

MINUTES OF THE REGULAR 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, FEBRUARY 12, 2015

PRESENT: Shawn R. Kehoe, Chair

 Alan Bernstein, Vice Chair

 William de la Garza, Secretary

 Anthony Bravo

 Yves Chery

 Vivian H. Gray

 Joseph Kelly

 David Muir (Alternate Retired)

 Ronald A. Okum

 Les Robbins

ABSENT William R. Pryor (Alternate Member)

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

Beulah S. Auten, Chief Financial Officer

Cassandra Smith, Director, Retiree Healthcare Division

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I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

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

III. OTHER COMMUNICATIONS

A. For Information

1. December 2014 All Stars

Mr. Hill announced the eight winners for the month of December; Mellissa Mooc, Inga Tadevosyan, Dave Choe, Laura Delgado, Lauren Decoudreaux, Calvin Chow, Anh Huynh, and Phuong Reyes for the Employee Recognition Program. Mamie Kwan was the winner of LACERA's Web Watcher. Elda Villarroel, Sharon Reece, Louis Gittens and Ramon Reyes were the winners of LACERA's RideShare Program.

2. Awards

Mr. Rademacher presented a 35 year service award to Linda Martin and highlighted her positive tenure with LACERA. Mr. Rademacher thanked her for a job well done.

III. OTHER COMMUNICATIONS (Continued)

A. For Information

2. Awards

Mr. Rademacher thanked and recognized LACERA's Employee Council Team (ECT) for all their hard work and service. The 2014 ECT certificate recipients were as follows: Tionna Fredericks, Gloria Harriel, Bonnie Nolley, Anh Tu Huynh, Bertha Bargas, Koleta Caldwell, David Davidson, Lauren DeCoudreaux, Miriam DeLeon, Ada Huerta, Dina Lejano, Pol Magsino, Johnny Medina, Mayra Marrufo, John Popowich, Julia Ray, Sarah Robles, Sevan Simonian, Inga Tadevosyan, Rosalind White, Joshua Wong, and Tina Young.

3. Chief Executive Officer's Report
(Memo dated February 3, 2015)

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

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 provided a "March Madness" update highlighting staff's efforts to retire members before the March 31st cost-of-living benefit eligibility deadline. Mr. Rademacher thanked the Claims Processing, Member Services,

III. OTHER COMMUNICATIONS (Continued)

A. For Information

3. Chief Executive Officer's Report
(Memo dated February 3, 2015)

Retiree Healthcare, Quality Assurance, Administrative Services and the Legal Office staff for their efforts in getting the job done.

In addition, the Executive Team will be having Budget meetings with the different Divisions during the month of February 2015. The Budget Binders should be available to the Board by mid April 2015.

Mr. Rademacher announced that LACERA will host a Return to Work Seminar for the Department of Public Works on February 24, 2015. Mr. Rademacher thanked Vince Lim and the Disability Litigation Team for putting this together.

Mr. Rademacher shared that the Plan Sponsor requested to evaluate the Federal Government's Proposed Budget and highlighted an item that would mandate that benefit plans open up eligibility to part time workers. LACERA is currently open to full time workers and this Federal mandate would require LACERA to open up to part time workers. The Plan Sponsor presented LACERA with questions relating to possibilities, availability, law requirements, and cost. Mr. Rademacher thanked

III. OTHER COMMUNICATIONS (Continued)

A. For Information

3. Chief Executive Officer's Report
(Memo dated February 3, 2015)

Ms. Fern Billings, of the Legal Division, for providing the Plan Sponsor with an overview of the California Statutes, Board Bylaws, and Federal Regulations that govern LACERA.

Mr. Rademacher announced that a Survey regarding the January 2015 Board Offsite Meeting, will be forthcoming and encouraged the Board's feedback.

Mr. Rademacher mentioned that there is a date anomaly in the Staff Activities Report on the graph pertaining to Quantity of Work, and stated that it will be corrected and changes will be reflected to the graph at next month's meeting.

IV. PUBLIC COMMENT

There were no requests from the public.

V. NON-CONSENT AGENDA

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board approves the following:
(Memo dated February 2, 2015)
1. Adopt the proposed Retirement Benefits Strategic Plan for Fiscal Years Ending 2016 through 2018.
 2. Provide direction to staff on Retirement Benefit Strategic Plan review and approval process.

The Board Members requested that an October 2015 Operations Oversight Committee Strategic Plan discussion for development, be added to the Recommendation; and results review following the end of the year as part of the Chief Executive Officer Review Process.

A motion was made by Chair Kehoe, seconded by Mr. Bernstein, to approve the recommendation with the changes. The motion passed unanimously.

- B. Recommendation as submitted by Robert S. Van Der Volgen, Chief Counsel: That the Board approve ballot entitled “Powers and Duties of Retirement Board Members” to be included with the ballot materials for the election of the Third Member of the Board of Retirement.
(Memo dated January 28, 2015)

Mr. Van Der Volgen was present to address questions from the Board.

The Board Members requested edits were incorporated into the statement.

A motion was made by Mr. Okum, seconded, by Mr. Muir, to approve the Powers and Duties of Retirement Board Members as amended. The motion passed unanimously.

V. NON-CONSENT AGENDA

- C. Recommendation as submitted by Beulah S. Auten, Chief Financial Officer: That the Board determine the Consumer Price Index changed by .73% (or when rounded to the nearest one-half of 1% as the COLA benefit rules require, 0.5%: the LACERA 2015 COLA Award), and approve cost-of-living increases and respective COLA Accumulation adjustments for retired LACERA members and beneficiaries, based on retirement plan and date of retirement or death, to become effective April 1, 2015 in accordance with applicable California Government Code Sections. (Memo dated January 28, 2015)

Ms. Auten was present to address questions from the Board.

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

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

Ms. Gray thanked Mr. Van Der Volgen for a good job in drafting the “Powers and Duties of Retirement Board Members”.

Mr. Robbins commented on the recent cyber breach at Anthem Blue Cross and suggested this subject should be discussed at the next Board Meeting.

Mr. Chery shared some highlights of the CALAPRS Advanced Pension Conference that was held UCLA. Mr Chery encouraged Board Members to attend future conferences as he found it to be a very informative educational experience.

(Ms. Gray and Mr. Chery left the Board Room at 10:24 a.m.)

VII. EXECUTIVE SESSION

- A. Conference with Legal Counsel - Existing Litigation (Pursuant to Paragraph 1 of Subdivision (d) of California Government Code Section 54956.9)

1. Tod Hipsher vs. LACERA
Case No. BS 153372

Mr. Van Der Volgen was present and answered the Board's questions.

(Mr. Chery re-entered the Board Room at 10:25 a.m.)

(Ms. Gray re-entered the Board Room at 10:27 a.m.)

The Board reconvened in open session, at which time Mr. Gregg Rademacher reported that the Board met in Closed Session pursuant to Government Code Section 54956.9 to confer with legal counsel on existing litigation Tod Hipsher v. LACERA.

There was nothing to report.

- B. Public Employee Performance Evaluation (Pursuant to Government Code Section 54957)

The Board met in Executive Session and provided direction to staff to coordinate with the Board of Investments.

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

1. Semi-Annual Interest Crediting for Reserves as of December 31, 2014 (Dated January 30, 2015)
2. Correction – FY 2014-2015 Semi-Annual Budget Control Report Based on Expenditures as of December 31, 2014 (Dated February 11, 2015)
3. Revised Powers and Duties of Retirement Board Members, Approved by the Board of Retirement on February 12, 2015

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VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:30 a.m.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR