

REVISED AS OF JANUARY 12, 2017

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, DECEMBER 15, 2016

PRESENT: Shawn R. Kehoe, Chair
Vivian H. Gray, Vice Chair
William de la Garza, Secretary
Marvin Adams
Anthony Bravo
Yves Chery
David L. Muir (Alternate Retired)
Joseph Kelly (Left at 10:40 a.m.)

~~Keith Knox (Alternate) (Arrived at 9:14 a.m. and left at 10:40 a.m.)~~

Ronald A. Okum
William Pryor (Alternate Member)
Les Robbins

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer
John Popowich, Assistant Executive Officer
Robert Hill, Assistant Executive Officer
Steven P. Rice, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Michael Herrera, Senior Staff Counsel
Legal Division

Bernie Buenaflor, Division Manager
Benefits Division

Cassandra Smith, Director
Retiree Healthcare Division

James Pu, Chief Information Officer

John Nogales, Director of Human Resources

Draza Mrvichin, LACERA's Contracted Negotiator

Dan Weber, Aon Consultant

I. CALL TO ORDER

The meeting was called to order by Chair Kehoe at 9:01 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Adams 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. Awards

Mr. Rademacher presented Kathy Quan and Tina Young with a service award recognizing each of them for their 25 years of county service.

In addition, Mr. Rademacher recognized Stephanie (Nga) Van, Maria Soriano, Albert Robles, Persian Petron, Stephanie Kawai, Laura Fuentes, Silvano Cruz, Soledad Cortez, and Gladys Asuncion with an award for graduating the Core Benefits Trainee class.

2. October 2016 All Stars

Mr. Hill announced the eight winners for the month of October: Alvina Heard, Kathy Quan, Natalie Ng, Tina Young, Koreana Wong, Van Bonifacio, Julia Ray, and Cynthia Martinez for the Employee Recognition Program and Christina Tung for the Webwatcher Program. Bernard Edwards, Mariela Mariscal, Dana Brooks, and Robert Santos were the winners of LACERA's RideShare Program.

3. Chief Executive Officer's Report

(Memo dated December 6, 2016) ~~(Mr. Knox arrived at 9:14 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.)

Mr. Rademacher recognized and thanked the Communication and Financial and

IV. OTHER COMMUNICATIONS

A. For Information

3. Chief Executive Officer's Report (Continued)

Accounting Services Divisions for the work in putting together LACERA's Fiscal Year 2015-2016 Comprehensive Annual Financial Report.

Furthermore, Mr. Rademacher announced the new Secure Message Center, which allows members to interact with Retirement Benefit Specialists electronically in a secure environment.

In addition, Mr. Rademacher shared that SACRS pulled two legislative items for vote from the agenda at the November 2016 SACRS Business Meeting. SACRS may or may not pursue those items in the future.

Mr. Rademacher announced that the Consumer Price Index went down .4% to 2% for November. This equals the maximum available for eligible members in Plans B, C, D, and E.

Lastly, Mr. Rademacher shared that Mr. Okum has been placed on the December 20, 2016 Board of Supervisors agenda for appointment to the Board of Investments.

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. NON-CONSENT AGENDA

- A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board approve Life Secure as LACERA's Long Term Care insurance program carrier pursuant to the Board of Retirement's authority under and in compliance with Article 8.8 Long-Term Care Group Insurance of the County Employees Retirement Law of 1937, Cal. Gov't Code §§ 31696.1-31696.5.
(Memo dated November 18, 2016)

Ms. Smith was present and answered questions from the Board.

Ms. Gray made a motion, Mr. Okum seconded, to approve staff's recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Bernie Buenaflor, Division Manager, Benefits Division: That the Board 1) Determine that Terri L. McDonald is not incapacitated for the duties assigned to her in the position of Chief Probation Officer (UC); and 2) Grant the application of Terri L. McDonald for reinstatement to active membership. (Memo dated November 22, 2016)

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

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

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board of Retirement adopt the proposed restated Code of Ethical Conduct.
(Memo dated December 5, 2016)

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

Mr. de la Garza made a motion, Mr. Kelly seconded, to approve staff's recommendation. The motion passed unanimously.

VI. NON-CONSENT AGENDA (Continued)

- D. Recommendation as submitted by Robert Hill, Assistant Executive Officer; John Nogales, Director of Human Resources; and James Pu, Chief Information Officer: That the Board approve the following:

Mr. Pu made a presentation and Messrs. Hill, Nogales and Weber were present to answer questions.

1. Approve the following new information technology classifications:
 - Chief Technology Officer, LACERA, LS15
 - Chief Information Security Officer, LACERA, LS14
 - Information Technology Manager I, LACERA, LS11
 - Information Technology Manager II, LACERA, LS12
 - Information Technology Specialist I, LACERA, 114A
 - Information Technology Specialist II, LACERA, 119C

2. Approve revising the following information technology classifications to adjust salaries to market levels:
 - Information Systems Manager, LACERA, from LS13 to LS17
 - Assistant Information Systems Manager, LACERA, from LS11 to LS12

3. Direct staff to submit to the Board of Supervisors the required ordinance language to implement the new and revised information technology classifications by amending the Los Angeles County Salary Code Sections 6.28.050 and 6.127.010, allowable by the County Employees Retirement Law of 1937 Section 31522.1.

(Memo dated December 5, 2016)

Chair Kehoe made a motion, Mr. Muir seconded, to approve staff's recommendation. The motion passed with Mr. Kelly voting no and Mr. Chery abstaining.

VI. NON-CONSENT AGENDA (Continued)

- E. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board review the 2017 meeting calendar and reschedule meeting dates as needed. (Memo dated December 6, 2016)

This item was postponed till the January 4, 2017
Board of Retirement Meeting.

VII. REPORT ON STAFF ACTION ITEMS

There was nothing to report on for staff action items.

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

The Board recognized and thanked Mr. Robbins for his dedicated service and time spent on the Board of Retirement and Board of Investments during his nine terms.

In addition, Mr. Rademacher recognized Mr. Pryor for his dedicated services and congratulated him on another term on the Board of Retirement. Furthermore, Mr. Rademacher recognized Mr. Kehoe for his dedicated service and contribution to the Board of Investments and Board of Retirement and congratulated him on another term.

| IX. EXECUTIVE SESSION (~~Mr. Knox and~~ Mr. Kelly left the meeting at 10:40 a.m.)

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

- 1. Maureen McCollough-Hill v. LACERA, etc.
Los Angeles Superior Court Case No. BS 159408

The Board met in Executive Session pursuant to Paragraph (1) of Subdivision (d) of Government Code Section 54956.9; and it was reported that the Board voted

IX. EXECUTIVE SESSION (Continued)

unanimously to comply with the Writ of Mandate issued by the Superior Court and authorize payment of costs of \$1,053.56 and attorney fees in the amount of \$27,351.

B. Conference with Labor Negotiators
(Government Code Section 54957.6)

1. Agency designated representatives:
John Popowich, Assistant Executive Officer
John Nogales, Director, Human Resources
Draza Mrvichin, LACERA's Contracted Negotiator
Employee Organization: SEIU Local 721

The Board met in Executive Session pursuant to Government Code Section 54957.6 and there was nothing to report.

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:43 a.m. in honor of Mr. Les Robbin's service to the Board.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR