

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, APRIL 12, 2018

PRESENT: Vivian H. Gray, Chair  
Herman Santos, Vice Chair  
Marvin Adams, Secretary  
Alan Bernstein  
JP Harris (Alternate Retired)  
Shawn R. Kehoe  
Keith Knox (Chief Deputy to Joseph Kelly)  
William Pryor (Alternate Member)  
Les Robbins  
Gina Zapanta-Murphy

ABSENT: Thomas Walsh  
Joseph Kelly

STAFF ADVISORS AND PARTICIPANTS

Robert R. Hill, Interim Chief Executive Officer  
James Brekk, Interim Deputy Chief Executive Officer  
Steven P. Rice, Chief Counsel  
Fern M. Billingsy, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Michael Herrera, Senior Staff Counsel

Barry W. Lew, Legislative Affairs Officer

Harvey Leiderman, Reed Smith LLP, Outside Fiduciary Counsel

Cassandra Smith, Director Retiree Healthcare

Stephen E. Murphy, Segal Consulting

Paul C. Sadro, Segal Consulting

John McBride, LACERA Member

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Mr. Santos led the Board Members and staff in reciting the Pledge of Allegiance.

III. OTHER COMMUNICATIONS

A. For Information

1. February 2018 All Stars

Mr. Brekk announced the eight winners for the month of February: Allan Cochran, Trudi Hayashida, Paola Villegas, Laura Garcia, Cynthia Martinez, Leisha Collins, John McClelland, and Tony Soto for the Employee Recognition Program and Linda Ghazarian for the Webwatcher Program. Silvano Cruz, Benjamin Juarez, Amit Aggarwal, and Leisha Collins were the winners of LACERA's RideShare Program.

### III. OTHER COMMUNICATIONS

#### A. For Information (Continued)

##### 2. Interim Chief Executive Officer's Report (Memo dated April 2, 2018)

Mr. Hill highlighted March Madness and thanked staff for their hard work.

### IV. PUBLIC COMMENT

LACERA member, John McBride, addressed the Board regarding Item X. B. 1.

### V. CONSENT AGENDA

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

- A. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the National Association of Corporate Directors – Technology Symposium on July 12-13, 2018 in Palo Alto, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Educational and Travel Policy. (Placed on the agenda at the request of Mr. Kehoe)  
(Memo dated March 15, 2018)
- B. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board approve attendance of Board members at the ISMG Security Summit on August 14-15, 2018 in New York City, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Educational and Travel Policy. (Placed on the agenda at the request of Mr. Bernstein)  
(Memo dated April 5, 2018)
- C. Recommendation as submitted by Michael S. Schneider, Chair, Audit Committee: That the Board approve the revised Audit Committee Charter.  
(Memo dated April 3, 2018)

V. CONSENT ITEMS (Continued)

- D. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits & Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 1270, which relates to the appointment of assistant administrators and chief investment officers.

(Memo dated March 15, 2018)

(Supplemental Agenda Information memo dated April 2, 2018)

- E. Recommendation as submitted by Marvin Adams, Chair, Operations Oversight Committee: That the Board:

1) Determine that the Board wishes to exempt LACERA from possible business associate status under HIPAA; and

2) Approve and authorize staff to execute the HIPAA Privacy and Security Rule Requirements for Disclosure of PHI to LACERA Retiree Healthcare Program amendment to the Retiree Healthcare plan documents in order to take advantage of one of HIPAA’s Plan Sponsor Exceptions.

(Memo dated April 2, 2018)

- F. Recommendation as submitted by Marvin Adams, Chair, Operations Oversight Committee: That the Board approve the Secured Workplace Policy. (Memo dated March 30, 2018)

VI. NON-CONSENT ITEMS

- A. Recommendation as submitted by Cassandra Smith, Director, Retirement Healthcare Division: That the Board approve fiscal year 2018-2019 rate renewal proposal and mandatory contractual changes, listed by carrier, and the administrative fee. (Memo dated March 29, 2018)

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

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

VI. NON-CONSENT ITEMS (Continued)

B. Recommendation as submitted by Fern M. Billings, Senior Staff Counsel:  
That the Board:

- 1) Adopt the resolution, No. 2018-BR001, specifying that canine handlers pay earned on and after September 2014, by Sheriff's Department, Metrolink Bureau and earned on and after March 1, 2015 by Sheriff's Department, Transit Services Bureau 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 March 28, 2018)

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

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

C. Recommendation as submitted by Fern M. Billings, Senior Staff Counsel:  
That the Board:

- 1) Adopt resolutions No. 2018-BR002 and No. 2018-BR003, 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 March 28, 2018)

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

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

VI. NON-CONSENT ITEMS (Continued)

D. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits & Legislative Committee: That the Board:

- 1) Approve a visit with Congress by Board members and staff as designated by the Chair of the Board of Retirement during the week of May 21, 2018 in Washington D.C.;
- 2) Approve “LACERA Overview and Priorities”; and
- 3) Approve reimbursement of all travel costs incurred in accordance with LACERA’s Education and Travel Policy.

(Memo dated April 2, 2018)

Messrs. Rice and Lew were present and answered questions from the Board.

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

E. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board authorize the attendance at both the International Foundation of Employee Benefit Plans Washington Legislative Update and the visit with Congress by Board members and staff as designated by the Chair of the Board of Retirement during the week of May 21, 2018 in Washington, D.C. as an exception to the conference attendance limitations under Section 705.07 of LACERA’s Education and Travel Policy pursuant to Section 705.18. (Supplemental Agenda Information memo dated April 3, 2018)

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

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

F. Recommendation as submitted by Robert R. Hill, Interim Chief Executive Officer: That the Board provide the SACRS voting delegate direction on voting for the SACRS slate of officers.

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

VI. NON-CONSENT ITEMS (Continued)

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

VII. REPORTS

- A. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the March 2018 Fiduciary Counsel Contact and Billing Report. (Memo dated April 3, 2018) (Privileged and Confidential) (Attorney-Client Communication/Attorney Work Product)

This item was received and filed.

VIII. REPORT ON STAFF ACTION ITEMS

The Board requested that an item related to the Travel Policy be agendaized.

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

The Board thanked all staff for their hard work and continued support in ensuring our members receive the promised benefit.

X. EXECUTIVE SESSION

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

1. Sandra J. Claggett v. County of Los Angeles, et al. etc.  
LASC Case No. BC681877  
For Information Only

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

X. EXECUTIVE SESSION (Continued)

B. 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. John McBride

The Board met in Executive Session pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. The Board voted unanimously, on a motion by Mr. Kehoe, seconded by Mr. Adams, to grant the appeal and allow Mr. McBride to purchase service credit at the cost that was available in 2001.

XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:50 a.m.

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MARVIN ADAMS, SECRETARY

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VIVIAN H. GRAY, CHAIR