

MINUTES OF THE MEETING OF THE
INSURANCE, BENEFITS & LEGISLATIVE COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

THURSDAY, APRIL 13, 2017, 8:05 A.M. – 8:45 A.M.

COMMITTEE MEMBERS

PRESENT: Vivian H. Gray, Vice Chair (*arrived at 8:20 a.m.*)
Alan Bernstein
Ronald Okum
David L. Muir, Alternate

ABSENT: William de la Garza, Chair

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Marvin Adams
Anthony Bravo (*arrived at 8:35 a.m.*)
Yves Chery (*arrived at 8:40 a.m.*)
Joseph Kelly

STAFF, ADVISORS, PARTICIPANTS

Cassandra Smith
Steven Rice
Barry Lew

Aon Hewitt

Kirby Bosley
Susie Lee

The meeting was called to order by Acting Chair Bernstein at 8:05 a.m. Due to the absence of Mr. de la Garza, 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 special meeting of March 3, 2017

Mr. Okum made a motion, Mr. Muir seconded, to approve the minutes of the special meeting of March 3, 2017. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Cassandra Smith, Director, Retiree Healthcare: Authorize LACERA to join as a member of the Coalition for Affordable Prescription Drugs. (Memorandum dated March 24, 2017)

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

B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee recommend the Board of Retirement approve the issuance of:

1. A Request for Proposals for state legislative advocacy services on health, benefit, and plan administration issues; and
2. A Request for Proposals for federal legislative advocacy services on health, benefit, and plan administration issues.

(Memorandum dated April 3, 2017)

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

III. ACTION ITEMS (Continued)

- C. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Assembly Bill 1310, which requires certain disclosures on member statements. (Memorandum dated March 22, 2017)

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

- D. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Watch" position on Senate Bill 32, which would enact the California Public Employees' Pension Reform Act of 2018. (Memorandum dated March 29, 2017)

A provision of PEPRA 2018 which would apply to LACERA states that a public retirement system shall not make a cost-of-living adjustment to any allowance payable to a retired member or beneficiary if the unfunded actuarial liability of either CalPERS or CalSTRS is greater than zero. The author's office indicated this might be an unintentional drafting error, which might be changed in the future.

Mr. Muir made a motion, Mr. Okum seconded, to oppose SB 32, unless amended, and if the language is corrected, maintain a watch position. The motion passed unanimously.

- E. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt an "Oppose" position on Senate Constitutional Amendment 8, which provides authority to a government employer to reduce public employee retirement benefits. (Memorandum dated April 4, 2017)

Ms. Gray made a motion, Mr. Okum seconded, to take no action on the recommendation at this time. The motion passed unanimously.

III. ACTION ITEMS (Continued)

- F. Recommendation as submitted by Barry W. Lew, Legislative Affairs Officer: That the Committee recommend the Board of Retirement adopt a "Neutral" position on Senate Constitutional Amendment 10, which requires retirement benefit increases to be approved by a two-thirds vote of the electorate. (Memorandum dated April 4, 2017)

Mr. Bernstein made a motion, Mr. Muir seconded, to adopt an oppose position on SCA 10.

LACERA's lobbyist recommends that we wait and see if this item passes out of Committee before taking a position.

Mr. Muir made a substitute motion, Mr. Bernstein seconded, to oppose SCA 10 unless pulled from the Senate Committee. The motion passed unanimously.

The Committee requested the vote on Item III-E be revisited.

Mr. Muir made a motion, Mr. Bernstein seconded, to reconsider Item III-E. The motion passed unanimously.

Mr. Bernstein made a motion, Mr. Muir seconded, to oppose SCA 8 unless pulled from the Senate Committee. The motion passed unanimously.

IV. FOR INFORMATION

- A. Staff Activities Report for March, 2017

The staff activities report was discussed.

- B. CIGNA & Anthem Blue Cross Claims Experience

The CIGNA & Anthem Blue Cross Claims Experience reports through February 2017 were discussed.

- C. Federal Legislation
- Aon Hewitt Washington Report

Submitted for information only.

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

The meeting adjourned at 8:45 a.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.**