

# 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., FEBRUARY 13, 2014

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. OTHER COMMUNICATIONS

A. For Information

1. December 2013 All Stars
2. Awards
3. Chief Executive Officer's Report  
(Memo dated February 5, 2014)

IV. PUBLIC COMMENT

V. NON-CONSENT AGENDA

- A. Recommendation as submitted by Beulah S. Auten, Chief Financial Officer: That the Board determine the Consumer Price Index changed by 1.1% for the year ended December 2013, (or when rounded to the nearest ½% as the COLA benefit rules require, 1.0%: the LACERA 2014 COLA Award), and approve cost-of-living increases and respective COLA Accumulation adjustments for retired LACERA members and beneficiaries, based on retirement plan and date of retirement or death, to become effective April 1, 2014 in accordance with applicable California Government Code Sections.  
(Memo dated January 24, 2014)

V. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Beulah S. Auten, Chief Financial Officer: That the Board determine the Consumer Price Index changed by 3.1% for the last two calendar years ended December 2013, and adjust the compensation for the review and analysis of disability retirement cases to \$109 per day for an eight-hour day. The new compensation amount is to become effective April 1, 2014. (Memo dated January 24, 2014)
- C. Recommendation as submitted by Bernie Buenaflor, Division Manager, Claims Processing Division: That the Board determine, based upon medical evaluation conducted January 29, 2014, that John L. Scott is not incapacitated for the duties assigned to him in the position of Sheriff; and grant the application of John L. Scott for reinstatement to active membership. (Memo dated February 3, 2014)
- D. Recommendation as submitted by Robert S. Van Der Volgen, Chief Counsel: That the Board approve the ballot 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 January 28, 2014)
- E. For information only as submitted by Robert S. Van Der Volgen, Chief Counsel regarding the Receipt of Favorable IRS Determination Letter. (Memo dated February 6, 2014)
- F. For information only as submitted by Vivian Gray, Chair, Insurance, Benefits and Legislative Committee regarding the Proposed Ballot Initiative – “Pension Reform Act of 2014.” (Memo dated January 30, 2014) (Supplemental Agenda Information from Cynthia Lau, Legislative Affairs Officer-Memo dated February 3, 2014)

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

VII. 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.*

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., FEBRUARY 13, 2014

PRESENT: Yves Chery, Chair  
Alan Bernstein, Vice Chair  
William de la Garza, Secretary  
Marvin Adams  
Vivian H. Gray  
Shawn R. Kehoe  
Ronald A. Okum  
William R. Pryor (Alternate Member)  
Les Robbins  
Mark Saladino

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  
Beulah S. Auten, Chief Financial Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Bernie Buenafior, 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

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

III. OTHER COMMUNICATIONS

A. For Information

1. December 2013 All Stars

Mr. Hill acknowledged and thanked Systems and Admin Services staff for coming in on Super Bowl Sunday in order to provide support during the maintenance of the building.

Mr. Hill announced the eight winners for the month of December; Cathy Lumpkin, Norma Minjarez, James Beasley, Deanna Hernandez, Ernestine Brown, Regina Harris, Dmitriy Khaytovich and Hank Osmundson for the Employee Recognition Program. Ramon Reyes was the winner of LACERA's Web Watcher

### III. OTHER COMMUNICATIONS

#### 1. December 2013 All Stars (Continued)

Award. Gena Fuller, Imelda Saldivar, Andrea Ellison and Mel Tsao were the winners of LACERA's RideShare Program.

#### 2. Awards

Mr. Rademacher thanked and recognized LACERA's Employee Council Team (ECT) for all their hard work and service. Certificates were presented to the following 2013 ECT Members: Ada Huerta, Bonnie Nolley, Dina Lejano, Gloria Harriel, JJ Popowich, Joshua Wong, Mayra Marrufo, Michael Sanchez, Miriam De Leon, and Pol Magsino. In addition, Mr. Rademacher thanked and recognized those ECT members who were not present to receive their certificate. They were Inga Tadevosyan, David Davidson, Tina Young, Julia Ray, Rosalind White, Koleta Caldwell, Tionna Fredericks, Johnny Medina and Lauren DeCoudreaux.

#### 3. Chief Executive Officer's Report (Memo dated February 5, 2014)

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 recognized a recently retired LACERA employee, Allene Davis, who served over 44 years with the County with 25 years of service being a

### III. OTHER COMMUNICATIONS

#### 3. Chief Executive Officer's Report (Continued)

LACERA employee working in Member Outreach. In addition, Mr. Rademacher recognized Leophis Hester who retired in February 2014 with over 60 years of service with the County.

Mr. Rademacher shared an article that highlighted a new online public employee pension database (<http://transparentcalifornia.com>) that lists retiree's salaries and benefits from approximately 75 public agencies.

In addition, Mr. Rademacher mentioned that the policy issue regarding benefit changes when a retiree who retires pending a disability retirement will be addressed and discussed at the March Operations and Oversight Committee meeting.

Furthermore, Mr. Rademacher thanked Mr. Popowich in helping staff understand how to handle the pending policy in the interim.

The Board elections for the General Elected Member, currently occupied by Chair Chery, the Retired Member, currently occupied by Mr. de la Garza, and the Alternate Retired Member, previously occupied by the late Mr. Morris, will take place this summer. The preliminary calendar shows that the County will be mailing out notifications in April, the candidate filing will begin May 5 and close June 6, ballots will be mailed the week of June 20, and the election date will be August 5 with official results being announced on September 6.

Lastly, in order for Board members to avail of government rates for conference

### III. OTHER COMMUNICATIONS

#### 3. Chief Executive Officer's Report (Continued)

registration and hotel reservations, a government ID has been issued to all Board members.

### IV. PUBLIC COMMENT

There were no requests from the public.

### V. NON-CONSENT AGENDA

- A. Recommendation as submitted by Beulah S. Auten, Chief Financial Officer: That the Board determine the Consumer Price Index changed by 1.1% for the year ended December 2013, (or when rounded to the nearest ½% as the COLA benefit rules require, 1.0%: the LACERA 2014 COLA Award), and approve cost-of-living increases and respective COLA Accumulation adjustments for retired LACERA members and beneficiaries, based on retirement plan and date of retirement or death, to become effective April 1, 2014 in accordance with applicable California Government Code Sections. (Memo dated January 24, 2014)

Ms. Auten was present to address questions from the Board.

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

V. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Beulah S. Auten, Chief Financial Officer: That the Board determine the Consumer Price Index changed by 3.1% for the last two calendar years ended December 2013, and adjust the compensation for the review and analysis of disability retirement cases to \$109 per day for an eight-hour day. The new compensation amount is to become effective April 1, 2014. (Memo dated January 24, 2014)

Ms. Auten was present to address questions from the Board.

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

- C. Recommendation as submitted by Bernie Buenaflor, Division Manager, Claims Processing Division: That the Board determine, based upon medical evaluation conducted January 29, 2014, that John L. Scott is not incapacitated for the duties assigned to him in the position of Sheriff; and grant the application of John L. Scott for reinstatement to active membership. (Memo dated February 3, 2014)

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

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

V. NON-CONSENT AGENDA (Continued)

- D. Recommendation as submitted by Robert S. Van Der Volgen, Chief Counsel: That the Board approve the ballot 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 January 28, 2014)

Mr. Van Der Volgen was present to address questions from the Board.

Mr. Kehoe clarified that the election is for the Eighth Member of the Board not the Seventh Member. In addition, Mr. de la Garza requested that the statement, “This requires the Board to meet twice each month,” on the Powers and Duties of Retirement Board Members, be revised to include “unless otherwise specified.”

A motion was made by Mr. Kehoe, seconded by Mr. Adams, to approve the recommendation for the Eighth Member not the Seventh Member of the Board. The original motion was amended to include the revision on the Powers and Duties of Retirement Board Members. The motion passed unanimously.

- E. For information only as submitted by Robert S. Van Der Volgen, Chief Counsel regarding the Receipt of Favorable IRS Determination Letter. (Memo dated February 6, 2014)

Mr. Van Der Volgen was present to address questions from the Board.

In addition, Mr. Van Der Volgen thanked Cynthia Lau and Dave Muir for their hard work, as well as the various LACERA Divisions that assisted in the process.

V. NON-CONSENT AGENDA (Continued)

- F. For information only as submitted by Vivian Gray, Chair, Insurance, Benefits and Legislative Committee regarding the Proposed Ballot Initiative – “Pension Reform Act of 2014.” (Memo dated January 30, 2014) (Supplemental Agenda Information from Cynthia Lau, Legislative Affairs Officer-Memo dated February 3, 2014)

Ms. Lau provided an overview to the Board and answered questions.

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

Mr. Bernstein reported on his attendance at the NCPERS Legislative Update conference in January.

Mr. Rademacher recognized Cassandra Smith for her panel participation addressing the Affordable Care Act at the NCPERS conference.

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 February 7, 2014)
2. LACERA Legislative Report - Other (Dated February 7, 2014)
3. Semi-Annual Interest Crediting for Reserves as of December 31, 2013  
(Dated February 5, 2014)
4. Board of Retirement “Regulations” Brochure (Memo dated January 31, 2014)

February 13, 2014

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VII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 9:42 a.m.

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WILLIAM DE LA GARZA, SECRETARY

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YVES CHERY, CHAIR