

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, AUGUST 13, 2015

PRESENT: Alan Bernstein, Acting Chair

Anthony Bravo

Yves Chery

Vivian H. Gray (Arrived at 9:02 a.m.)

Joseph Kelly

David L. Muir (Alternate Retired)

Ronald A. Okum

Les Robbins

ABSENT: Shawn R. Kehoe, Chair

William de la Garza, Secretary

William Pryor (Alternate Member)

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Steven Rice, Chief Counsel

Johanna Fontenot, Senior Staff Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Bernie Buenaflor, Division Manager
Claims Processing Division

Christopher W. Waddell, Senior Attorney
Olson, Hagel & Fishburn LLP

I. CALL TO ORDER

The meeting was called to order by Acting Chair Bernstein at 9:00 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Mr. Kelly 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 July 9, 2015

Mr. Okum made a motion, Mr. Chery seconded, to approve the minutes of the regular meeting of July 9, 2015. The motion passed unanimously.

IV. REPORT ON CLOSED SESSION ITEMS

There was nothing to report at this time.

V. OTHER COMMUNICATIONS

A. For Information

1. June 2015 All Stars

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V. OTHER COMMUNICATIONS (Continued)

Mr. Popowich announced the eight winners for the month of June; Fabio Ramirez, Samantha Garcia, John Nogales, Wenona Myers, Donna Hansen, Ana Ronquillo, Andrea Ellison, and Christine Tung for the Employee Recognition Program and Joseph Kelly for the Webwatcher Program. Jay Fullwood, Johnathan Silva, Nathan Amick, and David Chu were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report
(Memo dated August 4, 2015) (Vivian Gray arrived at 9:02 a.m.)

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 shared his experience of attending the SACRS Public Pension Investment Management Program in Berkeley, CA. In addition, he provided an update about the CIO search announcing that Egon Zehnder has been hired as the executive recruiter. Lastly, Mr. Rademacher shared his experience and thanked Cassandra Smith for providing an educational session at the Los Angeles County Budget Deputy meeting.

VI. PUBLIC COMMENT

There were no requests from the public.

VII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Joseph Kelly, Chair, Operations Oversight Committee: That the Board direct staff to 1) Coordinate with the Occupational Health Programs the medical examination and medical advice required under CERL Sections 31680.4 and 31680.8, respectively, for retirees seeking reinstatement to active LACERA membership, and 2) Implement a standardized medical affidavit in conjunction with that process. (Memo dated August 13, 2015)

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

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

- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve the following:
- 1) Approve the Chief Executive Officer's recommendation for an Annual Merit Salary Adjustment from a minimum of zero to a maximum of 5 percent for Management Appraisal and Performance Plan Tier I participants effective October 1, 2015 in accordance with program provisions, with the exception of the Chief Executive Officer.
 - 2) Approve reassigning Legal Services and Disability Litigation Division counsel positions participating in the LACERA Standardized Salary Schedule to the LACERA Management Appraisal and Performance Plan Tier II, effective October 1, 2015.
 - 3) Approve reassigning the following classified and unclassified positions participating in the Management Appraisal and Performance Plan Tier I to Tier II effective January 1, 2016: Assistant Executive Officer, Chief Counsel, Chief Counsel Disability Litigation, Chief Internal Audit, and Retiree Health Care Director.

VII. NON-CONSENT AGENDA (Continued)

- 4) Clarify language in the salary ordinance section 6.127.040 to state the granting authority for Tier I merit salary adjustments.
- 5) Approve an amendment to the salary ordinance to allow unclassified positions in the investment office to be eligible for the Chartered Financial Analyst Certification compensation.
- 6) Direct staff to submit to the Board of Supervisors the necessary salary ordinance language to implement these changes. (Memo dated August 4, 2015)

Mr. Kelly made a motion, Mr. Chery seconded, to approve the recommendation with the revision to clarify the language in the salary ordinance to state the granting authority for Tier 1 merit salary adjustments be the Retirement Administrator by changing the ordinance language 6.127.40 Section O. to say “Annually, the Retirement Administrator shall ~~recommend~~ grant a Merit Salary Adjustment, ranging from a minimum of zero to a maximum of 5%.” The motion passed unanimously.

- C. For Information Only as submitted by Steven Rice, Chief Counsel regarding the Voter Empowerment Act of 2016.

Olson, Hagel & Fishburn LLP
Christopher W. Waddell, Senior Attorney

Mr. Waddell provided a presentation to the Board and answered questions from the Board.

VIII. 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. Tort Claim

The Board met in Executive Session pursuant to Paragraph 2 of Subdivision (d) of Government Code Section 54956.9 in which the Board unanimously voted to deny the claim and to place LACERA's insurance company on notice of the claim.

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

Mr. Kelly thanked Mr. Rademacher and staff on their work on Item VII.B.

Green Folder Information (Information distributed in each Board Members Green Folder at the beginning of the meeting)

1. LACERA Legislative Report - Bills Amending CERL/PEPRA
(Dated August 12, 2015)
2. Semi-Annual Interest Crediting for Reserves as of June 30, 2015 (Unaudited)
(For Information Only) (Memo dated July 31, 2015)
3. Litigation Status Report (Confidential Attorney-Client Communication) (For
Information Only) (Memo dated August 3, 2015)

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:53 a.m.

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WILLIAM DE LA GARZA, SECRETARY

ALAN BERNSTEIN, ACTING CHAIR