

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, JANUARY 12, 2017

PRESENT: Shawn R. Kehoe, Chair
Vivian H. Gray, Vice Chair (Arrived at 9:23 a.m.)
William de la Garza, Secretary
Marvin Adams
Alan Bernstein
Anthony Bravo
Yves Chery
David L. Muir (Alternate Retired) (Arrived at 9:18 a.m.)
William Pryor (Alternate Member)

ABSENT: Joseph Kelly
Ronald A. Okum

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Cassandra Smith, Director
Retiree Healthcare Division

STAFF ADVISORS AND PARTICIPANTS (Continued)

Fern Billingsy, Senior Staff Counsel
Legal Division

Johanna Fontenot, Senior Staff Counsel
Legal Division

Richard Bendall, Chief Internal Auditor

Jill P. Rawal, Staff Counsel

Lisa Garner, Outside Counsel

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 December 15, 2016

Mr. Chery made a motion, Mr. de la Garza seconded, to approve the revised minutes of the regular meetings of December 15, 2016. The motion passed with Mr. Bernstein abstaining.

IV. REPORT ON CLOSED SESSION ITEMS

No items were reported.

V. OTHER COMMUNICATIONS

A. For Information

1. November 2016 All Stars

Mr. Hill announced the eight winners for the month of November: Angelus Robinson, Mary Ann Vanezuela, Inga Tadevosyan, Alexandra Hollis, Andrea Ellison, Jay Fullwood, Carol Nakamoto Zitter, and Marco Grajeda for the Employee Recognition Program and Lisa Chasse for the Webwatcher Program. Aracelli Gamboa, Alexandra Hollis, Galina Dorfman, and Claro Lanting were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report (Memo dated January 3, 2017)

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 gave an update regarding the CIO search and the interviews that will be taking place in the upcoming week. Furthermore, he shared that the salary ordinance proposal to the Board of Supervisors will be coming back to the Board for further development.

In addition, Mr. Rademacher shared that the retiree check printing vendor, Proforma, has moved their business location to Fort Worth, TX.

V. OTHER COMMUNICATIONS

A. For Information

2. Chief Executive Officer's Report (Continued)

Lastly, Mr. Rademacher reminded the Board that the Board Offsite is schedule for Tuesday, January 24 to Friday, January 27.

VI. PUBLIC COMMENT

LACERA member, Joseph Ruggiero, addressed the Board regarding his appeal as detailed in Item X.A.1.

Michael Schafler from Caldwell Leslie & Proctor spoke on behalf of member, Magda Schafler, regarding her appeal as detailed in Item X.A.2.

VII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board select Segal Consulting to provide the Retiree Healthcare Benefits Program Consulting Services for the five (5) year period beginning July 1, 2017 and ending June 30, 2022. (Memo dated December 27, 2016) (Supplemental Legal Memo dated December 28, 2016)

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

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

(Mr. Muir arrived at 9:18 a.m.)

- B. Recommendation as submitted by Joseph Kelly, Chair, Audit Committee: That the Board adopt the Audit Committee Charter (*Revised December 28, 2016*). (Memo dated December 29, 2016)

VII. NON-CONSENT AGENDA (Continued)

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

Mr. Adams made a motion, Mr. Bernstein seconded, to approve staff's recommendation. The motion passed unanimously.

- C. Recommendation as submitted by Joseph Kelly, Chair, Audit Committee: That, if the revised Audit Committee Charter is adopted, the Board act to: 1) Adopt amendments to the Los Angeles County Salary Ordinance, County Code, Section 6.127.040, on LACERA's MAPP Program, to permit implementation of the Audit Committee Charter provisions relating to personnel matters concerning the Chief Audit Executive; and 2) Direct staff to submit the Salary Ordinance amendments to the Board of Supervisors for adoption. (Memo dated December 27, 2016)

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

VIII. REPORT ON STAFF ACTION ITEMS

There was nothing to report on for staff action items.

(Ms. Gray arrived at 9:23 a.m.)

IX. GOOD OF THE ORDER

(For information purposes only)

Mr. Pryor requested that the issue regarding joint board engagement, such as personnel issues, be addressed. Mr. Rice and Mr. Rademacher provided an update and progress related to this issue.

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 Joseph Ruggiero
 2. Administrative Appeal of Magda Schafler
 3. Administrative Appeal of Donnell Willis

(This item was handled after item X. B.1)

The Board met in Executive Session pursuant to Government Code Section 54956.9 in regards to the anticipated litigation of the above mentioned cases. It was reported that the Board voted unanimously to deny without prejudice the appeal in the case of Joseph Ruggiero; the Board voted unanimously to grant the appeal of Magda Schafler; and in the case of Donnell Willis, the Board voted unanimously to rescind the member's retirement application.

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

1. Sarah Marks v. LACERA
Los Angeles Superior Court Case No. BC 598957

(This item was handled before item X. A.1)

The Board met in Executive Session pursuant to Paragraph (1) of Subdivision (d) of Government Code Section 54956.9 and there was nothing to report.

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

1. Board of Retirement Revised Meeting Minutes of December 15, 2016
2. Update on Status of MAPE v. Marin CERA (Memo dated January 10, 2017)
3. LACERA Board Offsite Agenda (Memo dated January 10, 2017)

XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:00 a.m. in honor of the first African-American President, Barack Hussein Obama, for his remarkable service to our country.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR