

REVISED ON 8/11/16

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, JULY 14, 2016

PRESENT: Shawn R. Kehoe, Chair
Vivian H. Gray, Vice Chair
William de la Garza, Secretary
Marvin Adams
Anthony Bravo
Yves Chery
Joseph Kelly
David L. Muir (Alternate Retired)
Les Robbins
William Pryor (Alternate Member)
Ronald A. Okum (Arrived at 9:01 a.m.)

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer
Robert Hill, Assistant Executive Officer
Steven P. Rice, Chief Counsel
Michael D. Herrera, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Jill P. Rawal, Staff Counsel

Barry W. Lew, Legislative Affairs Officer

Cassandra Smith, Director, Retiree Healthcare Division

John Nogales, Division Manager, Human Resources

Scott Stephens, LACERA Member

Esther Acosta – Perez, LACERA Member

David Green, Board of Investments Chair

Michael Oak, Associate Partner, McLagan

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. Pryor 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 June 9, 2016

(Mr. Okum arrived at 9:01 a.m.)

Mr. Chery made a motion, Mr. de la Garza seconded, to approve the minutes of the regular meeting of June 9, 2016. The motion passed unanimously.

IV. REPORT ON CLOSED SESSION ITEMS

No items were reported.

V. OTHER COMMUNICATIONS

A. For Information

1. May 2016 All Stars

Mr. Hill announced the eight winners for the month of May: Ramon Reyes, Jay Fullwood, Laura Garcia, Marilu Bretado, Carl Potts, Norma Minjarez, Jan Bautista, and Renee Henry for the Employee Recognition Program and Debra Delgado for the Webwatcher Program. Victor Tafolla, Rachel Sacramento, Anthony Batiste, and Maria Silva were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report (Memo dated July 5, 2016)

Mr. Rademacher shared that effective August 2016 the appeal cases will be available electronically.

In addition, Mr. Rademacher invited the Board to LACERA's Summer Sports Spectacular on July 16th hosted by the Employee Council Team.

Lastly, Mr. Rademacher shared that he will be attending the NASRA Conference and will not be present at the next Board of Retirement meeting on Thursday, August 11, 2016.

VI. PUBLIC COMMENT

LACERA members, Scott Stephens and Esther Acosta - Perez, addressed the

VI. PUBLIC COMMENT (Continued)

Board regarding their case.

Lastly, the Board of Investments Chair, David Green, shared his comments regarding Item VII. G.

VII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board approve the proposed LACERA Legislative Policy work plan. (Memo dated July 1, 2016)

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

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

- B. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board continue its “Watch” position on Assembly Bill 1853, which would enable any retirement system operating under the County Employees Retirement Law of 1937 to become a district. (Memo dated June 30, 2016)

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

Mr. Muir made a motion, Mr. de la Garza seconded, to approve the recommendation.

Mr. Kelly made a substitute motion, Ms. Gray seconded, to take an “Oppose” position. The motion passed (roll call) with Messrs. Kelly, Adams, Bravo, Chery, and Ms. Gray voting yes; and Messrs. Okum, Robbins, de la Garza, and Chair Kehoe voting no.

VII. NON-CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board continue its "Support" position on Assembly Bill 2376. (Memo dated July 1, 2016)

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

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

- D. Recommendation as submitted by Bernie Buenaflor, Division Manager, Benefits Division: That the Board 1) Determine that John M. Garrisi is not incapacitated for the duties assigned to him in the position of Principal Analyst, CEO; and 2) Grant the application of John M. Garrisi for reinstatement to active membership. (Memo dated July 6, 2016)

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

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

- E. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve, and direct the Chief Executive Officer to execute and staff to implement, the proposed Restated Memorandum of Understanding between the County of Los Angeles Treasurer and Tax Collector and LACERA for the Provision of Collection Services (Restated MOU). (Memo dated June 27, 2016)

(Mr. Kelly recused himself from participating in discussion and voting on this Item, and left the meeting room, because, as the Treasurer and Tax Collector, he has a "remote interest" for conflict of interest purposes under Government Code Section 1091 in the proposed Restated TTC/LACERA MOU.)

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

VII. NON-CONSENT AGENDA (Continued)

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

- F. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare Division: That the Board 1) Direct staff to waive the waiting period to allow affected members enrolled in the Out-of-State Kaiser - Georgia plan to switch to another plan without the 6-month waiting period; and 2) Implement a policy allowing staff to waive the 6-month waiting period if a health plan premium rate exceeds the Anthem Blue Cross benchmark rate. (Memo dated July 5, 2016)

Ms. Smith was present to answer questions from the Board.

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

- G. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board of Retirement:
1. Approve amending the current Management Appraisal and Performance Plan Tier I Salary Structure Tables – LR Schedule, LG effective July 1, 2016 to include salary ranges LR26 through LR30.
 2. Approve revising the Chief Investment Officer salary range from LR25 to LR28, effective July 1, 2016.
 3. Direct staff to submit to the Board of Supervisors the necessary salary ordinance language to implement the revised Salary Structure Table and the Chief Investment Officer salary range.

(Memo dated June 30, 2016)

Michael Oak, Associate Partner for McLagan, provided a brief presentation to the Board. Mr. Rademacher and Mr. Nogales were also present to answer questions from the Board.

VII. NON-CONSENT AGENDA (Continued)

Mr. Adams made a motion, Chair Kehoe seconded, to approve the recommendation. The motion passed with Mr. Kelly voting no.

- H. For Information Only as submitted by John R. Harrington, Staff Counsel, regarding Senate Bill 272 (Government Code Section 6270.5) – Catalog of Enterprise Systems. (Memo dated June 27, 2016)

This item was received and filed.

VIII. REPORT ON STAFF ACTION ITEMS

There was nothing to report on staff action items.

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

Mr. Kelly introduced the staff members enrolled in the TTC Mentor Program.

Chair Kehoe acknowledged and thanked Freddie Verzosa for conducting a retirement workshop that was well received by his department.

X. 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 Scott Stephens
2. Administrative Appeal of Esther Acosta-Perez
3. Administrative Appeal of Nell Masto

The Board met in Executive Session pursuant to Government Code Section 54956.9 in regards to the anticipated litigation of the above mentioned cases. The Board

July 14, 2016

Page 8

X. EXECUTIVE SESSION (Continued)

voted unanimously to grant the appeals in the Stephens and Acosta-Perez cases. In the case of Masto, the Board provided direction to counsel.

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 July 13, 2016)
2. LACERA Legislative Report – Other (Dated July 13, 2016)
3. LACERA Legislative Report – Federal (Dated July 13, 2016)
4. Investment Office Staff Current Compensation (Memo dated July 5, 2016) (Confidential – For Your Information)

XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned in memory of Sylvia Carmody Miller at 11:25 a.m.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR