

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, JUNE 9, 2016

PRESENT: Shawn R. Kehoe, Chair

 Vivian H. Gray, Vice Chair

 William de la Garza, Secretary

 Marvin Adams

 Yves Chery

 Joseph Kelly

 David L. Muir (Alternate Retired)

 Les Robbins

 William Pryor (Alternate Member)

 Ronald A. Okum (Left the Board meeting at 11:12 a.m.)

ABSENT: Anthony Bravo

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

Steven P. Rice, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Michael D. Herrera, Senior Staff Counsel

Barry W. Lew, Legislative Affairs Officer

Viveca Hazboun, LACERA Member

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

Ms. Gray led the Board Members and staff in reciting the Pledge of Allegiance.

III. REPORT ON CLOSED SESSION ITEMS

No items were reported.

IV. OTHER COMMUNICATIONS

A. For Information

1. April 2016 All Stars

Mr. Hill announced the eight winners for the month of April: Ana Chang, Gloria Harriel, Theodore King, Sarah Robles, Katy Tieu, Ted Granger, Sabrina Chen, and Christopher Rodriguez for the Employee Recognition Program and Arlene Rieux for the Webwatcher Program. Tina Young, Koleta Caldwell, Debbie Goldasich, and Angel

IV. OTHER COMMUNICATIONS

A. For Information

1. April 2016 All Stars (Continued)

Calvo were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report (Memo dated May 31, 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 shared that he served as a course instructor at the CALAPRS Overview Course in San Jose, CA, attended the Board of Supervisor's Budget Deputy meeting to strengthen inter agency relationships, and testified as an expert witness in a civil service hearing.

Mr. Rademacher recognized and thanked Johanna Fontenot for representing LACERA before the Board of Supervisor's meeting regarding the June 30, 2015 Actuarial Valuation. Furthermore, Mr. Rademacher informed the Board that LACERA's plan actuary will perform an experience study for the Retirement Benefit Valuation this fall with the Board of Investments (BOI). The study will start with an educational session at the BOI October 2016 meeting and will continue the discussion as needed at the BOI

IV. OTHER COMMUNICATIONS

2. Chief Executive Officer's Report (Continued)

November 2016 meeting. The plan actuary will present the completed experience study at the BOI December 2016 meeting. The experience study will be used to complete the June 30, 2016 actuarial valuation which will be presented to the Board of Investments for adoption in the first quarter of calendar year 2017.

V. PUBLIC COMMENT

Active member, Viveca Hazboun, addressed the Board regarding her case.

VI. NON-CONSENT AGENDA

- A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt an "Oppose" position on Assembly Bill 241, which provides for the disclosure of retiree information to a retiree organization. (Memo dated May 25, 2016)

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

Mr. de la Garza made a motion, Mr. Chery seconded, to approve the recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a "Watch" position on Assembly Bill 1707, which requires a public agency to identify the type of record being withheld and the specific exemption that justifies the withholding. (Memo dated May 25, 2016)

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

VI. NON-CONSENT AGENDA (Continued)

Mr. de la Garza made a motion, Mr. Okum seconded, to approve the recommendation. The motion passed unanimously.

- C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board adopt a “Watch” position on Assembly Bill 2628, which relates to statements of economic interests and postgovernmental employment. (Memo dated May 30, 2016) (Supplemental Agenda Memo dated May 30, 2016)

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

Ms. Gray made a motion, Chair Kehoe seconded, to approve the recommendation. The motion passed unanimously.

- D. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 897, which provides an additional year of leave of absence with salary to the one-year period provided by Labor Code Section 4850. (Memo dated May 24, 2016)

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

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

- E. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 1203, which relates to employees who are not new members in a joint powers authority. (Memo dated May 24, 2016)

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

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

VI. NON-CONSENT AGENDA (Continued)

- F. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 1436, which requires an oral report of a recommendation for final action related to the compensation and benefits of a local agency executive. (Memo dated May 25, 2016)

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

Mr. Okum made a motion, Mr. Adams seconded, to approve the recommendation. The motion passed unanimously.

- G. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve payment of an additional \$25,000 to Stroz Friedberg, LLC for data mapping phase of the Privacy Audit. (Memo dated May 25, 2016)

Mr. Rice was present and answered questions from the Board.

Mr. Chery made a motion, Mr. Okum seconded, to approve the recommendation. The makers of the motion withdrew their motion.

Mr. Chery made a motion, Mr. Muir seconded, to defer any action on this item until after the final report is received. The motion passed with Mr. Kelly voting no.

- H. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board adopt the LACERA Fiscal Year 2016-2017 Administrative and Retiree Healthcare Benefits Budgets. (Memo dated May 25, 2016)

Mr. Kelly provided revisions to the Budget Hearing meeting minutes.

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

VI. NON-CONSENT AGENDA (Continued)

- I. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Pomerantz Annual Corporate Governance & Litigation Roundtable on June 30, 2016 in Beverly Hills, CA, and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated May 25, 2016) (Placed on the agenda at the request of Ms. Gray)

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

- J. For Information Only as submitted by Cassandra Smith, Director, Retiree Healthcare Division regarding the Retiree Healthcare Benefits Program's 2016/2017 plan year health insurance rate renewals and benefit changes. (Memo dated May 24, 2016)

This item was received and filed.

- K. For Information Only as submitted by Michael D. Herrera, Senior Staff Counsel, regarding the Board's authority and discretion in collection of overpaid benefits and underpaid member contributions. (Supplemental Memo dated May 17, 2016)

Mr. Herrera was present and answered questions from the Board.

- L. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding Assembly Bill 1853 – County Employees Retirement Districts. (Memo dated May 30, 2016)

Mr. Lew was present and answered questions from the Board.

- M. For Information Only as submitted by Steven P. Rice, Chief Counsel, and Robert Hill, Assistant Executive Officer, regarding an update on the Superior Court OPEB Program. (Memo dated May 31, 2016)

This item was received and filed.

VII. REPORT ON STAFF ACTION ITEMS

The Board requested a policy be agendized on having joint meetings when an item must be approved by both the Board of Retirement and Board of Investments.

In regards to Item VI. K. – Collections, the Board requested the Legal Office provide a report of accounts assigned to the Unfunded Actuarial Accrued Liability (UAAL).

In regards to Item VI. G. – Privacy Audit: Additional Funding, the Board requested that staff should consider requesting Board approval for delegated authority in order to negotiate the fees above the approved vendor contract. Furthermore, the Board requested legal guidance regarding the Board of Retirement and Board of Investments roles regarding approval of administrative and investment related items.

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

There was nothing to report during Good of the Order.

IX. 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 of the above mentioned case. The Board voted unanimously to deny the appeal of Ms. Hazboun.

(Mr. Okum left the Board meeting at 11:12 a.m.)

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

1. LACERA Legislative Report - Bills Amending CERL/PEPRA (Dated June 7, 2016)
2. LACERA Legislative Report – Other (Dated June 7, 2016)
3. LACERA Legislative Report – Federal (Dated June 7, 2016)

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:13 a.m.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR