

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., WEDNESDAY, SEPTEMBER 4, 2019

PRESENT: Alan Bernstein, Chair
Gina Zapanta-Murphy, Secretary
Vivian H. Gray
JP Harris (Alternate Retired)
Shawn R. Kehoe
Keith Knox
Ronald Okum (Left the meeting at 12:21 p.m.)
William Pryor (Alternate Safety)
Herman Santos
Thomas Walsh

ABSENT: Les Robbins, Vice Chair

STAFF ADVISORS AND PARTICIPANTS

Steven P. Rice, Chief Counsel
John Popowich, Assistant Executive Officer
Johanna Fontenot, Senior Staff Counsel
Barry W. Lew, Legislative Affairs Officer
Susan Moomjean, Los Angeles County Benefits Manager

I. CALL TO ORDER

The meeting was called to order by Mr. Bernstein at 9:04 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 August 7, 2019

Mr. Harris made a motion, Mr. Knox seconded, to approve the minutes of the regular meeting of August 7, 2019. The motion passed unanimously.

IV. OTHER COMMUNICATIONS

A. For Information

1. July 2019 All Stars

Mr. Popowich announced the eight winners for the month of July: Pelin Ozkuzu, Valerie Quiroz, Bonnie Nolley, Marilu Bretado, Stacy Green, Veronica Yi-Martinez, Gina Marie Massarotti, Laura Fuentes for the Employee Recognition Program and Ching Fong for Web Watcher. Bernard Edwards, Ching Fong, Diana Huang, and Ted Granger were the winners of LACERA's RideShare Program.

2. Chief Counsel's Report
(Memo dated August 26, 2019)

Mr. Rice provided a brief overview of the Chief Counsel's Report. In addition, Mr. Rice provided the results of the safety election declaring Mr. Kehoe as safety member to

IV. OTHER COMMUNICATIONS (Continued)

the Board of Retirement and Board of Investments and Mr. Pryor as alternate safety member to the Board of Retirement.

V. PUBLIC COMMENT

Susan Moomjean, Los Angeles County Benefits Manager, shared with the Board the open house event for Empower retirement services on September 26, 2019 from 10 a.m. to 2 p.m.

VI. CONSENT ITEMS

Mr. Bernstein made a motion, Mr. Kehoe seconded, to approve Items A and C. The motion passed unanimously by all members present.

A. Ratification of Service Retirement and Survivor Benefit Application Approvals. (Memo dated August 26, 2019)

Mr. Rice shared the retirement of John Nogales from the Human Resources Division and thanked him for his service.

B. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits, and Legislative Committee: That the Board 1) Not approve submission of a legislative proposal for inclusion in the SACRS 2020 Legislative Platform that would preclude the reduction of a nonservice-connected disability retirement allowance if the member's disability was due to the intemperate use of alcoholic liquor or drugs; and 2) Alternatively, not sponsor legislation that would preclude the reduction of a nonservice-connected disability retirement allowance if the member's disability was due to the intemperate use of alcoholic liquor or drugs. (Memo dated August 15, 2019)

(This Item was handled after VII. F.)

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

VI. CONSENT ITEMS (Continued)

Mr. Bernstein made a motion, Mr. Okum seconded, to approve submission of the legislative proposal for inclusion in the SACRS 2020 legislative platform but not for LACERA to sponsor the legislative proposal. The motion passed with Mr. Kehoe voting no.

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board 1) Adopt Resolutions, Nos. 2019-BR009, No. 2019-BR010, and No. 2019-BR011, 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 August 26, 2019)

VII. NON-CONSENT ITEMS

- A. Recommendation that the Board approve ratifying the attendance of Board Members at the SACRS Modern Investment Theory & Practice for Retirement Systems on July 22-24, 2019 in Berkeley, California and approve reimbursement of all travel costs incurred in accordance with LACERA’s Education and Travel Policy and determine whether this conference will count toward the number limits of Section 705.00.A.1. (Memo dated August 29, 2019)

Mr. Okum made a motion, Mr. Santos seconded, to ratify the costs of the conference.

Mr. Santos made a substitute motion, Ms. Gray seconded, to approve ratification of the costs of this conference and for it not to count towards the conference limit. The motion passed unanimously by all members present.

VII. NON-CONSENT ITEMS (Continued)

- B. Recommendation that the Board Approve ratifying the attendance of Board Members at the CALAPRS Principles of Pension Management on August 26-29, 2019 in Malibu, California and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy and determine whether this conference will count toward the number limits of Section 705.00.A.1. (Memo dated August 29, 2019)

Mr. Harris made a motion, Mr. Knox seconded, to approve ratification of the costs of this conference and for it not to count towards the conference limit. The motion passed unanimously by all members present.

- C. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board consider and provide guidance to staff regarding whether to pursue legislation to add a statute to the County Employees Retirement Law of 1937 (CERL) that lists and clearly states the Board's responsibilities in a single provision. (Memo dated August 27, 2019)

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

Mr. Santos made a motion, Mr. Pryor seconded, to receive and file this Item.

Mr. Kehoe made a substitute motion, Mr. Bernstein seconded, to receive and final this Item and forward to the Joint Organizational Governance Committee for further discussion. The motion passed unanimously by all members present.

- D. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board review its current Teleconference Meeting Policy and the Board of Investments' Policy and determine whether to revise the current Policy. (Memo dated August 27, 2019)

Mr. Rice was present and answered questions from the Board. This Item was sent back to staff for further development.

VII. NON-CONSENT ITEMS (Continued)

- E. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board 1) approve the critical need appointment of retired LACERA employee Jan Tran under Government Code Section 7522.56(f)(1) for up to 960 hours, or equivalent, in the 2019-20 fiscal year to support Systems projects, and 2) authorize staff to take the steps necessary with the County of Los Angeles to implement the appointment at a rate of pay pursuant to Section 7522.56(d) consistent with her final salary as an employee.
(Memo dated August 28, 2019)

Mr. Kehoe made a motion, Mr. Okum seconded, to approve staff's recommendation. The motion passed unanimously by all members present.

- F. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Board approve the issuance of 1) A Request for Proposal (RFP) to printing and mailing service for all LACERA member benefit checks and 1099-Rs; 2) Approve the RFP draft; and 3) Approve the RFP Evaluation Process. (Memo dated August 26, 2019)

Mr. Popowich was present and answered questions from the Board. The Board directed that subcontracts be removed from the Request for Proposal.

Mr. Bernstein made a motion, Mr. Okum seconded, to approve staff's recommendation. The motion passed unanimously by all members present.

VIII. REPORTS

- A. Update on Additional LACERA Positions and Salaries as submitted by Steven P. Rice, Chief Counsel. (Memo dated August 27, 2019)

Mr. Rice provided the Board with an update regarding this Item

The following items were received and filed.

- B. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the 2020 STAR COLA Program.
(Memo dated August 20, 2019)

VIII. REPORTS (Continued)

- C. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the Semi-Annual Interest Crediting for Reserves as of June 30, 2019 (Unaudited). (Memo dated July 25, 2019)
- D. For Information Only as submitted by Beulah S. Auten, Chief Financial Officer, regarding the Monthly Board and Staff Education and Travel Report for July. (Public Memo dated August 28, 2019)
(Confidential Memo dated August 28, 2019 – Includes Anticipated Travel)
- E. For Information Only as submitted by Barry W. Lew, Legislative Affairs Officer, regarding the Monthly Status Report on Legislation.
(Memo dated August 26, 2019)
- F. For Information Only as submitted by Steven P. Rice, Chief Counsel regarding an Update on External Review of Education and Travel Expenses, the Education and Travel Policy, and Implementation Practices for FY's 2016, 2017, 2018, and 2019. (Memo dated August 27, 2019)
- G. For Information Only as submitted by Steven P. Rice, Chief Counsel, regarding the August 2019 Fiduciary Counsel Contact and Billing Report. (Memo dated August 27, 2019) (Privileged and Confidential Attorney-Client Communication/Attorney Work Product)

IX. ITEMS FOR STAFF REVIEW

There were no items for staff review.

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

The Board congratulated Mr. Kehoe and Mr. Pryor on their election. Mr. Pryor will be providing his view of the electronic voting process that was put into place this year. Mr. Kehoe requested that the Board be provided with LACERA event information as it pertains to staff team building and events so that they have an opportunity to participate.

XI. EXECUTIVE SESSION

It was stated in open session before Executive Session began that Item XI.B.1 related to the dismissal of former Chief Executive Officer Lou Lazatin.

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 Kenneth Collins

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. Santos, seconded by Mr. Harris, to deny Mr. Collins' appeal.

2. One Other Matter

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

XI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:35 a.m.

Signature on File

GINA ZAPANTA-MURPHY, SECRETARY

Signature on File

ALAN BERNSTEIN, CHAIR