

MINUTES OF THE REGULAR MEETING OF THE BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., THURSDAY, SEPTEMBER 10, 2015

PRESENT:        Shawn R. Kehoe, Chair  
  
                    Alan Bernstein, Vice Chair (Arrived at 9:13 a.m.)  
  
                    William de la Garza, Secretary  
  
                    Anthony Bravo  
  
                    Yves Chery  
  
                    Vivian H. Gray  
  
                    Joseph Kelly  
  
                    David L. Muir (Alternate Retired)  
  
                    Ronald A. Okum  
  
                    Les Robbins

ABSENT:        William Pryor (Alternate Member)

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer  
  
JJ Popowich, Assistant Executive Officer  
  
Steven Rice, Chief Counsel  
  
Michael D. Herrera, Senior Staff Counsel  
  
Theodore Granger, Assistant Financial Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Cassandra Smith, Director, Retiree Healthcare Division

Barry W. Lew, Legislative Affairs Officer

Cynthia Guider, Administrative Services Officer

James Beasley, Administrative Services Analyst

I. CALL TO ORDER

The meeting was called to order by Chair Kehoe at 9:00 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Kelly led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of August 13, 2015

Mr. Chery made a motion, Ms. Gray seconded, to approve the minutes of the regular meeting of August 13, 2015. The motion passed with Mr. de la Garza abstaining.

IV. REPORT ON CLOSED SESSION ITEMS

There was nothing to report at this time.

V. OTHER COMMUNICATIONS

A. For Information

1. July 2015 All Stars

Mr. Popowich announced the eight winners for the month of July: Chona Labtic-Austin, Carol Nakamoto-Zitter, Gary Smith, Deanna Hernandez, Van Bonifacio, John McClelland, Vincent Lim, Virginia Carrillo for the Employee Recognition Program and Barry Lew for the Webwatcher Program. Alexandra Hollis, Andrea Ellison, Amit Aggarwal, and Iveta Brecko were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report  
(Memo dated September 1, 2015)  
(Mr. Bernstein arrived at 9:13 a.m.)

Mr. Rademacher provided a brief overview of his Chief Executive Officer's Report with a quick update on what transpired at the previous Board of Investments meeting. (Board of Investments minutes are available to view on LACERA's Website [www.lacera.com](http://www.lacera.com).)

Mr. Rademacher shared with the Board that the Plan Actuary has completed their preliminary funding estimate and answered questions from the Board.

In addition, Mr. Rademacher thanked Jeannine Smart, Allen Molina, Lauren Decoudreaux, Wenona Myers, David Bayha, Carlos Barrios, Freddie Verzosa, Ricardo Salinas, and Louis Gittens for their participation in the semi-annual HR Conference.

V. OTHER COMMUNICATIONS

2. Chief Executive Officer's Report (Continued)

Furthermore, Mr. Rademacher, Cassandra Smith, and Michael Peterson met with the Board of Supervisors 3<sup>rd</sup> District Deputy regarding LACERA's Benefit Program.

Additionally, Mr. Rademacher attended the Defined Contribution Plan Board meeting which provided a program review of the different plans and trends on contributions.

Lastly, Mr. Kelly directed staff to provide an update to the Board on security measures used to prevent fraudulent checks being paid by the bank, including the use of Positive Pay/Positive Payee banking services.

VI. PUBLIC COMMENT

There were no requests from the public.

VII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel and Cassandra Smith, Director, Retiree Health Care: That the Board approve and authorize LACERA staff to submit a comment letter in response to IRS Notice 2015-52, which concerns implementation of the Affordable Care Act's excise tax on high cost employer-sponsored health coverage. (Memo dated August 31, 2015)

Mr. Rice and Ms. Smith were present to answer questions from the Board. Mr. Rice provided the potential financial impact and shared preliminary communication received from the County.

VII. NON-CONSENT AGENDA (Continued)

Mr. Chery made a motion, Mr. Robbins seconded, to approve the recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Joseph Kelly, Chair, Operations Oversight Committee: That the Board approves the purchase of Fiduciary Liability Insurance for the October 6, 2015 renewal. (Memo dated August 24, 2015)

Mr. Beasley and Ms. Guider were present to answer questions from the Board. Mr. Muir requested that the insurance broker confirm in writing that the Board member is covered for any event occurring during the coverage period even when the Board member is no longer seated on the Board.

Mr. Bernstein made a motion, Mr. Muir seconded, to approve the recommendation. The motion passed unanimously.

- C. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a "Support" position on U.S. Senate Bill 1651, which would enact the "Social Security Fairness Act of 2015." (Memo dated August 28, 2015)

Mr. Lew was present to answer questions from the Board.

Mr. Chery made a motion, Mr. Kehoe seconded, to approve the recommendation. The motion passed unanimously.

- D. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the 2016 STAR COLA Program. (Memo dated August 31, 2015)

Mr. Granger was present to answer questions from the Board.

VIII. EXECUTIVE SESSION

- A. Conference with Legal Counsel - Pending Litigation  
Pursuant to Paragraph (1) of Subdivision (d) of California Government  
Code Section 54956.9

1. Clark v. LACERA, et al., etc.  
Los Angeles Superior Court, Case No. BS144144

The Board met in Executive Session pursuant to Paragraph 1 of Subdivision (d)  
of Government Code Section 54956.9 in which there is nothing to report at this time.

- B. Conference with Legal Counsel – Initiation of Litigation  
Pursuant to Paragraph (4) of Subdivision (d) of California Government  
Code Section 54956.9

1. Number of Potential Cases: 1

The Board met in Executive Session pursuant to Paragraph 4 of Subdivision (d)  
of Government Code Section 54956.9 in which the Board unanimously voted to file  
an amicus brief in the California Supreme Court in *Flethez v. San Bernardino County  
Employees Retirement Association*.

- C. Pursuant to Government Code Section 54957 - Public Employee  
Performance Evaluation:

1. Performance Evaluation  
Title: Chief Executive Officer

The Board met in Executive Session pursuant to Government Code Section  
54957 in which there is nothing to report at this time.

IX. GOOD OF THE ORDER  
(For information purposes only)

Mr. Chery shared that the SACRS Fall Conference is coming up and will be

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IX. GOOD OF THE ORDER (Continued)

held on November 17-20, 2015 in San Diego.

Mr. Muir shared that along with Mr. de la Garza and the other RELAC Board members will be recognized at the September 15, 2015 Board of Supervisors meeting.

Lastly, Mr. Kelly announced that the County Leadership Conference for Women will be held on December 10, 2015 at the Pasadena Convention Center.

Green Folder Information (Information distributed in each Board Members Green Folder at the beginning of the meeting)

1. LACERA Legislative Report - Bills Amending CERL/PEPRA  
(Dated September 9, 2015)
2. Update on Status of Fiduciary Counsel RFP Process (For Information Only)  
(Memo dated September 8, 2015)

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:10 a.m.

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WILLIAM DE LA GARZA, SECRETARY

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SHAWN R. KEHOE, CHAIR