

REVISED MINUTES AS OF AUGUST 13, 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, JULY 9, 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 L. Muir (Alternate Retired)  
  
                  Les Robbins

ABSENT:        Ronald A. Okum  
  
                  William Pryor (Alternate Member)

STAFF ADVISORS AND PARTICIPANTS

Gregg Rademacher, Chief Executive Officer  
  
Robert Hill, Assistant Executive Officer  
  
JJ Popowich, Assistant Executive Officer  
  
Steven Rice, Chief Counsel

STAFF ADVISORS AND PARTICIPANTS (Continued)

Cassandra Smith, Director, Retiree Healthcare Division

Barry W. Lew, Legislative Affairs Officer

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

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

III. REPORT ON CLOSED SESSION ITEMS

There was nothing to report at this time.

IV. OTHER COMMUNICATIONS

A. For Information

1. May 2015 All Stars

Mr. Hill announced the eight winners for the month of May; Linda Ghazarian, Stephanie Kawai, Mayra Marrufo, Irene Ballestero, Juan Almaguer, Paul Carranza, Hernan Barrientos, Debra Rendo, and Bonnie Nolley for the Employee Recognition Program. Claro Lanting, Angela Ward, Vanessa Cruz, and Remi Feliciano were the winners of LACERA's RideShare Program.

IV. OTHER COMMUNICATIONS (Continued)

2. Chief Executive Officer's Report  
(Memo dated June 30, 2015)

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](http://www.lacera.com).)

Mr. Rademacher shared the Board of Supervisors decision to prefund the Retiree Healthcare Benefits and highlighted the annual County contribution schedule.

Lastly, Mr. Rademacher recognized LACERA's Chief Information Officer, James Pu, for sharing his knowledge and expertise at several speaking engagements with other pension systems.

V. PUBLIC COMMENT

There were no requests from the public.

VI. NON-CONSENT AGENDA

A. For Information Only as submitted by Gregg Rademacher, Chief Executive Officer regarding the Los Angeles County Other Postemployment Benefits Program Actuarial Valuation. (Memo dated June 25, 2015)

Milliman

Robert L. Schmidt, Principal and Consulting Actuary

Mr. Hill and Mr. Schmidt provided an overview of the OPEB Actuarial Valuation and answered questions from the Board.

VI. NON-CONSENT AGENDA (Continued)

- B. For Information Only as submitted by Gregg Rademacher, Chief Executive Officer regarding the Retirement Benefit Strategic Plan for Fiscal Years Ending 2015-2017. (Memo dated June 29, 2015)

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

- C. Recommendation as submitted by Cassandra Smith, Director, Retiree Health Care Division: That the Board 1) Authorize the Chief Executive Officer to amend the current LACERA-Milliman RDS Agreement allowing Milliman to continue auditing the Anthem Blue Cross Plans I, II, III, Prudent Buyer Medicare Part D RDS until no significant errors are found; and 2) Establish a policy of auditing LACERA's participation in the Medicare Part D RDS program every two years. (Memo dated June 19, 2015)

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

The makers of the motion amended their motion to approve 1) Authorization for the Chief Executive Officer to amend the current LACERA-Milliman RDS Agreement allowing Milliman to continue auditing the Anthem Blue Cross Plans I, II, III, Prudent Buyer Medicare Part D RDS until submissions are determined to be complete per CMS guidelines; and 2) Establish a policy of auditing LACERA's participation in the Medicare Part D RDS program every two plan years. The motion passed unanimously.

- D. Information only as submitted by Cassandra Smith, Director, Retiree Health Care Division regarding the Anthem Blue Cross Plan 2006-2007 and 2011-2012 Medicare Part D RDS Resubmissions. (Memo dated June 24, 2015)

Cassandra Smith was present to answer questions from the Board.

VI. NON-CONSENT AGENDA (Continued)

- E. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Watch” position on HR 711, which would enact the “Equal Treatment of Public Servants Act of 2015.” (Memo dated June 19, 2015)

Barry W. Lew was present to address any questions from the Board.

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

- F. Recommendation as submitted by Les Robbins, Chair, Insurance, Benefits and Legislative Committee: That the Board adopt a “Support” position on HR 973, which would enact the “Social Security Fairness Act of 2015.” (Memo dated June 19, 2015)

Barry W. Lew was present to address any questions from the Board.

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

- G. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board continue its "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 June 24, 2015)

Barry W. Lew was present to address any questions from the Board.

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

VI. NON-CONSENT AGENDA (Continued)

- H. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Board continue its "Watch" position on Senate Bill 292, which would exempt certain cities and counties with revenues from extraordinary property tax rates from the prohibition on employer payment of employee contributions. (Memo dated June 29, 2015)

Barry W. Lew was present to address any questions from the Board.

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

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

Mr. Robbins requested an educational session be agendize to cover the implications of the propose ballot initiative "Voter Empowerment Act of 2016." Mr. Muir requested the educational material be available in PowerPoint format.

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

1. LACERA Legislative Report - Bills Amending CERL/PEPRA (Dated July 7, 2015)
2. LACERA Legislative Report – Other (Dated July 7, 2015)
3. LACERA Legislative Report – Federal (Dated July 7, 2015)
4. LACERA 2015 Legislation (For Information Only) (July 7, 2015)
5. Assembly Bill 992 – Service Retirement Pending Disability Determination (For Information Only) (Memo dated July 2, 2015)

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VIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 10:25 a.m.

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WILLIAM DE LA GARZA, SECRETARY

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SHAWN R. KEHOE, CHAIR