

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., MAY 9, 2013

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF MINUTES OF THE REGULAR MEETING OF APRIL 3, 2013
- IV. OTHER COMMUNICATIONS
 - A. For Information
 - 1. April 2013 All Stars
 - 2. Service Awards
 - 3. Chief Executive Officer's Report
(Memo dated May 1, 2013)
- V. NON-CONSENT AGENDA
 - A. Recommendation as submitted by the Insurance, Benefits and Legislative Committee: That the Board of Retirement adopt a "Watch" position on Assembly Bill 1380 which conforms County Employees' Retirement Law (CERL) with Public Employees Pension Reform Act (PEPRA). (Memo dated April 18 and April 24, 2013)
 - B. Recommendation as submitted by the Insurance, Benefits and Legislative Committee: That the Board of Retirement adopt a "Watch" position on Senate Bill 539 which is a spot bill applicable to Orange County. (Memo dated April 18, 2013)

- C. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board: 1) Adopt the Resolutions defining “compensation earnable” and “pensionable compensation”; and 2) Instruct staff to coordinate with the County of Los Angeles to establish necessary reporting mechanism and procedures to permit LACERA to include the items qualifying in the calculation of final compensation. (Memo dated April 24, 2013)

- D. Los Angeles County Other Post Employment Benefits Program Actuarial Valuation from Gregg Rademacher, Chief Executive Officer. (For Information Only) (Memo dated April 30, 2013)

VIII. PUBLIC COMMENT

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

X. 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., MAY 9, 2013

PRESENT: Yves Chery, Chair
Mark Saladino, Vice Chair
William de la Garza, Secretary
Marvin Adams
Sadonya Antebi
John M. Barger (Arrived at 9:33 a.m.)
Alan Bernstein
Vivian H. Gray
Shawn R. Kehoe (Alternate Member)
Ed C. Morris (Alternate Retired)
William R. Pryor

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

Fern M. Billingsy, Senior Staff Counsel
STAFF ADVISORS AND PARTICIPANTS

Cynthia Lau, Legislative Affairs Officer

Robert L. Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary, Milliman

Arden Hughes

Larry Vega

Carl D. Ford

Britt Brasseal

Paul Funk

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

III. APPROVAL OF MINUTES

A. APPROVAL OF THE MINUTES OF THE REGULAR
MEETING OF APRIL 3, 2013

Mr. Morris made a motion,
Mr. de la Garza seconded, to approve
the minutes of the regular meeting of
April 3, 2013. The motion passed
unanimously.

IV. OTHER COMMUNICATIONS

A. For Information

1. April 2013 All Stars

Mr. Hill announced the eight winners for the month of April; Cecilia Sanabria, Carol Quinn, Ana Ronquillo, Annette Cleary, Tina Young, Anh Tu Huynh, Bonnie Nolley, and Donna Hansen for the Employee Recognition Program. Dave Choe was the winner of LACERA's Web Watcher Award. Josh Wong, Paul Lurina, Margaret Chwa, and Vanessa Cruz were the winners of LACERA's RideShare Program.

2. Service Awards

Service awards will be presented at a future Board of Retirement meeting.

3. Chief Executive Officer's Report
(Memo dated May 1, 2013)

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)

Mr. Rademacher announced that the new Plan books for General Plan G and Safety Plan C are now available for members. Staff is currently working on the New Hire Packets and will be made available soon.

IV. OTHER COMMUNICATIONS (Continued)

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Mr. Rademacher highlighted the confidential Litigation Status Report received by each Board Member reflecting the status of pending litigation for the period of January through April, 2013. Mr. Rademacher also thanked the Legal team for all their work.

Chair Chery appointed an ad-hoc committee which will be meeting following today's Board meeting. The committee will be discussing the disability application case load. Committee participants will include Board Members; Chair Chery, Ms. Antebi, Mr. Saladino, Mr. Kehoe, and staff members; Ricki Contreras, JJ Popowich, Jorja Frank, and Gregg Rademacher.

The next Budget Hearing is scheduled for Tuesday, May 21st at 9 a.m. The final budget will be presented at the June Board of Retirement meeting. The Travel Committee will also meet on May 21st following the Budget Hearing.

Mr. Rademacher and Mr. Saladino presented at the CRCEA Annual Spring Conference on April 15th.

V. NON-CONSENT AGENDA

- A. Recommendation as submitted by the Insurance, Benefits and Legislative Committee: That the Board of Retirement adopt a “Watch” position on Assembly Bill 1380 which conforms County Employees’ Retirement Law (CERL) with Public Employees Pension Reform Act (PEPRA).
(Memo dated April 18 and April 24, 2013)

The Public Employees Pension Reform Act (PEPRA) was enacted in 2012 and became effective January 1, 2013.

Seeing a need to conform sections of the County Employees’ Retirement Law (CERL) with the new PEPRA requirements, the Legislative Committee of the State Association of County Retirement Systems (SACRS) has been assisting the Assembly Public Employees, Retirement and Social Security Committee staff by identifying sections of CERL which may need amending. Assembly Bill 1380 was introduced as a placeholder bill for these amendments.

As amended April 1, 2013, this bill amends two existing CERL sections and adds one new CERL section relating to minimum requirements to retire for general and safety members.

AB 1380 was subsequently amended on April 23, 2013 and now also includes conforming provisions which would limit the purchase of additional retirement credit (ARC) to applications received prior to January 1, 2013, and which are subsequently approved by the system.

V. NON-CONSENT AGENDA (Continued)

This recent amendment is in addition to the conforming provisions which relate to minimum requirements to retire.

As there may be further amendments, a “Watch” position is still recommended.

Mr. Saladino made a motion, Mr. Adams seconded, to approve the recommendation. The motion passed unanimously.

- B. Recommendation as submitted by the Insurance, Benefits and Legislative Committee: That the Board of Retirement adopt a “Watch” position on Senate Bill 539 which is a spot bill applicable to Orange County. (Memo dated April 18, 2013)

Senate Bill 539, introduced on February 22, 2013, makes technical, non-substantive changes to Government Code Section 31678.3 of the County Employees’ Retirement Law (CERL). It is a spot bill which is applicable to Orange County only.

This bill is still pending at the Rules Committee and could likely be a 2-year bill.

As SB 539 could potentially amend CERL, a “Watch” position is recommended.

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

- V. NON-CONSENT AGENDA (Continued)

- C. Recommendation as submitted by Fern M. Billingsy, Senior Staff Counsel: That the Board: 1) Adopt the Resolutions defining “compensation earnable” and “pensionable compensation”; and 2) Instruct staff to coordinate with the County of Los Angeles to establish necessary reporting mechanism and procedures to permit LACERA to include the items qualifying in the calculation of final compensation. (Memo dated April 24, 2013)

Ms. Billingsy provided a brief summary of the resolutions and offered to respond to any questions concerning her recommendation.

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

- D. Los Angeles County Other Post Employment Benefits Program Actuarial Valuation from Gregg Rademacher, Chief Executive Officer. (For Information Only) (Memo dated April 30, 2013) (Mr. Barger arrived at 9:33 a.m.)

Robert Schmidt, Principal and Consulting Actuary for Milliman, provided a slide presentation of the Actuarial Valuation of the Los Angeles County Other Post Employment Benefits (OPEB) Program as of July 1, 2012.

VI. PUBLIC COMMENT

Arden Hughes, Larry Vega, Carl D. Ford, Britt Brasseal, and Paul Funk addressed the Board regarding eligibility for LACERA’s optional membership. This item will be submitted as an agenda item for further

VI. PUBLIC COMMENT (Continued)

discussion at a future Board meeting.

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VII. GOOD OF THE ORDER

(For discussion purposes only)

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

1. Litigation Status Report (Confidential) (Dated April 30, 2013)
2. LACERA Legislative Report -Bills Amending CERL (Dated May 7, 2013)
3. LACERA Legislative Report - Other (Dated May 7, 2013)

VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:33 a.m.

WILLIAM DE LA GARZA, SECRETARY

YVES CHERY, CHAIR