

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, FEBRUARY 11, 2016

PRESENT: Shawn R. Kehoe, Chair
Alan Bernstein, Vice Chair
William de la Garza, Secretary
Anthony Bravo
Yves Chery
Vivian H. Gray
Joseph Kelly
David L. Muir (Alternate Retired)
Les Robbins

ABSENT: Ronald A. Okum
William Pryor (Alternate Member)

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Steven Rice, Chief Counsel

Michael Herrera, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Ted Granger, Assistant Financial Officer

Barry W. Lew, Legislative Affairs Officer

Richard Bendall, Chief Audit Executive

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. Chery 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 January 14, 2016

Mr. Chery made a motion, Ms. Gray seconded, to approve the minutes of the regular meeting of January 14, 2016. The motion passed unanimously.

IV. REPORT ON CLOSED SESSION ITEMS

No items were reported.

V. OTHER COMMUNICATIONS

A. For Information

1. December 2015 All Stars

V. OTHER COMMUNICATIONS (Continued)

A. For Information

1. December 2015 All Stars (Continued)

Mr. Popowich announced the eight winners for the month of December:

Ruby Grundy, Miriam De Leon, Bernard Edwards, Debra Rendon, Jay Lee, Freddie Verzosa, Joie Dang, and Julie Casey for the Employee Recognition Program and Bonnie Nolley for the Webwatcher Program. Sarah Marks, Albert Robles, Jeff Shevlowitz, and Claro Lanting were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report
(Memo dated February 2, 2016)

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.)

Mr. Rademacher announced that the Los Angeles County Superior Court is considering establishing an OPEB Trust Fund which would allow it to prefund its Retiree Healthcare program. This would be in addition to continuing to fund the ongoing pay-as-you-go costs.

Lastly, Mr. Rademacher recognized and thanked Mr. Bernstein for his service to the Board. The Board of Supervisors is set to approve the appointment of Mr. Marvin Adams to the Board of Retirement at their February 16, 2016 meeting.

VI. PUBLIC COMMENT

There were no requests from the public to speak.

VII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Joseph Kelly, Chair, Operations Oversight Committee: That the Board adopt the proposed Retirement Benefits Strategic Plan for Fiscal Years Ending 2017 through 2019. (Memo dated January 26, 2016)

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

- B. Recommendation as submitted by Ted Granger, Assistant Financial Officer: That the Board determine the Consumer Price Index changed by 2.03% (or when rounded to the nearest one-half of 1% as the COLA benefit rules require, 2.0%: the LACERA 2016 COLA Award), and approve cost-of-living increases and respective COLA Accumulation adjustments for retired LACERA members and beneficiaries, based on retirement plan and date of retirement or death, to become effective April 1, 2016 in accordance with applicable California Government Code Sections. (Memo dated January 29, 2016)

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

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

- C. Recommendation as submitted by Ted Granger, Assistant Financial Officer: That the Board determine the Consumer Price Index changed by 2.77% for the last two calendar years ended December 2015, and adjust the compensation for the review and analysis of disability retirement cases to \$112 per day for an eight-hour day, effective April 1, 2016. (Memo dated January 29, 2016)

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

VII. NON-CONSENT AGENDA (Continued)

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

- D. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board approve and authorize staff to work with LACERA's legislative advocate to submit appropriate amendments to SACRS-sponsored legislation permitting 1937 Act county employees retirement systems to assume status as independent districts. (Memo dated February 1, 2016)

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

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

- E. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the ballot entitled "Powers and Duties of Retirement Board Members" to be included with the ballot materials for the election of the Seventh Member and Alternate Seventh Member of the Board of Retirement. (Memo dated February 1, 2016)

Chair Kehoe made a motion, Mr. Chery seconded, to approve the recommendation with the inclusion of the number of hours for Board and Committee meetings. The motion passed unanimously.

- F. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board review the 2016 meeting calendar and reschedule meeting dates as needed. (Memo dated January 25, 2016)

Mr. Rademacher addressed the Board noting conferences that could potentially create a conflict with the Board of Retirement's current scheduled meetings.

VII. NON-CONSENT AGENDA (Continued)

After a brief discussion among staff and Board Members, the following changes were made to the Board's regularly scheduled meeting dates. The Board of Retirement's March Disability and Administrative Meeting was combined and scheduled to meet on Wednesday, March 2; the Board of Retirement's May Disability and Administrative Meeting was combined and scheduled to meet on Thursday, May 5; and the Board of Retirement's November Disability and Administrative Meeting was combined and scheduled to meet on Wednesday, November 2.

- G. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board (1) Approve attendance of Board members to attend The Women in Institutional Investments Network Luncheon: Sustainable Investing, Governance, and Diversity – An Institutional Perspective on March 11, 2016 at the Luxe City Center in Los Angeles, CA and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy; and (2) waive the Education and Travel Policy section 705.00 Educational Content Requirement requiring the seminar to contain an average of five hours of substantive content per day. (Memo dated January 29, 2016) (Placed on the agenda at the request of Ms. Gray)

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

- H. For Information Only as submitted by Richard Bendall, Chief Audit Executive and Darla Vidger, Internal Auditor regarding the Human Resources Compliance Audit- Liebert Cassidy Whitmore. (Memo dated January 26, 2016) (Report: Attorney-Client Privilege/Confidential)

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

VIII. EXECUTIVE SESSION

- A. Conference with Legal Counsel - Anticipated Litigation Significant Exposure to Litigation (Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9)

1. Administrative Appeal of Viveca Hazboun

The Board met in Executive Session pursuant to Government Code Section 54956.9 in regards to the anticipated litigation in which there is nothing to report at this time.

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

Board members and staff thanked Mr. Bernstein for his service and commitment to the Board of Retirement.

Green Folder Information (Information distributed in each Board Member's Green Folder at the beginning of the meeting)

1. Semi-Annual Interest Crediting for Reserves as of December 31, 2015
(Dated January 27, 2016) (For Information Only)
2. LACERA Legislative Report - Bills Amending CERL/PEPRA
(Dated February 10, 2016)
3. LACERA Legislative Report – Other (Dated February 10, 2016)
4. LACERA Legislative Report – Federal (Dated February 10, 2016)

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X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:20 a.m.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR