

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., JANUARY 12, 2012

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF DECEMBER 15, 2011
- IV. OTHER COMMUNICATIONS
 - A. For Information
 - 1. December 2011 All Stars
 - 2. Service Awards
 - 3. Chief Executive Officer's Report
(Memo dated January 5, 2012)
- V. NON-CONSENT AGENDA
 - A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits & Legislative Committee: That the Board direct staff to work with LACERA's legislative advocate to have legislation introduced allowing LACERA to correct errors and omissions. (Memo dated January 6, 2012.)

V. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Cassandra Smith, Director, Retiree Health Care: That the Board adopt a Prior Authorization approach for selected brand name drugs under the 2012 CVS Caremark Formulary. (Memo dated December 30, 2011.)
- C. Recommendation as submitted by John Nogales, Director, Human Resources: That the Board amend LACERA's section of the County Personnel Code to require the Retirement Administrator's approval of salary step advancements for Tier II MAPP participants. (Memo dated January 4, 2012.)
- D. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board Members and staff, as designated by the Chief Executive Officer, to attend the 22nd Annual Southern California Public Retirement Seminar to be held in Lakewood, California on February 22, 2012; and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated January 5, 2012.)

VI. PUBLIC COMMENT

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

VIII. EXECUTIVE SESSION

- A. CONFERENCE WITH LABOR NEGOTIATORS
(Government Code Section 54957.6)

Agency designated representatives: John Nogales

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

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

9:00 A.M., JANUARY 12, 2012

PRESENT: Les Robbins, Chair
Simon S. Russin, Vice Chair
Yves Chery, Secretary
Marvin Adams
Sadonya Antebi
John M. Barger
William de la Garza
Shawn R. Kehoe (Alternate Member)
Joseph Kelly (Sitting in for Mark J. Saladino)
Ed C. Morris (Alternate Retired)
William R. Pryor (Left at 10:35 a.m.)

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer
Robert Hill, Assistant Executive Officer
Janice Golden, Assistant Executive Officer
Robb Van Der Volgen, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS

Cynthia Lau, Legislative Affairs Officer

Cassandra Smith, Director, Retiree Health Care

Clay Levister, Associate Principal,
Mercer Human Resource Consulting

Allison Parsons, Strategic Account Executive
CVS Caremark

Mike Nichols, R.P.H., Clinical Advisor
CVS Caremark

John Nogales, Director, Human Resources

Draza Mrvichin, Labor Relations Consultant

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

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

III. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF DECEMBER 15, 2011

A motion was made by Mr. Chery, seconded by Mr. Morris, to approve the minutes of the regular meeting of December 15, 2011. The motion passed with Mr. Barger abstaining.

IV. OTHER COMMUNICATIONS

A. For Information

1. December 2011 All Stars

Mr. Hill announced the eight winners for the month of December; Nora Jackson, Renee Henry, Gloria Harriel, Liz Gonzalez, Julia Ray, Ted Granger, Koreana Wong, and Ramon Reyes for the Employee Recognition Program. Tionna Fredericks was the winner of LACERA's Web Watcher Award. Clarence Malone, Tionna Fredericks, Vanessa Rodriguez, and Josh Wong were the winners of LACERA's RideShare Program.

2. Service Awards

Mr. Rademacher thanked and recognized LACERA's Employee Council Team (ECT) for all their hard work and service. He presented certificates to the following 2011 ECT Members: Rosalind White, ECT Chair, Bonnie Nolley, ECT Secretary, Miriam DeLeon, ECT Treasurer,

IV. OTHER COMMUNICATIONS (Continued)

Janice Golden, Caroline Cedillo, Gloria Harriel, Roberta Van Nortrick, Tiona Fredericks, Debbie Semnanian, Paul Magsino. In addition, Mr. Rademacher thanked and recognized those ECT members who were not present for today's meeting. They are Tina Young, Julia Ray, ECT Co-Chair and Debra Rendon.

3. Chief Executive Officer's Report (Memo dated January 5, 2012)

Mr. Rademacher provided a brief overview of his Chief Executive Officer's Report with emphasis on what transpired at the previous day's Board of Investments meeting. Mr. Rademacher reported that the Board of Investments decided to keep business as usual in regards to attendance at conferences scheduled in the state of Arizona. This item was a concern for some Board Members because of Arizona state immigration laws. However, the Board of Investments will wait until the Supreme Court has had an opportunity to weigh in on the issue before it makes its final decision on Arizona travel.

The Board of Investments also brought up discussion on the separation of responsibilities that each Board has in regards to oversight of some personnel positions as well as the approving of LACERA's Administrative

IV. OTHER COMMUNICATIONS (Continued)

and Retiree Health Care Benefits Budgets. This item will be brought back before both Boards for further discussion at a later date.

Mr. Rademacher reminded the Board of its upcoming Board Offsite Meeting scheduled for January 24-25, 2012 to be held in Universal City.

V. NON-CONSENT AGENDA

- A. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits & Legislative Committee: That the Board direct staff to work with LACERA's legislative advocate to have legislation introduced allowing LACERA to correct errors and omissions. (Memo dated January 6, 2012.)

Mr. Van Der Volgen and Ms. Lau addressed the Board and a brief discussion ensued with the following motion being made.

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

- B. Recommendation as submitted by Cassandra Smith, Director, Retiree Health Care: That the Board adopt a Prior Authorization approach for selected brand name drugs under the 2012 CVS Caremark Formulary. (Memo dated December 30, 2011.)

Ms. Smith addressed the Board and provided an overview of staff's recommendation . This item was previously before the Board at its December 15, 2011 meeting noting CVS Caremark's adoption of a new

V. NON-CONSENT AGENDA (Continued)

formulary strategy. In order to help the Board decide which option would best serve LACERA and its members, Ms. Parsons and Mr. Nicholas, both from CVS Caremark were present to provide additional information and answer specific questions that the Board had.

Ms. Parsons and Mr. Nicholas, conducted a slide presentation and provided an in-depth question and answer period with the Board. After a lengthy discussion the following motion was made:

A motion was made by Mr. Barger, seconded by Mr. Adams, to approve the recommendation. The motion passed with Mr. Russin and Ms. Antebi voting no.

- C. Recommendation as submitted by John Nogales, Director, Human Resources: That the Board amend LACERA's section of the County Personnel Code to require the Retirement Administrator's approval of salary step advancements for Tier II MAPP participants. (Memo dated January 4, 2012.)

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

V. NON-CONSENT AGENDA (Continued)

- D. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approve attendance of Board Members and staff, as designated by the Chief Executive Officer, to attend the 22nd Annual Southern California Public Retirement Seminar to be held in Lakewood, California on February 22, 2012; and approve reimbursement of all travel costs incurred in accordance with LACERA's Education and Travel Policy. (Memo dated January 5, 2012.)

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

VI. PUBLIC COMMENT

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

VIII. EXECUTIVE SESSION

(Mr. Pryor left at 10:35 a.m.)

A. CONFERENCE WITH LABOR NEGOTIATORS
(Government Code Section 54957.6)

Agency designated representatives: John Nogales, Director
Human Resources

The Board met in Executive Session pursuant to Government Code Section 54957.6 and met with labor negotiators who provided an update on a labor matter. The Board reconvened in open session, at which time Mr. Rademacher reported that there was nothing to report.

January 12, 2012

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IX. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:19 a.m.

YVES CHERY, SECRETARY

LES ROBBINS, CHAIR