

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., JUNE 14, 2012

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. OTHER COMMUNICATIONS

A. For Information

1. May 2012 All Stars
2. Chief Executive Officer's Report
(Memo dated June 1, 2012)

IV. NON-CONSENT AGENDA

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board adopt the LACERA Fiscal Year 2012-2013 Administrative and Retiree Healthcare Benefits Budgets. (Memo dated June 1, 2012.)
- B. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board: 1) Adopt the resolution specifying that K-9 Handlers Pay earned on and after May 29, 2009, by deputies of the Custody Investigative Services Unit of the Sheriff's Department, qualifies as compensation earnable; 2) Instruct staff to implement this change by coordinating with the County Auditor-Controller to remit member and employer contributions; and 3) Instruct staff to collect arrears contributions for K-9 Handlers Pay in accordance with the Board's policy regarding implementation of new pensionable pay items. (Memo dated June 5, 2012.)

IV. NON-CONSENT AGENDA (Continued)

C. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer: That the Board continue its “watch” position on Assembly Bill 1248 which would require the City of San Diego to provide coverage under Federal Social Security to all employees who are not covered under a defined benefit plan, as specified.
(Memo dated May 31, 2012.)

D. For information only as submitted by Robert Van Der Volgen, Chief Counsel and Cynthia Lau, Legislative Affairs Officer, regarding: Pension Reform – June 5, 2012 Election Results.
(Memo dated June 7, 2012.)

V. PUBLIC COMMENT

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

VII EXECUTIVE SESSION

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

Agency designated representatives:

Gregg Rademacher, Chief Executive Officer
Robert Hill, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
John Nogales, Director, Human Resources

Employee organization:

Service Employees International Union (SEIU), Local 721

VIII. 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., JUNE 14, 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)
Ed C. Morris (Alternate Retired)
William R. Pryor
Mark J. Saladino

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer
Robert Hill, Assistant Executive Officer
John J. Popowich, Assistant Executive Officer
Robb Van Der Volgen, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS

Fern M. Billingsy, Senior Staff Counsel

Cynthia Lau, Legislative Affairs Officer

John Nogales, Director, Human Resources

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. de la Garza led the Board Members and staff in reciting the
Pledge of Allegiance.

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III. OTHER COMMUNICATIONS

A. For Information

1. May 2012 All Stars

Mr. Hill announced the eight winners for the month of May; Susana Seeckts, Inga Tadevosyan, Esmeralda Del Bosque, Srbui Tadevosyan, Sandra Cortez, Andrea Ellison, Jay Lee, and Tina Davila for the Employee Recognition Program. Michael Eubanks was the winner of LACERA's Web Watcher Award. Vladimir Meyliker, Lauren Decoudreaux, Steve Alexander and Sevan Simonian were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report (Memo dated June 1, 2012)

Mr. Rademacher provided a brief overview of his Chief Executive Officer's Report with a quick update on what transpired at the previous day's Board of Investments meeting. (Board of Investments minutes are available to view on LACERA's Website www.lacera.com.)

Mr. Rademacher reported that the Board of Supervisors, at their meeting of June 12, unanimously voted to adopt the LACERA contribution rates. Therefore, effective July 1, 2012 there will be new employee contribution rates. LACERA staff will be working with both the L.A. County Auditor-Controller Office and CEO's office to ensure new contribution rates are implemented into the payroll system. This information will be communicated to members in a timely manner.

III. OTHER COMMUNICATIONS (Continued)

Mr. Rademacher recognized and thanked Mr. Buehner, who will be leaving LACERA after 16 years, for all his hard work and contributions to LACERA.

IV. NON-CONSENT AGENDA

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board adopt the LACERA Fiscal Year 2012-2013 Administrative and Retiree Healthcare Benefits Budgets. (Memo dated June 1, 2012.)

A motion was made by Mr. Chery, seconded by Mr. Kehoe, to approve the recommendation.

Mr. Rademacher provided a brief executive summary of the presentations made during the budget hearings and reported that there were no changes made to the structural part of the budget as a result of the budget hearings. He thanked the Board for attending the budget hearings and said that minutes of both budget hearings were distributed to the Board Members.

Mr. Rademacher thanked Shamila Freeman and Kaelyn Ung, LACERA's budget team, for their hard work and dedication in putting together the budgets. Additionally, Mr. Rademacher recognized and thanked Mr. Hill and LACERA's Management Team for all their help and input.

The Board of Investments approved the budgets at its June 13th meeting.

A brief discussion followed with the final vote being made:

The motion passed unanimously.

IV. NON-CONSENT AGENDA (Continued)

- B. Recommendation as submitted by Fern M. Billings, Senior Staff Counsel: That the Board: 1) Adopt the resolution specifying that K-9 Handlers Pay earned on and after May 29, 2009, by deputies of the Custody Investigative Services Unit of the Sheriff's Department, qualifies as compensation earnable; 2) Instruct staff to implement this change by coordinating with the County Auditor-Controller to remit member and employer contributions; and 3) Instruct staff to collect arrears contributions for K-9 Handlers Pay in accordance with the Board's policy regarding implementation of new pensionable pay items. (Memo dated June 5, 2012.)

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

- C. Recommendation as submitted by Cynthia Lau, Legislative Affairs Officer: That the Board continue its "watch" position on Assembly Bill 1248 which would require the City of San Diego to provide coverage under Federal Social Security to all employees who are not covered under a defined benefit plan, as specified. (Memo dated May 31, 2012.)

AB 1248

As amended on May 21, 2012, Assembly Bill 1248 requires the City of San Diego to provide coverage under the federal Social Security system to all employees who are not covered under a defined benefit plan.

The requirements shall not apply with regard to replacing or changing an employer's defined contribution plan that was in place on July 1, 2012, unless the

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IV. NON-CONSENT AGENDA (Continued)

defined contribution plan will replace or change the employer's existing defined benefit plan.

The bill also makes legislative findings and declarations as to the necessity of a special statute for the City of San Diego.

According to the author's office, San Diego opted out of Social Security in 1981 and provided its employees with a defined benefit pension plan. Today, San Diego would like to eliminate the defined benefit pension plan by vote of the people and replace it with a 401(k) plan. As defined contribution plans on their own are risky due to the volatility of the stock market, employees may be left without adequate coverage.

Your Board adopted a "Watch" position on AB 1248 on July 14, 2011 and June 9, 2011 when earlier versions of the bill applied to all "local public employers", which included Los Angeles County. The Los Angeles County Board of Supervisors was opposed to the bill.

As this bill now only applies to the City of San Diego, no opposition has been

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IV. NON-CONSENT AGENDA (Continued)

reported as of May 23, 2012.

A motion was made by Mr. Pryor, seconded by Mr. Chery, to continue its “watch” position on AB 1248. The motion passed unanimously.

- D. For information only as submitted by Robert Van Der Volgen, Chief Counsel and Cynthia Lau, Legislative Affairs Officer, regarding: Pension Reform – June 5, 2012 Election Results. (Memo dated June 7, 2012.)

Ms. Lau and Mr. Van Der Volgen addressed the Board and discussed Proposition B, which was passed by voters of the City of San Diego and Measure B, which was passed by voters of the City of San Jose. Both ballot measures addressed pension change.

The memorandum noting changes to be made to retirement benefits was received and filed.

V. PUBLIC COMMENT

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

At the request of Board Members an agenda item regarding the public counter waiting time will be addressed at the August Operations Oversight Committee Meeting.

VII EXECUTIVE SESSION

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

Agency designated representatives:

Gregg Rademacher, Chief Executive Officer

Robert Hill, Assistant Executive Officer

JJ Popowich, Assistant Executive Officer

John Nogales, Director, Human Resources

Employee organization:

Service Employees International Union (SEIU), Local 721

The Board met in Executive Session pursuant to Government Code Section 54957.6 to discuss labor negotiations with Service Employees International Union (SEIU), Local 721. Mr. Rademacher said that there were no matters to report.

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 June 11, 2012.)
2. LACERA Legislative Report – Other. (Dated June 11, 2012.)
3. LACERA Legislative Report –Federal. (Dated June 11, 2012.)
4. Ballot Initiatives Status Report (Dated June 11, 2012.)
5. June 5, 2012 election results - Brief Summary of Proposition B - San Diego and Brief Summary of Measure B – San Jose.

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VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:26 a.m.

YVES CHERY, SECRETARY

LES ROBBINS, CHAIR