

REVISED MINUTES AS OF JULY 1, 2015

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, JUNE 11, 2015

PRESENT: Shawn R. Kehoe, Chair
Alan Bernstein, Vice Chair
William de la Garza, Secretary
Anthony Bravo
Yves Chery
Vivian H. Gray (Arrived at 9:06 a.m.)
Joseph Kelly (Left at 11:53 a.m.)
David L. Muir (Alternate Retired)
Ronald A. Okum
William Pryor (Alternate Member)
Les Robbins

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer
Robert Hill, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
Dr. Vito Campese, Medical Advisor

STAFF ADVISORS AND PARTICIPANTS (Continued)

Steven Rice, Chief Counsel

Michael Herrera, Senior Staff Counsel

Frank Boyd, Senior Staff Counsel

Eugenia W. Der, Senior Staff Counsel

Steven Tallant, Senior Staff Counsel

Tamara Caldwell, Acting Division Manager
Disability Retirement Services

Vickie Neely, Specialist Supervisor
Disability Retirement Services

Debbie Semnanian, Specialist Supervisor
Disability Retirement Services

Barry W. Lew, Legislative Affairs Officer

Bernie Buenaflor, Division Manager
Claims Processing Division

Michael Treger, Attorney at Law

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

III. APPROVAL OF MINUTES

A. Approval of the Minutes of the Special Meeting of May 21, 2015

Mr. de la Garza made a motion, Mr. Chery seconded, to approve the minutes of the special meeting of May 21, 2015. The motion passed with Mr. Kelly abstaining.

IV. REPORT ON CLOSED SESSION ITEMS

Mr. Rice reported that, at its May 21, 2015 meeting, the Board of Retirement met in closed session with legal counsel, pursuant to Paragraph (2) of Subdivision (d) of Government Code Section 54956.9, with regard to the Administrative Appeal of Eugene Tavis concerning his retiree health insurance. On a motion by Mr. Chery, seconded by Mr. Okum, the Board voted to deny the appeal.

Mr. Rice further reported that, at its May 21, 2015 meeting, the Board of Retirement met in closed session with legal counsel, pursuant to the same code section, with regard to the Administrative Appeal of Colleen McCullough concerning Plan D membership. On a motion by Mr. Bernstein, seconded by Mr. Pryor, the Board voted to deny the appeal.

Both decisions had previously been reported to the members.

V. OTHER COMMUNICATIONS

A. For Information

1. April 2015 All Stars

Mr. Hill announced the eight winners for the month of April; Nancy Harper, Miriam DeLeon, Ricardo Salinas, Tina Davila, Daniel Marroquin, Debbie Goldasich, Hubert Brooks, Anna Kwan and Raymond Boncato for the Employee Recognition Program. Theodore Byers, David Bayha, Tina Young, and Nancy Harper were the winners of LACERA's RideShare Program.

2. Chief Executive Officer's Report
(Memo dated June 2, 2015) (Ms. Gray arrived at 9:06 a.m.)

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 shared the published Board of Retirement Regulations Brochure that was updated to reflect the most recent IRS regulations and provided the Board with an overview on the Proposed Ballot Initiative – Voter Empowerment Act of 2016.

Mr. Rademacher announced that the Plan Actuary, Milliman, will be completing the bi-annual OPEB Valuation and will be sharing the results at the July 9, 2015 Board meeting.

V. OTHER COMMUNICATIONS (Continued)

2. Chief Executive Officer's Report (Continued)

Mr. Rademacher recognized the Outreach Team for their participation at the LASD Round-Up and thanked Eileen Morkeen, Dina Lejano, Vanessa Gonzalez, and Vanessa Cruz for their contribution in serving the retirees.

Lastly, Mr. Rademacher recognized Linda Ghazarian as the new Board Secretary for the Board of Investments.

VI. PUBLIC COMMENT

There were no requests from the public.

VII. CONSENT AGENDA

Mr. Bernstein made a motion, Mr. Robbins seconded, to approve the following agenda items. The motion passed unanimously.

- A. Ratification of Service Retirement and Survivor Benefit Application Approvals.
- B. Requests for an administrative hearing before a referee.
(Memo dated May 28, 2015)
- C. Recommendation as submitted by Tamara L. Caldwell, Acting Division Manager, Disability Retirement Services: That the Board dismiss with prejudice the appeal for service-connected disability retirement in the case of **Elizabeth Peralta**.
(Memo dated May 27, 2015)
- D. For information only as submitted by Tamara L. Caldwell, Acting Division Manager, Disability Retirement Services regarding the Application Processing Time Snapshot Reports.
(Memo dated May 29, 2015)

VII. CONSENT AGENDA (Continued)

- E. For information only as submitted by Cassandra Smith, Director, Retirement Healthcare Division regarding the Anthem Blue Cross Plan 2005-2006 Medicare Part B RDS Resubmission. (Memo dated May 28, 2015)

VIII. NON-CONSENT AGENDA

- A. Recommendation as submitted by Gregg Rademacher, Chief Executive Officer: That the Board adopt the LACERA Fiscal Year 2015-2016 Administrative and Retiree Healthcare Benefits Budgets. (Memo dated June 1, 2015)

Mr. Rademacher was present to answer questions from the Board.

Mr. Chery made a motion, Chair Kehoe seconded, to approve the recommendation. The motion passed unanimously.

- B. Recommendation as submitted by Joseph Kelly, Chair, Operations Oversight Committee: That the Board Approve each of the following proposed changes to its Policy for Recovery of Overpayments:

1. Revise policy to cover collection of over paid benefits, under paid contributions and appropriate interest, incorporate applicable periods of limitation, and repeal the existing Policy for Waiver of Interest.
2. Increase lower tier threshold limits to reflect collection costs and IRS rules.
3. Incorporate small claims court, greater utilization of the County Treasurer Tax Collector, and offsets against a member's current and future benefits as part of LACERA's collection process. (Memo dated May 22, 2015)

Mr. Kelly recused himself from participating in or voting on this Item, and left the meeting room, pursuant to Government Code Sections 1091 and 1091.5,

VIII. NON-CONSENT AGENDA (Continued)

since he has a “remote interest” in this Item given the involvement of the Treasurer Tax Collector’s office.

Mr. Herrera and Mr. Hill presented the proposed changes to the Policy and answered questions from the Board. Mr. Herrera clarified that the maximum claim amount that can be pursued by LACERA in small claims court is \$5,000.

Mr. Bernstein made a motion, Mr. Pryor seconded, to approve the recommendation.

The makers of the motion amended their motion to include a one year report to the Board from the new amended contract with the Treasurer and Tax Collector pertaining to B.3. of the recommendation. The motion passed with Mr. Robbins voting no.

Mr. Kelly returned to the meeting after the discussion and vote on this Item.

- C. Recommendation as submitted by Joseph Kelly, Chair, Operations Oversight Committee: That the Board adopt the “Board of Retirement Notification of Felony Forfeiture Cases” policy statement. (Memo dated June 1, 2015)

Mr. Popowich was present and answered questions from the Board.

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

VIII. NON-CONSENT AGENDA (Continued)

- D. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the proposed revised Education and Travel Policy. (Memo dated May 29, 2015)

Mr. Rice was present and answered questions from the Board.

Mr. Okum made a motion, Mr. Kelly seconded, to approve the recommendation. The motion passed unanimously.

- E. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the proposed RFP for fiduciary counsel legal services. (Memo dated May 29, 2015)

Mr. Rice was present to answer questions from the Board.

Mr. Chery made a motion, Mr. Bernstein seconded, to approve the recommendation. The motion passed unanimously.

- F. Recommendation as submitted by Bernie Buenaflor, Division Manager, Claims Processing Division: That the Board 1) Determine, based upon medical evaluation, that Thomas P. Angel is not incapacitated for the duties assigned to him in the position of Division Chief, Sheriff (UC); and 2) Grant the application of Thomas P. Angel for reinstatement to active membership. (Memo dated May 26, 2015)

Mr. Buenaflor was present to answer questions from the Board.

Mr. Robbins made a motion, Mr. Pryor seconded, to approve the recommendation. The motion passed unanimously.

VIII. NON-CONSENT AGENDA (Continued)

- G. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Assembly Bill 1291, which relates to the ability of the Ventura County Employees’ Retirement Association to define itself as a “district” and thereby become the direct employer of certain of its employees. (Memo dated May 21, 2015)

Mr. Lew was present to answer questions from the Board.

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

- H. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 292, which would exempt certain cities and counties from the 50-percent normal cost provision under the California Public Employees’ Pension Reform Act of 2013. (Memo dated May 21, 2015)

Mr. Lew was present to answer questions from the Board.

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

- I. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Senate Bill 354, which clarifies the time period during which a joint powers authority can provide specified retirement benefits. (Memo dated May 21, 2015)

Mr. Lew was present to answer questions from the Board.

VIII. NON-CONSENT AGENDA (Continued)

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

- J. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on Assembly Constitutional Amendment 3, which addresses benefit enhancements. (Memo dated May 21, 2015)

Mr. Lew was present to answer questions from the Board.

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

- K. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board direct staff to work with LACERA’s legislative advocate and seek an author to amend legislation relating to LACERA’s noncontributory Plan E. (Memo dated May 21, 2015)

Mr. Lew was present to answer questions from the Board.

Mr. Chery made a motion, Mr. Robbins seconded, to approve the recommendation. The motion passed unanimously.

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

Mr. Chery welcomed Linda Ghazarian and congratulated Ms. Gray as the only candidate for the seat of the Third Member for the Board of Retirement.

Mr. Robbins sought clarification on the Pension Reform ballot and who it affects.

Mr. Kelly provided the Board with a recap of his New York trip.

Lastly, Mr. Rademacher acknowledged Ms. Gray as the sole candidate for the Third Member of the Board of Retirement and Mr. Herman Santos and Mr. Omar Haroon for the Third Member of the Board of Investments.

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR

Safety Law Enforcement
Service-Connected Disability Applications

On a motion by Chair Kehoe, seconded by Mr. Bernstein, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
335C	NORA PATOCKOVA
336C	BRUCE E. ABBOTT
337C	ROBERT A. SHAW, JR.

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR

Safety Law Enforcement (Continued)
Service-Connected Disability Applications

<u>APPLICATION NO.</u>	<u>NAME</u>
338C*	PATRICK L. LIBERTONE (DEC'D)
339C**	LYNN T. THOMPkins
340C	RAUL ALVAREZ
341C	CARLOS R. SANTOS
342C**	KIMBERLY D. HINTON
343C	PATRICK W. MARTINEZ
344C	VICTOR J. NARANJO
345C	PAUL J. FOURNIER
346C**	ROBERT A. SMITH
347C***	NATALIE G. UYEMATSU
348C	WILLIAM J. SANDERS
349C**	ALEXANDER N. HARRIS
350C**/****	AASIA KINNEY

* Granted SCD – Survivor Benefit

** Granted SCD – Employer Cannot Accommodate

*** Granted SCD – Salary Supplemental

**** Applicant Present

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR

Safety Law Enforcement (Continued)
Service-Connected Disability Applications

<u>APPLICATION NO.</u>	<u>NAME</u>
351C*	DONALD R. NAVARRETTE
352C*	SEAN F. HAROLD
353C*	JENNY BETHUNE
354C	SUSAN M. TAKESHITA

Safety-Fire, Lifeguard
Service-Connected Disability Applications

On a motion by Mr. de la Garza, seconded by Mr. Chery, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
1677A	HENRY A. PADRON
1678A	ARTURO ARZAGA
1679A*	DEAN G. MCGUIRE
1680A	KENNETH A. JOHNSTONE
1681A	NEIL F. MILNER

* Granted SCD – Employer Cannot Accommodate

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR

Safety-Fire, Lifeguard (Continued)
Service-Connected Disability Applications

<u>APPLICATION NO.</u>	<u>NAME</u>
1682A	PERRY T. VERMILLION
1683A	STANLEY C. BURTON
1684A	GARRY L. WILKS
1685A	DOUGLAS BRICKLEY

General Members
Service-Connected Disability Applications

On a motion by Mr. Chery, seconded by Ms. Gray, the Board of Retirement approved a service-connected disability retirement for the following named employees who were found to be disabled for the performance of their duties and have met the burden of proof:

<u>APPLICATION NO.</u>	<u>NAME</u>
2519B	LEE D. BOLTON
2520B	MONICA E. SHAW
2521B*	STEVEN J. EM
2522B	MAX J. BRISENO
2523B	RASHELL A. THOMPSON

* Granted SCD – Employer Cannot Accommodate

X. DISABILITY RETIREMENT APPLICATIONS ON CONSENT
CALENDAR

General Members (Continued)
Service-Connected Disability Applications

<u>APPLICATION NO.</u>	<u>NAME</u>
2524B	ZENOBIA J. TURNER-MERRITT
2525B	STEPHEN W. WRATTEN
2526B*	KENNETH M. JONES

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED
SESSION

A. Applications for Disability

<u>APPLICATION NO. & NAME</u>	<u>BOARD ACTION</u>
6816A – SHERRY X. YAN	Mr. de la Garza made a motion, Ms. Gray seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720. The motion passed unanimously.
6817A – MELLISSA R. HURTADO	Ms. Gray made a motion, Mr. Bravo seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720 and grant the option for an earlier effective date pursuant to Government Code Section 31724. The motion passed unanimously.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

6818A – REBECCA L. COCOVA

(Chair Kehoe recused himself since he previously worked with the applicant. Chair Kehoe returned to the Boardroom after this case was handled.)

Mr. de la Garza made a motion, Mr. Kelly seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720. The motion passed unanimously.

Mr. Robbins made a motion, Ms. Gray seconded, to reconsider the case. The motion passed unanimously.

Mr. Pryor made a motion, Ms. Gray seconded, to refer back to staff for additional information. The motion failed (roll call) with Messrs. Pryor, Bravo, Robbins and Ms. Gray voting yes, and Messrs. Kelly, Bernstein, Okum, de la Garza, and Chery voting no.

Mr. Kelly made a motion, Mr. de la Garza seconded, to grant a non-service connected disability retirement. The motion passed (roll call) with Messrs. Kelly, Bernstein, Okum, de la Garza and Chery voting yes, and Messrs. Pryor, Bravo, Robbins, and Ms. Gray voting no.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

APPLICATION NO. & NAME

BOARD ACTION

6819A – RUSSELL A. REED*

Mr. Okum made a motion, Mr. Kelly seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720 since the employer cannot accommodate. The motion passed unanimously.

6820A – HOWARD SCOTT

Mr. Bernstein made a motion, Ms. Gray seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720. The motion passed unanimously.

6821A – ROSARIO PEREZ

Mr. Okum made a motion, Ms. Gray seconded, to grant a non-service connected disability retirement pursuant to Government Code Section 31720.

Mr. Pryor made a substitute motion, Ms. Gray seconded, to grant a non-service connected disability retirement without prejudice.

Mr. Bernstein made a substitute motion, Mr. Kelly seconded, to refer back to staff for additional information. The motion passed with Mr. de la Garza voting no.

* Applicant Present

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

A. Applications for Disability (Continued)

<u>APPLICATION NO. & NAME</u>	<u>BOARD ACTION</u>
6822A – VICTORIA HUAMAN	Mr. Okum made a motion, Ms. Gray seconded, to deny a service connected disability retirement since the employer can accommodate.
6823A – ROBERT L. MULL, JR.	Mr. Pryor made a motion, Ms. Gray seconded, to grant a service connected disability retirement pursuant to Government Code Section 31720. The motion passed unanimously.
6824A – ERIK DEGRATE	Mr. Okum made a motion, Mr. Bernstein seconded, to deny a service connected disability retirement and find the applicant not permanently incapacitated. The motion passed unanimously.
6825A – EUGENE W. WARREN	Mr. de la Garza made a motion, Ms. Gray seconded, to deny a service connected disability retirement and find the applicant not permanently incapacitated since the employer can accommodate. The motion passed unanimously.
6798A – HELEN ROSS	Mr. Chery made a motion, Mr. Okum seconded, to grant a service connected disability retirement pursuant to Government Code Section 31720. The motion passed unanimously.

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports

APPLICATION NO. & NAME

BOARD ACTION

Kimberly H. Chung

Pulled by the request of staff.

Timothy Howell – Michael Treger for appellant
Steven Tallant for the respondent

Mr. Pryor made a motion, Chair Kehoe seconded, to grant a service connected disability retirement and find the applicant disabled. The motion passed unanimously.

Kevin Loren* – In Pro Per
Steven Tallant for the respondent

Ms. Gray made a motion, Chair Kehoe seconded, to grant a service connected disability retirement. The motion failed (roll call) with Messrs. Bravo, Chery, Ms. Gray and Chair Kehoe voting yes, and Messrs. Kelly, Bernstein, Okum, Robbins, and de la Garza voting no.

Mr. Kelly made a motion, Mr. Bernstein seconded, to deny a service connected disability retirement. The motion passed (roll call) with Messrs Kelly, Bernstein, Okum, Robbins, and de la Garza voting yes, and Messrs. Bravo, Chery, Ms. Gray and Chair Kehoe voting no.

* Applicant Present

XI. DISABILITY RETIREMENT CASES TO BE HELD IN CLOSED SESSION

B. Referee Reports (Continued)

APPLICATION NO. & NAME

BOARD ACTION

Robert J. Newlander – Thomas Wicke for appellant
Eugenia Der for the respondent

Mr. Chery made a motion, Ms. Gray seconded, to grant a service connected disability retirement. The motion passed unanimously.

Scott Stephens – Michael Treger for appellant
Eugenia Der for the respondent

(Mr. Kelly left the Board Meeting at 11:53 p.m.)

Mr. Pryor made a motion, Mr. Chery seconded, to grant an option of an earlier effective date. The motion passed unanimously.

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

1. Retirement Board Listing dated May 6, 2015
2. California Government Code Section 31724 – Action of board on proof of incapacity; time allowances become effective: Appeals Agenda for Scott Stephens.
3. LACERA Legislative Report - Bills Amending CERL/PEPRA (Dated June 9, 2015)
4. LACERA Legislative Report – Other (Dated June 9, 2015)
5. 2015-2016 Retiree Healthcare Benefits Plan

June 11, 2015

Page 21

XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:15 p.m.

WILLIAM DE LA GARZA, SECRETARY

SHAWN R. KEHOE, CHAIR