

MINUTES OF THE SPECIAL BOARD OF RETIREMENT MEETING  
LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

9:00 A.M., MARCH 7, 2013

PRESENT: Yves Chery, Chair  
William de la Garza, Secretary  
Marvin Adams  
Sadonya Antebi  
Alan Bernstein  
Vivian H. Gray  
Shawn R. Kehoe (Alternate Member)  
Joseph Kelly (Sitting in for Mark J. Saladino, Vice Chair)  
Ed C. Morris (Alternate Retired)

ABSENT: John M. Barger  
William R. Pryor

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer  
JJ Popowich, Assistant Executive Officer  
Robb Van Der Volgen, Chief Counsel  
Bernie Buenaflor, Manager, Claims Processing Division  
Cynthia Lau, Legislative Affairs Officer

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Ms. Duran led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 14, 2013

A motion was made by Mr. Morris, seconded by Mr. de la Garza, to approve the minutes of the regular meeting of February 14, 2013. The motion passed unanimously.

IV. OTHER COMMUNICATIONS

A. For Information

1. February 2013 All Stars

Mr. Popowich announced the fourteen winners for the month of February; Josielyn Bantugan, Anna Collay, Angel Calvo, Steve Alexander, Beatriz Daryaie, Antonio Ramos, Freddie Verzosa, and Sunny Kim were acknowledged for the Employee Recognition Program. Alisa Gavaller was the winner of LACERA's Web Watcher Award. Norma Minjarez, Nathan Amick, Brittany Moyer, and Mureen Tsang were the winners of LACERA's Rideshare Program.

IV. OTHER COMMUNICATIONS (Continued)

2. Service Awards

Mr. Rademacher presented a 35 year service award to Brenda Grundy.

3. Chief Executive Officer's Report  
(Memo dated February 27, 2013)

Mr. Rademacher provided a "March Madness" update highlighting staff's efforts to retire members before the March 31<sup>st</sup> cost-of-living benefit eligibility deadline. In 2011 staff retired approximately 1,200 members; in 2012 staff retired approximately 1,300 members; and in 2013 as of today's date staff are set to retire approximately 1,600 members.

Mr. Rademacher provided a status of Member Services Reservation System that went into effect February 20, 2013. In the first week over 180 appointments for one-on-one counseling sessions and General and Safety Member workshops were scheduled both online and internally.

V. CONSENT AGENDA

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approves attendance of Board Members, and staff as designated by the Chief Executive Officer, at the 2013 CVS Caremark Client Forum, to be held April 10-12, 2013, in Orlando, FL; and approve reimbursement of costs incurred in accordance with LACERA's Education and Travel Policy.  
(Memo dated February 20, 2013)

A motion was made by Mr. Kehoe, seconded by Mr. Morris, to approve the recommendation. The motion passed unanimously.

V. CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approves attendance of Board Members, and staff as designated by the Chief Executive Officer, to attend Manatt's 2013 Public Pension Fiduciary Forum on March 22, 2013 in San Francisco, California; and approve reimbursement of costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated February 28, 2013) (Placed on the Agenda at the Request of Ms. Gray)

A motion was made by Mr. Adams, seconded by Ms. Antebi, to approve the recommendation. The motion passed unanimously.

VI. NON-CONSENT AGENDA

- A. Recommendation as submitted by Yves Chery, Chair, Operations Oversight Committee regarding Uncollectible Accounts. (Memo dated February 26, 2013)

A motion was made by Mr. Morris, seconded by Ms. Gray, to approve the recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Robert S. Van Der Volgen, Chief Counsel: That the Board approve the ballot insert entitled "POWERS AND DUTIES OF RETIREMENT BOARD MEMBERS" to be included with the ballot materials for the election of the Seventh Member of the Board of Retirement. (Memo dated February 26, 2013)

A motion was made by Mr. Kehoe, seconded by Mr. Morris, to approve the recommendation. The motion passed unanimously.

VI. NON-CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Alan Bernstein, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 24 which addresses defined benefit formulas. (Memo dated February 22, 2013)

Provisions of PEPRA include the use of required defined benefit formulas for new general and safety members. However, PEPRA’s provisions allow an employer to offer a new defined benefit formula on or after January 1, 2013 if it is determined and certified by the retirement system’s chief actuary and the retirement board to have no greater risk and no greater cost to the employer than the defined benefit formula required under PEPRA, and is approved by the Legislature.

PEPRA also prescribes the same requirements for a retirement benefit plan that consists solely of a defined contribution plan if the employer, on or after January 1, 2013, adopts a new defined benefit pension plan or defined benefit formula, as specified.

Senate Bill 24 removes the requirement that the Legislature approve these changes noted above.

Senate Bill 24 further authorizes a public employer to offer a benefit formula with a lower benefit factor at normal retirement age and results in a lower normal cost than the appropriate PEPRA formula for purposes of addressing a fiscal necessity.

VI. NON-CONSENT AGENDA (Continued)

As of this date, an analysis of the bill is not available and the bill is pending in the Senate Public Retirement and Retirement Committee.

Since this bill may be a spot bill or may be further amended, a “Watch” position on Senate Bill 24 is recommended.

A motion was made by Ms. Antebi, seconded by Mr. Adams, to approve the recommendation. The motion passed unanimously.

- D. Recommendation as submitted by Alan Bernstein, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 54 which creates a new pension tier for Alameda County’s general members.  
(Memo dated February 22, 2013)

The California Public Employees’ Pension Reform Act of 2013 (PEPRA) requires a retirement formula of 2.5% at age 67 for new general members on and after January 1, 2013. However, a lower formula may be adopted if it conforms to other specified requirements of PEPRA.

A new pension tier was proposed by SEIU Local 1021 and approved by the Board of Supervisors of Alameda County in July 2012 as part of contract negotiations that extend the current agreement, provide for a 10% employee contribution toward health premiums and provide future COLA’s. In order to implement the new tier, legislation is required to amend the County Employees’ Retirement Law (CERL).

VI. NON-CONSENT AGENDA (Continued)

As amended February 13, 2013, this urgency bill authorizes the Board of Supervisors of Alameda County to adopt a resolution that would provide service retirement allowances based on a 2% at age 65 formula to represented and non-represented general members of Alameda County who are hired after approval of the resolution. Under this formula, members may retire for service after five years of service and upon reaching age 52.

The bill also provides that employees shall pay at least 50 percent of normal costs and the employer shall not pay any part of the required employee contribution.

As Senate Bill 54 is applicable to general members of Alameda County only, and does not impact LACERA's members, a "Watch" position is recommended.

A motion was made by Mr. Morris, seconded by Ms. Antebi, to approve the recommendation. The motion passed unanimously.

VII. ITEM TO BE DISCUSSED IN CLOSED SESSION

Government Code Section 54957  
PUBLIC EMPLOYEE APPOINTMENT  
Title: Grounds Maintenance Worker I

- A. Recommendation as submitted by Bernie Buenaflor, Claims Processing Division Manager: That the Board 1) Determine, based upon medical evaluation conducted August 7, 2012, that Leo Glover is not incapacitated for the duties assigned to him in the position of Grounds Maintenance Worker I; and 2) Grant the application of Leo Glover for reinstatement to active membership under Plan G General. (Memo dated February 26, 2013)

A motion was made by Mr. de la Garza, seconded by Ms. Kehoe, to approve the recommendation. The motion passed unanimously.

VIII. PUBLIC COMMENT

There were no requests from the public.

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

The Board of Retirement recognized and thanked Elizabeth Duran for her dedicated service and wished her well in her retirement.

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

1. LACERA Legislative Report -Bills Amending CERL. (Dated March 4, 2013)
2. LACERA Legislative Report - Other. (Dated March 4, 2013)

March 7, 2013

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X. ADJOURNMENT

There being no further business to come before the Board, Chair Chery adjourned the meeting at 9:32 a.m.

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WILLIAM DE LA GARZA, SECRETARY

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YVES CHERY, CHAIR

NOTICE OF SPECIAL MEETING AND AGENDA

BOARD OF RETIREMENT

A SPECIAL MEETING OF THE BOARD OF RETIREMENT OF THE LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION WILL BE HELD AS FOLLOWS:

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA

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X. ADJOURNMENT

*Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Retirement Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.*

*Persons requiring an alternative format of this agenda pursuant to Section 202 of the Americans with Disabilities Act of 1990 may request one by calling Cynthia Guider at (626) 564-6000, from 8:30 a.m. to 5:00 p.m. Monday through Friday, but no later than 48 hours prior to the time the meeting is to commence. Assistive Listening Devices are available upon request. American Sign Language (ASL) Interpreters are available with at least three (3) business days notice before the meeting date.*