

## AGENDA

### MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT\*

#### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 North Lake Avenue, Suite 810  
Pasadena, CA 91101

March 13, 2014 - 9:00 A.M.\*\*

#### COMMITTEE MEMBERS:

Shawn R. Kehoe, Chair  
William de la Garza, Vice Chair  
Marvin Adams  
Yves Chery  
Ronald Okum, Alternate

#### I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of February 13, 2014

#### II. PUBLIC COMMENT

#### III. ACTION ITEMS

A. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel:  
That the Committee recommend to the Board of Retirement that LACERA  
seek clarifying legislation while continuing its practice of allowing members  
the ability to change retirement options upon receipt of disability benefit.  
(Memorandum dated February 21, 2014)

#### IV. FOR INFORMATION

A. LACERA Operations Briefing  
Robert Hill/JJ Popowich

B. 2013-2014 Budget Control Report as of December 31, 2013  
Kaelyn Ung/Srbui Tadevosyan

C. Open Window Transfer Reopens: Communication Plan & Resources  
Jeannine Smart

March 13, 2014

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IV. MISCELLANEOUS

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

**\*The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

**\*\*Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

**Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee 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 Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 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  
OPERATIONS OVERSIGHT COMMITTEE  
and  
BOARD OF RETIREMENT\*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

MARCH 13, 2014, 11:50 A.M. – 12:45 P.M.

**COMMITTEE MEMBERS**

PRESENT: Shawn R. Kehoe, Chair  
William de la Garza, Vice Chair  
Marvin Adams  
Yves Chery  
Ronald Okum, Alternate (*left at 12:25 p.m.*)

**ALSO ATTENDING:**

**BOARD MEMBERS AT LARGE**

Alan Bernstein  
Vivian H. Gray  
Les Robbins

**STAFF, ADVISORS, PARTICIPANTS**

Robert Hill	Fern Billingsy
JJ Popowich	Kimberly Hines
Gregg Rademacher	Jeannine Smart
Robb Van Der Volgen	Srbui Tadavosyan

The meeting was called to order by Chair Kehoe at 11:50 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of February 13, 2014

Mr. Chery made a motion, Mr. de la Garza seconded, to approve the minutes of the regular meeting of February 13, 2014. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Committee recommend to the Board of Retirement that LACERA seek clarifying legislation while continuing its practice of allowing members the ability to change retirement options upon receipt of disability benefit. (Memorandum dated February 21, 2014)

Mr. Chery made a motion, Mr. Adams seconded, to approve the recommendation.

Section 31725.7 allows a member, after filing an application for disability retirement, to apply for service retirement pending disability determination. If the member is granted a disability retirement, subdivision (a) of this section allows "appropriate adjustments" to be made to the member's retirement allowance. Staff has interpreted these appropriate adjustments to include the ability to change the retirement option. This practice has been followed at LACERA and other 37 Act systems throughout the state. In conflict with that, §31760 precludes changes to a member's retirement election after receipt of the first payment of a retirement allowance. Ms. Billingsy presented the following options LACERA could adopt, due to this perceived conflict in the law.

- Continue its practice of interpreting "appropriate adjustments" to included the ability to change retirement elections
- Continue its practice, while seeking cleanup legislation to clarify the ability of the member to make this change
- Terminate its practice because of the conflict between §31760 and §31725.7

III. ACTION ITEMS (Continued)

Mr. Kehoe made a substitute motion, Mr. Adams seconded, to present this item to the SACRS Legislative Committee for discussion and feedback. The motion passed unanimously.

IV. FOR INFORMATION

A. LACERA Operations Briefing

Messrs. Hill and Popowich presented the monthly briefing on LACERA's operations. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Retroactive Negotiated MOU Salary Adjustments
- Status of "Orphaned" Safety Merger Transfers

B. 2013-2014 Budget Control Report as of December 31, 2013  
Kimberly Hines/Srbui Tadevosyan

Kimberly Hines and Srbui Tadevosyan presented the Budget Control Report for fiscal year 2013-2014, based on actual expenditures through December 31, 2013. Total operating expenses for the LACERA Administrative Budget are projected to be \$58.6 million, an underexpenditure of approximately \$3.6 million from LACERA's operating budget.

The Retiree Health Care Benefits Program Budget's total operating expenses are projected to be \$4.3 million. This represents an underexpenditure of \$69,797 from the operating budget.

Total operating expenses for the OPEB Trust Budget are projected to be \$146,316, representing an overexpenditure of \$6,576.

C. Open Window Transfer Reopens: Communication Plan & Resources  
Jeannine Smart

Due to PEPRA, as of January 1, 2013, all LACERA members were prohibited from transferring from Plan E to Plan D via an Open Window Transfer. This month the Board of Supervisors approved the MOU which allowed the reopening of the Open Window Transfer. Ms. Smart gave a brief presentation of the communication plan in process for notifying members of the resumption of the Open Window Transfer. The home page of lacera.com will have a message that the Open Window Transfer from E to D is now open. This message will link to

IV. FOR INFORMATION (Continued)

the Open Window Transfer web page. From this page, a member will be able to download the Open Window Transfer Guide brochure. The application, however, is not on line. The member who is interested in a plan transfer should call or meet with a Retirement Benefits Specialist to receive the application and plan transfer package. Another key component to the communication plan is a targeted direct mail piece to eligible Plan E members to inform them that the window is open, with the resources available to them.

V. MISCELLANEOUS

VI. GOOD OF THE ORDER

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VII. ADJOURNMENT

The meeting adjourned at 12:45 p.m.

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