

AGENDA

A SPECIAL 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, NOVEMBER 6, 2014

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF THE MINUTES

- A. Approval of the Minutes of the Regular Meeting of October 9, 2014

IV. OTHER COMMUNICATIONS

A. For Information

1. September 2014 All Stars
2. Chief Executive Officer's Report
(Memo dated October 28, 2014)

V. PUBLIC COMMENT

VI. NON-CONSENT AGENDA

- A. Recommendation as submitted by Vivian Gray, Chair, Insurance, Benefits and Legislative Committee: That the Board approve implementation of the Voluntary Maintenance Choice option to LACERA's CVS/Caremark retail prescription plan effective April 1, 2014 and a Specialty Preferred Drug Plan option to LACERA's CVS/Caremark retail prescription effective January 1, 2015.
(Memo dated October 23, 2014)

VI. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board: Exclude from the definition of compensation earnable all pay items for members who decline County healthcare coverage and who do not receive a County contribution. (Memo dated October 24, 2014)

- C. Recommendation as submitted by Vivian Gray, Chair, Insurance, Benefits and Legislative Committee: That the Board: 1) Direct your voting delegate to support the inclusion of LACERA's Legislative proposal in the SACRS 2015 Legislative Platform; and 2) Direct your voting delegate to support the inclusion of a SACRS proposal to reorganize the County Employees Retirement Law (CERL) in the SACRS 2015 Legislative Platform. (Memo dated October 10, 2014)

- D. For Information only as submitted by Cynthia Lau, Legislative Affairs Officer, regarding Staff Report – 2014 Enacted Retirement Legislation. (Memo dated October 17, 2014.)

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

VIII. EXECUTIVE SESSION

- A. Conference with Legal Counsel - Pending Litigation (Pursuant to Subdivision (d) of California Government Code Section 54956.9)
 - 1. One Case
 - 2. Administrative Appeal of Michael Scholl
 - 3. Administrative Appeal of Raymond Townsend

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IX. 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 SPECIAL 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, NOVEMBER 6, 2014

PRESENT: Yves Chery, Chair
Alan Bernstein, Vice Chair
William de la Garza, Secretary
Marvin Adams
Vivian H. Gray
Joseph Kelly
David Muir (Alternate Retired)
Ronald A. Okum
William Pryor (Alternate Member)
Les Robbins

ABSENT: Shawn R. Kehoe

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Robb Van Der Volgen, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Fern M. Billiny, Senior Staff Counsel

Michael Herrera, Senior Staff Counsel

Cynthia Lau, Legislative Affairs Officer

Cassandra Smith, Director, Retiree Healthcare Division

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

Marvin Adams led the Board Members and staff in reciting the Pledge of Allegiance.

III. APPROVAL OF THE MINUTES

A. Approval of the Minutes of the Regular Meeting of October 9, 2014

Ms. Gray made a motion, Mr. Muir seconded, to approve the minutes of the regular meeting of October 9, 2014. The motion passed with Mr. Kelly abstaining.

IV. OTHER COMMUNICATIONS

A. For Information

1. September 2014 All Stars

Mr. Popowich announced the eight winners for the month of September;

IV. OTHER COMMUNICATIONS (Continued)

Annette Cleary, David Bayha, Alexandra Hollis, Alisa Gavaller, Claro Lanting, Deanna Hernandez, Susan Seeckts, and Bernard Edwards for the Employee Recognition Program. Michael Herrera was the winner of LACERA's Web Watcher Award. The winner of the VIP parking spot is Susana Seeckts. Koreana Wong, Dave Choe, Antonio Ramos, and Cathy Lumpkin were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report (Memo dated October 28, 2014)

Mr. Rademacher advised that the Board of Investments meeting was moved to later in the month to facilitate attendance at the SACRS Conference, therefore there will be no update this month.

Mr. Rademacher shared some of the Agenda topics of the upcoming Board of Offsite, being held January 20 – 22, 2015 at the Hyatt Regency Long Beach Hotel. Mr. Rademacher recognized Cassandra Smith and her team for providing insightful Healthcare topics at the upcoming 2015 Board Offsite. Mr. Rademacher encouraged the Board to attend as many sessions as they can. An advanced Agenda will follow.

Mr. Rademacher provided a brief overview of the State and Federal Election Policies that may impact LACERA.

IV. OTHER COMMUNICATIONS (Continued)

Lastly, Mr. Rademacher provided an update on the recruitment process for the Chief Counsel vacancy. He shared that a professional recruiting firm was hired and provided a list of candidates. An Interview Committee comprised of several Board Members, is scheduled to conduct interviews on November 24, 2014.

V. PUBLIC COMMENT

There were no requests from the public.

VI. NON-CONSENT AGENDA

- A. Recommendation as submitted by Vivian Gray, Chair, Insurance, Benefits and Legislative Committee: That the Board approve implementation of the Voluntary Maintenance Choice option to LACERA's CVS/Caremark retail prescription plan effective April 1, 2014 and a Specialty Preferred Drug Plan option to LACERA's CVS/Caremark retail prescription effective January 1, 2015. (Memo dated October 23, 2014)

Ms. Cassandra Smith was present and answered the Board's questions.

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

VI. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board: Exclude from the definition of compensation earnable all pay items for members who decline County healthcare coverage and who do not receive a County contribution. (Memo dated October 24, 2014)

Ms. Billingsy was present and answered the Board's questions.

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

(Mr. Muir recused himself at 9:40 a.m. due to financial conflict of interest. He explained he was retained and paid by SACRS to develop the legislative proposal to reorganize the County Employees Retirement Law. Mr. Muir left the Board Room)

- C. Recommendation as submitted by Vivian Gray, Chair, Insurance, Benefits and Legislative Committee: That the Board: 1) Direct your voting delegate to support the inclusion of LACERA's Legislative proposal in the SACRS 2015 Legislative Platform; and 2) Direct your voting delegate to support the inclusion of a SACRS proposal to reorganize the County Employees Retirement Law (CERL) in the SACRS 2015 Legislative Platform. (Memo dated October 10, 2014)

Ms. Lau and Mr. Van Der Volgen were present and answered the Board's questions.

Ms. Gray made a motion, Mr. Okum Seconded, to approve the recommendation. The motion passed with Chair Chery abstaining.

(Mr. Muir re-entered the Board Room at 9:52 a.m. following the vote on item VI. C.)

VI. NON-CONSENT AGENDA (Continued)

D. For Information only as submitted by Cynthia Lau, Legislative Affairs Officer, regarding Staff Report – 2014 Enacted Retirement Legislation. (Memo dated October 17, 2014.)

Ms. Lau was present and answered the Board's questions.

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

Mr. Pryor requested that he receive his board packages electronically through his LACERA iPad and that he no longer needs to receive paper board packages.

However, he will continue to receive paper copies of the Disability Cases.

Mr. Kelly provided an update of his Department, the Treasure Tax Collector. A Department Head will not be appointed at this time until the two new Board of Supervisors members transition in, effective December 1, 2014. There will be a recruitment to fill the vacancy left by Mr. Saladino's transfer. It is Mr. Kelly's intention to display the same dedication and commitment to serving on the Board that Mr. Saladino displayed during his long tenure.

Mr. Muir felt that the Executive Compensation Policy should be reviewed as it is 5 years old. Mr. Muir provided a brief overview of the IFEBP Annual Employees' Benefit Conference that he attended. Mr. Muir brought several handouts for staff. He also highlighted that one of the handouts dealt with Cyber Liability Insurance and suggested that staff evaluate whether such insurance would be appropriate for

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

LACERA. Lastly, Mr. Muir reported that his SACRS contract is terminated, and that he will be completing the CERL project as a volunteer in his capacity as a director of the Retired Employees of Los Angeles County (RELAC).

Mr. Bernstein welcomed Mr. Kelly as Acting Treasurer Tax Ex Officio.

Ms. Gray welcomed Mr. Kelly as Acting Treasurer Tax Ex Officio. Ms. Gray provided a brief recap of the IFEBP Annual Employees' Benefit Conference.

Mr. Okum congratulated Mr. Kelly on his appointment as Acting Treasurer Tax Ex Officio.

Mr. Robbins congratulated Mr. Kelly on his appointment. Mr. Robbins inquired some clarification from Legal Staff regarding Stockton, California's recent bankruptcy ruling and its affect on employee pension issues.

Mr. Van Der Volgen thanked Fern Billingsy and Cynthia Lau for all their effort and hard work.

Mr. Rademacher welcomed Mr. Kelly. Mr. Rademacher gave a brief report on the progress of the pensionable compensation project. Mr. Rademacher will meet with the Board in December 2014 or January 2015 and have a final list of pay codes for their determination.

Mr. Chery commented on the upcoming SACRS and looked forward to the great educational experience.

VIII. EXECUTIVE SESSION

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

- 1. One Case

The Board met in Executive Session to discuss and give direction to its legal counsel in regards to the above named anticipated litigation. By unanimous vote, the Board gave direction to counsel with regard to granting the request to waive the interest associated with a purchase of service credit.

- 2. Administrative Appeal of Michael Scholl

The Board met in Executive Session to discuss and give direction to its legal counsel in regards to the above named anticipated litigation. The Board gave direction to Counsel to grant Mr. Scholls appeal to allow him to change his retirement date to July 2, 2014.

VIII. EXECUTIVE SESSION (Continued)

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

- 3. Administrative Appeal of Raymond Townsend

The Board met in Executive Session to discuss and give direction to its legal counsel in regards to the above named anticipated litigation. The Board gave direction to Counsel to deny Mr. Townsend's appeal because LACERA has paid the full amount of Marian Townsend's death benefit to her beneficiary Raymond Townsend.

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

No Items

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IX. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:54 a.m.

WILLIAM DE LA GARZA, SECRETARY

YVES CHERY, CHAIR