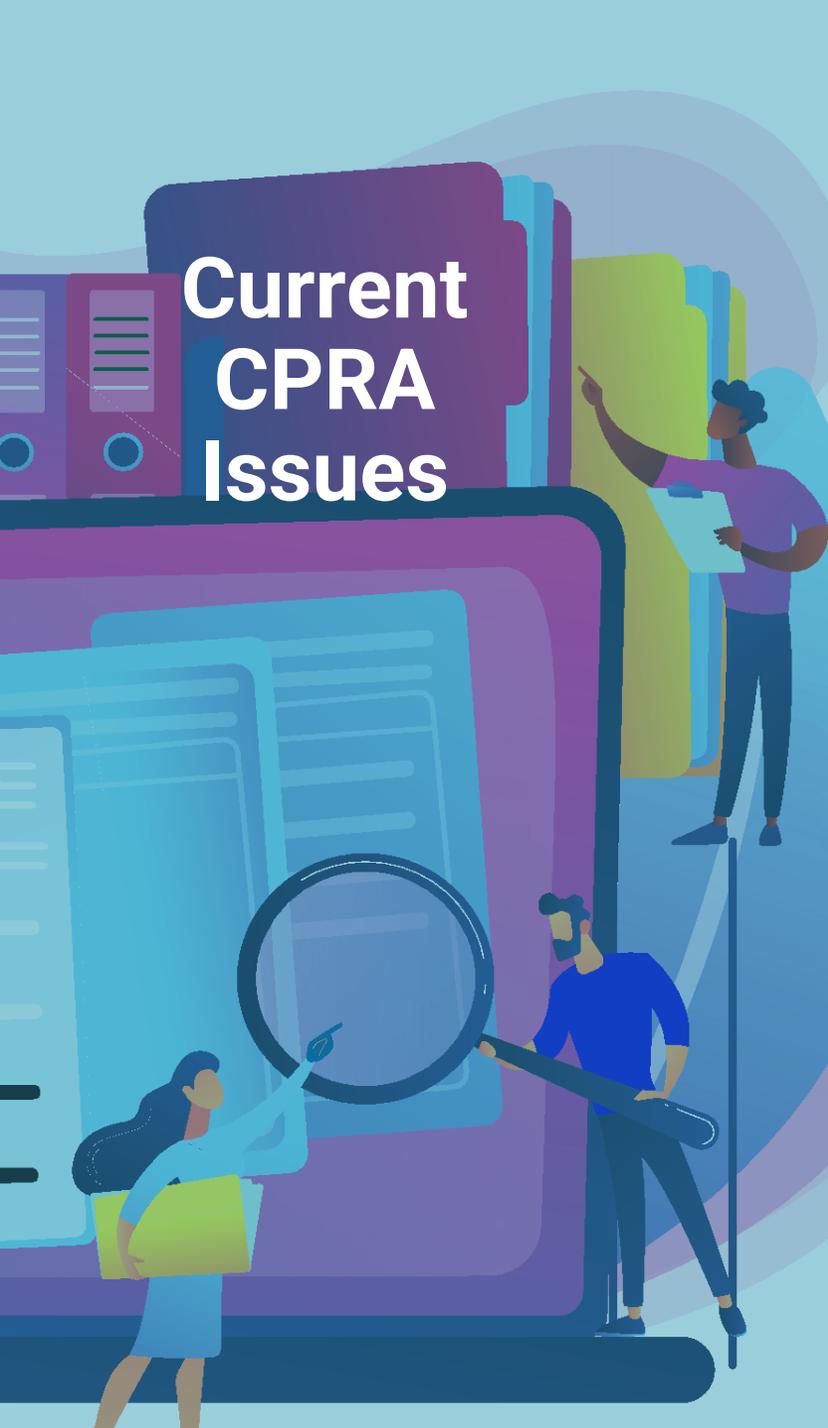
Legislation

AB 343 – ASM Fong - PRA Ombudsperson

This bill would establish a California Public Records Act Ombudsperson to receive and investigate requests for review, to determine whether the denials of requests complied with the California Public Records Act

AB 473 – ASM Chau - Renumbering Gov. Code as pertaining to PRA

In the current legislative session ASM. Ed Chau has proposed renumbering the Government Code as it pertains to the PRA. The renumbering would not materially change the code. It would rearrange some sections to organize the code in a more cohesive manner.

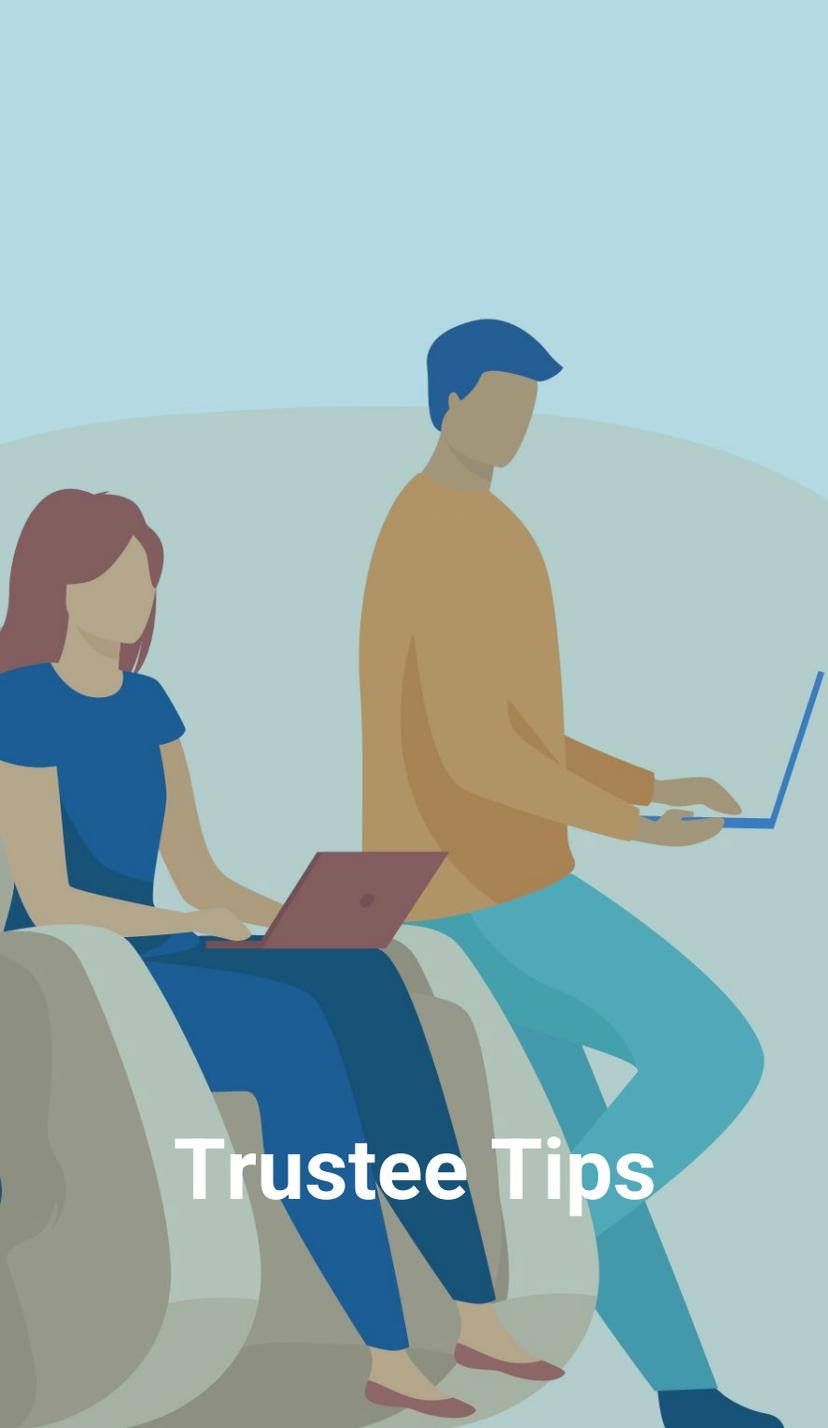


Internet Resource Standards

Gov. Code §6253.10 Website and Web Posting Requirements

Records on LACERA's website must be

1. Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications;
2. Platform independent and machine readable;
3. Free to the public and has no restrictions that would impede reuse or redistribution of the public record; and
4. Retains the data definitions and structure present when the data was compiled, if applicable.



Trustee Tips

Personal Devices

Documents that otherwise meet the definition of public records (including emails and text messages) are considered “retained” by the LACERA even when they are actually “retained” on an employee or official’s personal device or account. *City of San Jose v. Superior Court*

Emails and text messages **relating to LACERA business** on personal accounts and devices are public records. *Gov. Code, § 6252(e)*

LACERA has a *Policy on Mobile Devices*. Use of your personal device for LACERA business may require you to search your device for public records. Strictly following the policy will ensure that you do not inadvertently violate the Act.

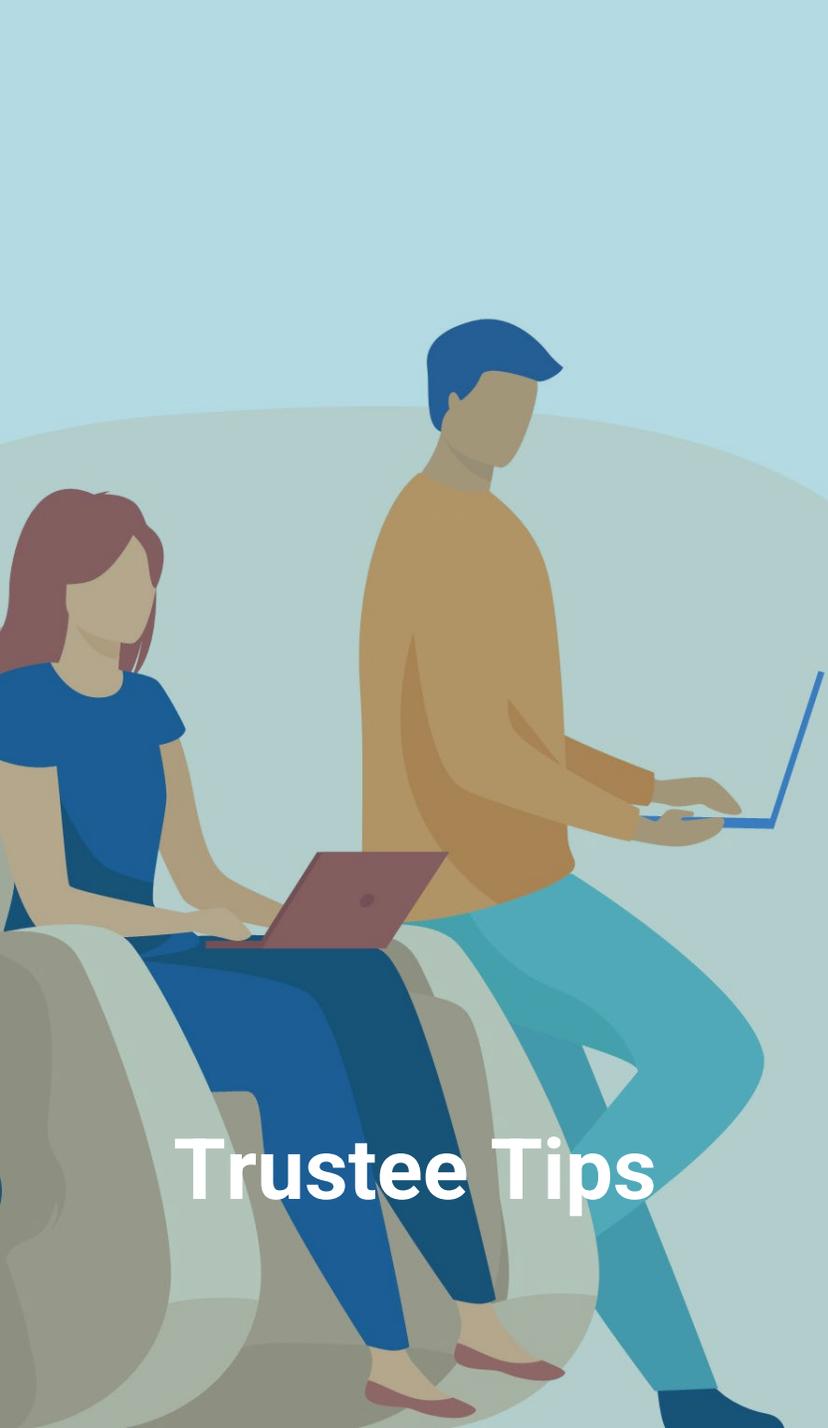
Trustee Duties

The Legal Division coordinates requests and will notify Trustees of the nature of the request, the type(s) of documents sought, and the search parameters.

Trustees have the duty to search their own Devices when notified of a PRA request from the LACERA Legal Division.

Trustees should make a diligent search of all devices that they use for LACERA business that may possibly contain LACERA business related records.

Alternatively, Trustees may allow staff to access their LACERA accounts to help in the record search.



Trustee Tips



Trustee Tips

The PRA and the Brown Act

The Purpose of the Brown Act

When the Board meets to develop its consensus, there needs to be a seat at the table reserved for the public. The Legislature has provided the public with the ability to monitor and, to some degree, participate in the decision-making process.

Agenda and Agenda Packet Requirements And Practices

The Board must conduct its meetings and make its decisions in public but may have a closed session only if specifically permitted by statute. All records, including closed session items are subject to disclosure under the PRA unless there is a specific exemption. The Board can review exempt items in closed session, and they remain exempt.

Leveraging Technology

Website

Publishing and posting records to LACERA's website is a multidivisional effort. With the Launch of LACERA's new web interface we can post many commonly requested records to reduce staff time to respond.

Software

The Legal Division is implementing software for matter management, tracking, and reporting. We will use this software to automate PRA workflows and streamline response tracking and reporting

Legislative developments

As the legislature makes changes to the Public Records Act, the Legal Division will monitor and engage when necessary. Our goal is to be as transparent as possible while still protecting the Fund.

Future Plans



Q & A

Processing PRA requests

All record requests should be forwarded to:

jharrington@lacera.com with a copy to: publicrecords@lacera.com

ADDITIONAL RESOURCES

[The People's Business, A Guide to the California Public Records Act](#)

League of California Cities, April 2017

[THE-PEOPLE'S-BUSINESS-A-Guide-to-the-California-Pu.aspx \(cacities.org\)](#)

CA Attorney General Rob Bonta: <https://oag.ca.gov/consumers/general/pra>