

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, MARCH 14, 2019

PRESENT: Alan Bernstein, Chair
Gina Zapanta-Murphy, Secretary
Vivian H. Gray
JP Harris (Alternate Retired)
Shawn R. Kehoe
Joseph Kelly
Keith Knox (Chief Deputy to Joseph Kelly)
Ronald Okum
William Pryor (Alternate Safety)
Herman Santos
Thomas Walsh

ABSENT: Les Robbins, Vice Chair

STAFF ADVISORS AND PARTICIPANTS

Lou Lazatin, Chief Executive Officer
Steven P. Rice, Chief Counsel
Johanna Fontenot, Senior Staff Counsel
Michael Herrera, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Ted Granger, Assistant Chief Financial Officer

Robert Schmidt, Milliman

Brent Banister, Cavanaugh MacDonald Consulting

I. CALL TO ORDER

The meeting was called to order by Mr. Bernstein at 9:18 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Ms. Gray 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 February 14, 2019

Mr. Santos made a motion, Mr. Harris seconded, to approve the minutes of the regular meeting of February 14, 2019. The motion passed unanimously.

IV. OTHER COMMUNICATIONS

A. For Information

1. December 2018 All Stars

Ms. Lazatin announced the eight winners for the month of December: Perla Gonzalez, Steven Rice, Alex Yin, Roxanne Martin, Teresa Martin, Linda El-Farra, Stacy Green and Jay Fullwood for the Employee Recognition Program. Alejandro

IV. OTHER COMMUNICATIONS

A. For Information

1. December 2018 All Stars (Continued)

Ochoa, Marilu Bretado, Stephanie Kawai, and Ted Granger were the winners of LACERA's RideShare Program.

2. January 2019 All Stars

Ms. Lazatin announced the eight winners for the month of January: Toneashia Tate, Fern Billingsy, Calvin Chow, Joshua Smiley, Michael Herrera, Donna Hansen, and Nancy Harper for the Employee Recognition Program and Nancy Harper for the Web Watcher. Leisha Collins, Mei Zhang, Henry Gonsalves and Sarah Scott were the winners of LACERA's RideShare Program.

3. Chief Executive Officer's Report (Memo dated February 4, 2019)

4. Chief Executive Officer's Report (Memo dated March 4, 2019)

Ms. Lazatin shared that the Board of Supervisors approved the MOU for bargaining Units 850 and 851 and included LACERA's non-represented. The Board of Supervisors second reading will be held on March 19, 2019.

In addition, Ms. Lazatin updated the Board on recent incidents: phishing attempt, building security precautions, and returned ADR's.

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. CONSENT ITEMS

- A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board approve fiscal year 2019-2020 rate renewal proposal and mandatory contractual changes, listed by carrier, and the administrative fee. (Memo dated February 21, 2019)

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

- B. Recommendation as submitted by Shawn R. Kehoe, Chair, Operations Oversight Committee: That the Board adopt the Administrative Appeals Procedures for Felony Forfeiture. (Memo dated February 14, 2019)

This Item was placed in Excluded Consent Items for further discussion.

VII. EXCLUDED CONSENT ITEMS

Ms. Fontenot was present and answered questions from the Board pertaining to Item VI. B.

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

VIII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Beulah S. Auten, Chief Financial Officer: That the Board adopt the OPEB actuarial assumptions as presented by the OPEB consulting actuary, Milliman, based on their 2018 Investigation of Experience for OPEB Assumptions report. (Memo dated February 22, 2019)

Messrs. Granger, Schmidt, and Banister provided the Board with a presentation and answered questions from the Board. Mr. Grabel was also present and was available to answer questions from the Board.

VII. NON-CONSENT ITEMS (Continued)

Mr. Bernstein made a motion, Mr. Kelly seconded, to approve the recommendation. The motion passed unanimously with those Board members present.

- B. Recommendation as submitted by Vivian Gray, Board member: That the Board authorize administrative travel for the purpose of participating on the SACRS Board and Committees, thus not counting towards the 8 conference attendance limit from July 2014 through the end of 2019 or until it is addressed in the next Education and Travel Policy. (Memo dated February 19, 2019)

Mr. Santos made a motion, Mr. Okum seconded, to approve the recommendation. The motion passed unanimously with those Board members present.

IX. REPORTS

- A. Additional Information Regarding Potential Use of E-Voting Procedure for Board Elections as submitted by Lou Lazatin, Chief Executive Officer, and Steven P. Rice, Chief Counsel. (Memo dated March 4, 2019)

Ms. Lazatin and Mr. Rice were present and answered questions from the Board.

- B. For Information Only as submitted by Jonathan Grabel, Chief Investment Officer, regarding Trustees United. (Memo dated February 14, 2019)

This Item was received and filed.

- C. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the January 2019 Fiduciary Counsel Contact and Billing Report. (Memo dated February 14, 2019) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

This Item was received and filed.

IX. REPORTS (Continued)

- D. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the February 2019 Fiduciary Counsel Contact and Billing Report. (Memo dated March 4, 2019) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

This Item was received and filed.

X. ITEMS FOR STAFF REVIEW

The Board requested that information on retirements during March Madness for sworn members from the Sheriff's Department. In addition, it was requested that future initiatives tie into a strategic plan. Furthermore, it was recommended that an IT strategic plan be created. Lastly, additional information on the County's cash portion of the investment earnings of Milliman's presentation be provided.

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

Ms. Gray encouraged Board member attendance at the next SACRS Spring Conference on May 7-10, 2019 in Olympic Valley, CA.

Mr. Pryor requested that the topic of teleconference participation be agendaized at a future meeting. Lastly, Mr. Pryor shared his views on the role of the Joint Organizational Governance Committee.

XII. 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. One Case

XIII. EXECUTIVE SESSION (Continued)

The Board met in Executive Session with counsel pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9. The Board unanimously by all members present voted, on a motion made by Mr. Okum, seconded by Mr. Kehoe, to deny the Administrative Appeals and recover the overpaid retirement allowances.

B. 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 with counsel pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:45 a.m.

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

1. Board Travel Costs for FY 14-15 and 17-18: Educational and Administrative Travel Costs

March 14, 2019

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Signature on File

GINA ZAPANTA-MURPHY, SECRETARY

Signature on File

ALAN BERNSTEIN, CHAIR