

APPROVED

MINUTES OF THE BOARD OF RETIREMENT FROM
A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT
AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

8:00 A.M., THURSDAY, JANUARY 17, 2019

PRESENT: Alan Bernstein, Chair

Les Robbins, Vice Chair

Gina Zapanta-Murphy, Secretary (Arrived at 8:26 a.m.)

JP Harris, Alternate Retiree Member

Shawn Kehoe

Joseph Kelly

Ronald Okum

William Pryor, Alternate Safety Member (Arrived at 8:36 a.m.)

Herman B. Santos

Thomas Walsh

ABSENT: Vivian Gray

BOARD OF INVESTMENTS

PRESENT: Shawn Kehoe, Chair

Joseph Kelly, Vice Chair

Wayne Moore, Secretary

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BOARD OF INVESTMENTS (Continued)

Alan Bernstein

David Green

David Muir

Ronald Okum

Herman B. Santos

ABSENT: Gina Sanchez

STAFF ADVISORS AND PARTICIPANTS

Lou Lazatin, Chief Executive Officer

Steven P. Rice, Chief Counsel

John Nogales, Human Resources Director

Kimberly Hines, Division Manager, Administrative Services

George Muhlsten, Latham & Watkins, LLC

I. CALL TO ORDER

The meeting was called to order by Mr. Kehoe at 8:01 a.m., in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

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

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of December 13, 2018

Mr. Santos made a motion, Mr. Kelly seconded, to approve the minutes of the special meeting of December 13, 2018. The motion passed unanimously by all members present.

- B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of December 13, 2018

No action was taken on this item by the Board of Retirement.

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. NON-CONSENT ITEMS

- A. For Board of Retirement Only. Recommendation as submitted by Bernie Buenaflor, Division Manager, Benefits Division: That the Board of Retirement 1) Determine, based upon medical evaluation from the Los Angeles County Office of Occupational Health Programs, that Earl Fred Leaf III is not incapacitated for the assigned duties, and 2) Grant the application of Earl Fred Leaf III for reinstatement to active membership. (Memo dated January 9, 2019)

This item was pulled and will be discussed at a future meeting.

- B. Recommendation as submitted by Lou Lazatin, Chief Executive Officer: That the Boards approve and direct management to execute a Memorandum of Understanding for Represented Employees with LACERA Administrative, Technical, Clerical, and Blue Collar Bargaining Unit (Unit 850) and LACERA Supervisory Bargaining Unit (Unit 851), or to implement salary and benefits adjustments as recommended. (Memo dated January 7, 2019)

This item was pulled and will be discussed at a future meeting.

V. NON-CONSENT ITEMS (Continued)

- C. Recommendation as submitted by Lou Lazatin, Chief Executive Officer: That the Boards approve adjustments for LACERA's Non-Represented and Management Appraisal and Performance Plan (MAPP) classes to mirror, except as may be stated, salary and compensation adjustments granted to LACERA's Represented Employees. (Memo dated January 7, 2019)

This item was pulled and will be discussed at a future meeting.

- D. Recommendation as submitted by Lou Lazatin, Chief Executive Officer and Steven P. Rice, Chief Counsel: That The Boards 1) Re-establish the Joint Organizational Governance Committee (JOGC) under its original August 2017 Charter, with the direction to the JOGC to review the Charter and provide a recommendation to the Boards for any revisions within 90 days; 2) The Boards each elect one member to the JOGC; and 3) The Boards dissolve the Joint Governance Review Committee (JGRC), including the separate committees separately approved by each Board. (Memo dated January 3, 2019)

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

the Board.

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

Mr. Santos made a motion, Mr. Bernstein seconded to nominate Vivian Gray to the JOG Committee. The motion passed unanimously by all members present.

- E. Recommendation as submitted by Lou Lazatin, Chief Executive Officer: That: 1) The Board of Retirement increase the Chief Executive Officer's (CEO) approval limit for expenditures necessary for the operation of LACERA under the General Policy Guidelines for Purchasing Goods and Services from \$75,000 to \$150,000; and 2) The Board of Investments approve and accept the increased limit with respect to investment-related and actuarial expenditures. (Memo dated January 10, 2019)

V. NON-CONSENT ITEMS (Continued)

(Mrs. Zapanta-Murphy arrived at 8:26 a.m.)

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

Mr. Santos made a motion, to approve staff's recommendation. The motion failed without a second.

Further information regarding Item V. E. 1. will be addressed at a future meeting.

(Mr. Pryor arrived at 8:36 a.m.)

VI. ITEMS FOR STAFF REVIEW

The Board requested that staff bring to the Operations Oversight Committee the general policy guidelines for Purchasing Goods and Services Policy.

VII. GOOD OF THE ORDER

Mr. Kelly shared his experience in attending the RELAC Luncheon.

Mr. Muir provided comments on Green Folder Item regarding Trustees United.

VIII. EXECUTIVE SESSION

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

Number of Potential Cases: One

The Board met in Executive Session with counsel pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9. There was nothing to report.

VIII. EXECUTIVE SESSION (Continued)

- B. Conference Labor Negotiators
Conference with Labor Negotiators
(Pursuant to Government Code Section 54957.6)

LACERA designated representatives:

John Popowich, Assistant Executive Officer
John Nogales, Director, Human Resources

Employee Organization:

SEIU, Local 721

The Board met in Executive Session with counsel pursuant to California Government Code Section 54957.6. There was nothing to report.

- C. Conference with Labor Negotiators
(Pursuant to Government Code Section 54957.6)

LACERA designated representatives:

John Popowich, Assistant Executive Officer
John Nogales, Director, Human Resources

Employees:

Non-Represented Employees and MAPP Classes

The Board met in Executive Session with counsel pursuant to California Government Code Section 54957.6. There was nothing to report.

IX. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:12 a.m.

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

1. Statement of Principles and Press Release by Trustees United
(For Information Only) (Memo dated January 16, 2019)

SIGNATURE ON FILE

GINA ZAPANTA-MURPHY, SECRETARY

SIGNATURE ON FILE

ALAN BERNSTEIN, CHAIR