

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

WEDNESDAY, NOVEMBER 4, 2015, 2:05 P.M. – 2:55 P.M.

COMMITTEE MEMBERS

PRESENT: Joseph Kelly, Chair
Yves Chery, Vice Chair
Anthony Bravo
Ronald Okum
David L. Muir, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

William de la Garza
Vivian H. Gray
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Robert Hill	Carlos Barrios
JJ Popowich	Ted Granger
Gregg Rademacher	Michael Petersen
	Steve Rice

The meeting was called to order by Chair Kelly at 2:05 p.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of September 10, 2015

Mr. Chery made a motion, Mr. Okum seconded, to approve the minutes of the regular meeting of September 10, 2015. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Carlos Barrios, CEBS, Section Head, Michael Peterson, Supervisor, and Vanessa Gonzalez, Supervisor: That the Committee recommend the Board of Retirement adopt the following proposed business model for the Member Service Center (MSC) to accommodate an 80% appointment allocation.

1. Offer one hour appointments
2. One hour closure for lunch, 12:00 PM-1:00 PM, while allowing for drop-offs
3. Appointment availability in-line with peak times and staff availability
4. Saturday in-house workshops and appointments
5. Neighborhood workshops
6. Advance bookings up to 90 days
7. Partner with Retiree Healthcare Division for their staff support
8. Focus Outreach events on high attendance events
9. Encourage members to use self-service options
10. Progressive implementation plan with February 28, 2016 goal

(Memorandum dated November 4, 2015)

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

III. ACTION ITEMS (Continued)

- B. Recommendation as submitted by Ted Granger, Assistant Financial Officer: That the Committee recommend the Board of Retirement and the Board of Investments adopt the LACERA OPEB Funding Policy, which would allow LACERA, as an independent entity, to begin pre-funding its share of the Retiree Healthcare Program's liability for its employees. (Memorandum dated October 1, 2015)

Mr. Chery made a motion, Mr. Kelly seconded, that the Committee recommend the Board of Retirement and the Board of Investments adopt the LACERA OPEB Funding Policy, with revisions/changes as suggested by the Committee. The motion passed unanimously.

IV. FOR INFORMATION

- A. Retirement Benefits Strategic Plan for Fiscal Years Ending 2017-2019
Gregg Rademacher

The Retirement Benefits Strategic Plan helps LACERA set direction, define project goals, and make decisions on allocating resources. Mr. Rademacher discussed the five milestones of the strategic planning process.

- October Operations Oversight Committee – review current year plan and begin discussion on strategic direction
- October Management Offsite – management team provides operations substance
- January Operations Oversight Committee – introduce draft of new Strategic Plan
- January Board Offsite – work to finalize draft
- February Board Meeting – propose final draft for adoption

Also discussed was the current plan's strategic initiatives, making suggestions for improvement and exploring new ideas to help achieve LACERA's mission to Produce, Protect, and Provide the Promised Benefits.

IV. FOR INFORMATION (Continued)

B. 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
- Positive Pay/Payee Update

C. Update on ZDI Contract
JJ Popowich

Mr. Popowich presented an update on the ZDI contract. ZDI has for many years printed Annual Benefit Statements for LACERA's members. LACERA and ZDI have been operating under a terminated agreement since April 15, 2009, without objection from either party. Since staff is preparing to completely redesign the current form of Annual Benefit Statements, it would not be feasible to conduct an RFP at the current time. Therefore, the Legal Division will negotiate an 18 month addendum to the current, expired agreement, with an option for an additional 18 months. Upon completion of the redesign of the Annual Benefit Statements, an RFP will be conducted to select a vendor for the new Annual Benefit Statements.

Mr. Kelly requested an item be agendaized for the next Committee meeting with a more detailed discussion regarding how LACERA's internal payment processing guidelines allowed staff to continue paying ZDI without a contract in place.

V. EXECUTIVE SESSION

A. Conference with Legal Counsel – Anticipated Litigation
(Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9)

1. Number of Potential Cases: 1

The Committee met in Executive Session pursuant to Government Code Section 54956.9 in which there is nothing to report at this time.

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VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

The meeting adjourned at 2:55 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.**