

APPROVED

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 15, 2017

PRESENT: Shawn R. Kehoe, Chair  
Vivian H. Gray, Vice Chair  
Marvin Adams  
Alan Bernstein  
Joseph Kelly  
David L. Muir (Alternate Retired)  
Ronald A. Okum  
William Pryor (Alternate Member)

ABSENT: William de la Garza, Secretary  
Anthony Bravo

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

John Popowich, Assistant Executive Officer

Steven P. Rice, Chief Counsel

Francis J. Boyd, Senior Staff Counsel

Fern M. Billingsy, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Barry W. Lew, Legislative Affairs Officer

Michael Herrera, Senior Staff Counsel

Johanna Fontenot, Senior Staff Counsel

James Beasley, Administrative Service Analyst

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. REPORT ON CLOSED SESSION ITEMS

No items were reported.

IV. OTHER COMMUNICATIONS

A. For Information

1. April 2017 All Stars

Mr. Hill announced the eight winners for the month of April: Debra Delgado, Ana Ronquillo, Soledad Cortez, Laura Fuentes, Maria Luna, Carlos Barrios, Marilu Bretado and Robert Santos for the Employee Recognition Program and Dana Brooks for the Webwatcher Program. Leisha Collins, Nathan Amick, Debbie Goldasich, and Everett Moyer were the winners of LACERA's RideShare Program.

June 15, 2017

Page 3

#### IV. OTHER COMMUNICATIONS (Continued)

##### A. For Information

##### 2. Chief Executive Officer's Report (Memo dated April 4, 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](http://www.lacera.com).)

Mr. Rademacher reminded the Board that the Board of Investments Offsite meeting is scheduled for Monday, July 10, 2017 at the Hyatt Regency in Long Beach, CA.

Also, Mr. Rademacher shared that the Board of Supervisors approved the Retirement Benefit Valuation which will take effect on July 1, 2017.

In addition, Mr. Rademacher updated the Board regarding the May 2017 SACRS Business meeting.

Mr. Rademacher recognized Michael Herrera for hosting the CALAPRS Attorney's Roundtable and thanked JJ Popowich for hosting the CALAPRS Benefits Roundtable.

Also, Mr. Rademacher thanked the Accounting Services Divisions, Investment, Legal and Communication teams for their hard work, dedication and teamwork in receiving the GFOA Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year ending June 30, 2016. In addition, Mr. Rademacher shared that

#### IV. OTHER COMMUNICATIONS (Continued)

LACERA's external auditor, Plante Moran, has started the preliminary fieldwork for Fiscal Year 2016-2017.

Lastly, Mr. Rademacher announced that LACERA was recently recognized for their efforts to comply with, and exceed, state and federal requirements supporting new mothers who are breastfeeding and received the Mother-Baby Friendly Workplace Award.

#### V. PUBLIC COMMENT

There were no requests from the public to speak.

#### VI. CONSENT AGENDA

Mr. Okum made a motion, Mr. Muir seconded, to approve the following agenda items. The motion passed unanimously.

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the NASRA 63<sup>rd</sup> Annual Conference on August 5-9, 2017 in Baltimore, Maryland and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Kehoe) (Memo dated May 15, 2017)
- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board members at the Fraud & Breach Prevention Summit on August 8-9, 2017 in New York City, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Placed on the agenda at the request of Mr. Bernstein) (Memo dated May 16, 2017)

VII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Vivian H. Gray, Chair, Disability Procedures & Services Committee: That the Board ratify staff's termination of the contract of panel physician Robert B. Fenton, M.D. (Memo dated June 1, 2017)

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

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

- B. Recommendation as submitted by William de la Garza, Chair, Insurance, Benefits & Legislative Committee: That the Board approve a "Watch" position on Assembly Bill 526, which provides for the Sacramento County Employees' Retirement System to become a district. (Memo dated May 19, 2017) (Supplemental Memo dated May 19, 2017)

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

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

- C. Recommendation as submitted by William de la Garza, Chair, Insurance, Benefits & Legislative Committee: That the Board adopt a "Watch" position on Assembly Bill 995, which relates to the transfer of leave balances. (Memo dated May 30, 2017)

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

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

- D. Recommendation as submitted by William de la Garza, Chair, Insurance, Benefits & Legislative Committee: That the Board adopt the Policy on Engagement for Public Policy Issues Relating to Plan Administration and Retirement and Health Care Benefits. (Memo dated May 30, 2017)

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

VII. NON-CONSENT AGENDA (Continued)

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

- E. Recommendation as submitted by Alan Bernstein, Chair, Operations Oversight Committee: That the Board approve the proposed revisions to the Records and Information Management Policy. (Memo dated June 1, 2017)

Ms. Fontenot and Mr. Beasley were present and answered questions from the Board.

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

- F. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board 1) Adopt the resolution specifying that canine handlers pay earned on and after December 1, 2015, by Sheriff's Department, Countywide Services Division qualifies as compensation earnable; 2) Instruct staff to implement this change by coordinating with the County Auditor-Controller to remit member and employer contributions; and 3) Instruct staff to collect arrears contributions for canine handlers pay in accordance with the Board's policy regarding implementation of new pensionable pay items. (Memo dated May 31, 2017)

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

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

- G. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board 1) Adopt the Resolutions specifying pay items as "compensation earnable" and "pensionable compensation;" and 2) Instruct staff to coordinate with the County of Los Angeles to establish necessary reporting mechanism and procedures to permit LACERA to include the qualifying items in the calculation of final compensation. (Memo dated June 6, 2017)

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

VII. NON-CONSENT AGENDA (Continued)

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

- H. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board adopt the final proposed LACERA Fiscal Year 2017-2018 Administrative and Retiree Healthcare Benefits Budgets. (Memo dated June 1, 2017)

Mr. Hill and Mr. Popowich were present and answered questions from the Board.

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

VIII. REPORT ON STAFF ACTION ITEMS

In regards to item VII.A., The Board requested detailed procedures addressing issues relating to panel physicians be brought to the Disability & Procedures Committee.

In regards to item VII.E., the Board requested staff to report back regarding the 74 day limit for email retention that is currently under review.

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

Mr. Kelly shares with the Board that Moody's recently upgraded the Los Angeles County's Issuer Rating to Aa1.

The Board and Mr. Rademacher wished Bonnie Nolley good luck and the very best in her new adventures and look forward to her return.

X. EXECUTIVE SESSION

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

1. United States of America v. Gary Ordog  
Case 2:17-CV-01664-FMO

The Board met in Executive Session pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report at this time.

- B. Conference with Legal Counsel - Anticipated Litigation  
Initiation of Litigation (Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9)

1. Number of Cases: 1

The Board met in Executive Session pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report at this time.

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

1. LACERA Legislative Report – Other (Dated June 13, 2017)
2. LACERA Legislative Report - Bills Amending CERL/PEPRA (Dated June 13, 2017)
3. Retiree Mailing for SEIU Local 721 (Memo dated June 13, 2017)
4. Support SB 671 (Moorlach): County Employees' Retirement Funds: Transfer (Dated June 7, 2017)
5. 2017 – 2018 Benefits Plan Packet (Dated June, 2017)



June 15, 2017

Page 9

XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:15 a.m.

*Not Available*

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WILLIAM DE LA GARZA, SECRETARY

*Signature on File*

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SHAWN R. KEHOE, CHAIR