

MINUTES OF THE MEETING OF THE
OPERATIONS OVERSIGHT COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

THURSDAY, JULY 9, 2015, 11:20 A.M. – 12:40 P.M.

COMMITTEE MEMBERS

PRESENT: Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
David Muir, Alternate

ABSENT: Ronald Okum

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Alan Bernstein
William de la Garza
Vivian H. Gray
Shawn Kehoe
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Robert Hill	Bernie Buenaflor
JJ Popowich	Angel Calvo
Gregg Rademacher	Steve Rice
David Bayha	Susana Seeckts

The meeting was called to order by Chair Kelly at 11:20 a.m. Due to the absence of Mr. Okum, the Chair announced that Mr. Muir, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of June 11, 2015

Mr. Chery made a motion, Mr. Muir seconded, to approve the minutes of the regular meeting of June 11, 2015. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Bernie Buenaflor, Manager, Benefits Division: That the Committee recommend the Board of Retirement direct staff to coordinate with the Occupational Health Programs (OHP) the medical examination and medical advice required under CERL Sections 31680.4 and 31680.8, respectively, for retirees seeking reinstatement to active LACERA membership, and implement a standardized medical affidavit in conjunction with that process. (Memorandum dated July 9, 2015)

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

IV. FOR INFORMATION

A. LACERA Operations Briefing
Robert Hill/JJ Popowich

Messrs. Hill and Popowich presented the monthly briefing on LACERA's operations. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive OOC presentation.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed
- Strategic Plan – Board Package Web Posting

IV. FOR INFORMATION (Continued)

B. Retirement Calculations: PEPRA and Optional Retirements
Robert Hill/JJ Popowich

The introduction of PEPRA and integration of a COLA in the Optional Retirement calculations(s) required a major modification to our Final Calculation Engine. Staff has been vigilant and resourceful at effectively executing these new provisions while simultaneously modernizing the Calculation Engine. These are the first steps in moving the design, implementation, and maintenance of the Calculation Engine from a third party vendor to LACERA staff.

Generally, the implementation of operating tables is a seamless, straightforward exercise that results in a minimal calculation variance. However, introducing a COLA factor into the actuarially reduced benefit calculations may result in material variances. It is imperative that LACERA identify and inform members who may be impacted.

Staff presented the details of the implementation plan, as well as LACERA's communications strategy to inform members of the upcoming changes.

C. Overpayment & Forgery Receivables (Period Ended March 31, 2015)
Susana Seeckts/Angel Calvo/David Bayha

Susana Seeckts, Angel Calvo, and David Bayha presented the status report on overpayment and forgery receivables for the six month period ending March 31, 2015. There are currently 583 overpayment and forgery cases. During the past six months the total amount of overpayments has decreased 23% to \$1.47 million.

Overpayments are broken out into three categories:

- Death related as a result of late death notification
The majority of the decrease in the overall dollar amount is attributed to the death related cases. Although federal privacy requirements make it more difficult to obtain death related data, staff continues to be proactive in searching out this information.
- Incorrect computation
There has been a slight decrease in the dollar amount for this category. Process improvements have been implemented, with updated training carried out at the staff level.

IV. FOR INFORMATION (Continued)

- Miscellaneous

There is a minimal increase in this category. Issues that have contributed to this increase are court ordered retro adjustments due to legal splits, age discrepancies discovered later by diligent staff, or late submissions of social security documents which would affect the retirement allowance of LACERA members.

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 12:40 p.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**