

# AGENDA

## MEETING OF THE BOARD OF RETIREMENT

### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., JULY 11, 2013

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Special Meeting of June 6, 2013

IV. OTHER COMMUNICATIONS

A. For Information

1. May 2013 All Stars

2. Awards

3. Chief Executive Officer's Report  
(Memo dated July 1, 2013)

V. PUBLIC COMMENT

VI. NON-CONSENT AGENDA

A. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Board approve the Acceptable Employer Payroll Records Policy for Service Credit Purchases.  
(Memo dated June 21, 2013)

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VI. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by the Insurance, Benefits and Legislative Committee: That the Board: 1) Approve the Healthcare Premium Reserve Policy for the Retiree Healthcare Program's indemnity plans; and 2) Approve the Amendment to the Board's Policies and Procedures Manual to include the Healthcare Premium Reserve Policy. (Memo dated June 27, 2013)
  
- C. Recommendation as submitted by the Operations Oversight Committee: That the Board approve the Administrative Appeals Procedures for Retirement and Health Benefits. (Memo dated June 25, 2013)
  
- D. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer: That the Board continue its "Watch" position on amended Assembly Bill 1380 which conforms the County Employees' Retirement Law (CERL) with the Public Employees Pension Reform Act (PEPRA). (Memo dated July 1, 2013)
  
- E. Update on Custody Transition from Robert Hill, Assistant Executive Officer, and David Kushner, Chief Investment Officer. (Memo dated June 26, 2013)
  
- F. Discussion and possible action regarding the request of Ms. Deborah Jansen, domestic partner of deceased member Raymond Bourgeois, to be considered an eligible spouse for survivor continuance benefits and participation in the Retiree Healthcare Program. (Memo dated July 2, 2013)

VII. GOOD OF THE ORDER

(For discussion purposes only)

VIII. ADJOURNMENT

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*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.*

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

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

9:00 A.M., JULY 11, 2013

PRESENT: Yves Chery, Chair  
Mark Saladino, Vice Chair  
William de la Garza, Secretary  
Marvin Adams  
Sadonya Antebi  
John M. Barger  
Alan Bernstein  
Vivian H. Gray  
Shawn R. Kehoe (Alternate Member)  
Ed C. Morris (Alternate Retired)

ABSENT: William R. Pryor

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer  
Robert Hill, Assistant Executive Officer  
JJ Popowich, Assistant Executive Officer  
Robb Van Der Volgen, Chief Counsel  
Cynthia Lau, Legislative Affairs Officer

STAFF ADVISORS AND PARTICIPANTS

Johanna Fontenot, Senior Staff Counsel

Cassandra Smith, Manager, Retiree Healthcare Division

David Kushner, Chief Investment 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

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

III. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Special Meeting of June 6, 2013

A motion was made by Mr. Morris, seconded by Mr. de la Garza, to approve the minutes of the special meeting of June 6, 2013. The motion passed unanimously.

IV. OTHER COMMUNICATIONS

A. For Information

1. May 2013 All Stars

Mr. Hill announced the eight winners for the month of May;

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#### IV. OTHER COMMUNICATIONS (Continued)

Leisha Collins, Arlene Rieux, Dmitriy Khaytovich, Blanca Medina, Miriam De Leon, Cathy Lumpkin, Tionna Fredericks, and Amy Tao for the Employee Recognition Program. Yo Fujiki was the winner of LACERA's Web Watcher Award. Gehan Megaly, Claro Lanting, Lauren Decoudreaux, and Richard Creamer were the winners of LACERA's RideShare Program.

##### 2. Awards

Mr. Rademacher presented awards to Josielyn Bantugan, Caroline Cedillo, Rosetta Chang, Helen Wu, Mayra Henderson, Victor Leal, Marco Legaspi, and Valery Ptacek for successfully completing the LACERA University Core Benefits Course of 2013. Mr. Rademacher also recognized Michael Mabry who supervised and mentored these individuals during their training.

##### 3. Chief Executive Officer's Report (Memo dated July 1, 2013)

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](http://www.lacera.com)).

Mr. Rademacher provided the Board with information regarding the re-institution of same sex marriages in California, specifically addressing the

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#### IV. OTHER COMMUNICATIONS (Continued)

effects of Proposition 8 (or the California Marriage Protection Act), and the Defense of Marriage Act (DOMA). Prior to Proposition 8, same-sex marriage certificates were issued for approximately six months in California and spouses were granted survival benefits provided they met the eligibility requirements. With the ruling of Proposition 8 and DOMA, LACERA is now accepting same-sex marriage certificates, providing training for staff, and updating brochures and forms to reflect this change. LACERA is currently seeking IRS guidance in regards to DOMA in order to determine the reporting of imputed income for spouses of Domestic Partnerships for Retiree Health Care and the tax impact to retirees.

In addition, information will be provided for members who have registered for Domestic Partnerships. One of the eligibility requirements for survivor benefits is that the member and spouse must be married or in a domestic partnership one year prior to retirement; as such, a member who establishes survivor eligibility with a domestic partnership needs to be aware there is no requirement to dissolve the domestic partnership prior marrying the same spouse. In other words, the domestic partnership should not be dissolved if it made the spouse eligible for retirement benefits.

At the Board of Investments Meeting, Mr. Rademacher announced that CalPERS reported that they will be disclosing retiree pension information on

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#### IV. OTHER COMMUNICATIONS (Continued)

their website. Since then, CalPERS has announced that they will be delaying putting retiree information on the website until further notice. In the meantime, a retiree group will pursue legislation to limit information made public.

Mr. Rademacher announced that the Board Offsite will be held on January 21-23, 2014 at the Sheraton Hotel in Universal City, CA. Mr. Rademacher also invited the Board to LACERA's Summer Picnic in the Park on Saturday, July 27<sup>th</sup> in Farnsworth Park.

#### V. PUBLIC COMMENT

Bert Taylor and Carl Ford addressed the Board regarding eligibility for LACERA's optional membership.

Deborah Jansen addressed the Board requesting approval for her domestic partner survivor benefits.

#### VI. NON-CONSENT AGENDA

- A. Recommendation as submitted by JJ Popowich, Assistant Executive Officer: That the Board approve the Acceptable Employer Payroll Records Policy for Service Credit Purchases.  
(Memo dated June 21, 2013)

Mr. Popowich provided an overview of the Policy and was present to answer questions.

Mr. Saladino made a motion, Mr. de la Garza seconded, to approve the recommendation. The motion passed unanimously.

VI. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by the Insurance, Benefits and Legislative Committee: That the Board: 1) Approve the Healthcare Premium Reserve Policy for the Retiree Healthcare Program's indemnity plans; and 2) Approve the Amendment to the Board's Policies and Procedures Manual to include the Healthcare Premium Reserve Policy. (Memo dated June 27, 2013)

Ms. Smith was present to answer questions.

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

- C. Recommendation as submitted by the Operations Oversight Committee: That the Board approve the Administrative Appeals Procedures for Retirement and Health Benefits. (Memo dated June 25, 2013)

Ms. Fontenot, Ms. Smith, and Mr. Popowich were present to answer questions.

A discussion ensued and it was determined that the recommendation would reflect that the Board approve the Administrative Appeals Procedures for Retirement Benefits.

Mr. de la Garza made a motion, Mr. Morris seconded, to approve the recommendation. The motion passed unanimously.

VI. NON-CONSENT AGENDA (Continued)

- D. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer: That the Board continue its "Watch" position on amended Assembly Bill 1380 which conforms the County Employees' Retirement Law (CERL) with the Public Employees Pension Reform Act (PEPRA). (Memo dated July 1, 2013)

Ms. Lau was present to answer questions.

Mr. de la Garza made a motion, Ms. Gray seconded, to approve the recommendation. The motion passed unanimously.

- E. Update on Custody Transition from Robert Hill, Assistant Executive Officer, and David Kushner, Chief Investment Officer. (Memo dated June 26, 2013)

Mr. Hill and Mr. Kushner provided an update on the assets and banking services.

- F. Discussion and possible action regarding the request of Ms. Deborah Jansen, domestic partner of deceased member Raymond Bourgeois, to be considered an eligible spouse for survivor continuance benefits and participation in the Retiree Healthcare Program. (Memo dated July 2, 2013)

Mr. Popowich was present to answer questions.

Mr. Bernstein made a motion, Mr. Barger seconded, to note the case as received and filed. The motion passed with Mr. Bernstein voting no.

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

Mr. Saladino recommended that we replace the word "discussion" with

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## VII. GOOD OF THE ORDER (Continued)

"information" in the parentheses underneath the Good of the Order on the agenda.

Mr. Rademacher, Mr. Van Der Volgen, and Mr. Popowich recognized the Legal Office for their continued commitment to excellence in their contribution to LACERA.

Deputy Gabriel invited the Board and LACERA staff to join the Altadena Sheriff Station as they sponsor the Concert in the Park on Saturday, July 27 at 7:00 p.m.

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 July 3, 2013)
2. LACERA Legislative Report - Other (Dated July 3, 2013)
3. LACERA's Summer Picnic in the Park Flyer

## VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:37 a.m.

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WILLIAM DE LA GARZA, SECRETARY

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YVES CHERY, CHAIR