



Board of Administration Agenda

REGULAR MEETING

TUESDAY, MAY 14, 2019

TIME: 10:00 A.M.

MEETING LOCATION:

LACERS Ken Spiker Boardroom
202 West First Street, Suite 500
Los Angeles, California 90012-4401

Live Board Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 473-7169.

President:	Cynthia M. Ruiz
Vice President:	Elizabeth L. Greenwood
Commissioners:	Elizabeth Lee Sandra Lee Nilza R. Serrano Sung Won Sohn Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghokassian
Legal Counsel:	City Attorney's Office Retirement Benefits Division

- I. PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION
- II. [APPROVAL OF MINUTES FOR REGULAR BOARD MEETING OF APRIL 23, 2019 AND POSSIBLE BOARD ACTION](#)
- III. BOARD PRESIDENT VERBAL REPORT
- IV. GENERAL MANAGER VERBAL REPORT
 - A. REPORT ON DEPARTMENT OPERATIONS
 - B. UPCOMING AGENDA ITEMS
- V. RECEIVE AND FILE ITEMS
 - A. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)

- B. [MARKETING CESSATION NOTIFICATION](#)
- VI. COMMITTEE REPORT(S)
 - A. AUDIT COMMITTEE VERBAL REPORT ON THE MEETING OF MAY 14, 2019
- VII. CONSENT AGENDA
 - A. [TRAVEL AUTHORITY – COMMISSIONER ELIZABETH LEE; INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS CERTIFICATE OF ACHIEVEMENT IN PUBLIC PLAN POLICY PENSIONS PART I AND II; JUNE 18-21, 2019 AND POSSIBLE BOARD ACTION](#)
- VIII. BENEFITS ADMINISTRATION
 - A. BOARD EDUCATION: ANTHEM OVERVIEW
- IX. BOARD/DEPARTMENT ADMINISTRATION
 - A. [NOTIFICATION OF CERTIFIED RESULTS OF THE EMPLOYEE MEMBER OF THE BOARD OF ADMINISTRATION ELECTION FOR THE FIVE-YEAR TERM ENDING JUNE 30, 2024](#)
 - B. [CONSIDERATION OF GOVERNMENTAL SIDE-A FIDUCIARY LIABILITY INSURANCE AND POSSIBLE BOARD ACTION](#)
 - C. [LACERS' TECHNOLOGY STRATEGY ALIGNMENT](#)
 - D. [PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2019-20 AND POSSIBLE BOARD ACTION](#)
 - E. [APPROVAL OF A CONTRACT AMENDMENT WITH THE SEGAL COMPANY FOR ACTUARIAL CONSULTING SERVICES AND POSSIBLE BOARD ACTION](#)
- X. INVESTMENTS
 - A. CHIEF INVESTMENT OFFICER VERBAL REPORT
- XI. DIVISION SPOTLIGHT
 - A. SURVIVOR BENEFITS UNIT
- XII. LEGAL/LITIGATION
 - A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9 (a) and (d)(1) IN ORDER TO CONFER WITH LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE FOLLOWING CASES: IN RE CORTLANDT STREET RECOVERY CORP. V. CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM, et al., 2:11-cv-10571-RGK (SHx) AND CORTLANDT STREET RECOVERY CORP. V. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM, et al., 2:22-cv-10573-**

RVK (SHx) (In the United States District Court for the Central District of California) AND POSSIBLE BOARD ACTION

- XIII. DISABILITY RETIREMENT APPLICATION(S)
 - A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF JIM GRIMES AND POSSIBLE BOARD ACTION**
 - B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF CLAUDIA PEREZ AND POSSIBLE BOARD ACTION**
- XIV. OTHER BUSINESS
- XV. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, May 28, 2019 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.
- XVI. ADJOURNMENT

MINUTES OF THE REGULAR MEETING
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

LACERS Ken Spiker Boardroom
202 West First Street, Fifth Floor
Los Angeles, California

April 23, 2019

10:01 a.m.

Agenda of: May 14, 2019

Item No: II

PRESENT:	President:	Cynthia M. Ruiz
	Vice President:	Elizabeth L. Greenwood
	Commissioners:	Elizabeth Lee Nilza R. Serrano Sung Won Sohn Michael R. Wilkinson
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
	Legal Counsel:	Anya Freedman
ABSENT:	Commissioner:	Sandra Lee

The Items in the Minutes are numbered to correspond with the Agenda.

I

PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION – President Ruiz asked if there were any persons who wished to speak on matters within the Board's jurisdiction, to which there was no response and no public comment cards were received.

II

APPROVAL OF MINUTES FOR REGULAR BOARD MEETING OF APRIL 9, 2019 AND POSSIBLE BOARD ACTION – A motion to approve the Regular Board Meeting minutes of April 9, 2019 was moved by Commissioner Serrano, seconded by Vice President Greenwood, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Serrano, Sohn, Wilkinson, and Vice President Greenwood, and President Ruiz -6; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz stated that she attended the LACERS Staff Appreciation Day on April 18, 2019. She shared that it was a very nice event and she complimented staff for organizing such a great event with a variety of activities.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager discussed the following items:
- LACERS Active Member Election certified results received. Annie Chao received 53% of the votes cast.
 - Thanked President Ruiz for attending the LACERS Staff Appreciation Day events.
 - Champion led bike event on April 25, 2019.
 - Feel Like a Million game launch on April 28, 2019.
 - LACERS letter to Budget and Finance Committee regarding proposed budget submitted today.
 - Large CPRA request to LACERS from Coalition of City Unions.
 - Excess Benefits Program discussion with the City Controller.
 - ERIP FAQ to be posted online.
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, stated the following future agenda items:
- Retiree health program training from Anthem on May 14, 2019.
 - LACERS proposed budget being presented to the Budget and Finance Committee on May 6, 2019.

V

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MARCH 2019 – The report was received by the Board and filed.
- B. COMMISSIONER GREENWOOD BOARD EDUCATION EVALUATION ON COUNCIL OF INSTITUTIONAL INVESTORS 2019 SPRING CONFERENCE, WASHINGTON, D.C.; MARCH 4-6, 2019 – The report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT ON THE MEETING OF APRIL 9, 2019 – Commissioner Sohn stated that the Investment Committee were introduced presentations by PGIM regarding emerging market debt, Principal Global Investors, LLC regarding the management of an active U.S. mid-cap equities portfolio, and held one closed session item.

VII

CONSENT AGENDA

- A. TRAVEL AUTHORITY – COMMISSIONER CYNTHIA M. RUIZ; HISPANIC HERITAGE FOUNDATION INVESTORS FORUM, OAKLAND, CALIFORNIA; JUNE 6, 2019 AND POSSIBLE BOARD ACTION – Vice President Greenwood moved approval of the following Resolution:

**TRAVEL AUTHORITY
HISPANIC HERITAGE FOUNDATION INVESTORS FORUM
JUNE 6, 2019
OAKLAND, CALIFORNIA**

RESOLUTION 190423-A

WHEREAS, Board approval is required for all international travel requests and travel not included in the Approved List of Educational Seminars;

WHEREAS, the Hispanic Heritage Foundation (HHF) Investors Forum in Oakland, California is not included in the Approved List of Educational Seminars authorized by the Board Education and Travel Policy for Fiscal Year 2018-19, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Ruiz is hereby authorized to attend the HHF Investors Forum on June 6, 2019 in Oakland, California.

BE IT FURTHER RESOLVED, that the reimbursement of up to \$600.00 is hereby authorized for reasonable expenses in connection with participation.

Which motion was seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Serrano, Sohn, Wilkinson, Vice President Greenwood, and President Ruiz -6; Nays, None.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.554 Billion as of April 22, 2019. Mr. June discussed the following items:
- Staff is working on Private Credit Investment Manager Semi-finalist due diligence.
 - Future agenda items include real estate opportunity and performance reports from consultants.
- B. TRAVEL AUTHORITY – RODNEY JUNE, CHIEF INVESTMENT OFFICER; ALCENTRA LIMITED AND CRESCENT CAPITAL GROUP LP, LONDON, UNITED KINGDOM; MAY 1-2, 2019, AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:

**TRAVEL AUTHORITY
DUE DILIGENCE OF PRIVATE CREDIT MANDATE SEARCH
MAY 1-2, 2019
LONDON, UNITED KINGDOM**

RESOLUTION 190423-B

WHEREAS, Board approval is required for all international travel requests;

WHEREAS, the due diligence of the Private Credit Mandate Search semi-finalists, Alcentra Limited and Crescent Capital Group LP, requires international travel to London, United Kingdom, and therefore requires approval;

WHEREAS, the request to conduct due diligence meetings of the Private Credit Mandate Search semi-finalists, Alcentra Limited and Crescent Capital Group LP, requires international travel and conforms to the LACERS Strategic Plan Board Governance Goal of upholding good governance practices which affirm transparency, accountability, and fiduciary duty and Investment Goal of optimizing long-term risk adjusted returns through superior investments;

THEREFORE, BE IT RESOLVED, that Rodney June, Chief Investment Officer is hereby authorized to travel to London, United Kingdom to conduct due diligence of the Private Credit Mandate Search semi-finalists, Alcentra Limited and Crescent Capital Group LP, on May 1-2, 2019 (travel dates April 29-May 3, 2019);

BE IT FURTHER RESOLVED, that the reimbursement of up to \$4,000 for Rodney June, Chief Investment Officer is hereby authorized for reasonable expenses in connection with participation and will be applied to the 2018-19 Fiscal Year budget.

Which motion was seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Serrano, Sohn, Wilkinson, Vice President Greenwood, and President Ruiz -6; Nays, None.

President Ruiz adjourned the Regular Meeting at 10:27 a.m. to convene in Closed Session.

IX

DISABILITY RETIREMENT APPLICATION(S)

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF MICHAEL YOUNG AND POSSIBLE BOARD ACTION

President Ruiz reconvened the Regular Meeting at 10:30 a.m. and announced that the Board unanimously approved the Disability Retirement Application of Michael Young.

X

OTHER BUSINESS – Vice President Greenwood discussed issues with Worker’s Compensation. She also discussed allowing Union representatives to attend LACERS retirement counseling sessions and retirement seminars just as the Retired Los Angeles City Employees, Inc. (RLACEI) attends the meetings. After discussion, staff was directed to look into this request and report back with their findings to the Governance Committee and then the Board.

XI

NEXT MEETING – The next Regular meeting of the Board is scheduled for Tuesday, May 14, 2019 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XII

ADJOURNMENT – There being no further discussion before the Board, President Ruiz adjourned the meeting at 10:44 a.m.

Cynthia M. Ruiz
President

Neil M. Guglielmo
Manager-Secretary

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

SERVICE RETIREMENTS

<u>Member Name</u>	<u>Service Department</u>	<u>Classification</u>
Adams, James T	33 PW - Sanitations	Ref Coll Truck Oper
Ali, Syed K	31 Dept. of Bldg. & Safety	Build Civil Engr
Alsharairi, Bassam	31 ITA	Systems Programmer
Asuncion, Thomas T	33 Harbor Dept.	Architectural Assoc
Avendano, Dora A	25 PW - Admin Div.	Sr Administrative Clerk
Barnes, Michael A	21 Harbor Dept.	Boat Captain
Berman, Deanna Michelle	7 Council - As Needed	Council Aide
Blancher, Cecilia G	31 Dept. of Bldg. & Safety	Exec Admin Asst
Cabana, Wilfredo G	24 Dept. of Transportation	Signal System Electron
Carter, Mary Ester	38 PW - General Office	Sr Administrative Clerk
Chang, Nelson C	30 PW - St. Lighting	Geographic Information
Chen, Tony Z	32 Dept. of Airports	Info System Mgr
Cheng, Jade Yuh Huey	32 ITA	Systems Programmer
Chinte, Dante T	20 Harbor Dept.	Heavy Duty Equip Mech
Chung, Michael	30 PW - Contract Admin	Pr Constr Inspector
Consulreyes, Marian E	22 LA Housing Dpt.	Management Analyst
Contreras, Bernabe	23 GSD - Fleet Services	Equipmnt Mechanic
Dale, Dennis	32 PW - Sanitation	Ref Coll Truck Oper
Davis, Cynthia	26 GSD - As Needed	Head Custodian Supvr
Dickens, Carol J	43 GSD - Accounting	Accounting Clerk
Dickinson, Sharon M	28 Office of the City Clerk	Legislative Asst
Dye, Thomas E	16 Dept. of Airports	Airport Police Ofcr
Dzinovic, Sabina	11 Dept. of Transportation	Crossing Guard
Esparza, Manuel Orlando	34 Harbor Dept.	Survey Party Chief
Faner, Florian De Quiroz	18 GSD - Purchasing	Supply Services Payment
Fang, Hao	18 Dept. of Transportation	Transp Engrg Assc
Fatherree, Kathleen	30 Personnel Dept.	Sr Personnel Analyst
Feldman, Steven	12 Dept. of Animal Svcs.	Veterinarian
Feliciano, Maricela	32 Dept. of Rec. & Parks	Sr Gardener
Fenderson, Anthony T	38 PW - Sanitation	Ref Coll Supervisor
Flores, Peter	38 Office of the City Clerk	Sr Systems Analyst
Foreman, Jon C	30 City Planning Dept.	Sr City Planner
Frauens, Susan	35 City Attorney's Office	Asst City Attorney
French, Julie Starr	29 Dept. of Transportation	Traf Officer
Fuchs, Howard M	29 City Attorney's Office	Deputy City Atty
Gacias, Rolando I	32 PW - St. Lighting	St Ltg Engrg Assc

Gamboa, Frank Steve	33 PW - St. Maint.	Motor Sweeper Operator
Gharagozli, Taghi	29 Dept. of Transportation	Transp Engrg Assc
Grossi, Leah M	27 Dept. of Airports	Ch Airport Plan
Hackney, Daniel Oliver	29 PW - Sanitation	Envirn Affrs Ofc
Harris, Stephen P	30 Dept. of Transportation	Commun Info Rep
Heads, Booker T	10 Dept. of Airports	Sr Security Officer
Heard, Jacquelyn Sharon	38 Dept. of Airports	Workers Comp Analyst
Hendricks, Marguerite C	38 Dept. of Airports	Sr Administrative Clerk
Hogan, Michael G	36 Dept. of Rec. & Parks	Sr Recreation Dir
Howard, Marc Scott	32 PW - Sanitation	Custodian
Ige, Omotayo A	30 ITA	Dir Of Communicatn Svcs
Jackson, Marsha I	30 PW - Street Use Inspection	Sr St Svc Invest
James, Aleta Denise	38 City Planning Dept.	Assoc Zoning Adminstr
Johnson, Annette	39 Library Dept.	Administrative Clerk
Jones, Latrend	34 GSD - Purchasing	Supply Services Payment
Khan, Abdul R	34 PW - Sanitation	W/Wtr Trmt Oper
Kirkpatrick, Curtis	30 Dept. of Airports	Maint & Constr Helper
Lau, Wai Yee	30 Office of Finance	Asst Dir Of Finance
Layne, Cornelius	32 Dept. of Rec. & Parks	Light Equip Operator
Ledesma, Gary	35 PW - St. Maint.	Motor Sweeper Operator
Lee, Patrick H L	36 PW - Engineering	Civil Engineer
Lew, Debbie	38 City Attorney's Office	Asst City Attorney
Liang, Bingcheng	1 Dept. of Airports	Airport Guide
Loi, Tracy	20 PW - Sanitation	Programmer/Analyst
Lopez, Alfonso R	30 City Attorney's Office	City Atty Investgr
Lualhati, Cesar C	17 Controller's Office	Accountant
Luna, Anabell	38 LA Housing Dept.	Accounting Clerk
Luna, Oscar A	26 PW - Contract Admin	Constr Inspector
Lynch, Gary M	30 Dept. of Bldg. & Safety	Build Mech Inspector
Magana, Mario	17 Harbor Dept.	Welder
Malin, David H	33 Harbor Dept.	Emergncy Mgt Coord
Mc Call, Tyrone	30 Zoo Dept.	Custodian
Mc Neil, Tommy L	30 Dept. of Rec. & Parks	Painter
Mcbeath, Gus	13 Dept. of Bldg. & Safety	Plumbing Inspector
Mcdonald, Mike J	30 Dept. of Rec. & Parks	Masonry Worker
Mestas, Robert R	32 Dept. of Rec. & Parks	Cement Finisher
Minnifield, Gale D	34 Dept. of Rec. & Parks	Rec Supervisor
Mohtashemi, Ehsan	35 PW - Sanitation	Civil Engrg Assc
Montiel, Rene	32 PW - St. Maint.	St Svcs Supvr
Morales, Roy R	30 Council - As Needed	Legislative Analyst
Moussay Afzali, Iraj	28 PW - Sanitation	Envrmntl Engineer
Muranaka, Kazuye	20 Police Dept. - Civilian	Administrative Clerk
Olivares, Jaime A	32 Dept. of Airports	Commun Engineer
Paige, Ron	29 PW - Sanitation	Ref Coll Truck Oper
Pattillo, Ulric Jerome	29 Police Dept. - Civilian	Police Service Rep

Pirkey, Will Jay	12 City Attorney's Office	Deputy City Atty
Prado, Pacomio L	21 Dept. of Rec. & Parks	Gardener Caretaker
Ramos, Deborah J	33 GSD - Admin.	Asst Gm Gen Svcs Dept
Richardson, Selanthia E	37 Dept. of Airports	Sr Administrative Clerk
Rindone, Ronald	6 Dept. of Rec. & Parks	Gardener Caretaker
Robinson, Robert A	20 Dept. of Airports	Security Officer
Romo, Jesus L	27 Dept. of Airports	Deputy G M Airpt
Rosenberg, Rosa E	27 PW - Admin Div.	Sr Administrative Clerk
Ruffing, Russell C	15 PW - Engineering	Environmental Supvr
Salcedo, Angel T	41 PW - Engineering	Civil Engrg Assoc
Sanchez, Arleen Lupe	40 Police Dept. - Civilian	Sr Administrative Clerk
Schrock, Kevin Drake	34 Dept. of Airports	Airport Engineer
Sciscento, Dennis Robert	27 Dept. of Transportation	Signal System Electrcn
Scognamillo, Frank	28 Harbor Dept.	Painter
Shimoji, Nadine	25 LA Housing Dept.	Project Coordinator
Shovlin, Ralph Vincent	34 PW - Engineering	Civil Engineer
Slick, Beth	17 PW - Contract Admin	Exec Admin Asst
Strople, Timothy J	31 PW - Sanitation	Painter
Tan, Jose Rey Dublin	15 Harbor Dept.	Programmer/Analyst
Tang, David F	30 PW - Contract Admin	Pr Constr Inspector
Taylorson, Mark Alan	20 Zoo Dept.	Animal Keeper
Teng, Flora Y	20 PW - Accounting	Accountant
Thompson, Shermalyn	17 Dept. of Airports	Custodian
Toliver, Patricia D	30 City Attorney's Office	Sr Legal Clerk
Villacreses, Elizabeth M	40 EWDD	Administrative Clerk
Washington, Bobby Delain	32 PW - Sanitation	Painter
Wianecki, Carol M	29 Dept. of Airports	Property Manager
Wilson, Mark Edward	19 Dept. of Rec. & Parks	Recreation Fac Dir
Yan, Ivy T	39 GSD - Accounting	Dept Chief Acct
Zaragoza, Evangeline S	32 Police Dept. - Civilian	Administrative Clerk
Zuniga, Blanca C	15 Dept. of Airports	Custodian Airport
Zuniga, Gregory F	29 GSD - Bldg. Svcs.	Sheet Metal Supvr

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased
TIER 1

Beneficiary/Payee

Abad, Laurencia A

Cris Gene Abad for the payment of the
Accrued But Unpaid Continuance Allowance

Barr, Philip G

Rebecca May for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Barta, Margaret

Marjorie Hotchkiss for the payment of the
Accrued But Unpaid Continuance Allowance

Barton, L V

Alma L Barton for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Becerra, Porfirio M

Jacqueline Hoban for the payment of the
Burial Allowance

Josephine Galvan-Becerra for the payment of the
Accrued But Unpaid Disability Retirement Allowance
Burial Allowance

Suzanne Becerra for the payment of the
Burial Allowance

Beuerlein, Albert M	Jean A Beuerlein for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Biessels, Maria H	Joost Nixon for the payment of the Accrued But Unpaid Service Retirement Allowance
Blyth, Robert E	Toni Ferrara for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Bourne, Lynton	Ruby Bourne for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Box, Victor M	Deborah LaPorta, Trustee of the Victor M Box for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Brooks, Michael R (Deceased Active)	Arlene M Brooks for the payment of the Accumulated Contributions
Burks, Conservatee, Kelley L	Guadalupe Canales for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Calzada, Alexander	Rachel R Calzada for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Carrasco, Kenneth F Marika Vegvari Carrasco for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Chapple, Gus Cynthia Mills for the payment of the
Burial Allowance

Cohen, Ronnee S David A Cohen for the payment of the
Accrued But Unpaid Service Retirement Allowance
Unused Contributions

Michelle V Cohen for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance
Unused Contributions

Davis, Henry E
(Deceased Active) Juanita Davis for the payment of the
Accumulated Contributions

Drazich, Mike D George Dana Drazich for the payment of the
Accrued But Unpaid Service Retirement Allowance

Espy, Ruth L Lisa M Nevels for the payment of the
Accrued But Unpaid Continuance Allowance

Fields, Valerie S Jerome K Fields for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Jilli Fields for the payment of the
Burial Allowance

Fore, Curtis	Connie S Holstun for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Gabaldon, Richard C	Mary E Gabaldon for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Garcia, Bennie	Consuelo A Garcia for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gutierrez, Raymond	Mario Gutierrez for the payment of the Accrued But Unpaid Vested Retirement Allowance Unused Contributions
Hill, Gladys B (Deceased Active)	Deborah D Holmes for the payment of the Accumulated Contributions Richard R Hill for the payment of the Accumulated Contributions
Hutchinson, June D	Estate Of June D Hutchinson for the payment of the Accrued But Unpaid Service Retirement Allowance
Hutchinson, Miriam M	Richard Alwine for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

Hutinet, Mary M

Janine Benschop for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Patrick Benschop for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Jackson, Charlotte

Elizabeth Jackson for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Jackson, Dillard H

Eva Jackson for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Joko, Doris T

Alexander Joko for the payment of the
Accrued But Unpaid Continuance Allowance

Keeble, Renee E

Kyesha Lynette Keeble for the payment of the
Accrued But Unpaid Disability Retirement Allowance

Matthew Russell Morris for the payment of the
Accrued But Unpaid Disability Retirement Allowance

King, Virginia R

Linda King for the payment of the
Accrued But Unpaid Continuance Allowance

Lawler, Roy C

Charlene J Lawler for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Lee, Annie L	Lindsay R Lee for the payment of the Accrued But Unpaid Continuance Allowance
Love, Kimberly (Deceased Active)	Paris J Love for the payment of the Accumulated Contributions
Lucero, Eugene P	Diana E Doi for the payment of the Accrued But Unpaid Service Retirement Allowance
Martinez, Frank	Lydia Salcido for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions Rosemarie Martinez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Martinez, Juan C	Federico Robles Cuevas for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mattingly, Joseph G	Paula A Petrotta for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mears, Thomas E	Harlene Sue Mears for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Mezger, Eugene H Estate Of Eugene Hunt Mezger for the payment of the
Accrued But Unpaid Vested Retirement Allowance
Burial Allowance

Mondy, Helen V Leslie Mondy for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Moore, Isaiah S Anthony T Moore for the payment of the
Accrued But Unpaid Continuance Allowance

Mosley, Sammie Cheryl Jackson for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Nakamura, Douglas K Chiyoko Nakamura for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Norman, Frank F Donald Norman for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

O Brien, David F Kerry Johnson for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance
Unused Contributions

Ong, Henry Y	Stella Ong for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Othello, Fitzgerald	Deanne Cummings-Scott for the payment of the Burial Allowance
Park, Sharon L	David W Park for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Jeffrey A Park for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Parker, Herbert L	Janet Blathers for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Reynoso, Maria	Nazaria Vandenstein for the payment of the Accrued But Unpaid Continuance Allowance
Roldan, Sederio R	Emi J Abe for the payment of the Accrued But Unpaid Service Retirement Allowance
Sablan, Michael A (Deceased Active)	Kawika Kealii Kauhi for the payment of the Accumulated Contributions

Sands, Denise L

Bernice Hausknecht for the payment of the
Accrued But Unpaid Disability Retirement Allowance
Burial Allowance

Gene Hausknecht for the payment of the
Burial Allowance

Snyder, Stanley H

Sandra C Snyder for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Solano, Joe

Joseph Gilbert Solano for the payment of the
Burial Allowance

Nardina Solano for the payment of the
Accrued But Unpaid Service Retirement Allowance

Spector, Robert

Ralph Spector for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Strode, Patricia A

Timothy M Strode for the payment of the
Accrued But Unpaid Continuance Allowance

Taad, Manuela C

Gloria T Law for the payment of the
Burial Allowance

Tebbetts, James R
(Deceased Active)

Anne Tebbetts-Frankl for the payment of the
Accumulated Contributions

Terry, Ivory G	Mildred Terry for the payment of the. Accrued But Unpaid Service Retirement Allowance Burial Allowance
Thomas, Joseph C	David R Butler for the payment of the Accrued But Unpaid Service Retirement Allowance
Thrush, Dale A	Barbara D Thrush for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Tobin-Ludlow, Patricia	Royce Phillip Tobin for the payment of the Accrued But Unpaid Survivorship (Disability) Allowance
Valentine, Ellis	Ellis C Valentine for the payment of the Burial Allowance
Victor, Ruben E	Deyanira Embert-Victor for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wagner, Roland F	Roland F Wagner Estate for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wang, Mao C	Theresa Y Wang for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Watanabe, Kimiyo Last Will Of Kimiyo Watanabe for the payment of the
Accrued But Unpaid Continuance Allowance

White, Priscilla M James D Moxom for the payment of the
Accrued But Unpaid Continuance Allowance
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Whitmer, Bessie M Robert O Whitmer for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Yagi, Wallace S Pauleen Y Yagi for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Yamaki, Audrey H George T Yamaki for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Young, Gloria D Alice M Ferguson for the payment of the
Burial Allowance

TIER 3

N/A



Securing Your Tomorrows

Agenda of: MAY 14, 2019

Item No: V-B

MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD

The Board's Marketing Cessation Policy was adopted in order to prevent and avoid the appearance of undue influence on the Board or any of its Members in the award of investment related and other service contracts. Pursuant to this Policy, this notification procedure has been developed to ensure that Board Members and staff are regularly apprised of firms for which there shall be no direct marketing discussions about the contract or the process to award it; or for contracts in consideration of renewal, no discussions regarding the renewal of the existing contract.

Firms listed in Attachments 1 and 2 are subject to limited communications with Board Members and staff pursuant to the Policy and will appear and remain on the list, along with the status, from the first publicized intention to contract for services through the award of the contract. Lists of current LACERS contracts are on file in the Board office and are available upon request.

Attachments: 1) Contracts Under Consideration for Renewal
2) Active RFPs and RFQs

CONTRACTS UNDER CONSIDERATION FOR RENEWAL

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
INVESTMENTS							
1	Barrow, Hanley, Mewhinney & Strauss, LLC	Active Non-U.S. Equities Developed Markets Value	10/1/2013	9/30/2019	Investment Committee to consider contract renewal on 5/14/19.	5/10/2019	12/31/2019
2	Lazard Asset Management, LLC	Active Non-U.S. Equities Developed Markets Core	10/1/2013	9/30/2019	Investment Committee to consider contract renewal on 5/14/19.	5/10/2019	12/31/2019
3	MFS Institutional Advisors, Inc.	Active Non-U.S. Equities Developed Markets Growth	10/2/2013	9/30/2019	Investment Committee to consider contract renewal on 5/14/19.	5/10/2019	12/31/2019
ADMINISTRATIVE SERVICES							
4	Cresa	Real Estate Services	Pending	Pending	Board awarded new contract on 11/28/2017; Contract under review for execution.	10/1/2017	6/1/2019
HEALTH BENEFITS ADMINISTRATION							
5	Anthem 2019	Medical HMO & PPO	1/1/2019	12/31/2019	Board approved on 8/28/2018; Contract under review for execution.	1/1/2019	12/31/2019

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ATTACHMENT 1
 CONTRACTS LIST FOR THE MAY 14, 2019 BOARD MEETING

CONTRACTS UNDER CONSIDERATION FOR RENEWAL

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
HEALTH BENEFITS ADMINISTRATION (CONTINUED)							
6	Kaiser 2019	Medical HMO	1/1/2019	12/31/2019	Board approved on 8/28/2018; Contract under review for execution.	1/1/2019	12/31/2019
7	SCAN 2019	Medical HMO	1/1/2019	12/31/2019	Board approved on 8/28/2018; Contract under review for execution.	1/1/2019	12/31/2019
8	United Healthcare 2019	Medical HMO	1/1/2019	12/31/2019	Board approved on 8/28/2018; Contract under review for execution.	1/1/2019	12/31/2019
9	Delta Dental 2019	Dental PPO and HMO	1/1/2019	12/31/2019	Board approved on 8/28/2018; Contract under review for execution.	1/1/2019	12/31/2019
10	Anthem Blue View Vision 2019	Vision Services Contract	1/1/2019	12/31/2019	Board approved on 8/28/2018; Contract under review for execution.	1/1/2019	12/31/2019

***RESTRICTED PERIOD**

Start Date - The estimated start date of the restricted period is three (3) months prior to the expiration date of the current contract. No entertainment or gifts of any kind should be accepted from the restricted source as of this date. Firms intending to participate in the Request for Proposal process are also subject to restricted marketing and communications.

End Date - The estimated end date of the restricted period is three (3) months following the expiration date of the current contract. For investment-related contracts, the estimated end date is normally six (6) months following the expiration of the current contract. For health carrier contracts, the estimated end date is normally one (1) year following the expiration of the current contract. Estimated dates are based on contract negotiation periods from prior years.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM **ATTACHMENT 2**
 CONTRACTS LIST FOR THE MAY 14, 2019 BOARD MEETING

ACTIVE RFPs AND RFQs*

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
INVESTMENTS		
1	Private Credit Mandate Search	RFP Release Date: December 10, 2018
		Submission Deadline: January 18, 2019
		Status: Alcentra Limited; Bain Capital Credit, LP; Benefit Street Partners L.L.C.; Crescent Capital Group LP; Monroe Capital LLC; and THL Credit Advisors LLC approved by Investment Committee as semi-finalists for further due diligence.
		List of Respondents: Alcentra Limited, Barings LLC, MB Global Partners, LLC, Backcast Partners Management LLC, BlackRock, Inc., CLSA Capital Partners (HK) Limited, Cross Ocean Adviser LLP, Clearwater Capital Partners (Fiera Capital Corporation), Guggenheim Partners, LLC, Goldman Sachs Asset Management, L.P., Pemberton Capital Advisors LLP, Kayne Anderson Capital Advisors, L.P., Maranon Capital, L.P., Bain Capital Credit, LP, Breakwater Management LP, Carlyle Global Credit Investment Management L.L.C., Crescent Capital Group LP, MV Credit Partners LLP, New Mountain Capital, LLC, Park Square Capital USA LLC, Tor Investment Management (Hong Kong) Limited, AlbaCore Capital LLP, Muzinich & Co., Inc., Kartesia Management S.A., Medalist Partners, LP, NXT Capital Investment Advisers, LLC, Owl Rock Capital Partners, PennantPark Investment Advisers, PIMCO Investments LLC, Deerpath Capital Management, LP, Brightwood Capital Advisors, Magnetar Capital LLC, MC Credit Partners LP, Oaktree Capital Management, L.P., THL Credit Advisors LLC, White Oak Global Advisors, LLC, Benefit Street Partners L.L.C., EntrustPermal / Blue Ocean GP LLC, Willow Tree Credit Partners LP, Monroe Capital LLC, Runway Growth Capital LLC, Stellus Capital Management, LLC
2	U.S. Small Cap Equities Mandate Search	RFP Release Date: February 25, 2019
		Submission Deadline: April 12, 2019
		Status: In progress
		List of Respondents: 361 Capital, LLC, Aberdeen Standard Investments Inc., Acuitas Investments, LLC, Alliance Bernstein AB, Allianz Global Investors AllianzGI, AltraVue Capital, LLC, American Century Investment Management, Inc., AMI Asset Management Corporation, Anchor Capital Advisors LLC, Ariel Investments, LLC, Aristotle Capital Boston, LLC, Axiom Investors, Baron Capital, Barrow, Hanley, Mewhinney, Strauss, LLC, Bernzott Capital Advisors, Bivium Capital Partners, LLC, BlackRock, Inc., BMO Global Asset Management, BNP Paribas Asset Management USA Inc, Boston Advisors, LLC, Boston Partners Global Investors, Inc., Bridge City Capital, LLC, Cadence Capital Management LLC, Capital Impact Advisors, LLC, Capital Prospects LLC, Ceredex Value Advisors LLC, Dimensional Fund Advisors LP, Driehaus Capital Management LLC, Eagle Asset Management, EAM Investors, LLC, EARNEST Partners, LLC, Eastern Shore Capital Management, a Division of Moody Aldrich Partners, LLC, Eaton Vance Management, Elk Creek Partners LLC, Falcon Point Capital, LLC, Federated MDTA, LLC, FIAM LLC, Fisher Investments, Franklin Advisers, Inc., Frontier Capital Management Company, LLC, Goldman Sachs Asset Management, Granahan Investment Management, Granite Investment Partners, LLC, Great Lakes Advisors, LLC,

ACTIVE RFPs AND RFQs*

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
		<p>GW&K Investment Management, LLC , Hotchkis and Wiley Capital Management, LLC, Investment Counselors of Maryland, LLC, Jacobs Levy Equity Management, Inc., Jennison Associates, JP Morgan, Kayne Anderson Rudnick Investment Management, LLC, Legato Capital Management, LLC, Legion Partners Asset Management, LLC, Lisanti Capital Growth, LLC, LMCG Investments, Loomis, Sayles & Company, L.P., Los Angeles Capital Management and Equity Research, Inc., Macquarie Investment Management, Manulife Asset Management, Matarin Capital Management, Mellon Investments Corporation, MFS Institutional Advisors, Inc., Monarch Partners Asset Management, LLC, Morgan Stanley Investment Management, Neuberger Berman, NewSouth Capital Management, Inc., Next Century Growth Investors, LLC, Northern Trust Investments, Inc., OFI Global Institutions, Inc., Pacific Ridge Capital Partners, LLC, Pacific View Asset Management, LLC, Palisade Capital Management, L.L.C, PanAgora Asset Management, Inc., Peregrine Capital Management, LLC, Perkins Investment Management LLC, Pier Capital, LLC, PIMCO, Portolan Capital Management LLC, Principal Global, Pzena Investment Management, QMA LLC, Ranger Investment Management, LP, Riverbridge Partners, LLC, RockCreek, Rothschild & Co Asset Management, Sapien Investments, LLC, Schroder Investment Management North America Inc., Segall Bryant & Hamill, Seizert Capital Partners, Smith Asset Management Group, Snyder Capital Management, L.P., Summit Creek Advisors, LLC, Systematic Financial Management, L.P., T. Rowe Price Associates, Inc., Teton Advisors, Inc., THB Asset Management, Tygh Capital Management, Vantagepoint Discovery, Victory Capital Management Inc., Voya Investment Management, Walkthausen & Co., LLC, Wasatch Advisors, Weatherbie Capital, LLC, Wedge Capital Management, Wellington Management Company LLP, Wells Fargo Asset Management, Westfield Capital Management Company, L.P., William Blair Investment Management, LLC, WisdomTree Asset Management, Inc., Zacks Investment Management</p>
3	<p>High Yield Fixed Income and Hybrid High Yield Fixed Income / U.S. Floating Rate Bank Loan Mandate Search</p>	<p>RFP Release Date: February 25, 2019</p> <p>Submission Deadline: April 12, 2019</p> <p>Status: In progress</p> <p>List of Respondents: Ares Management LLC, Arena Capital Advisors, LLC, Guggenheim Partners Investment Management, LLC, Aegon Asset Management US, MacKay Shields LLC, Post Advisory Group, LLC, Diamond Hill Capital Management, Inc., AXA Investment Managers, Pacific Asset Management, Mesirow Financial Investment Management, Inc., DDJ Capital Management, LLC, Par-Four Investment Management, LLC, PGIM Fixed Income, Beach Point Capital Management LP, KKR Credit, Barrings LLC, Eaton Vance Management, Brigade Capital Management, LP, Morgan Stanley Investment Management, Lord, Abbett & Co. LLC, BlackRock, Inc., L & S Advisors, Inc., Mellon Investments Corporation, Seix Investment Advisors LLC, Legal & General Investment Management, Principal Global, Bain Capital Credit, LP, Princeton Asset Management, LLC, Symphony Asset Management, LLC, PIMCO, The Capital Group Companies, Inc., Loomis, Sayles & Company, L.P., Credit Suisse Asset Management, LLC, J.P. Morgan Asset Management, Hotchkis and Wiley Capital Management, LLC, Northern Trust, CVC Credit Partners, LLC</p>

ACTIVE RFPs AND RFQs*

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
4	Outside Health Law and Data Privacy Counsel	<p>RFP Release Date: January 7, 2019</p> <p>Submission Deadline: January 28, 2019</p> <p>Status: In progress</p> <p>List of Respondents: Clark Hill PLC, Foley & Lardner LLP, Groom Law Group Chartered, Hanson Bridgett LLP, Lewis Brisbois Bisgaard & Smith LLP, Nossaman LLP, Orrick Herrington & Sutcliffe LLP, Polsinelli LLP, Reed Smith LLP</p>
5	Actuarial Consulting Services	<p>RFP Release Date: March 15, 2019</p> <p>Submission Deadline: May 8, 2019</p> <p>Status: In process</p> <p>List of Respondents: N/A</p>
6	Disability Medical Evaluations Services	<p>RFP Release Date: March 29, 2019</p> <p>Submission Deadline: April 30, 2019</p> <p>Status: In process</p> <p>List of respondents: Genex, Mitchell MCN, National Disability Evaluations, QTC.</p>

PROPOSAL OR REQUEST FOR QUALIFICATIONS:

Start Date - The restricted period commences on the day the Request for Proposal is released.

End Date - The restricted period ends on the day the contract is executed.



Report to Board of Administration

Agenda of: **MAY 14, 2019**

From: Neil M. Guglielmo, General Manager

ITEM: **VII-A**

**SUBJECT: TRAVEL AUTHORITY – COMMISSIONER ELIZABETH LEE;
INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS
CERTIFICATE OF ACHIEVEMENT IN PUBLIC PLAN POLICY PENSIONS
PART I AND II; JUNE 18-21, 2019 AND POSSIBLE BOARD ACTION**

Recommendation:

That the Board authorize Commissioner Elizabeth Lee to attend the International Foundation of Employee Benefit Plans (IFEFP) Certificate of Achievement in Public Plan Policy (CAPPP) Pensions Part I and II on June 18-21, 2019 (travel dates June 17-21, 2019) in Boston, Massachusetts; and authorize the reimbursement of up to \$6,500.00 for Commissioner Elizabeth Lee for reasonable expenses in connection with participation.

Discussion:

Commissioner Elizabeth Lee has expressed interest in attending the above-mentioned educational conference, and this Board report is prepared on their behalf. Commissioner Elizabeth Lee has also been provided a copy of LACERS Board Education and Travel Policy.

Pursuant to the Board Education and Travel Policy (Policy), Board approval is necessary for this travel request because this conference was not pre-approved with the adoption of the Approved List of Educational Seminars for Fiscal Year 2018-19.

Strategic Plan Impact Statement:

As stipulated in the Policy, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties.

For Fiscal Year 2018-19, Commissioner Elizabeth Lee has an education travel balance of \$8559.31.

This report was prepared by Ani Ghokassian, Commission Executive Assistant II.

- Attachments: 1) Estimate of Reimbursable Expenses
2) Tentative Schedule/Agenda
3) Proposed Resolution

**CITY OF LOS ANGELES
Intra-Departmental Correspondence**

DATE: April 30, 2019

TO: Accounting Section
City Employees' Retirement System

FROM: Ani Ghoukassian, Commission Executive Assistant II
Board of Administration

SUBJECT: ESTIMATE OF REIMBURSABLE EXPENSES

Name of Attendee Title	ELIZABETH LEE, COMMISSIONER LACERS Board of Administration	
Event	International Foundation of Employee Benefit Plans (IFEBP) Certificate of Achievement in Public Plan Policy (CAPPP) Pensions Part I and II	
Organization	IFEBP	
Date(s) of Event	June 18-21, 2019 (Travel dates June 17-21, 2019)	
Location of Event	Boston, MA	
ESTIMATED EXPENSES:	Registration: (Early bird Regis. \$2,300.00)	\$2,900.00
	Hotel: \$331 per night (3 nights) + \$470 per night (1 night)	\$1,500.00
	Commercial Airline: Roundtrip LAX to BOS	\$600.00
	Meal/Incidental Allowances: 1 day = \$53.25 4 days = \$36.00 per day (\$144.00)	\$197.25
	Taxi: Home to Airport (roundtrip) Airport to Hotel/Conf (roundtrip)	\$225.00
	Miscellaneous: (\$30 per day) x 5 days	\$150.00
	TOTAL ESTIMATE:	\$5,572.25

**TRAVEL AUTHORITY
INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS
CERTIFICATE OF ACHIEVEMENT IN PUBLIC PLAN POLICY
PENSIONS PART I AND II
JUNE 18-21, 2019
BOSTON, MASSACHUSETTS**

PROPOSED RESOLUTION

WHEREAS, Board approval is required for all international travel requests and travel not included in the Approved List of Educational Seminars;

WHEREAS, International Foundation of Employee Benefit Plans (IFEBP) Certificate of Achievement in Public Plan Policy (CAPPP) Pensions Part I and II in Boston, Massachusetts is not included in the Approved List of Educational Seminars authorized by the Board Education and Travel Policy for Fiscal Year 2018-19, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Elizabeth Lee is hereby authorized to attend the IFEBP CAPPP on June 18-21, 2019, in Boston, Massachusetts;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$6,500.00 for Commissioner Elizabeth Lee is hereby authorized for reasonable expenses in connection with participation.

Certificate of Achievement in Public Plan Policy

Pensions Part I and II Consecutively
June 18-21, 2019 | Boston, Massachusetts

Pensions Part II Only
October 19-20, 2019 | San Diego, California



**Early Registration
Discount Ends May 9
for June Programs—
Save \$300!**



www.ifebp.org/capp

International Foundation
OF EMPLOYEE BENEFIT PLANS 
Education | Research | Leadership

Certificate of Achievement in Public Plan Policy (CAPPP®)

Pensions Part I and II Consecutively | June 18-21, 2019 | Boston, Massachusetts

Pensions Part II Only | October 19-20, 2019 | San Diego, California

Build a strong foundation of knowledge in the core areas of public sector employee benefit plans by earning your Certificate of Achievement in Public Plan Policy (CAPPP). Regarded as the educational benchmark of excellence within the public sector, the CAPPP program addresses fundamental concepts and current trends in the legal, legislative, plan design and fiduciary aspects of public sector benefit plans.

Providing essential education for new trustees as well as those who need a refresher, CAPPP is an exam-based program. Sessions are taught by expert practitioners who enrich the content with their own real-life experiences from the field and offer proven solutions you can apply to your own plans. Space is limited. Register today.



Who Should Attend

- New public sector trustees
- Experienced public sector trustees looking to strengthen their knowledge
- Representatives of public funds of various types, sizes and geographical areas looking for a high-level overview
- Individuals needing a comprehensive understanding of public employee plan management at the policy-making level



Benefits of Attending

- Learn about the role of trustees and their relationship to other public sector benefit plan functions.
- Receive firsthand knowledge from leading consultants and practitioners in the public sector benefits field.
- Secure valuable resources and takeaways to use with your own plans.
- Validate your learning with a take-home exam.
- CAPPP is cost-effective and provides the comprehensive, on-target education needed to help you with policy-making decisions.

CAPPP Course Offerings

Certificate in Employee Pensions



Part I
June 18-19, 2019*
Boston, Massachusetts



Part II
June 20-21, 2019*
Boston, Massachusetts
October 19-20, 2019
San Diego, California

*Hotel Reservation Information

Hotel accommodations for the June offering are the responsibility of the participant. Please contact the Omni Parker House directly to make your reservation. See page 4 for details.

How Do You Earn Your Certificate?

CAPPP is an exam-based program. The following steps must be completed to earn your certificate.



Attendees will be given the exam at the conclusion of each part of the course. Candidates will have 30 days to complete the exam (60 days if both parts are completed consecutively) and return it to the International Foundation for scoring.

Certificate in Employee Health—Important Information

Part II—Last offering!
October 19-20, 2019
San Diego, California

After 2019, the Employee Health track will no longer be offered as part of the Certificate of Achievement in Public Plan Policy (CAPPP) program. Please make arrangements to complete your Employee Health Certificate before then.

JOIN US ONLINE
CONNECT | DISCUSS
ASK | SHARE | LEARN



#IFEBP

CAPPP in Employee Pensions—Part I

June 18-19, 2019 | Boston, Massachusetts

Governance

- An overview of the governance of public pension and health plans, including a broad-based orientation addressing issues, duties and responsibilities
- Participate in an interactive environment with small-group discussion to gain a deeper knowledge of governance issues.

Legal Environment

- An overview of the legal environment in which public plans operate
- Review fiduciary duties and the role of fiduciary decision making.
- Apply legal concepts to hypothesized situations.
- Familiarize policy makers with necessary components of advice.

Legislative/Regulatory Developments

- Challenges and benefits of public sector plans
- An evolution of public pension regulation using common examples
- An overview of federal laws impacting governmental plans

Actuarial Principles

- The role and function of actuaries
- Applicable pension plan policies
- Cash flow characteristics
- The basic methods and assumptions for evaluating future events
- Asset valuation methods
- Experience investigations
- Actuarial reviews and audits

Boston

Site of the Boston Tea Party, Boston has a lot to offer, such as museums, parks, monuments, statues and an exciting nightlife. Statues around the city honor historical figures such as Paul Revere, Ben Franklin and Samuel Adams. Boston has many food tours to help you experience its many flavors, from brewery tours to a cupcake crawl. Enjoy Boston's beauty at parks such as the Public Garden or the Boston Common.

Hotel accommodations for the June offering of the CAPPP program are the responsibility of the participant. A discounted room rate of \$289 has been established for attendees. Please contact the Omni Parker House at (617) 227-8600 to make your reservation, and mention the International Foundation to receive this special rate through May 13, 2019.



CAPPP in Employee Pensions—Part II

June 20-21, 2019 | Boston, Massachusetts
October 19-20, 2019 | San Diego, California

Plan Design

- Adequacy funding and risks of retirement
- An overview of basic retirement plan components
- The features unique to public plans
- The structure of alternative plan designs
- A review of the legislative landscape
- Case studies

Investments

- Setting goals and objectives for developing an investment policy
- Asset allocation strategies
- An explanation of asset classes
- Selecting and monitoring investment performance
- Components of an investment report

DAY ONE

Business Improvement Strategies

- How to effectively use strategic planning to focus on the most important aspects of the organization
- How to integrate tools and tips to improve your organization's risk assessment effectiveness
- How to strategically analyze, audit and continuously improve your operations

Emerging Issues

- An overview of workforce attitudes and demographics
- An explanation of tools for trustees and administrators
- An overview of emerging and hot topics

DAY TWO

Session times/dates are subject to change.

San Diego

In San Diego there's fun around every corner. The city is always buzzing with culture, entertainment and food. Known for its beautiful beaches, world-class attractions and laid-back lifestyle, San Diego is a gigantic playground for the young or even just the young at heart.

Have a close encounter with an exotic animal, take a wild ride down a 375-foot water slide, step aboard a real aircraft carrier or even take a day trip to Disneyland. In San Diego, go beyond your typical vacation and try something new.

Visit www.ifebp.org/sandiego for hotel options.



REGISTRATION INCLUDES

Continental breakfasts • Lunches • Beverage breaks

CONTINUING EDUCATION CREDIT

Programs sponsored by the International Foundation of Employee Benefit Plans are consistently accepted for credit by agencies governing continuing education for license renewal and professional recertification. Please note that preapproval by the governing agency is sometimes necessary. It is important, therefore, to register at least 60 days prior to the program taking place.

Note: Requests made for continuing education credit do not guarantee administration of credit.

For further information on continuing education credit, please call (262) 786-6710, option 2.



Educational sessions at this program can qualify for CEBS Compliance credit. Visit www.cebs.org/compliance for additional information.

POLICIES

New cancellation policies effective for 2019 education programs. Cancel and transfer fees are based on registration fee paid: 60+ days before meeting is 10%; 31-59 days before meeting is 25%; within 30 days of meeting is 50%. Hotel deposit is forfeited for cancellations/transfers received within 3 days (5 days for Disney properties) of arrival. Registration fee is forfeited once program commences. For details and the 2019 policy, see www.ifebp.org/policies.

RELATED READING

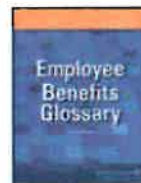
Employee Benefits Glossary, 13th Edition

International Foundation of Employee Benefit Plans

2016. Item #7570. \$75 (Members: \$49).

Price includes shipping and handling.

Additional information at www.ifebp.org/glossary.



ON-SITE EDUCATION FOR YOUR ORGANIZATION

Train your entire team without the added expense of travel. We can customize any content to fit your exact training needs.

For more information, visit www.ifebp.org/onsite-education.

REGISTRATION/2019

CAPP®

International Foundation
OF EMPLOYEE BENEFIT PLANS

Attendee Information (Please print clearly)

Source code 19CP W

Individual ID# or CEBS® ID# _____

Full first name _____ M.I. _____ Last name _____

Employer _____

Title _____

Address _____ Business Home

City _____ State/Province _____ Country _____ ZIP/Postal code _____

Phone _____ Business Home Mobile

Email _____

Form completed by _____ Phone _____

Not a Member? Join Now and Save! Visit www.ifebp.org/join for current rates.

Individual \$325 Organizational \$1,050

Registration Information

Bill to organization name _____

Bill to organization ID # _____

Badge name _____ Badge title _____

Special assistance—specify _____

Special dietary requirements—specify _____

Certificate of Achievement in Public Plan Policy (CAPP)

Omni Parker House—Boston, Massachusetts (Late fee after May 9)

Pensions—Part I: June 18-19 (#A1-19A1)

Pensions—Part II: June 20-21 (#A1-19A2)

San Diego Convention Center—San Diego, California (Late fee after Sept. 8)

Health—Part II: October 19-20 (#1-1918H)

Pensions—Part II: October 19-20 (#1-1918P)

TWO-DAY COURSE FEE (Fee required for each part)

	Early Fee	Late Fee
Member fee	<input type="checkbox"/> \$1,150	<input type="checkbox"/> \$1,450
Nonmember fee	<input type="checkbox"/> \$1,370	<input type="checkbox"/> \$1,670

Hotel

June 2019: **Omni Parker House**—Phone: (800) 843-6664 • Rate: **\$289 single/double**
Reservation deadline is **May 13, 2019** (Mention IFEBP for special rate.)

October 2019: **San Diego Convention Center**—Visit www.ifebp.org/sandiego for hotel options.
Reservation deadline is **September 9, 2019** • Include **\$400 hotel deposit**.

of Adults _____ # of Children _____ Arrival date _____ Departure date _____

King bed Two beds Special requests—describe _____

1st choice _____ 2nd choice _____

3rd choice _____ 4th choice _____

Continuing Education Credit

The International Foundation will apply for CE credit based on requests indicated below.

Actuary Attorney CFP CIMA CPA HRCI Insurance producer*
 SHRM Other, specify _____

CEBS Compliance—Visit www.cebs.org/compliance for additional information.

Licensed in the state(s) of _____ License/NPN/BAR/CPA # _____

*Preapproval of programs/seminars is required in ALL insurance states. This process can take up to 90 days. Late requests could preclude insurance producers from earning credit. **NOTE:** Requests made for CE credit on this form do not guarantee administration of credit.

Payment Must Accompany Order

NEW! Policies have changed. See www.ifebp.org/policies.

Make check payable to International Foundation.

Check # _____ \$ _____

Credit card # _____

Exp. date _____

Cardholder's name (print) _____

Registration/Order Summary

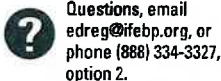
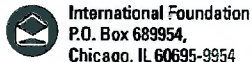
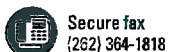
Membership fee \$ _____

Conference fee \$ _____

Conference fee \$ _____

October Hotel Deposit (\$400) \$ _____

Total (U.S. funds) \$ _____



**Advance Your Career by Earning Your Certificate
of Achievement in Public Plan Policy (CAPPP).**

Course Offerings



**Pensions Part I and II
Consecutively**
June 18-21, 2019
Boston, Massachusetts



**Pensions
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Report to Board of Administration

Agenda of: **MAY 14, 2019**

From: *Neil M. Guglielmo*
Neil M. Guglielmo, General Manager

ITEM: **IX-A**

SUBJECT: NOTIFICATION OF CERTIFIED RESULTS OF THE EMPLOYEE MEMBER OF THE BOARD OF ADMINISTRATION ELECTION FOR THE FIVE-YEAR TERM ENDING JUNE 30, 2024

Recommendation

That the Board receive and file the certified results of the Employee Member of the Board of Administration Election for the five-year term ending June 30, 2024.

Discussion

On April 22, 2019, the Office of the City Clerk submitted the attached Letter of Certification of the results of the election on April 9, 2019. The results indicate that Annie Chao received 53.03% of the 3,679 votes cast. Arrangements will be made for the elected member, Annie Chao, to be officially sworn in at a Board of Administration Meeting.

This report was prepared by Ani Ghoukassian, Commission Executive Assistant II, Executive Division.

Attachments: A) Letter of Certification from City Clerk

NMG:AG:ag

HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPES
EXECUTIVE OFFICER

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Election Division
555 Ramirez Street, Space 300
Los Angeles, CA 90012
(213) 978-0444
FAX: (213) 978-0376

JINNY PAK
DIVISION MANAGER

clerk.lacity.org

April 22, 2019

Members of the Board of Administration
Los Angeles City Employees' Retirement System
202 W. First Street, Suite 500
Los Angeles, CA 90012-4401

Honorable Board Members:

Transmitted herewith are the certified results of votes cast in the Election for the Employee Member of the Board of Administration of the Los Angeles City Employees' Retirement System (LACERS) held on April 9, 2019.

If you have any questions, please contact Nelly Lopez of the City Clerk at (213) 978-0440.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Holly L. Wolcott', is written over a horizontal line.

Holly L. Wolcott
City Clerk


Attachments

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES) SS

I, HOLLY L. WOLCOTT, City Clerk of the City of Los Angeles, hereby certify to the Members of the Board of Administration that I have canvassed the returns for the Election for the Employee Member of the Los Angeles Employees' Retirement System on April 9, 2019 and certify the attached canvass of returns to be a true, correct and complete canvass of the returns of said election.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 22nd day of April 2019.

Sincerely,


HOLLY L. WOLCOTT
City Clerk

Attachment

**CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK - ELECTION DIVISION**

Election for the Employee Member of the
Los Angeles City Employees' Retirement System (LACERS)

Election Date - APRIL 9, 2019

SUMMARY OF OFFICIAL TALLY RESULTS

CANDIDATE	VOTES CAST	PERCENT
Elizabeth Greenwood	1691	45.96%
Annie Chao	1951	53.03%
No Votes	1	0.03%
Over Votes	23	0.63%
Write-In Candidates	13	0.35%
TOTAL BALLOTS CAST	3679	

TOTAL BALLOTS MAILED	28,744
TOTAL BUSINESS REPLY MAIL (BRM) ENVELOPES RETURNED	3,776
TOTAL CHALLENGED	97
TOTAL BALLOTS CAST	3,679
VOTER TURNOUT	13.14%



Jinny Pak, Chief
Election Division

4/22/19

Date

CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK - ELECTION DIVISION
Election for the Employee Member of the
Los Angeles City Employees' Retirement System (LACERS)
April 9, 2019

SUMMARY OF CHALLENGES

<u>TYPES OF CHALLENGES UPON VERIFICATION/TALLY</u>	<u>QUANTITY</u>
Ballot in Business Reply Envelope without Identification Envelope	5
Identification Envelope no ballot	3
Identification Envelope with multiple ballots	1
Identification Envelope without any information	24
Identification Envelope without SSN	50
Identification Envelope with wrong SSN	5
Challenged Envelopes (Not on list, Retired, Resigned, Deceased, Inactive Employees)	9
TOTAL	97



Report to Board of Administration

Neil M. Guglielmo

From: Neil M. Guglielmo, General Manager

Agenda of: **MAY 14, 2019**

ITEM: **IX - B**

SUBJECT: CONSIDERATION OF GOVERNMENTAL SIDE-A FIDUCIARY LIABILITY INSURANCE AND POSSIBLE BOARD ACTION

Recommendation

That the Board:

- 1) Consider Governmental Side-A liability insurance renewal quotes presented by LACERS' insurance broker, Willis Towers Watson; and,
- 2) Authorize the extension of LACERS' Governmental Side-A liability insurance policy with RLI Insurance Company for one month from May 23, 2019 to June 23, 2019, if necessary.

Discussion

At the March 28, 2017 meeting, the Board approved continuing with the Governmental Side-A liability insurance coverage. A two-year policy providing a \$10 million limit of liability (total aggregate amount for all claims during the policy period) with an annual premium of \$37,500 was secured with an expiration date of May 23, 2019.

In July 2018, the City Administrative Officer's Risk Management Division established a contract through a competitive bidding process with Willis Towers Watson (WTW) for insurance brokerage services. LACERS opted to use the City's contract with WTW to procure the next fiduciary liability insurance policy.

In March 2019, LACERS requested WTW to solicit Governmental Side-A liability insurance quotes from carriers. Jeanne Blasher of WTW will be presenting the insurance quotes received for the Board's consideration. Due to timing, the presented quotes will not have been reviewed by staff and thus a selection recommendation is not contained in this report.

In the event that the Board may need additional time to consider the renewal quotes, staff recommends that the Board authorize a one-month extension of the current Governmental Side-A liability insurance policy with RLI for a pro-rated premium of \$2,869 for the month to ensure continuity of coverage. This will also allow staff an opportunity to review the provided quotes and make a recommendation to the Board at the May 28, 2019 Board meeting.

LACERS has had continuous Governmental Side-A Liability insurance coverage since May 2014. This policy serves to protect the personal assets of the LACERS' directors, officers, trustees, managers,

comptroller, in-house counsel against claims alleging an error, omission, act, misstatement, misleading statement, neglect or breach of duty in their respective capacities or any matter claimed against them solely by reason of their serving in such capacities.

Strategic Plan Impact Statement:

This consideration to renew the current Governmental Side-A insurance coverage supports the Organization Goal of increasing organizational effectiveness, efficiency, and resiliency.

This report was prepared by Edeliza Fang, Senior Management Analyst, Administrative Services Division.

NG:TB:DWN:EF



Report to Board of Administration

Neil M. Guglielmo
From: Neil M. Guglielmo, General Manager

Agenda of: **MAY 14, 2019**

ITEM: **IX-C**

SUBJECT: LACERS' TECHNOLOGY STRATEGY ALIGNMENT

Recommendation

That the Board of Administration receive and file this report.

Discussion

During the March 26, 2019 presentation of the Los Angeles City Employees' Retirement System (LACERS) 2019-20 Proposed Budget to the Board of Administration, LACERS' Staff (Staff) was instructed to report back on the role of information technology as it relates to the 2019-20 Budget and the departmental Strategic Plan, as well as to identify opportunities to leverage artificial intelligence. This report seeks to respond to this request through the following discussions:

1. Past, Present, Future: Information Technology Roadmap
2. Current State: Information Technology Resource Allocation
3. Current State: Information Technology Alignment to Strategic Plan Initiatives
4. Next Steps: External Communications Business Initiatives
5. Next Steps: Internal Communications and Knowledge Management Business Initiatives
6. Future: Innovation and Technology

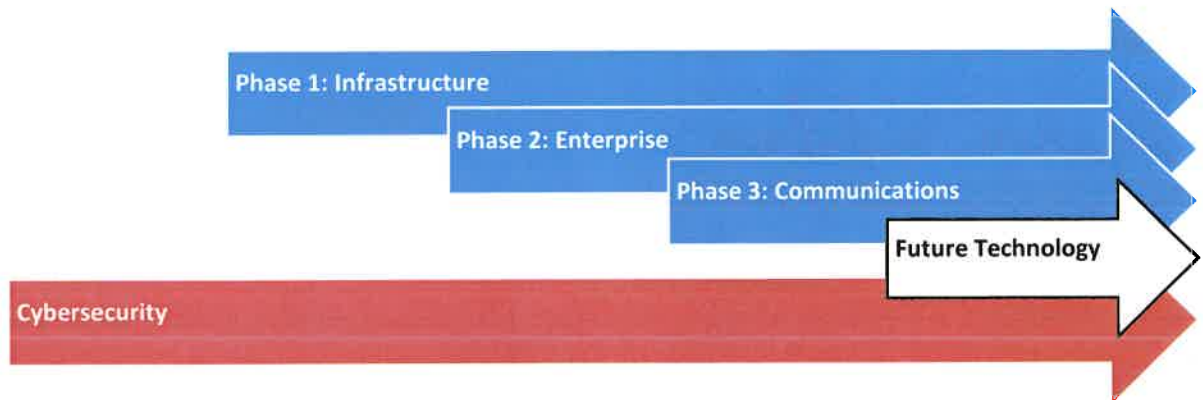
The 2019-20 Proposed Budget highlighted several new major technology initiatives including:

- Significant enhancements to the new Pension Administration System (PAS);
- Continued strengthening of cybersecurity;
- Implementation of front-end imaging for automated workflow processing; and,
- Development of an all-new modern website.

However, the Proposed Budget did not identify the full extent of these initiatives, nor the extent of technology deployment and support planned for Fiscal Year (FY) 2019-20. This is in part due to the emphasis on achieving business objectives in the budget and Strategic Plan, to which technology plays a supporting role; nevertheless, LACERS does have a strategic technology plan as well.

PAST, PRESENT, FUTURE: INFORMATION TECHNOLOGY ROADMAP

Since 2012, LACERS has been implementing a very deliberate long-term information technology (IT) plan based on a vision of providing full and independent (from the City) support. This plan has three initial major phases in process, the first two of which are now coming to fruition. See Attachment A for a graphical overview of this section.



Phase 1: Infrastructure 2012-2016

The Infrastructure Phase involved the redesign and build of a secure and highly available computing environment as a foundation for advancing the enterprise systems including the following implementations:

- Dedicated Network Environment (2012)
- Email Servers (2013)
- Voice Over IP (2014)
- Cybersecurity Appliances (2015)

Phase 2: Enterprise 2016-2020

The Enterprise Phase involves the implementation of enterprise systems to realize greater efficiencies in serving Members including the following:

- Pension Administration System (2018)
- MyLACERS Member Portal (2018)
- Workflow (2019)
- Consolidation of Data Reporting Tools (2019)
- Enterprise Document Management System Integration (2020)
- Modernized Website (2020)

Phase 3: Communications 2020-2022

The Communications Phase emphasizes both internal and external knowledge management and communications. This phase is getting underway with the current budget process and is slated to begin in full earnest in the upcoming fiscal year with adopted budget resources. The Communications Phase is further elaborated on in this report under the section “Next Steps: Internal and External Communications.”

Future Phase – 2022+

The aforementioned phases are a natural and necessary progression in preparing for the future of meeting business needs. With the infrastructure, systems, and data all in place and organized, LACERS will be better prepared for the future as is further discussed in this report under the section “Future: Innovation and Technology.”

Ongoing: Cybersecurity

Layered on top of these IT phases is the ever present and evolving cybersecurity effort that must respond to continuously changing internal and external environments. Cybersecurity is also proceeding on a coinciding continuum as identified below.

1. Foundational. LACERS’ implementation of essential security infrastructure for maximal defense in protecting the computing environment, including the following:
 - Data Recovery
 - Email and Web Browser Protection
 - Firewall
 - Patch Deployment
 - Malware Defenses

2. Organizational. LACERS’ efforts at preventing, preparing for and responding to cyber incidents, including the following:
 - Center for Internet Security Controls Framework
 - Cybersecurity Policies and Procedures
 - Email Phishing
 - Geo Blocking
 - Intrusion Prevention and Detection
 - Penetration Testing
 - Vulnerability System

3. Adaptive. Advanced technology to mitigate risks as it relates to exposure of online services, and safeguard of personal identifiable information, including the following:
 - Anti-Fraud Detection
 - Behavior Analytics
 - Heuristics

LACERS has made great strides in implementing cybersecurity and if anything this effort has only escalated within the past year. For instance, LACERS is exploring procurement of cyber liability insurance to augment cybersecurity efforts. While LACERS has approached cybersecurity in waves to some degree, none of these efforts ever cease, they build upon each other and work together to form LACERS’ cybersecurity system.

The implementation and support of all these aforementioned technology efforts are resource intensive in both staff time and money. The system users must provide requirements, review, test, and ultimately work through the inherent change management processes and security layers. The Systems Division must manage, monitor, service, secure, and implement the technology. This also translates to significant expense, for instance the new PAS, which is the foundational core of LACERS' business operations, has required over 100,000 hours of staff time and cost nearly \$7.0 million in software vendor services to implement to date. The 2019-20 Proposed Budget continues to allocate significant funding resources to supporting technology.

CURRENT STATE: TECHNOLOGY RESOURCES AND ALIGNMENT

Nearly every business activity LACERS conducts involves some form of technology. After the past few years of budgeting an average of approximately \$3.1 million for IT expenditures (excluding staff costs), the 2019-20 Proposed Budget includes nearly \$1.7 million (overall reduction primarily due to implementation of the PAS). The past three years of LACERS' IT expenditure budget by category are shown in the table below.

LACERS Information Technology Expenditure Budget by Category

BUDGET CATEGORY	FY 19-20	FY 18-19	FY 17-18
<i>Pension Administration System</i>	\$424,455	\$1,745,456	\$2,191,448
<i>Computer Hardware</i>	249,725	279,800	218,600
<i>Computer Software</i>	91,735	159,370	83,084
<i>Computer Maintenance & Support</i>	282,480	222,483	294,918
<i>Outside Computer Consulting</i>	631,000	540,944	437,524
<i>Subscriptions</i>	41,200	40,000	-
Total	\$1,679,395	\$2,948,053	\$3,225,574

Nearly six percent of LACERS 2019-20 Proposed Budget is devoted to IT-related expenditures. Instrumental to effectuating these expenditures and execution of the related IT initiatives is the personnel.

Information Technology Resource Allocation

The 2019-20 Proposed Budget continues 11 positions (of which eight are currently filled including the Division Manager) in the Systems Division allocated among four Units:

- 1) Network Support (3 positions) - Oversees the installation and maintenance of computer network systems within the department. Supports the entirety of network appliances inclusive of cybersecurity infrastructure, disaster recovery, local area networks, virtual server environments, and voice-over-internet protocol.
- 2) Application Support (4 positions) - Manages and responds to technical problems related to the line of business systems. Provides support expertise with enterprise software inclusive of PAS, financial applications, document management software, and others. Additionally, the Application Support Unit collaborates with external partners on software releases, upgrades, and user testing.

- 3) Application Development (2 positions) - Builds software functionalities for the organization's line of business systems. Provides coding expertise in development of features inclusive of data conversion tools, data interfaces, front-end designs, software integrations, and application reports.
- 4) Web Development (1 position) - Maintains content and communication tools of LACERS websites. The web master collaborates with various business units on development of features for the public website, intranet, and member portal providing online access to account information.

These Units all have ongoing support responsibilities in addition to the various new tasks and budget initiatives. See Attachment B for a visual representation of the Systems Unit functions and initiatives for FY 2019-20 in terms of approximate anticipated time allocation across each of the Units by function. The chart in Attachment B represents Systems Division work in three levels:

- i. first inner most level representing each Unit
- ii. second level representing ongoing core functions
- iii. third outermost level representing new projects and initiatives proposed in the 2019-20 Budget

As is represented by the chart in Attachment B, Systems Division has extensive new work proposed in the 2019-20 Budget, on top of regular ongoing support duties. Most of these new work tasks are directly related to LACERS newly adopted Strategic Plan.

Information Technology Alignment to Strategic Plan Initiatives

New Strategic Plan Initiatives involving technology are anticipated in virtually every Strategic Goal Area next year. Examples of where technology intersects with Strategic Plan Initiatives (paraphrased in *italics*) are listed below.

- ❖ Customer Service Goal
 - Data and report generation for *benchmarking and performance management*
 - Improvements in customer service phone system to *receive Member feedback at customer touch points*
 - Content management system to *launch a new, more accessible website*
 - New Member self-service and communications options to *increase outreach to Members and increase MyLACERS enrollment*
 - Provide video counseling option for *increased outreach to Members in retirement planning*
- ❖ Benefits Delivery Goal
 - Internal document library with enhanced search features to *support new department-wide policy and procedure development*
 - New work tracking system to *capture business processes within PAS and reduce side systems*
 - Work with City to integrate with *new Human Resources and Payroll system*
- ❖ Health & Wellness Goal
 - Dashboard and charting technology for *insurance data analysis*
- ❖ Governance Goal
 - Board video conferencing to *further stakeholders involvement through various media*
- ❖ Organization Goal

- Identify new internal knowledge management software to *increase internal transparency and communications*
- Implement Center for Internet Security *cybersecurity risk management framework*
- Front-end imaging to automate job kick-off processes to *achieve greater technological efficiency in operational support services*
- ❖ Workforce Goal
 - Support *Innovation Guiding Principle* through providing technologies meeting people's business needs and process improvement opportunities

While this list is not comprehensive, it does demonstrate that the deployment of IT in meeting Strategic Goals is extensive. As LACERS moves forward into next fiscal year, a great deal of the new focus in IT will be on Phase 3 of the IT Plan – *Communications*.

NEXT STEPS: EXTERNAL AND INTERNAL COMMUNICATIONS

Effective communication is paramount to successful and efficient Member services and virtually every facet of an organization. Communication is enabled by various tools, but foundational to organized and accurate communication is information management. Both effective communications and information management are critical path in LACERS' IT progression, building on the infrastructure, data and process management systems that have been put into place. These efforts directly align to LACERS Strategic Plan Objectives to (1) *make retirement information and planning resources more accessible to Members through various communication channels* and to (2) *invest in and develop internal benefits delivery knowledge resources*.

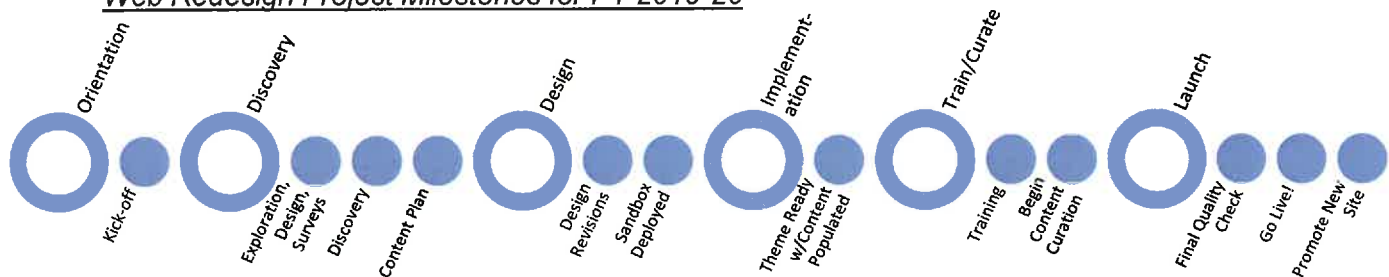
External Communications Business Initiative

LACERS has numerous channels by which to communicate with Members including a phone system, website, social media, print media, and a Member portal. Each of these is undergoing various improvements involving technology, but one of the major Business Initiatives to be undertaken in FY 2019-20 is the modernization of LACERS' website and Member portal enhancements.

Website Redesign Project

The current website is dated and unwieldy as it is not scalable across platforms and it contains approximately 500 pages and 1,000 documents, many of which are difficult to find or not updated. Revamping the LACERS' website will be a department-wide effort supported by an external contractor and an implementation team of nine staff interacting with both Members and departmental users in developing a new site that works for all. This initial website redesign implementation is expected to take approximately ten months.

Web Redesign Project Milestones for FY 2019-20



This initial web redesign project will result in a number of features and improvements including:

- Content Management System
- Social Media Integration
- Improved Accessibility
- Responsive Web Design
- Online Surveys & Data Analytics
- Secured Protocol

Member Portal Enhancement Project

Simultaneous with website redesign, LACERS will embark on exploring and implementing enhancements to the Member portal, MyLACERS, along with implementing the necessary security protocols to facilitate increased Member access to self-service options (e.g. updating personal information) and a message center to improve electronic messaging and communications with Members.

Internal Communications and Knowledge Management Business Initiatives

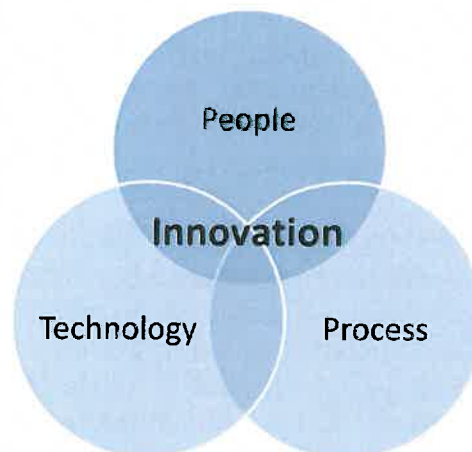
As the External Communications Business Initiative is underway, LACERS will be preparing in the upcoming fiscal year to put together a 2020-21 Budget Proposal aimed at improving internal communications and knowledge management. An iTeam (small staff working group from various disciplines reporting to a committee of the Internal Services Bureau Assistant General Manager, Administrative Services Division Head, and Systems Division Head) has been formed internally to identify issues and opportunities, and research and recommend solutions for improving the technology platforms and uses to foster accurate, timely, and efficient internal communication.

These Internal and External Communications Initiatives will improve and increase the data available to LACERS and provide the groundwork to launch future technology innovations.

FUTURE: INNOVATION AND TECHNOLOGY

The future of LACERS' IT is a continuum of the first three phases discussed above. As the (1) Infrastructure, (2) Enterprise Systems, and (3) Communications and Data requirements (along with appropriate cybersecurity) are all realized, these will form a platform for future innovation and technology.

Innovation is a new Guiding Principle for LACERS wherein we strive to continuously improve our operational process by being open-minded and by encouraging, promoting, implementing, and valuing new ideas and solutions to better serve our Members in the delivery of retirement benefits.



LACERS' Staff's definition of Innovation goes beyond technology and emphasizes the human element wherein we innovate to utilize technology in process improvement. As such, LACERS' Management foresees a future wherein we leverage the data and systems we have developed, paired with the knowledge, ingenuity, creativity, compassion, and experience of Staff to grow into solutions that augment our Staff's key strengths.

Artificial Intelligence (AI) is clearly transformational and being put into effect across numerous industries. It is actually contemplated in LACERS 2012 IT Plan and while a definitive plan has not been established, it is imperative that LACERS stay abreast of this movement and begin to identify opportunities for implementing AI across business operations. As there are various facets and approaches to AI, LACERS is particularly focusing at this time on Assistive and Augmenting Intelligence which is generally defined respectively as (1) technology that improves what people are already doing or (2) enabling people to do things they otherwise couldn't; as opposed to autonomous technology.

Taking steps toward AI, like any initiative, requires a business need and expected return. Then the data requirements and functions need to be defined and achievable. Next the cost benefit must be determined. In beginning this process, LACERS has already initiated exploration of AI utilization within the following business lines:

- Investment – The adoption of AI in investment management is underway in the investment industry. Some uses of AI in investment management may include automated sentiment insight, data relationship mapping, and to gauge investment growth potential. LACERS has reached out to its investment consultants to gather information on how LACERS' contractors and investment managers may be leveraging AI.
- Health Provision – The health industry is also known to employ AI, with examples such as providing preliminary diagnosis of patients. As it applies to provision of health services to our Members, LACERS reached out to Keenan for insights on how AI is being leveraged by our business partners and peers. Keenan identified the utilization of AI in healthcare procurement and management through various aspects including underwriting, vendor selection, experience and utilization reporting, community-based pricing, financial analysis, data dashboards, LACERSWell outreach, and predictive modeling to determine disease management prevalence. Keenan has indicated they will request carriers to report on innovations and AI advancements that they employ or are developing at the next Carrier Summit.
- Benefits Delivery – The PAS is LACERS' core benefits delivery system and represents a significant advancement in technological utilization for LACERS. As such, LACERS has reached out to the PAS vendor, Levi, Ray & Shoup, Inc. (LRS), for discussion of the future of AI within their system. While LRS is not prepared to share a definitive roadmap for AI at this time, they indicate it is an area of anticipated future development. LRS has committed to engage LACERS in future discussion regarding the role of AI in benefits administration.
- Member Services – While the PAS is also instrumental to Member Services, LACERS does have other developing communication channels, namely the External Communications Business Initiatives which will establish an additional platform and data upon which to leverage AI. Looking to the field of customer service does open the door to a developing and increasingly common AI technology – the chatbot or digital assistant. LACERS will continue to explore this type of technology for future consideration to the extent it will improve the Member Experience in a desired and cost-beneficial manner.

- Internal Services – As LACERS has yet to initiate its Internal Communications and Knowledge Management effort it would be premature to begin developing AI solutions; however, potential AI applications will be looked at within the context of the initiative as part of a potential future strategy.
- Cybersecurity – LACERS has kept current and employed machine learning algorithm within the cybersecurity infrastructure to monitor and identify undesirable and malicious network traffic. In the foreseeable future, cybersecurity professionals anticipate that new attacks and online fraud will be deployed from AI-controlled software. LACERS is continually collaborating with security experts and is exploring AI cybersecurity solutions to improve detection of threats, shorten response time, and effectively adapt to each incident.

In conclusion, LACERS is committed to, invests heavily in, and strategically pursues innovation in our *Mission to protect and grow our trust fund and to ensure the sustainable delivery of ethical, reliable, and efficient retirement services to our Members*, as we continue to support business processes across all facets of the organization through technology into the future. AI in some form is part of LACERS' foreseeable future and Staff will continue to actively explore innovations and develop our future technology roadmap.

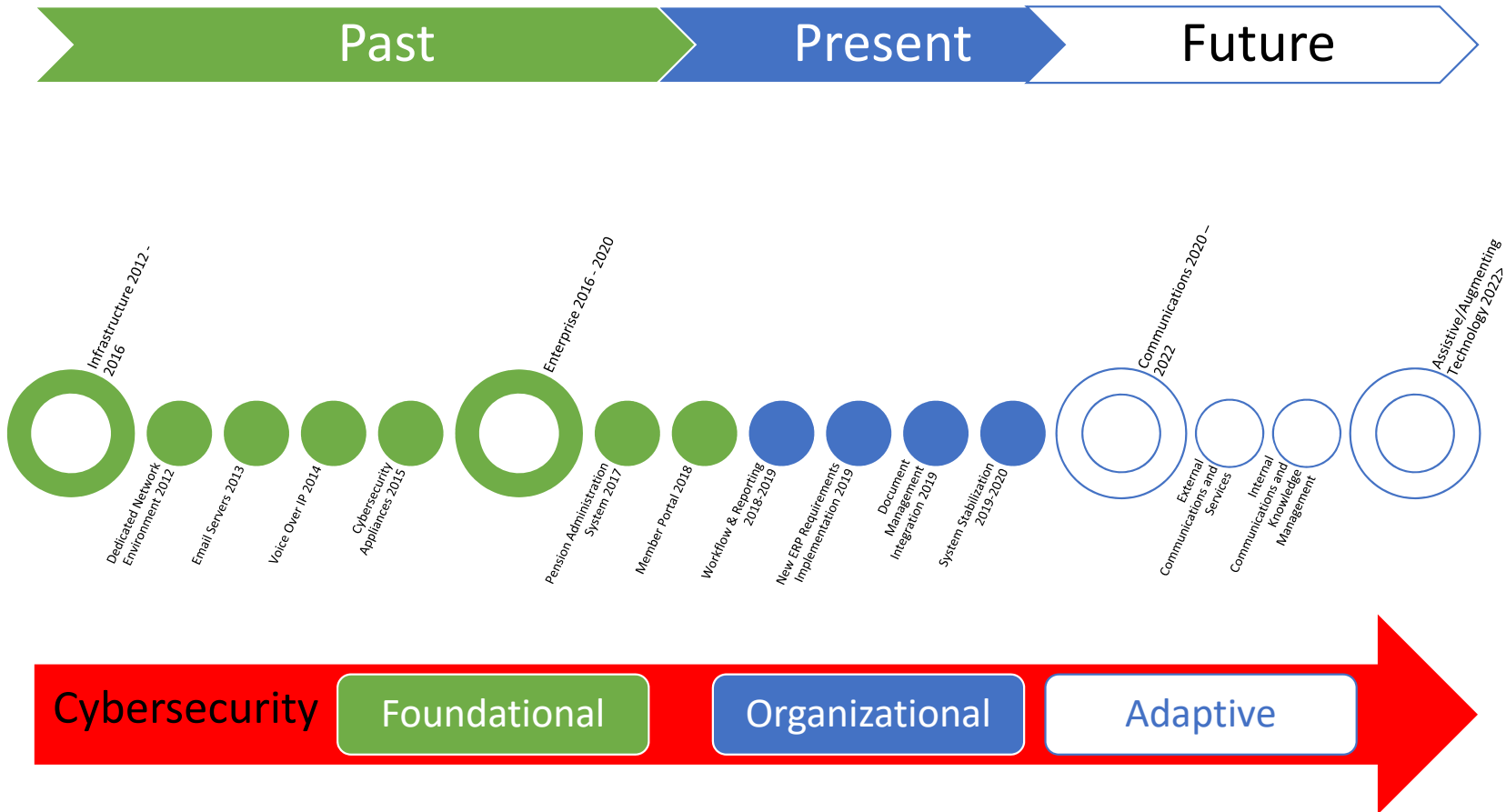
This report was prepared by Todd Bouey, Assistant General Manager; with primary contributions from Thomas Ma, Information System Manager; Taneda Larios, Senior Management Analyst; and, Brian Cha, Management Analyst.

NG:TB:TM

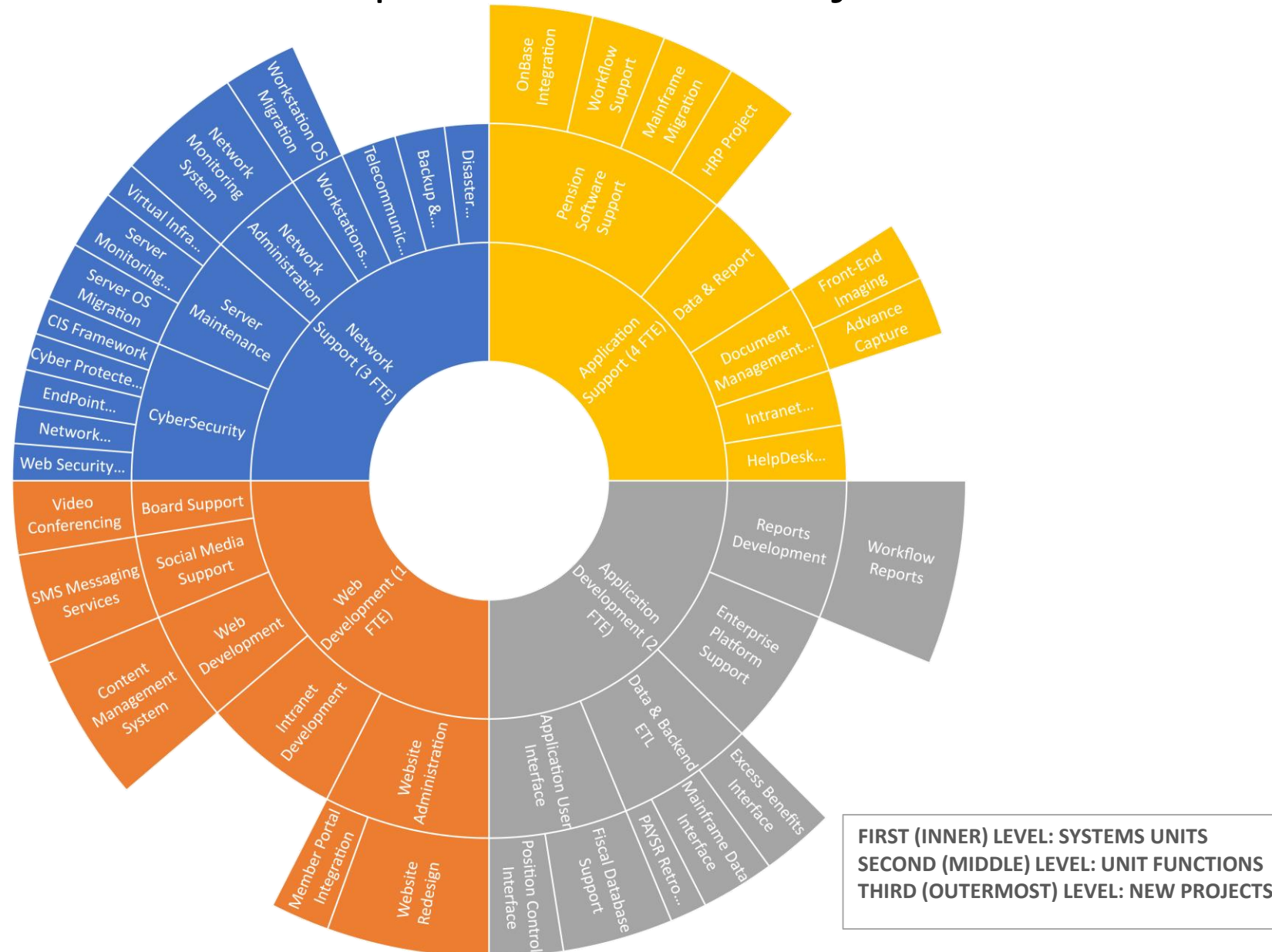
Attachments:

- A) LACERS Information Technology Roadmap
- B) LACERS Information Technology Resource Alignment

LACERS Information Technology Roadmap



Systems Division Operations & Projects FY 19-20





Report to Board of Administration

Neil M. Guglielmo

From: Neil M. Guglielmo, General Manager

Agenda of: **MAY 14, 2019**

ITEM: **IX-D**

SUBJECT: PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2019-20 AND POSSIBLE BOARD ACTION

Recommendation

That the Board:

- 1) Adopt the Proposed Budget, Personnel, and Annual Resolutions for Fiscal Year 2019-20 (FY20); and,
- 2) Delegate authority to the General Manager to transfer between budget appropriations accounts in alignment with City thresholds, not to exceed the intra-departmental transfer amount of \$54,224 as of 2018, and as adjusted annually by the City Administrative Officer, pursuant to Charter Section 343(b) and Administrative Code Section 5.36.

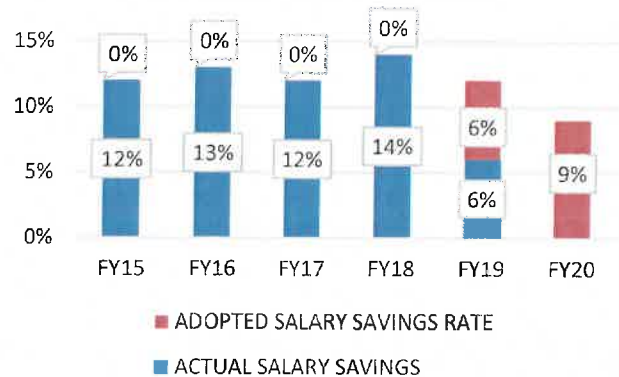
Discussion

The preliminary budget of \$27.96 million and 13 new positions was presented and discussed at the Board meeting on March 26, 2019. The final proposed budget for Administrative Expense increases by \$83,000 over the March preliminary budget proposal to \$28.04 million, a 3.4% increase over the 2018-19 Budget. Investment Management Fee and Expense is unchanged from the March preliminary budget, while the City Contribution amount is updated to reflect the Mayor's 2019-20 Proposed Budget.

	FY19 ADJUSTED ADOPTED BUDGET	FY20 PROPOSED BUDGET	\$ change	% change
Administrative Expense	\$ 27,111,957	\$ 28,045,067	\$ 933,110	3.4%
Investment Management Fee & Expense	\$ 77,398,706	\$ 87,121,829	\$ 9,723,123	12.6%
City Contribution	\$ 600,161,457	\$ 672,817,769	\$ 7,265,6312	12.1%

LACERS 2019-20 Proposed Budget includes an increase in employee cost-of-living-adjustments from 2% to 3% in line with the direction of current salary negotiations with several bargaining units. The impact of the \$500,080 increase is offset by a \$480,074 reduction to the salaries account through the adoption of a salary savings rate of 9%¹ or (\$1,395,300), as compared to 6%² or (\$915,226) as was proposed in the March preliminary budget.

SALARY SAVINGS - 5 YEAR ACTUAL AND ADOPTED



¹ based on the May covered payroll figure

² based on the March covered payroll figure

In the past five full years from FY15 to FY18, actual salary savings have ranged from 12% to 14%. For the first time last year, a 6% salary savings was adopted in the budget. When accounting for the actual salary savings projecting to be 6% for the current fiscal year, the combined effective salary savings rate is 12%. In the proposed budget, each 1% in salary savings rate equates to savings of approximately \$155,000 in the salaries account and \$48,000 in related costs, for a total of \$203,000. LACERS continues to use actual salary savings to fund part-time and as-needed staff, as well as for the annual payout of excess sick-time accumulation for LACERS' employees, and payouts of vacation and sick time for LACERS' employees retiring or terminating.

The increased salary savings rate allows LACERS to present a largely cost neutral budget from what was presented to the Board in March after accounting for additional new requirements and adjustments. The following table provides information about the changes made since the last presentation to the Board:

DETAIL OF CHANGES WITHIN EACH CATEGORY	FY20 PRELIMINARY BUDGET (MARCH)	CHANGE	FY20 FINAL PROPOSED BUDGET (MAY)
PERSONNEL SERVICES TOTAL	\$ 21,016,190	\$ (308,994)	\$ 20,707,196
Salaries			
Obligatory Salary Adjustments		250,080	
Salary Savings		(480,074)	
Employee Benefits			
Medical		(12,000)	
Medicare and PST		(2,000)	
Retirement Contributions - Tier 1		11,000	
Retirement Contributions - Tier 3		(76,000)	
PROFESSIONAL SERVICES TOTAL	\$ 2,738,721	\$ 100,000	\$ 2,838,721
Legal Services			
Data Privacy Legal Counsel		100,000	
INFORMATION TECHNOLOGY TOTAL	\$ 1,608,145	\$ 71,250	\$ 1,679,395
Pension Administration System			
Pension Administration System - Support Services		71,250	
EDUCATION AND TRAVEL TOTAL	\$ 374,330	\$ 15,000	\$ 389,330
Employee Development			
Board & Staff On-Site Training (IFEBP)		15,000	
OFFICE EXPENSE TOTAL	\$ 2,224,647	\$ 205,778	\$ 2,430,425
Office Space			
Office Lease and Parking (5th Floor - 3,500 SF)		95,724	
Relocation Expense – 5 th Floor		12,480	
Office Lease and Parking (Proposed Investments Space - 5,032 SF)		(52,426)	
Furniture - 5th floor space		150,000	
GRAND TOTAL	\$ 27,962,033	\$ 83,034	\$ 28,045,067

Highlights of the additions/refinements to the final proposed budget include:

- An increase of \$308,994 in obligatory changes to the direct and indirect costs of Department personnel;
- An increase of \$205,778 to fund expansion into 3,500 square feet of space for an improved more accessible reception area and counseling rooms (See Attachment 3 for total relevant cost details);
- \$100,000 for outside legal counsel specializing in data and privacy;
- \$71,250 for additional maintenance and support hours for the Pension Administration System necessitated by benefit design changes and other prioritized projects;
- An increase of \$15,000 in education to provide for an IFEBP certification series for the Board and staff.

Additionally, the following additions were made to the Performance Budget report (Attachment 1):

- Inclusion of the Detail of Administrative Expense
- Inclusion of a Schedule of Position Changes indicating the new and realigned positions for FY20
- A highlight of the Organization Realignment Initiative which will be fully transitioned on July 1, 2019

The attached Performance Budget report provides details of the budget trends, discretionary versus non-discretionary costs, dedication of resources by initiatives, summary of position changes and realignments, and performance objectives and measures associated with the FY20 business plan initiatives. The report also provides additional information on the City Contribution and the Investment Management Fee Expense. The attached Budget Schedules (Attachment 2) are draft schedules to be provided to the City for inclusion to the City's 2019-20 Adopted Budget and will be transmitted once all figures are final. A separate report on Information Technology was submitted as Item IX-C on the Board agenda for May 14, 2019.

The Board's adoption of the proposed administrative expense budget sets forth the workplan for the fiscal year. Throughout the fiscal year, if any projects become a priority and require additional financial resources that are not budgeted, the proposed delegation to the General Manager for inter-departmental transfers will facilitate the reallocations within the total budget amount approved by the Board. The Board's approval will be sought for all new appropriations.

Strategic Plan Impact Statement:

This budget includes funding to support FY20 initiatives to meet our seven strategic goals.

This report was prepared by the budget team: Andy Chiu, Edeliza Fang, Julie Guan, Mikyong Jang, John Koontz, Chhintana Kurimoto, Mayouly Tran, Lin Lin, Ricky Mulawin, Jo Ann Peralta, Elizabeth Torres, and Dale Wong-Nguyen.

NG:TB:DWN

Attachments:

- 1) LACERS Proposed Performance Budget Report for Fiscal Year 2019-20
- 2) Proposed Budget, Personnel, and Annual Resolutions
- 3) Expense Schedule for Lease Expansion

LACERS PERFORMANCE BUDGET FY 2019-20

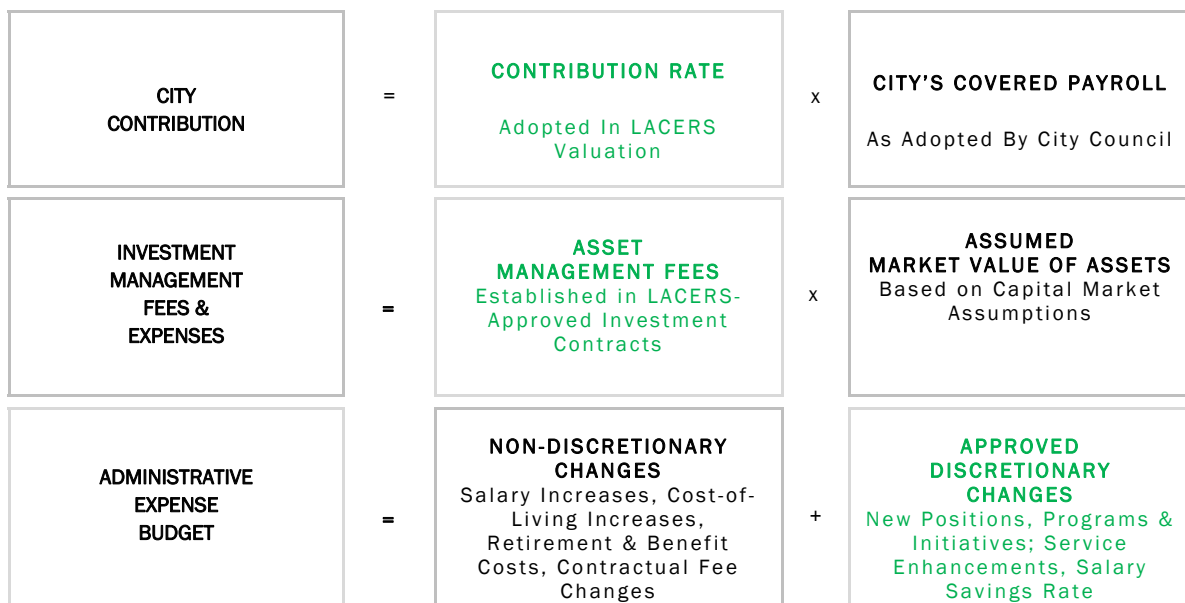
Board of Administration Meeting of May 14, 2019



BUDGET OVERVIEW

The LACERS Board approves an annual budget which estimates the cost of maintaining the Retirement Fund. LACERS' budget is transmitted to the Mayor for inclusion in the City's proposed budget which is due to City Council by April 20, and finalized in June for the fiscal year beginning July 1st. The Board's approval of the Administrative and Investment Expense budget also serves to establish the General Manager's expenditure authority for the fiscal year.

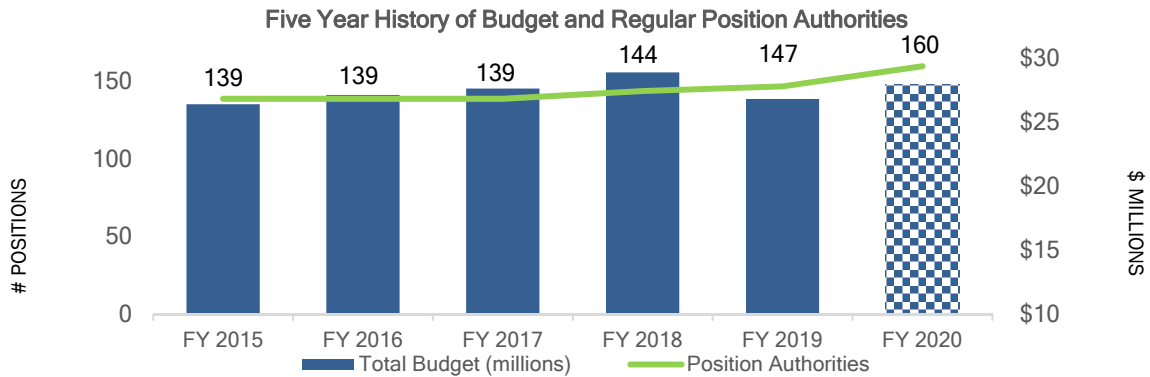
LACERS' budget is comprised of the City's contribution to the LACERS Trust Fund, the Investment Management Fees and Expenses Budget, and the Administrative Expense Budget. Key decisions made by the Board throughout the year will determine certain aspects of the budget. This includes the adoption of the actuarial valuation in October/November which sets the annual contribution rate (a percentage of City payroll) that the City will provide to LACERS for the cost of benefits for City employees; as well as approvals of various investment contracts which set fee rates used to estimate the Investment Management Fees. In March and May of each year, the Board considers programs and initiatives to undertake and fund for the coming fiscal year; this is reflected in the Administrative Expense Budget. An overview of the components of the LACERS' budget, with the Board's discretionary decisions reflected in green, is as follows:



The Proposed Budget for 2019-20 (FY20) increases over the prior year 2018-19 (FY19). This report provides discussion of the three major components and their respective budget changes.

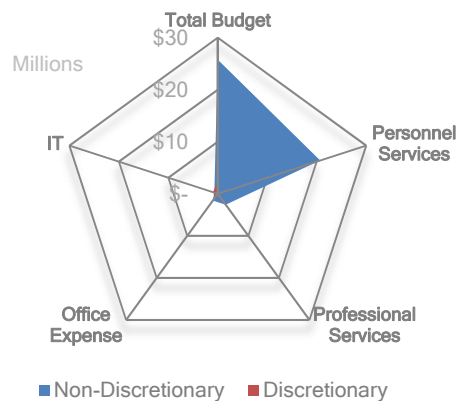
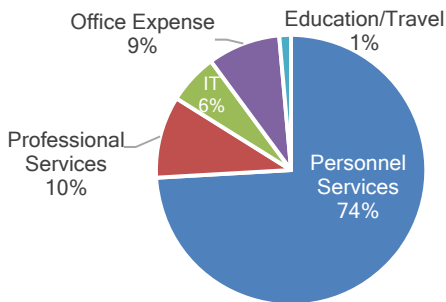
	FY19	FY20	\$ change	% change
Administrative Expense	\$ 27,111,957	\$ 28,045,067	\$ 933,110	3.4%
Investment Management Fee & Expense	\$ 77,398,706	\$ 87,121,829	\$ 9,723,123	12.6%
City Contribution	\$ 600,161,457	\$ 672,817,769	\$ 72,656,312	12.1%

ADMINISTRATIVE EXPENSE BUDGET



In the past five years, LACERS' Administrative Expense Budget has fluctuated between \$26.4 million and \$28.9 million, and has averaged an annual increase of 3.1% during the growth period of FY15-FY18. In FY19, a significant budget reduction of \$2 million was attributed to the conclusion of major aspects of the PAS implementation, and additional budget reduction strategies introduced by the new General Manager including adoption of a higher salary savings rate, and closer alignment of overtime and contractual services budgets to past expenditure patterns.

The Proposed 2019-20 Administrative Expense Budget seeks \$28.0 million in funding to maintain core services of \$26.2 million and \$1.9 million to fund new initiatives in line with the new LACERS Strategic Plan. The Proposed Budget is a \$0.93 million or 3.4% increase over the current year budget; however, net obligatory changes to salaries and benefits account for \$1.25 million in increases, which is offset by \$1.27 million in elimination of one-time expenses related to the completion of the PAS project. While the Proposed Budget includes 13 new authorized positions, ten of these positions have been operating as long term substitute authorities.



	FY20 PROPOSED BUDGET	% OF TOTAL	FY19 ADJUSTED BUDGET	CHANGES	% OVER PRIOR
Personnel Services	\$ 20,707,196	73.8%	\$ 19,453,731	\$ 1,253,465	6.4%
Professional Services	\$ 2,838,721	10.1%	\$ 2,534,197	\$ 304,524	12.0%
Information Technology	\$ 1,679,395	6.0%	\$ 2,948,053	\$ (1,268,658)	-43.0%
Office Expense	\$ 2,430,425	8.7%	\$ 1,866,116	\$ 564,309	30.2%
Education/Training/Related Travel	\$ 389,330	1.4%	\$ 309,860	\$ 79,470	25.6%
TOTAL	\$ 28,045,067	100.0%	\$ 27,111,957	\$ 933,110	3.4%

Summary of Changes in Appropriations

2019-20 PROPOSED BUDGET	\$ 28,045,067
2018-19 ADOPTED BUDGET (ADJ.)	\$ 27,111,957
NET CHANGE	\$ 933,110
PERCENTAGE CHANGE	3.4%

	FY20 PROPOSED BUDGET	FY20 TOTAL POSITION	OBLIGATORY CHANGES	DISCRETIONARY CHANGES
CONTINUATION OF CORE SERVICES				
ALL Employee Benefits & Retirement Contribution	\$4,727,200	-	\$236,918	\$(513,682)
Administrative Services Division	4,073,999	28	1,645,645	(1,646)
City Attorney – Retirement Benefit Div.	638,066	-	23,179	-
Executive Division	2,209,640	8	387,281	(148,255)
Fiscal Management Division	1,961,499	13	(181,218)	(24,198)
Health Benefits & Communications	3,916,230	35	186,517	(46,126)
Human Resources	513,797	5	45,161	-
Internal Audit	463,236	3	18,019	(500)
Investment Division	1,489,843	9	92,217	12,674
Retirement Services Division	4,039,781	45	(1,004,232)	(163,215)
Systems	2,155,660	11	(328,163)	(1,316,954)
Core Programs Total	\$26,188,951	157	\$1,121,324	\$(1,688,220)
MAJOR INITIATIVES				
Customer Service Goal	\$221,000			
Member Experience	221,000			221,000
Benefits Delivery Goal	239,004			
Increase Usage of Technology	239,004	1	96,504	142,500
Investment Goal	\$840,882			
Outperform Benchmarks	840,882	2	252,371	588,511
Organization Goal	\$444,230			
Enterprise Risk Management	381,230		(8,130)	136,250
Front-End Imaging	63,000			32,000
Workforce Development Goal	\$111,000			
Education, Training and Ergo	111,000			39,000
Major Initiatives Total	\$1,856,116	160	340,745	1,159,261
TOTAL PROPOSED FY20	\$28,045,067		\$ 1,462,069	\$ (528,959)

Detail of Administrative Expense

LACERS Account Number	City Account Number	Adopted Budget FY 2018-19	Estimated Expenditures FY 2018-19	Proposed Budget FY 2019-20	Budget \$ Change	Budget % Change	
Personnel Services:							
601	Salaries	101	\$ 13,810,513	\$ 13,050,078	\$ 14,110,952	\$ 300,439	2.2%
602	Overtime	109	271,318	313,696	473,744	202,426	74.6%
605	Employee Benefit	601	5,371,900	5,392,101	6,122,500	750,600	14.0%
Total Personnel Services			\$ 19,453,731	\$ 18,755,875	\$ 20,707,196	\$ 1,253,465	6.4%
Professional Services:							
611	Actuarial Services	304	\$ 237,500	\$ 426,000	\$ 425,000	\$ 187,500	78.9%
612	Audit Services	304	101,794	124,000	148,000	46,206	45.4%
613	Legal Services	304	710,933	869,000	912,721	201,788	28.3%
614	Disability Services	304	260,000	217,145	220,000	(40,000)	-15.4%
615	Other Consulting Benefits Payroll Processing	304	219,555	114,540	210,000	(9,555)	-4.4%
616	Services	304	265,000	242,191	235,000	(30,000)	-11.3%
617	Retired Health Admin.Consultant	304	739,415	709,801	688,000	(51,415)	-7.0%
Total Professional Services			\$ 2,534,197	\$ 2,702,677	\$ 2,838,721	\$ 304,524	12.0%
Information Technology:							
622	Pension Administration System Vendor	304	\$ 1,745,456	\$ 1,492,607	\$ 424,455	\$ (1,321,001)	-75.7%
623	Computer Hardware	730	279,800	243,322	249,725	(30,075)	-10.7%
624	Computer Software Computer Maintenance and Support	601	159,370	154,523	91,735	(67,635)	-42.4%
625	Other Computer Consulting	601	222,483	214,894	282,480	59,997	27.0%
626		304	540,944	576,607	631,000	90,056	16.6%
Total Information Technology			\$ 2,948,053	\$ 2,681,953	\$ 1,679,395	\$ (1,268,658)	-43.0%
Education and Related Travel:							
604	Employee Development	601	\$ 119,255	\$ 114,517	\$ 143,485	\$ 24,230	20.3%
634	Travel	213	190,605	141,308	245,845	\$ 55,240	29.0%
Total Education and Related Travel			\$ 309,860	\$ 255,825	\$ 389,330	\$ 79,470	25.6%
Office Expense:							
631	Printing and Binding	212	\$ 139,000	\$ 121,090	\$ 103,000	\$ (36,000)	-25.9%
632	Postage	601	205,300	201,174	198,300	(7,000)	-3.4%
633	Telephone and Utilities	601	10,200	16,044	15,520	5,320	52.2%
635	Office Lease	304	1,016,100	1,005,393	1,371,280	355,180	35.0%
636	Office Equipment Services	304	50,600	67,881	54,000	3,400	6.7%
651	Petty Cash	601	12,000	11,074	10,000	(2,000)	-16.7%
652	Board Member Election Expense	601	30,000	28,000	30,000	-	0.0%
653	Furniture and Other Equipment	730	81,000	78,613	247,000	166,000	204.9%
655	Other Office Expense Membership Dues and Subscriptions	601	101,916	105,407	114,400	12,484	12.2%
656		601	115,000	113,376	136,925	21,925	19.1%
658	Promotional Supplies	601	65,000	10,000	10,000	(55,000)	-84.6%
659	Insurance Expense	304	40,000	35,000	140,000	100,000	250.0%
Total Office Expense			\$ 1,866,116	\$ 1,793,052	\$ 2,430,425	\$ 564,309	30.2%
TOTAL ADMINISTRATIVE EXPENSE			\$27,111,957	\$26,189,382	\$28,045,067	\$ 933,110	3.4%

Summary of Changes in Personnel

REALIGNMENT	DIVISION/CLASSIFICATION	NET CHANGES	NEW	REGULARIZE SUBAUTHORITIES	ADD/DELETE	VACANT (V) / FILLED (F)
1	EXECUTIVE	1	1			
1	FISCAL SYSTEMS SPECIALIST I					
	FISCAL SYSTEMS SPECIALIST II – Systems Operations Support		1			V
1	PUBLIC INFORMATION DIRECTOR I					
(1)	SR. MANAGEMENT ANALYST II					
	INVESTMENT	2		2		
	INVESTMENT OFFICER II – Private Markets			1		V
	INVESTMENT OFFICER III – Private Markets			1		F
(6)	FISCAL	1		1	0	
(1)	ACCOUNTANT – Investment Accounting (delete)				(1)	
(1)	ACCOUNTING CLERK					
(2)	BENEFITS SPECIALISTS					
(1)	FISCAL SYSTEMS SPECIALIST I					
	MANAGEMENT ANALYST – Investment Accounting			1		F
(1)	PAYROLL SUPERVISOR I					
	PRINCIPAL ACCOUNTANT I – Investment Accounting (add)				1	
17	ADMINISTRATION	1	1		0	
1	ACCOUNTING CLERK – Active Member Accounts (delete)				(1)	
1	ACCOUNTING CLERK					
4	ACCOUNTING CLERK					
1	ACCOUNTANT					
2	BENEFITS SPECIALISTS– Active Member Accounts (add)				1	
4	BENEFITS SPECIALISTS					
2	MANAGEMENT ANALYST					
1	MANAGEMENT ASSISTANT					
1	PAYROLL SUPERVISOR I					
	SR. MANAGEMENT ANALYST I – Active Member Administration		1			V
(14)	RETIREMENT SERVICES	3		3		
(1)	ACCOUNTING CLERK					
(4)	ACCOUNTING CLERK					
(4)	BENEFITS SPECIALIST – Survivor Benefits Unit; Service Retirement Unit			2		V, V
(2)	MANAGEMENT ANALYST – Legal Processing Unit			1		F
(2)	MANAGEMENT ANALYST					
(1)	MANAGEMENT ASSISTANT					
2	HEALTH BENEFITS AND COMMUNICATION	5	1	4		
	BENEFITS SPECIALIST – Health Account Reconciliation; Member Service Center			2		F, F
2	MANAGEMENT ANALYST – Health Account Reconciliation			1		V
(1)	PUBLIC INFORMATION DIRECTOR I					
1	SR. MANAGEMENT ANALYST II					
	SR. ADMINSTRATIVE CLERK – Health Plan Enrollment			1		F
	SR. ADMINSTRATIVE CLERK – Member Services Support		1			V
0	TOTAL NET POSITION CHANGES	13	3	10	0	

*Positions denoted in blue are new regular positions or new regularized sub-authority positions, along with information on assignment, and filled/vacant status.

Major Initiatives for 2019-20

ORGANIZATIONAL REALIGNMENT

FY 2019-20 BUDGET REQUEST	IMPACT / PRIORITY OUTCOME
<p>FUNDING – \$0 NUMBER OF POSITIONS – 0</p>	<p>ACHIEVE GREATER EFFICIENCY BY ALIGNING STAFF TO BETTER MEET THE OBJECTIVES OF THE NEW STRATEGIC GOALS AND INITIATIVES</p>

TO ADVANCE THE ORGANIZATION GOAL: *Increasing organizational effectiveness, efficiency, and resiliency.*

DESCRIPTION: In March 2018, Organizational Realignment meetings led by Assistant General Manager Lita Payne and the Pension Administration System (PAS) Project Team, met with the Member-facing business units of the department to review how the units are structured, interdependencies with other units, how the work has changed with the implementation of the new PAS, and potential staffing changes. Based on the objectives established below, the PAS Project Team made various recommendations to senior management, and final approval by Executive management was made for several organizational changes to begin transitioning in calendar year 2019, with a final transition to coincide with the start of the fiscal year July 1, 2019.

OBJECTIVES:

The goals of this organizational alignment are to:

- Maximize the efficiencies in the new PAS leveraging the integrated nature of the system in benefits processing. To update rules, procedures, practices, directives, reflective of the new business processes and future capabilities.
- To align staff to the new functionality, ensuring that staff are challenged by and engaged in their work duties, and that supervisors and managers are able to utilize the system to lead even more effectively.

SUMMARY OF REALIGNMENTS:

- ❖ Focused on improving the Member Experience, the Member Engagement Section is formed consisting of nine staff to perform various Member support services, and ten staff of the Member Service Center.
- ❖ Shifting focus from implementing the PAS to on-going support of Benefits Administration's system needs, the PAS Project Team of four staff disbanded. Two staff remain in the newly formed Systems Operations Support Group which will be augmented by two Fiscal Systems Specialists to continue to provide business analysis support and liaise between business units and the Systems staff.
- ❖ To improve the span-of-control, Systems and Fiscal will become their own divisions, reporting directly to the Assistant General Manager of the Administrative Operations Bureau.
- ❖ With the objective of gaining efficiencies and providing greater focus on administration and transparency over the external-facing active member services, as well as the internal-facing administrative services, the Administration Division will gain 17 staff members with responsibility over Active Member Services, consisting of the Active Member Accounts Unit and the Service Purchase Unit, who oversee the contributions and service credit of Active Members.
- ❖ The Public Information Director is transferred from Health Benefits and Communications Division to report directly to the General Manager for more direct executive level public information management.

MEMBER EXPERIENCE

TO ADVANCE THE CUSTOMER SERVICE GOAL: *Providing outstanding customer service.*

FY 2019-20 BUDGET REQUEST	IMPACT / PRIORITY OUTCOME
FUNDING – \$221,000 NUMBER OF POSITIONS – 0	IMPROVE THE MEMBER EXPERIENCE WITH AN ENHANCED WEBSITE

DESCRIPTION: LACERS strives to improve the Member experience through all points of contact; whether online, by phone, or in person. In order to continue improving upon high customer satisfaction, it is important to continuously explore new ways to reach Members and provide information to help them plan for a successful retirement. This initiative aims to broaden opportunities for LACERS Members to access services on the MyLACERS Member portal and the LACERS' website.

A major component of the Member Experience Initiative is the development of a new LACERS' internet site. This initiative is focused on the following key priorities:

- ❖ A New Website with Prevailing Design
- ❖ Functionality and Usability
- ❖ Scalability (Desktop/Mobile)
- ❖ Ease of Use/Approachability
- ❖ Integration of Social Media Platforms
- ❖ Content Management System
- ❖ Supportability

OBJECTIVES: To improve upon the functionality and usability of the LACERS' website to provide Members with a better user experience. To make retirement information and planning resources more accessible to Members.

DEVICES (Total Unique Devices = 9,854) FEBRUARY 2019	
Desktop	72%
Mobile	22%
Tablet	6%

MEMBER PORTAL (MyLACERS) ENROLLMENT (Goal is to reduce the number of unregistered Members by 10% each year)			
Measure	2019	2020	2021
Target Number of Unregistered Members to Reduce By	3,350	3,015	2,713

INCREASE USAGE OF TECHNOLOGY

FY 2019-20 BUDGET REQUEST

FUNDING – \$239,004
NUMBER OF POSITIONS – 1

IMPACT / PRIORITY OUTCOME

MAXIMIZE UTILIZATION OF THE NEW PENSION ADMINISTRATION SYSTEM AND ELIMINATE SIDE SYSTEMS

TO ADVANCE THE BENEFITS DELIVERY GOAL: *Delivering accurate and timely Member benefits.*

DESCRIPTION: LACERS will continue to maximize the function and utilization of the Pension Administration System in benefit delivery, leveraging the technology to eliminate side systems, enhance usability of the system, and continue to implement functionality supporting benefit changes established by the City. Upcoming enhancements include:

- ❖ Implementation of remaining Tier 1 Enhanced/Tier 3 functionality
- ❖ Integration of benefit workflow processes
- ❖ Integration of remaining Member correspondences
- ❖ Implementation of Generational Mortality
- ❖ Automation of 115 Trust-related processes
- ❖ Consolidation of statistical reporting tools

OBJECTIVES: To increase usage of technology to maximize efficiency.

PENSION ADMINISTRATION SYSTEM IMPLEMENTATION OBJECTIVES FY 2019-20

9 Benefit Workflow Processes
5 Reporting Side System Consolidations
84 Member Correspondences
4 Major Enhancements

OUTPERFORM THE BENCHMARK

FY 2019-20 BUDGET REQUEST

FUNDING – \$840,882
NUMBER OF POSITIONS – 2

IMPACT / PRIORITY OUTCOME

INCREASES RESOURCES TO
EFFECTIVELY MANAGE PLAN ASSETS

TO ADVANCE THE INVESTMENT GOAL: *Optimizing long-term risk adjusted returns through superior investments.*

DESCRIPTION: To achieve the highest likelihood of attaining the assumed actuarial rate of return of 7.25% over a long investment time horizon, the LACERS' investment program minimizes risk through asset diversification. In 2018, the LACERS Board approved a new asset allocation policy structure that increased Private Equity from 12% to 14%. Private Equity work requires significant staff time and is of higher risk, involving active management and monitoring. This increased complexity of the investment program along with achieving other priorities requires additional Investment staff. The proposed budget includes a new Investment Officer III position and Investment Officer II position. The current space in the Investment Division cannot accommodate additional staffing, therefore the request includes an expansion of our office lease space. The office expansion is initiated by the growth in Investment staff but it will achieve the secondary goal of freeing up space for additional new positions in the FY20 budget. The space will be designed as a model/pilot of contemporary open space plans and ergonomic workstations.

OBJECTIVE: To outperform respective benchmarks and peer comparisons over periods of time.

ASSET CLASS BY MARKET VALUE & ALLOCATION (as of 3/31/19)

ASSET CLASS	ACTUAL (\$ B)	ACTUAL	TARGET	ACTUAL – TARGET*	MINIMUM	MAXIMUM
U.S. EQUITY	\$4.54	26.1%	19.0%	7.1%	12.0%	26.0%
NON-U.S. EQUITY	\$5.28	30.3%	27.0%	3.3%	18.0%	36.0%
CORE FIXED INCOME	\$2.98	17.1%	13.8%	3.4%**	10.8%	16.8%
CREDIT OPPORTUNITIES	\$0.95	5.4%	12.3%	-6.8%**	8.3%	16.3%
PRIVATE EQUITY	\$1.86	10.7%	14.0%	-3.3%	N/A	N/A
PUBLIC REAL ASSETS	\$0.93	5.4%	6.0%	-0.6%	4.0%	8.0%
PRIVATE REAL ESTATE	\$0.81	4.6%	7.0%	-2.4%	N/A	N/A
CASH	0.07	0.4%	1.0%	-0.6%	0.0%	2.0%
TOTAL FUND	17.42	100.0%	100.0%	0.0%	N/A	N/A

*Current asset allocation targets approved in April 2018. Transition to new targets in process.

**Difference between actual and target is rounded to the one-tenth place for this summary; actual unrounded figures do reconcile.

EFFECTIVE ENTERPRISE RISK MANAGEMENT

FY 2019-20 BUDGET REQUEST	IMPACT / PRIORITY OUTCOME
FUNDING – \$381,230 NUMBER OF POSITIONS – 0	INCREASE EMERGENCY PREPAREDNESS AND STRENGTHEN BUSINESS CONTINUITY PLANS

TO ADVANCE THE ORGANIZATION GOAL: *Increasing organizational effectiveness, efficiency, and resiliency.*

DESCRIPTION: This initiative encompasses life safety and business continuity concerns, as well as cybersecurity and data protection projects.

Emergency Management Plan: This effort drives LACERS' investment in emergency planning, disaster recovery, and staff's ongoing training and exercises of those plans. Key activities include: Emergency Preparedness and Response Training, Department Emergency Plan/Business Continuity Plan (BCP) Update, Tabletop Exercise of the BCP.

Cyber Resiliency Plan: This effort includes development and implementation of strategies to build our organization's cyber resilience in the following key areas: Infrastructure, Governance, Preparedness, and Response. The proposed budget requests funding for cyber liability insurance to protect LACERS in the event of a data breach or cyber-attack by being prepared to respond in an appropriate and swift manner, utilizing the cyber incident response team provided by the insurance carrier. Additional resources are also provided to fund a contract for outside legal counsel specializing in data and privacy law. With this added resource, we intend to strengthen our efforts in the area of HIPAA (Health Insurance Portability and Accountability Act of 1996) compliance.

OBJECTIVE: To continue to mature an effective enterprise risk management program.

EMERGENCY PREPAREDNESS TRAINING		
MEASURES	FY 18-19	FY 19-20
New Employees Emergency Training in the First 90 Days	90%	95%
Annual Emergency Preparedness Training (hours per employee)	ESTABLISHING BENCHMARK	TBD
MIR3 (Call-Out System) Test Success Rate	82%	85%

FRONT-END IMAGING

FY 2019-20 BUDGET REQUEST

FUNDING – \$63,000
NUMBER OF POSITIONS – 0

IMPACT / PRIORITY OUTCOME

ACHIEVE GREATER TECHNOLOGICAL
EFFICIENCY IN OPERATIONAL
SUPPORT SERVICES

TO ADVANCE THE ORGANIZATION GOAL: *Increasing organizational effectiveness, efficiency, and resiliency.*

DESCRIPTION: LACERS will maximize the use of the new Pension Administration System. The future is envisioned whereby automated workflow processing is launched by simply scanning certain Member documents and forms.

OBJECTIVES: Utilize technology for internal communications improvement and operational efficiency.

SCANNING PRODUCTION

DOCUMENT TYPE	FY 16-17	FY 17-18	FY 18-19 (To Date)	FY 19-20
FORM 41 SCANNING	25,093	28,106	12,520	TBD
GENERAL SCANNING	488,332	486,062	286	TBD

EDUCATION, TRAINING AND ERGONOMICS

FY 2019-20 BUDGET REQUEST

FUNDING – \$111,000
NUMBER OF POSITIONS – 0

IMPACT / PRIORITY OUTCOME

PROVIDE STAFF WITH EFFECTIVE
LEARNING OPPORTUNITIES AND A
SAFE WORKPLACE

TO ADVANCE THE WORKFORCE GOAL: *Recruiting, retaining, mentoring, empowering, and promoting a high-performing workforce.*

DESCRIPTION: LACERS recognizes the importance of staff development and education. A training program consisting of sessions conducted by trainers in a classroom setting provides personalized and hands-on learning directly to staff. Students are able to focus better on the topics being taught and retain the lessons. The LACERS Human Resources Unit plans to launch the instructor-led training program with sessions held onsite. The program will be augmented by additional on-site instruction and certification programs from the International Foundation for Employee Benefit Programs “IFEBP” for both Board and staff. CALAPRS is another specialized training program which offers students tools, resources and techniques to help them develop into better managers. LACERS provides partial reimbursement of education expenses incurred by staff who elect to participate in the Tuition Reimbursement Program.

LACERS is committed to providing employees with a safe and healthy work environment through its workplace ergonomics program. Standard ergonomic equipment items are made available to staff and ergonomic assessment of employee workstations by the City ergonomist is encouraged. LACERS is participating in Personnel Department’s Ergo Leader Training Program which provides education to identified LACERS staff on basic ergonomics principles, allowing them to properly adjust workstations that are pending ergonomic assessments.

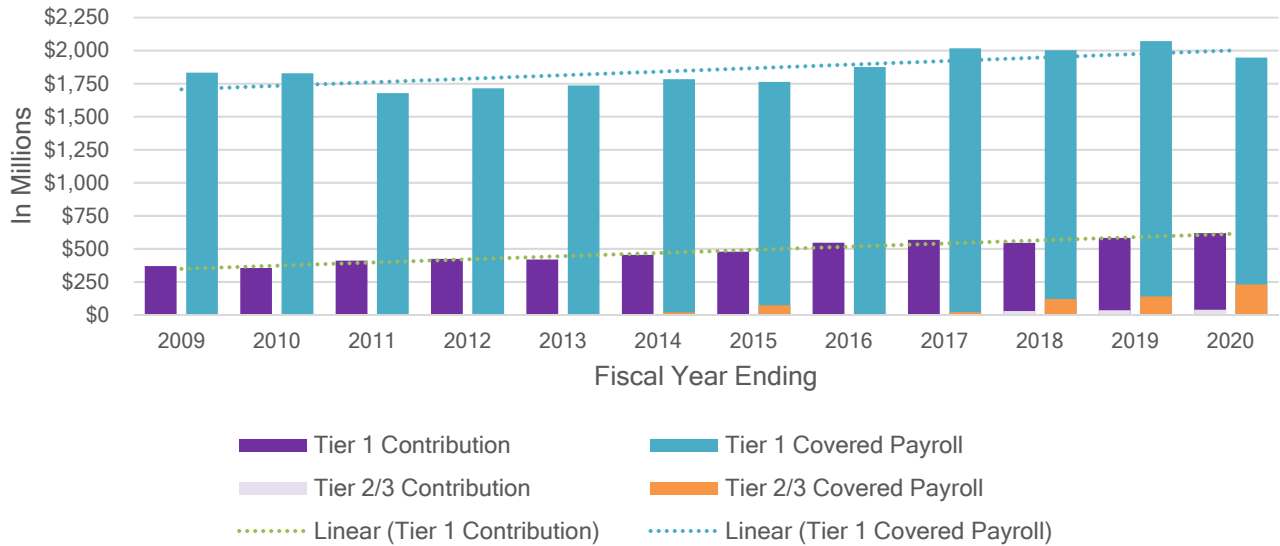
OBJECTIVE: Commit and promote dedicated training and educational resources. Maintain a safe and harassment-free workplace.

STAFF AND SUPERVISOR TRAINING			
(Target = 90% or greater receiving at least 4 hours of education or training)			
	FY 17-18	FY 18-19 (As of 3/31/19)	FY 19-20 (Target)
Staff	68%	91%	>90%
Supervisors	88%	100%	>90%

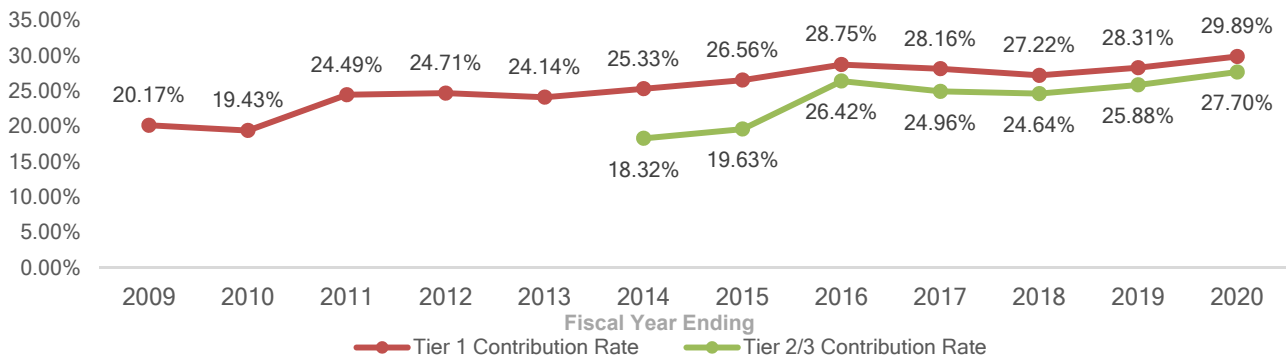
CITY CONTRIBUTION

The City Contribution is a percentage of the City's covered payroll. Over a ten-year period, both factors which determine the contribution amount, the City payroll and contribution rate have been on an upward trend. This corresponds to the increase in the City contribution amount.

City Contribution and Covered Payroll



City Contribution Rate



CITY CONTRIBUTION (continued)

The City contributes funding for four programs administered by LACERS: Retirement and Health Benefits, the Excess Benefit Plan, the Family Death Benefit Plan, and the Limited Term Retirement Plan.

Retirement and Health Benefits	\$ 707,521,929
Excess Benefit Plan	\$ 1,188,000
Family Death Benefit Plan	\$ 104,000
Limited Term Retirement Plan	\$ 21,000
True-up Adjustment	\$ (36,017,160)
TOTAL	\$ 672,817,769

City contribution rates toward retirement and health benefits for LACERS Members are set by the Board upon adoption of the annual actuarial valuations. Stated in the form of a percentage of covered payroll, the amount of the City's contribution is determined on the final covered payroll adopted in the City's budget. The City Contribution reflected above is based on the Mayor's proposed budget, and will change when the final covered payroll is known. As of now, the estimate is based on the final FY19 covered payroll of \$2 billion for Tier 1 Members and rate of 29.89%; and a covered payroll of \$381 million and rate of 27.70% for Tier 3 Members. The contributions for the Excess Benefit Plan, the Family Death Benefit Plan, and the Limited Term Retirement Plan are included and adjusted with a credit of \$36,017,160 applied toward the FY20 contribution to LACERS. This credit amount represents a true-up of the Fiscal Year FY19 contribution – the difference between the contributions paid based on the *budgeted* covered payroll amount on July 15th, and the *actual* payroll toward the end of the Fiscal Year.

EXCESS BENEFIT PLAN

The Excess Benefit Plan was established separate from the LACERS Trust Fund, to pay retirement benefit amounts in excess of the benefit limits established by the Internal Revenue Code (IRC), currently \$225,000¹ for 2019. In 2019, there are 49 LACERS Members who receive their monthly LACERS retirement benefit up to the limit allowable by the IRC, and the remainder of their benefit is paid separately by the City. The City's cost of this program is the projected amount of the benefits that will be paid from the City's account for FY20, plus reasonable administrative expenses.

FAMILY DEATH BENEFIT PLAN

Approximately 2,600 Active Members opt into the Family Death Benefit Plan which provides an additional benefit to qualifying surviving minor children, or widow/widower over age 60 if the Member dies while an active City employee. The City's contribution to the Family Death Benefit is equivalent to a match of the Member's contribution which is currently \$3.00 per month. This monthly amount is established pursuant to a biennial study of the full actuarial costs of the benefit as required by the Los Angeles Administrative Code.

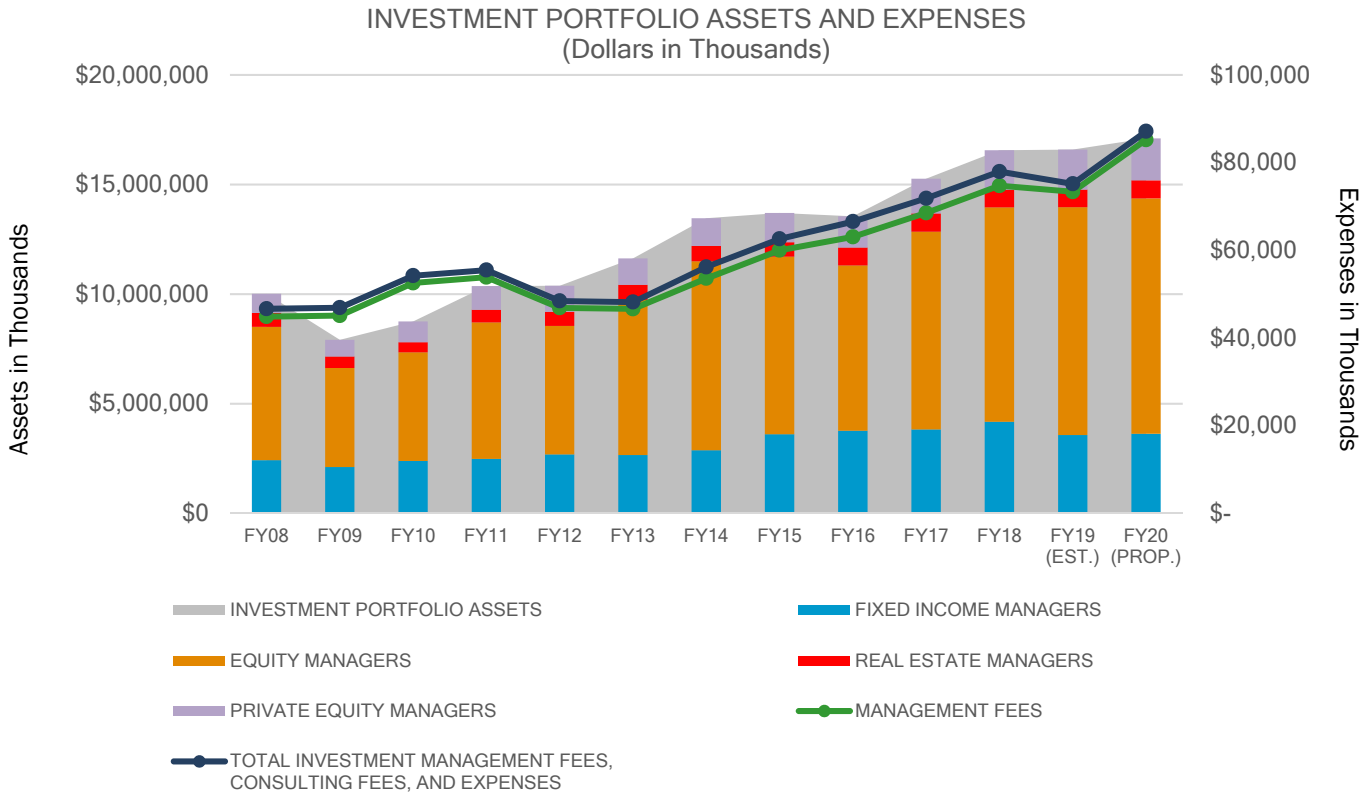
LIMITED TERM RETIREMENT PLAN (LTRP)

The LTRP provides elected officials, who serve four-year terms, the option of participating in a defined contribution plan until they have completed the five years of City service needed to vest in the defined benefit plan. The City provides a contribution to LTRP Members at the same rate as the employer contribution to the LACERS defined benefit plan. There is currently one LTRP Member in the plan.

¹This represents the unadjusted Excess Benefit limit. The individual limit must be adjusted based on the age of the Member at retirement, years of City service, service purchases, and calculated on a single-life annuity basis.

INVESTMENT MANAGEMENT FEES AND EXPENSES

In the past ten-year period, overall fees have increased along with the increase in portfolio value.



The Investment management fees are largely asset-based fees established in the respective contracts with investment managers hired by LACERS. Investment consulting fees are flat fees paid to our General Fund consultant, our Private Equity consultant, and our Real Estate consultant. Other expenses include research and services which support administration of the investment program.

Investment Management Fees	\$ 85,206,239
Investment Consulting Fees	\$ 1,750,500
Other Investment Expense	\$ 165,090
TOTAL	\$ 87,121,829

The 2019-20 Investment Management Expense Fee budget increased by \$9.4 million or 12.2%. This includes:

- \$4.98 million in new commitments to ten Private Equity and one Real Estate Fund
- \$4.76 million in new commitments to seven Public Market investments, most with active managers
- \$0.74 million in net market value changes primarily due to rebalancing of existing commitments (\$6.22 million in inflows, \$5.48 million in outflows)
- (\$0.48) million decrease in other Investment consulting fees and expenses. The decrease is largely due to the higher budget basis last year as two private equity consultant contracts overlapped during the transition between consultants

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**PROPOSED BUDGET
AND
PERSONNEL RESOLUTIONS****Fiscal Year 2019 - 20****Presented May 14, 2019**

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LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

STATEMENT OF RECEIPTS AND EXPENDITURES

Actual 2017-18	Adopted Budget 2018-19¹	Estimated 2018-19		Budget Appropriation 2019-20²
RECEIPTS				
\$ 552,527,264	\$ 600,161,457	\$ 600,161,457	City Contributions (see Schedule 1).....	\$ 672,817,769
236,090,743	255,000,000	246,736,000	Member Contributions.....	258,361,000
131,423	110,000	101,000	Family Death Benefit Plan Member Contributions.....	104,000
391,326,283	379,440,000	403,066,071	Earnings on Investments.....	415,158,054
662,279,127	--	331,000,000	Gain on Sale of Investments.....	--
<u>\$ 1,842,354,840</u>	<u>\$ 1,234,711,457</u>	<u>\$ 1,581,064,528</u>	Total Receipts.....	<u>\$ 1,346,440,823</u>
EXPENDITURES				
845,852,789	\$ 943,400,000	\$ 910,292,000	Retirement Allowances.....	\$ 964,600,000
1,178,272	1,313,000	1,133,000	Family Death Benefit Plan Allowance.....	1,156,000
116,183,508	113,420,000	125,361,000	Retired Medical & Dental Subsidy.....	134,136,000
11,897,489	12,745,000	13,398,000	Retired Medicare Part B Reimbursements.....	14,100,000
8,980,996	9,900,000	10,388,000	Refund of Member Contributions.....	11,427,000
1,430,518	2,530,000	1,236,000	Refund of Deceased Retired Accum. Contributions.....	1,360,000
25,252,249	27,111,957	26,189,382	Administrative Expense	28,045,067
77,580,964	77,398,706	76,698,982	Investment Management Fees and Expenses.....	87,121,829
<u>\$ 1,088,356,785</u>	<u>\$ 1,187,818,663</u>	<u>\$ 1,164,696,364</u>	Total Expenditures.....	<u>\$ 1,241,945,896</u>
753,998,055	46,892,794	416,368,164	Increase in Fund Balance.....	104,494,927
<u>\$ 1,842,354,840</u>	<u>\$ 1,234,711,457</u>	<u>\$ 1,581,064,528</u>	Total Expenditures and Increase in Fund Balance.....	<u>\$ 1,346,440,823</u>

1. The City Contributions amount for the FY 2018-19 Adopted Budget was based on the City's final covered payroll of \$2,211,434,628 and included the application of a net credit adjustment for FY 2017-18 of \$23,745,605 deducted from FY 2018-19 contribution payment. The credit adjustment represents a true-up of the FY 2017-18 City contribution.

2. The preliminary City Contributions amount for FY 2019-20 is based on the Mayor's Proposed Budget City covered payroll of \$2,394,987,639 and includes a credit adjustment of \$36,017,160 for the true-up of FY 2018-19 contributions which will be deducted from the FY 2019-20 contribution payment. The preliminary City Contribution budget amount will be finalized upon the receipt of adopted City covered payroll information from the City for FY 2019-20.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE 1 -- CITY CONTRIBUTIONS

ACTUARIAL REQUIREMENTS

To fund the liabilities of the System for future service as required in Article XI Section 1158 and 1160 of the City Charter in accordance with the actuarial valuation of those liabilities as of June 30, 2018 as follows:

Tier 1 29.89% of \$2,014,171,255 total actuarial salary of Tier 1 members for fiscal year 2019-20	\$ 602,035,788
Tier 3 27.70% of \$380,816,384 total actuarial salary of Tier 3 members for fiscal year 2019-20	105,486,141
Subtotal	<u>\$ 707,521,929</u>
Family Death Benefit Plan (FDBP) To match the estimated total amount contributed by Family Death Benefit Plan (FDBP) members in accordance with the provisions of Section 4.1090 of the Administrative Code.	104,000
Excess Benefit Plan Fund (EBP) To fund retirement benefits in excess of the limits set by Internal Revenue Code Section 415 (b) in accordance with the provisions of Section 4.1800 of the Administrative Code.	1,188,000
Limited Term Retirement Plan Fund (LTRP) To fund the Defined Contribution Plan for elected City officials in accordance with the provisions of Section 4.1850 of the Administrative Code.	<u>21,000</u>
Total City Contributions	\$ 708,834,929
True-up Adjustment: Credit of difference in City contributions for FY 2018-19 based on estimated covered payroll on July 15, 2018 and actual covered payroll up to March 2, 2019.	<u>(36,017,160)</u>
Total City Contributions After True Up	<u>\$ 672,817,769</u>

City Contributions by Funding Source:

	Total Covered Payroll	Contributions				Total
		Tier 1 (29.89%)	Tier 3 (27.70%)	Shared Cost for FDBP/EBP/LTP	FY19 True-Up Adjustments	
General Fund (TRAN)	\$ 1,977,615,363	\$ 487,994,389	\$ 92,789,714	\$ 1,084,144	\$ (26,448,146)	\$ 555,420,101
Airports	306,737,000	83,928,399	10,116,648	168,195	(7,002,839)	87,210,403
Harbor	84,946,961	23,234,353	1,875,630	46,612	(1,980,805)	23,175,790
LACERS	13,972,115	3,714,838	407,615	7,615	(312,695)	3,817,373
LAFPP	11,716,200	3,163,809	296,534	6,434	(272,675)	3,194,102
Total	<u>\$ 2,394,987,639</u>	<u>\$ 602,035,788</u>	<u>\$ 105,486,141</u>	<u>\$ 1,313,000</u>	<u>\$ (36,017,160)</u>	<u>\$ 672,817,769</u>

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE 2 -- ADMINISTRATIVE EXPENSE

Expenditures 2017-18	Adopted Budget 2018-19	Estimated Expenditures 2018-19		Budget Appropriation 2019-20
			SALARIES	
\$ 12,327,207	\$ 13,814,413	\$ 13,050,078	General.....	\$ 14,110,952
538,335	271,318	313,696	Overtime.....	473,744
<u>\$ 12,865,542</u>	<u>\$ 14,085,731</u>	<u>\$ 13,363,774</u>	Total Salaries.....	<u>\$ 14,584,696</u>
			EXPENSE	
\$ 155,415	\$ 139,000	\$ 121,090	Printing and Binding.....	\$ 103,000
82,712	190,605	141,308	Travel.....	245,845
5,463,128	5,927,297	5,880,165	Contracts.....	5,459,456
6,474,005	6,412,424	6,361,110	Office and Administrative.....	7,155,345
<u>\$ 12,175,260</u>	<u>\$ 12,669,326</u>	<u>\$ 12,503,673</u>	Total Expense.....	<u>\$ 12,963,646</u>
			EQUIPMENT	
\$ 211,447	\$ 356,900	\$ 321,935	Furniture, Office and Technical Equipment.....	\$ 496,725
<u>\$ 211,447</u>	<u>\$ 356,900</u>	<u>\$ 321,935</u>	Total Equipment.....	<u>\$ 496,725</u>
<u>\$ 25,252,249</u>	<u>\$ 27,111,957</u>	<u>\$ 26,189,382</u>	Total Administrative Expense.....	<u>28,045,067</u>

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
DETAIL OF ADMINISTRATIVE EXPENSE ACCOUNTS**

LACERS Account Number	City Account Number	Adopted Budget FY 2018-19	Estimated Expenditures FY 2018-19	Proposed Budget FY 2019-20	Budget \$ Change	Budget % Change	
Personnel Services:							
601	Salaries	101	\$ 13,810,513	\$ 13,050,078	\$ 14,110,952	\$ 300,439	2.2%
602	Overtime	109	271,318	313,696	473,744	202,426	74.6%
605	Employee Benefit	601	5,371,900	5,392,101	6,122,500	750,600	14.0%
Total Personnel Services			\$ 19,453,731	\$ 18,755,875	\$ 20,707,196	\$ 1,253,465	6.4%
Professional Services:							
611	Actuarial Services	304	\$ 237,500	\$ 426,000	\$ 425,000	\$ 187,500	78.9%
612	Audit Services	304	101,794	124,000	148,000	46,206	45.4%
613	Legal Services	304	710,933	869,000	912,721	201,788	28.4%
614	Disability Services	304	260,000	217,145	220,000	(40,000)	-15.4%
615	Other Consulting	304	219,555	114,540	210,000	(9,555)	-4.4%
616	Benefits Payroll Processing Services	304	265,000	242,191	235,000	(30,000)	-11.3%
617	Retired Health Admin.Consultant	304	739,415	709,801	688,000	(51,415)	-7.0%
Total Professional Services			\$ 2,534,197	\$ 2,702,677	\$ 2,838,721	\$ 304,524	12.0%
Information Technology:							
622	Pension Administration System Vendor	304	\$ 1,745,456	\$ 1,492,607	\$ 424,455	\$ (1,321,001)	-75.7%
623	Computer Hardware	730	279,800	243,322	249,725	(30,075)	-10.7%
624	Computer Software	601	159,370	154,523	91,735	(67,635)	-42.4%
625	Computer Maintenance and Support	601	222,483	214,894	282,480	59,997	27.0%
626	Other Computer Consulting	304	540,944	576,607	631,000	90,056	16.6%
Total Information Technology			\$ 2,948,053	\$ 2,681,953	\$ 1,679,395	\$ (1,268,658)	-43.0%
Education and Related Travel:							
604	Employee Development	601	\$ 119,255	\$ 114,517	\$ 143,485	\$ 24,230	20.3%
634	Travel	213	190,605	141,308	245,845	\$ 55,240	29.0%
Total Education and Related Travel			\$ 309,860	\$ 255,825	\$ 389,330	\$ 79,470	25.6%
Office Expense:							
631	Printing and Binding	212	\$ 139,000	\$ 121,090	\$ 103,000	\$ (36,000)	-25.9%
632	Postage	601	205,300	201,174	198,300	(7,000)	-3.4%
633	Telephone and Utilities	601	10,200	16,044	15,520	5,320	52.2%
635	Office Lease	304	1,016,100	1,005,393	1,371,280	355,180	35.0%
636	Office Equipment Services	304	50,600	67,881	54,000	3,400	6.7%
651	Petty Cash	601	12,000	11,074	10,000	(2,000)	-16.7%
652	Board Member Election Expense	601	30,000	28,000	30,000	-	0.0%
653	Furniture and Other Equipment	730	81,000	78,613	247,000	166,000	204.9%
655	Other Office Expense	601	101,916	105,407	114,400	12,484	12.2%
656	Membership Dues and Subscriptions	601	115,000	113,376	136,925	21,925	19.1%
658	Promotional Supplies	601	65,000	10,000	10,000	(55,000)	-84.6%
659	Insurance Expense	304	40,000	35,000	140,000	100,000	250.0%
Total Office Expense			\$ 1,866,116	\$ 1,793,052	\$ 2,430,425	\$ 564,309	30.2%
TOTAL ADMINISTRATIVE EXPENSE			\$ 27,111,957	\$ 26,189,382	\$ 28,045,067	\$ 933,110	3.4%

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT MANAGEMENT FEES AND EXPENSES: FY 2019-20**

	ADOPTED BUDGET FY 2018-19	ESTIMATED EXPENSE FY 2018-19	PROPOSED BUDGET FY 2019-20
1 Baird Advisors	\$ 275,827	\$ 464,621	\$ 623,052
2 LM Capital	303,228	446,636	505,746
3 Loomis Sayles	944,701	889,727	788,293
4 Neuberger Berman	1,099,854	989,415	893,704
5 State Street (Fixed Income Index)	441,181	340,325	-
6 AEGON USA	1,539,459	1,352,263	948,746
7 Bain Capital (formerly Sankaty)	479,041	798,732	856,589
8 Prudential	1,296,996	1,397,120	1,463,036
9 AJO LP (formerly Aronson & Partners)	566,829	536,815	451,778
10 EAM Investors	837,972	921,740	805,437
11 Panagora Asset Management	840,265	836,334	759,387
12 Principal Global	605,937	612,328	739,831
13 Rhumblin (S&P 500)	194,077	183,067	166,208
14 Rhumblin (Russell 1000 Growth)	11,342	12,267	9,400
15 Rhumblin (Russell 2000)	15,290	16,566	2,735
16 Rhumblin (Russell 2000 Growth)	7,783	8,540	1,439
17 Rhumblin (Russell 2000 Value)	6,281	6,710	1,081
18 AQR Capital Management	3,001,912	2,639,400	2,459,766
19 Axiom International	3,125,489	2,936,936	2,576,791
20 Barrow, Hanley, Mewhinney & Strauss	3,020,130	2,782,932	2,780,879
21 Dimensional Fund Advisor (Emerging Mkt)	2,328,623	2,187,585	1,752,460
22 Lazard Asset Management	3,330,574	3,146,607	2,881,909
23 MFS Institutional Advisors	3,021,640	2,749,365	2,315,846
24 Oberweis Asset Management	1,596,771	1,820,913	2,422,505
25 Quantitative Management Assoc. (QMA)	1,881,448	1,720,979	1,488,646
26 State Street Global (Non-US Index)	475,520	414,875	406,767
27 Centersquare (REITS)	459,889	717,483	858,910
28 CoreCommodity	1,398,995	1,070,097	1,280,797
29 Dimensional Fund Advisor (TIPS)	281,857	322,842	311,705
30 Real Assets (Multi-Asset)	560,000	-	-
31 New Emerging Mkt Debt	-	-	720,000
32 New High Yield Bank Loans	-	-	550,000
33 New Private Debt	-	-	1,291,500
34 New Active Small Cap	-	-	682,500
35 New Active Small Cap Growth	-	-	289,800
36 New Active Small Cap Value	-	-	269,675
37 New Emerging Mkt Small Cap	-	-	956,250
38 Real Estate Managers	11,487,174	11,181,980	12,019,774
39 Private Equity Managers	29,570,211	31,376,495	37,873,298
Subtotal - Investment Management Fee	\$ 75,006,296	\$ 74,881,695	\$ 85,206,239
40 General Fund Consulting	\$ 450,000	\$ 450,000	\$ 450,000
41 Private Equity Consulting	1,250,000	733,781	737,500
42 Real Estate Consulting	215,000	215,000	215,000
43 Real Estate & Private Equity Legal Consulting	325,000	275,000	325,000
44 Northern Trust	28,000	23,417	23,000
Subtotal - Investment Consulting Fee	\$ 2,268,000	\$ 1,697,198	\$ 1,750,500
45 Bloomberg Financial Services	\$ 30,000	\$ 25,680	\$ 25,680
46 CEM Benchmarking	-	-	35,000
47 Institutional Shareholder Services	71,910	71,910	71,910
48 Pitchbook Subscription	22,500	22,500	22,500
49 Pacific Center for Asset Management	-	-	10,000
Subtotal - Other Investment Expense	\$ 124,410	\$ 120,090	\$ 165,090
Total Investment Management Fees and Expenses	\$ 77,398,706	\$ 76,698,982	\$ 87,121,829

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED PERSONNEL RESOLUTION
FISCAL YEAR 2019-20

WHEREAS, the Board of Administration of the Los Angeles City Employees' Retirement System has the responsibility and authority to establish the number and types of positions to be utilized by the Los Angeles City Employees' Retirement System;

NOW, THEREFORE, BE IT RESOLVED, that:

1. Effective July 1, 2019, the positions listed in the attached schedule of Positions and Salaries are hereby authorized within the Los Angeles City Employees' Retirement System. The class code numbers, classifications and salaries as set forth herein are hereby determined to be appropriate in accordance with existing City laws and ordinances, and applicable Memoranda of Understanding, as appropriate. Further, the employment of the designated number of persons in each code and classification as set forth herein is hereby authorized.
2. Memoranda of Understanding approved by the City Council shall be considered to be incorporated into this Resolution where appropriate. Salaries established under approved Memoranda of Understanding shall apply to all classes of employees therein noted. The provisions of each of the Memoranda of Understanding shall take precedence over any conflicting provision contained in this Resolution, but only for those employees in classes to which the Memoranda of Understanding apply.
3. One Assistant General Manager (Class Code 9269), when designated by the General Manager to assume the additional administrative and supervisory duties of Executive Officer, shall be compensated at the fourth premium level rate above the appropriate step rate or premium level rate of the incumbent. Upon approval of the General Manager, one additional Assistant General Manager (Class Code 9269) may receive salary up to the fourth premium level rate above the appropriate step rate of the prescribed salary range. This compensation is pensionable.
4. Upon approval of the General Manager, substitute authority positions may be filled using any class approved and established by the Board of Civil Service Commissioners. This approval shall specify the period during which the position shall be filled.
5. Upon approval of the General Manager, persons may be employed in any class approved and established by the Board of Civil Service Commissioners in-lieu of a vacant position if the in-lieu employment is consistent with City policies and procedures for such employment.
6. The General Manager shall have the authority to correct any clerical or typographical errors in this document.

Tuesday, May 14, 2019

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
POSITIONS AND SALARIES: FY 2019-20**

(a) Regular Positions

FY19	FY20	Change	MOU	Class Code	Class Title	Salary Range
4	4	0	1	1513	ACCOUNTANT	\$ 55,019 - \$ 80,472
12	11	-1	3	1223	ACCOUNTING CLERK	\$ 49,005 - \$ 71,618
1	0	-1	20	1119	ACCOUNTING REC SUPVR I	\$ 55,332 - \$ 80,931
0	1	1	20	1119	ACCOUNTING REC SUPVR II	\$ 65,146 - \$ 95,255
10	10	0	3	1358	ADMINISTRATIVE CLERK	\$ 37,584 - \$ 54,935
2	2	0	36	9414	ASST GM-LACERS	\$ 140,961 - \$ 206,044
25	30	5	20	1203	BENEFITS SPECIALIST	\$ 55,332 - \$ 80,931
3	3	0	36	9151	CH BENEFITS ANALYST	\$ 123,067 - \$ 179,944
1	1	0	20	1253	CH CLERK	\$ 66,106 - \$ 96,654
1	1	0	36	9147	CH INVESTMENT OFCR	\$ 179,109 - \$ 261,814
1	1	0	1	9734	COMMISSION EXEC ASST II	\$ 70,157 - \$ 102,563
1	1	0	36	1610	DEPARTMENTAL AUDIT MGR	\$ 123,067 - \$ 179,944
1	1	0	36	1593	DEPT CHIEF ACCT IV	\$ 123,067 - \$ 179,944
1	1	0	37	1117	EXEC ADMIN ASST II	\$ 60,656 - \$ 88,698
1	1	0	37	1117	EXEC ADMIN ASST III	\$ 65,020 - \$ 95,067
1	1	0	20	1555	FISCAL SYSTEMS SPEC I	\$ 87,884 - \$ 128,516
0	1	1	20	1555	FISCAL SYSTEMS SPEC II	\$ 102,667 - \$ 150,127
1	1	0	0	9150	GM-LACERS	\$ 270,020 - \$ 270,020
1	1	0	36	1409	INFO SYSTEM MGR II	\$ 123,067 - \$ 179,944
1	1	0	1	1625	INTERNAL AUDITOR III	\$ 82,873 - \$ 121,146
1	1	0	1	1625	INTERNAL AUDITOR IV	\$ 102,667 - \$ 150,127
2	2	0	0	9146	INVESTMENT OFFICER I	\$ 95,442 - \$ 139,541
3	4	1	0	9146	INVESTMENT OFFICER II	\$ 118,912 - \$ 173,889
1	2	1	0	9146	INVESTMENT OFFICER III	\$ 149,563 - \$ 218,655
22	25	3	1	9184	MANAGEMENT ANALYST	\$ 70,157 - \$ 102,563
1	1	0	1	1539	MANAGEMENT ASSISTANT	\$ 49,903 - \$ 72,996
1	1	0	20	1170	PAYROLL SUPERVISOR I	\$ 63,580 - \$ 92,958
1	1	0	20	1129	PERS RECORDS SUPV	\$ 58,986 - \$ 86,255
1	1	0	1	1731	PERSONNEL ANALYST	\$ 70,157 - \$ 102,563
1	1	0	20	1525	PR ACCOUNTANT I	\$ 79,615 - \$ 116,385
0	1	1	20	1525	PR ACCOUNTANT II	\$ 83,938 - \$ 122,733
2	2	0	8	1431	PROGRAMMER/ANALYST III	\$ 75,815 - \$ 110,852
1	1	0	8	1431	PROGRAMMER/ANALYST IV	\$ 81,996 - \$ 119,914
1	1	0	36	1800	PUB INFO DIRECTOR I	\$ 86,777 - \$ 126,867
2	2	0	20	1523	SR ACCOUNTANT I	\$ 63,914 - \$ 93,438
3	2	-1	20	1523	SR ACCOUNTANT II	\$ 69,217 - \$ 101,205
16	18	2	3	1368	SR ADMINISTRATIVE CLERK	\$ 46,374 - \$ 67,818
5	6	1	20	9171	SR MGMT ANALYST I	\$ 82,873 - \$ 121,146
5	5	0	20	9171	SR MGMT ANALYST II	\$ 102,667 - \$ 150,127
1	1	0	0	9167	SR PERSONNEL ANALYST I	\$ 86,339 - \$ 126,199
2	2	0	0	9167	SR PERSONNEL ANALYST II	\$ 106,843 - \$ 156,182
0	0	0	20	1538	SR PROJECT COORDINATOR	\$ 78,049 - \$ 114,088
2	2	0	20	1597-1	SR SYSTEMS ANALYST I	\$ 82,977 - \$ 121,334
1	1	0	20	1597-2	SR SYSTEMS ANALYST II	\$ 102,667 - \$ 150,127
3	3	0	1	1596	SYSTEMS ANALYST	\$ 70,157 - \$ 102,563
1	1	0	21	1455	SYSTEMS PROGRAMMER III	\$ 101,498 - \$ 148,394
<u>147</u>	<u>160</u>	<u>13</u>				

(b) To be Employed As Needed in Such Numbers as Required:

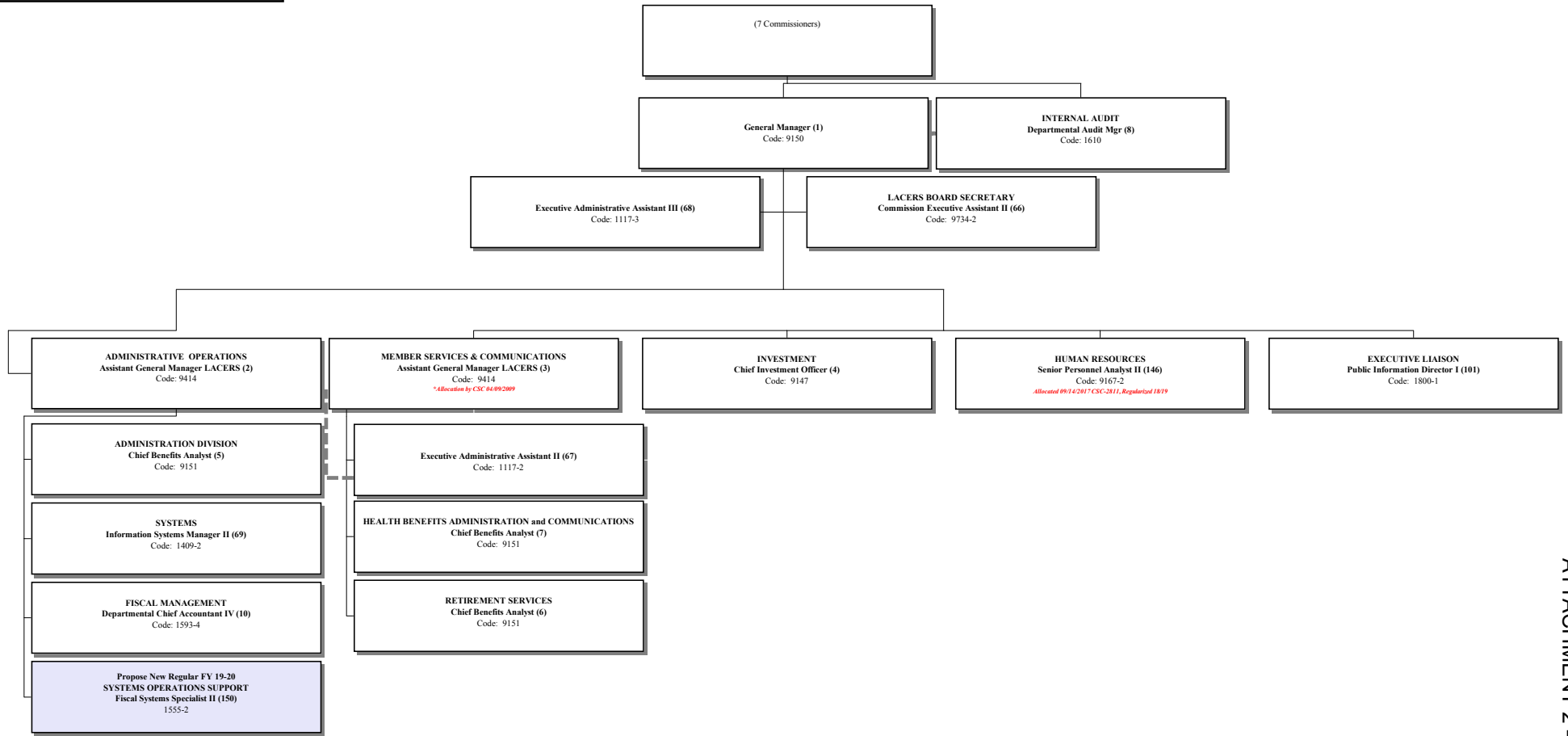
1133	RETIREMENT RELIEF WORKER
1358	ADMINISTRATIVE CLERK
1501	STUDENT WORKER
1502	STUDENT PROFESSIONAL WORKER
1525-1	PRINCIPAL ACCOUNTANT I
1535-1	ADMINISTRATIVE INTERN I
1535-2	ADMINISTRATIVE INTERN II
1596	SYSTEMS ANALYST
9167-2	SENIOR PERSONNEL ANALYST II
9269	ASSISTANT GENERAL MANAGER - PENSION

FY19	FY20	Change	MOU	Class Code	Class Title	Salary Range
<u>7</u>	<u>7</u>	<u>0</u>	N/A	0101-2	COMMISSIONER	\$50 PER MEETING
<u>7</u>	<u>7</u>	<u>0</u>				

(c) Commissioner Positions:

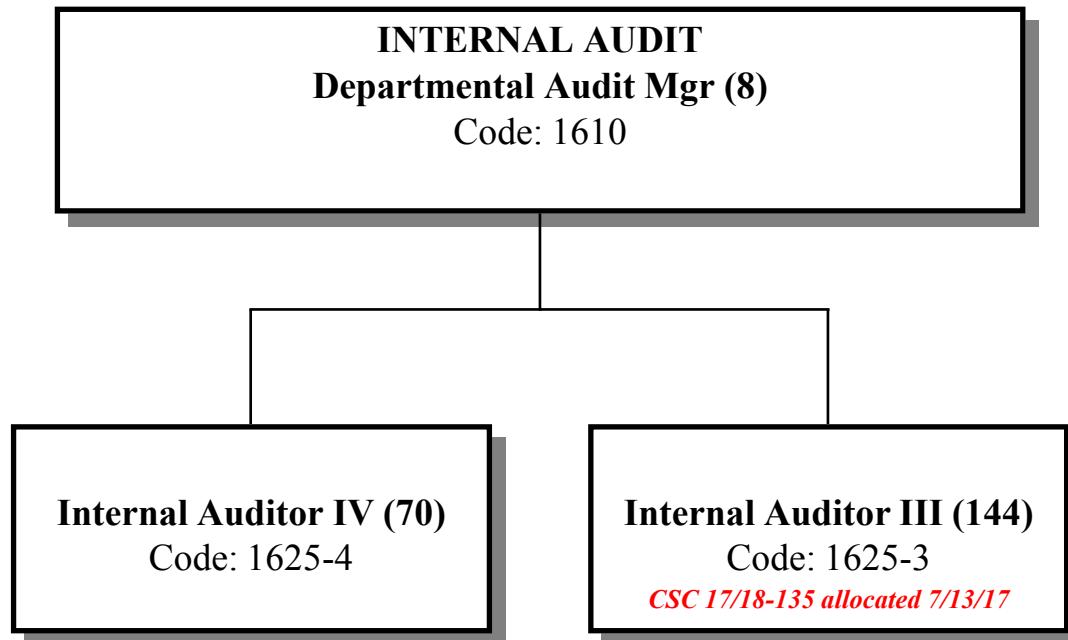
LACERS PROPOSED ORGANIZATIONAL CHART FY 2019/2020

	SUBSTITUTE AUTHORITY
	ADD POSITION
	DELETION OF POSITION
	MOVE POSITION
	REALLOCATE POSITION
	(#) POSITION CONTROL NUMBER



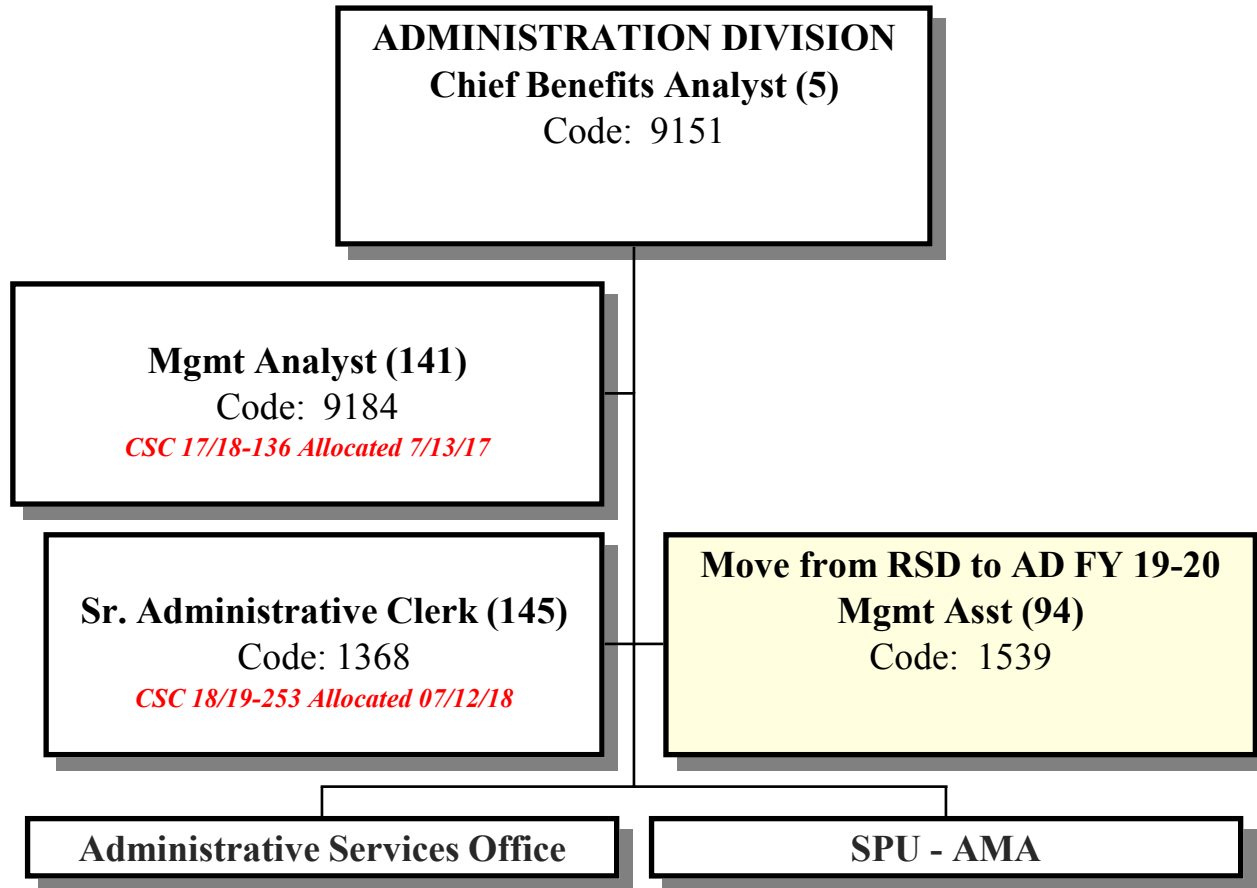
LACERS
PROPOSED ORGANIZATIONAL CHART FY 2019/2020

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**LACERS
PROPOSED ORGANIZATIONAL CHART FY 2019/2020**

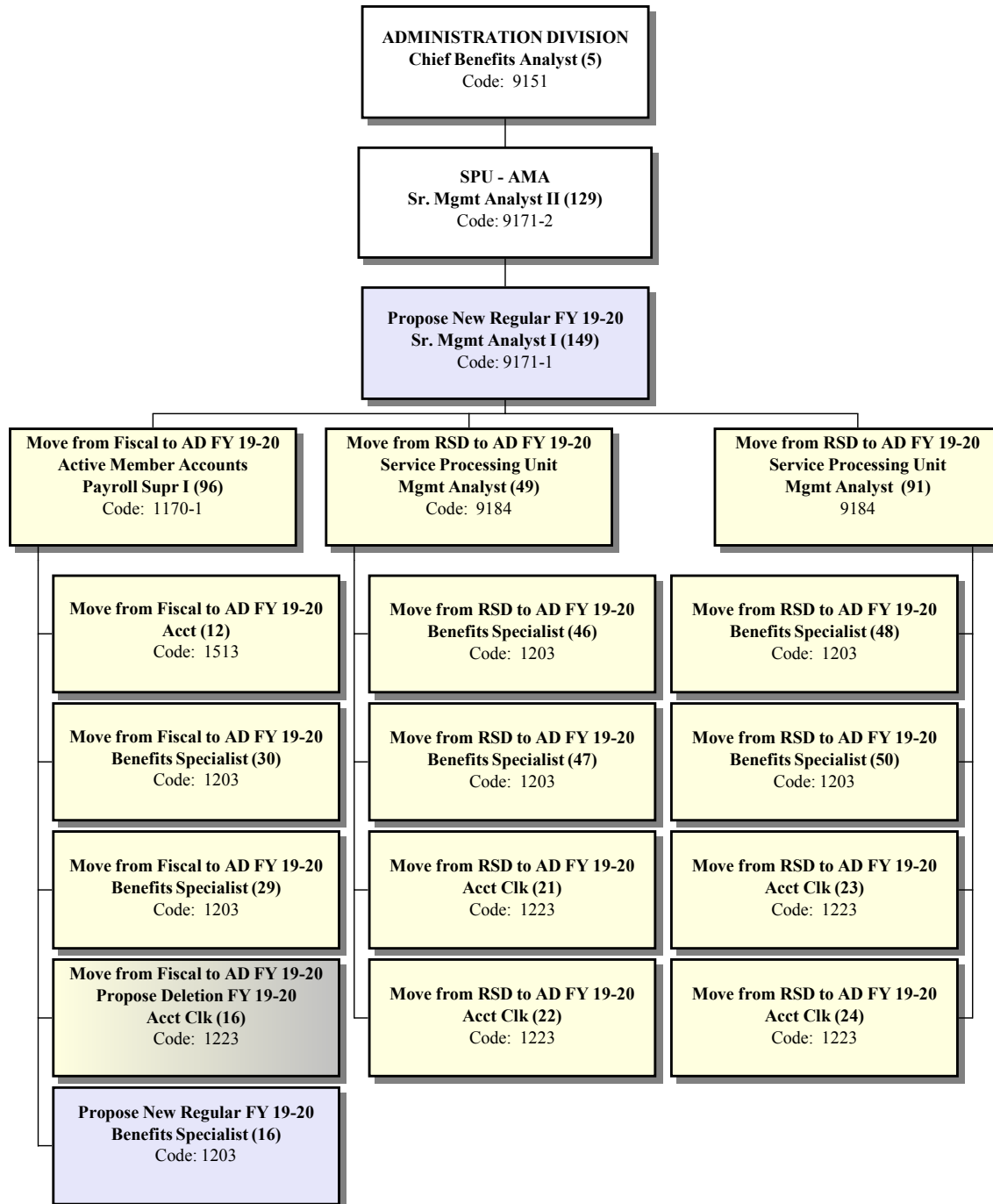
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LACERS

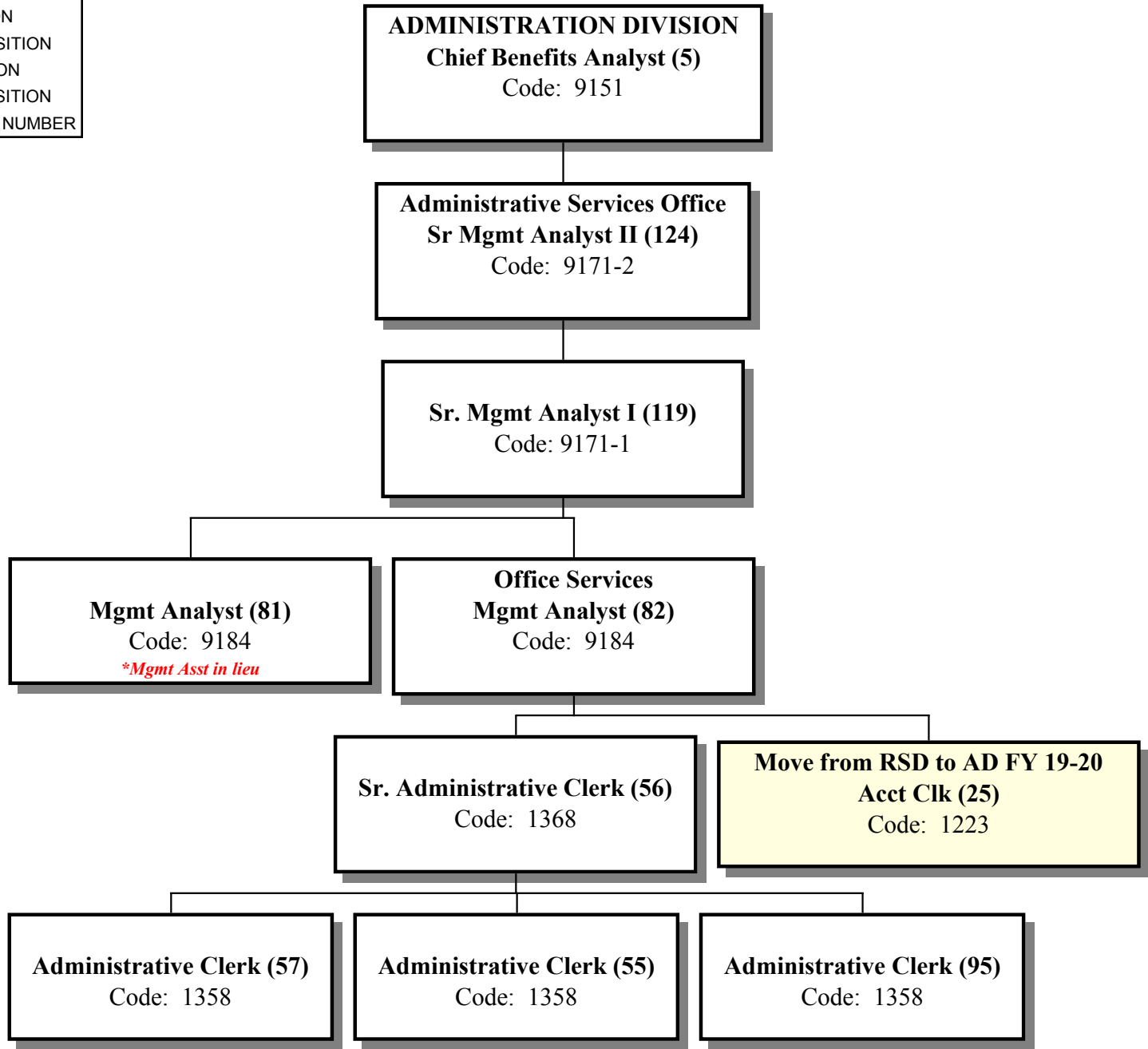
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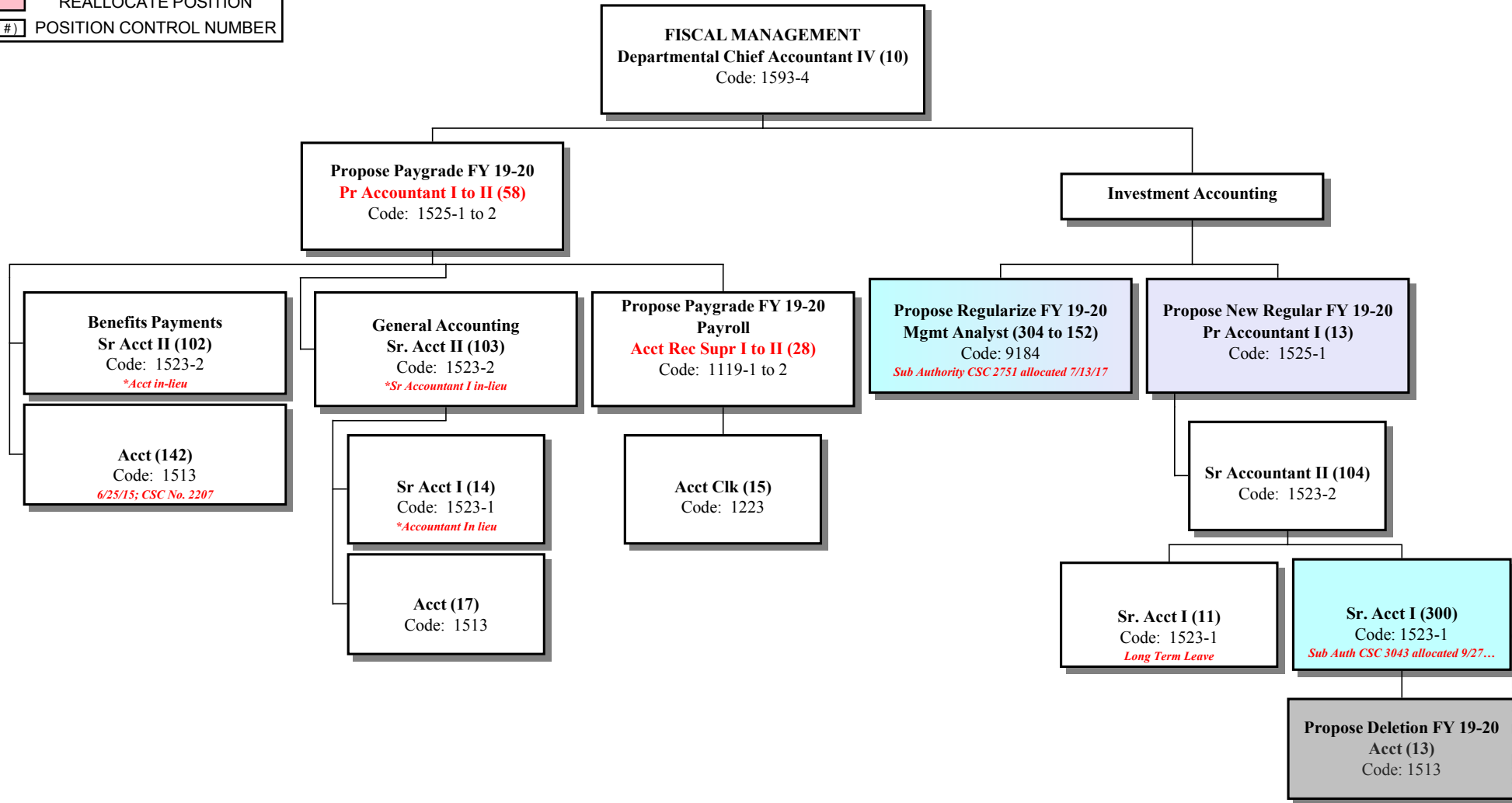
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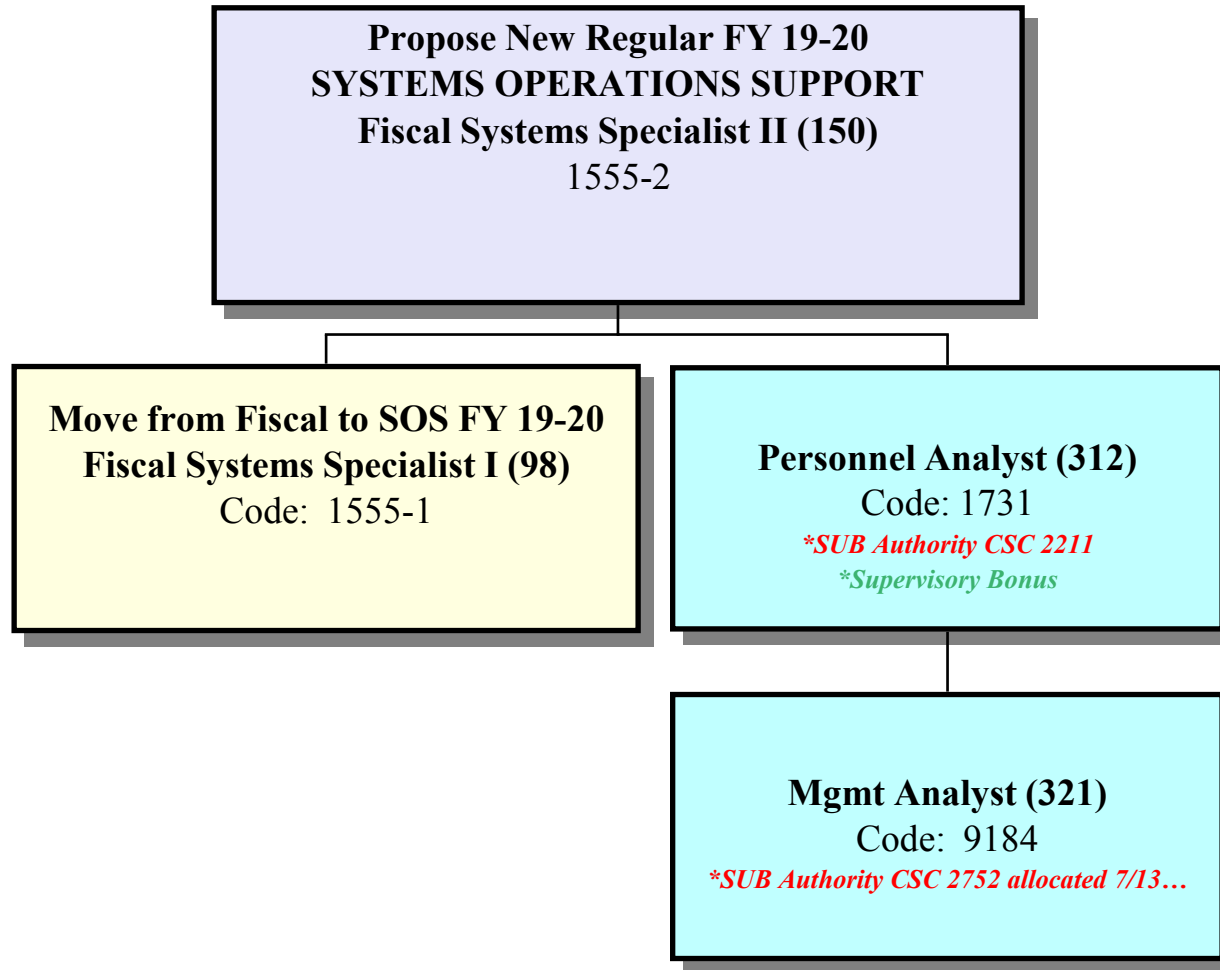
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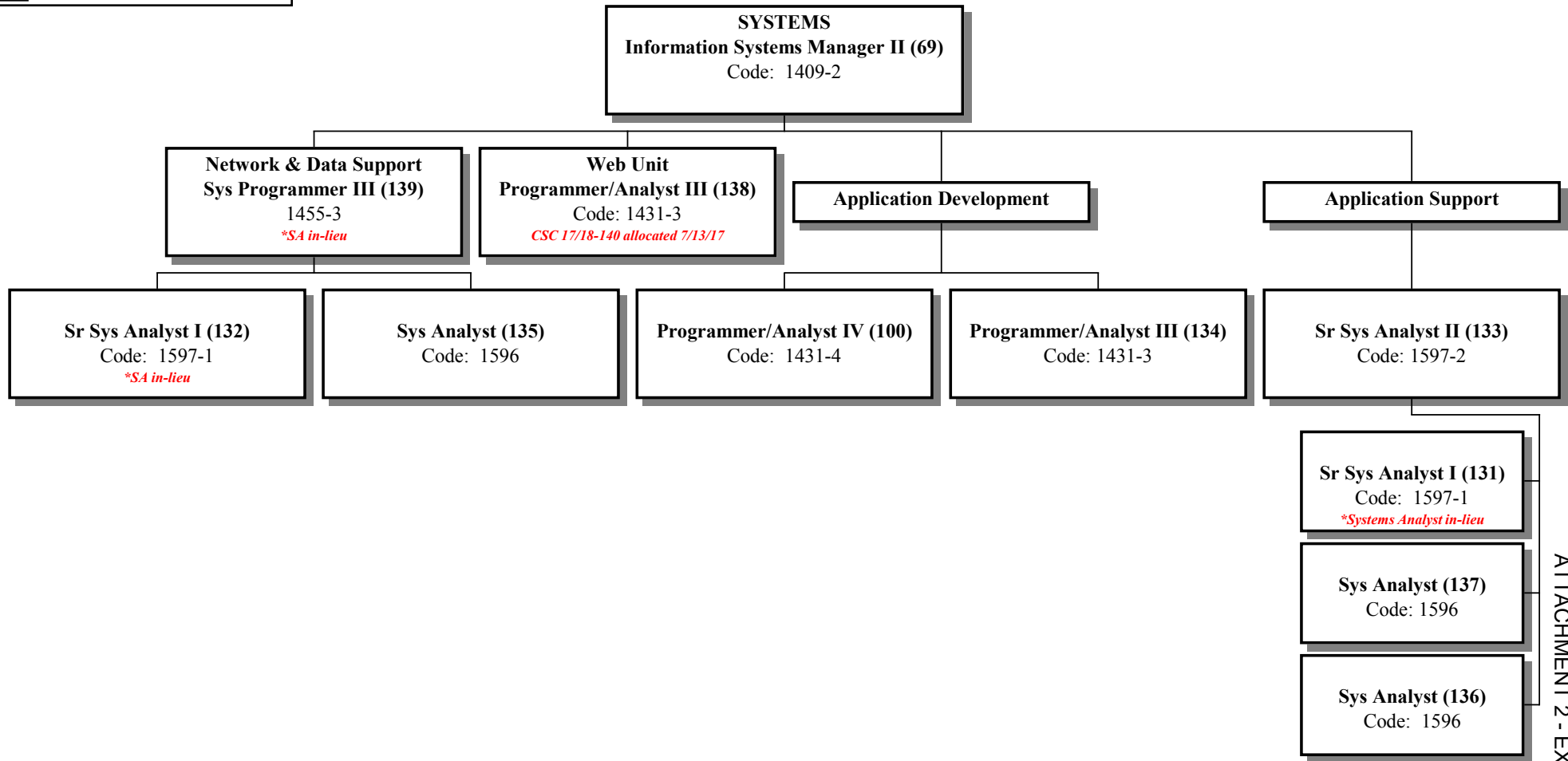
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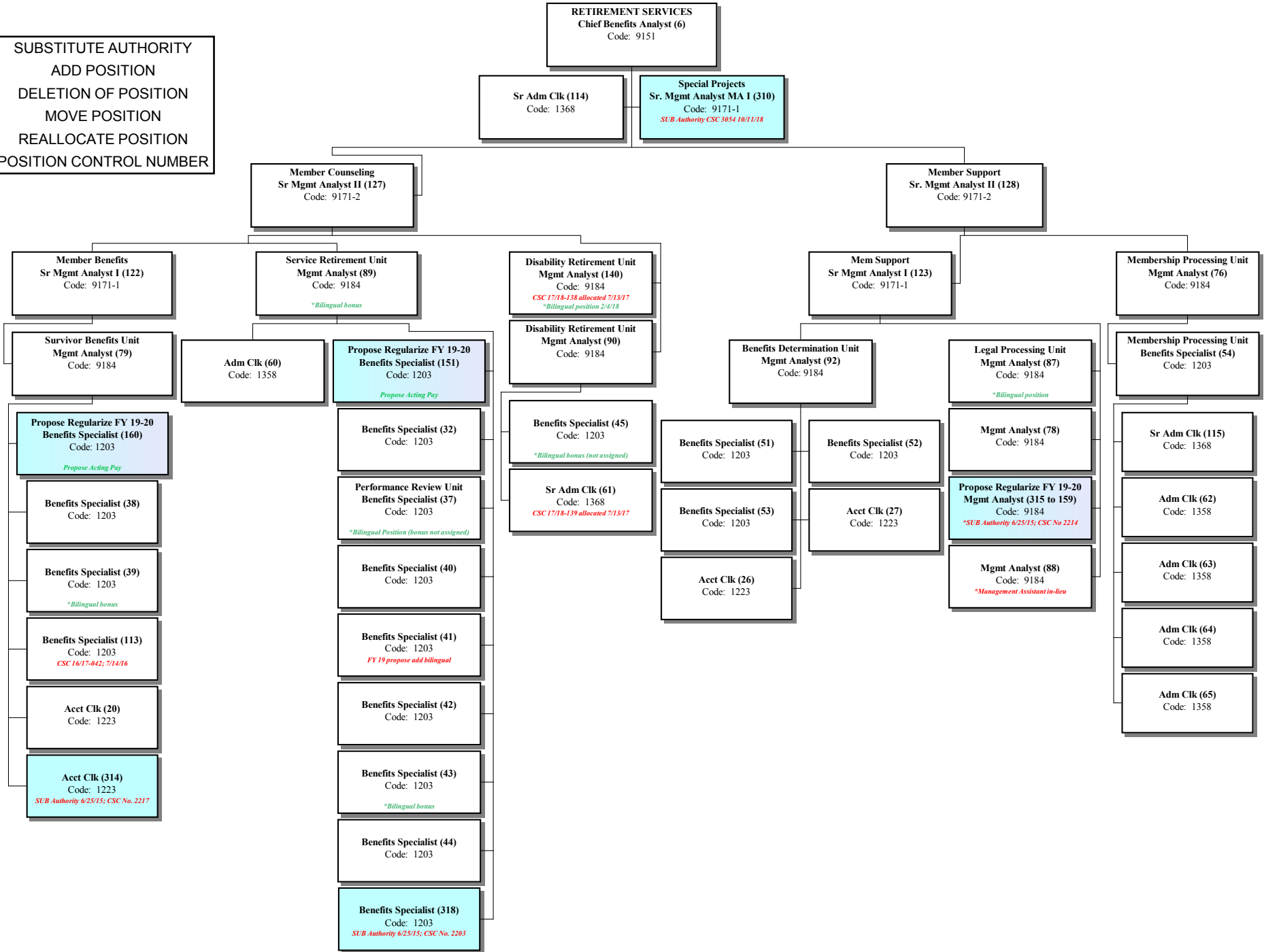


ATTACHMENT 2 - EXHIBIT 8

LACERS

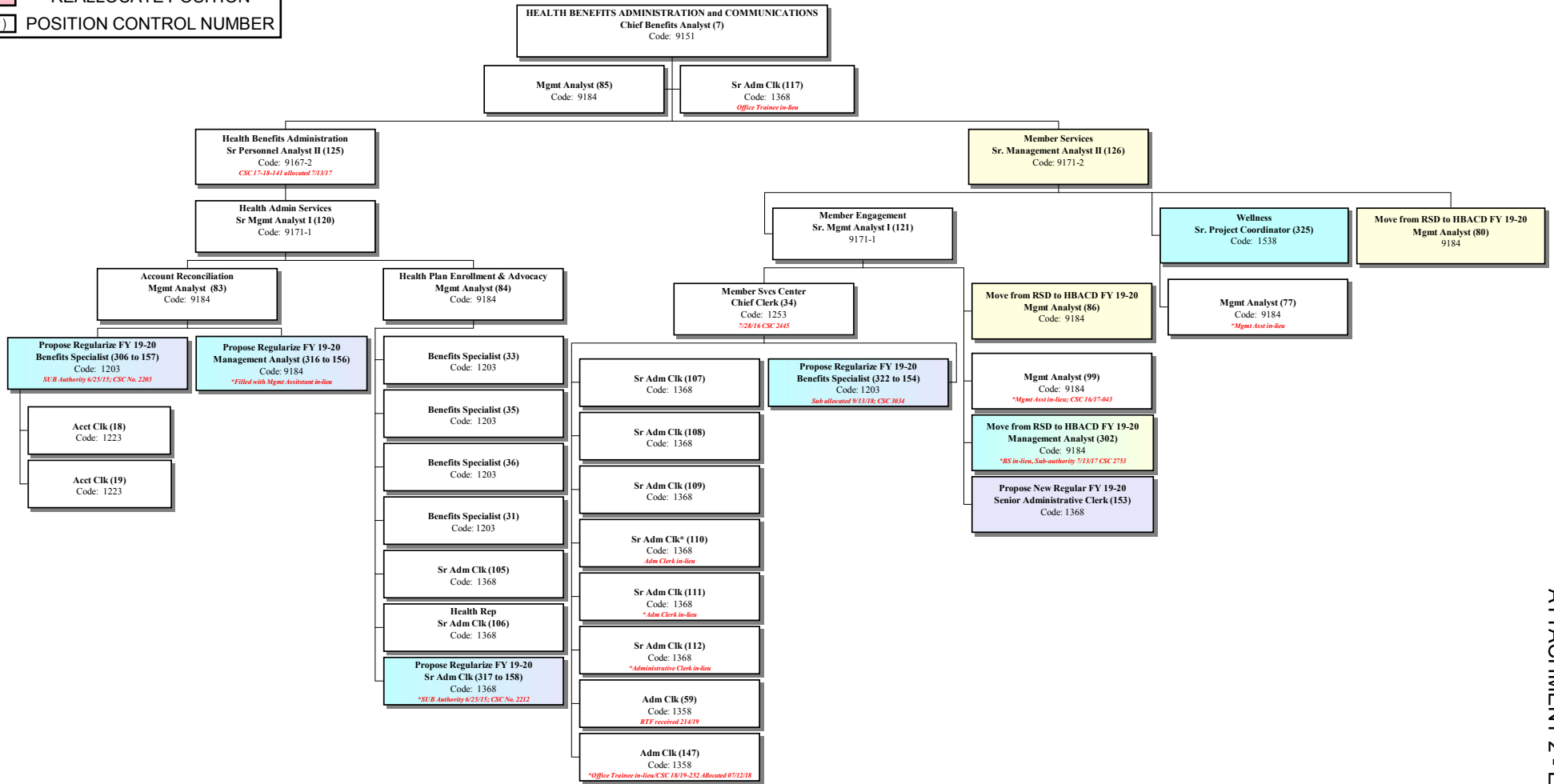
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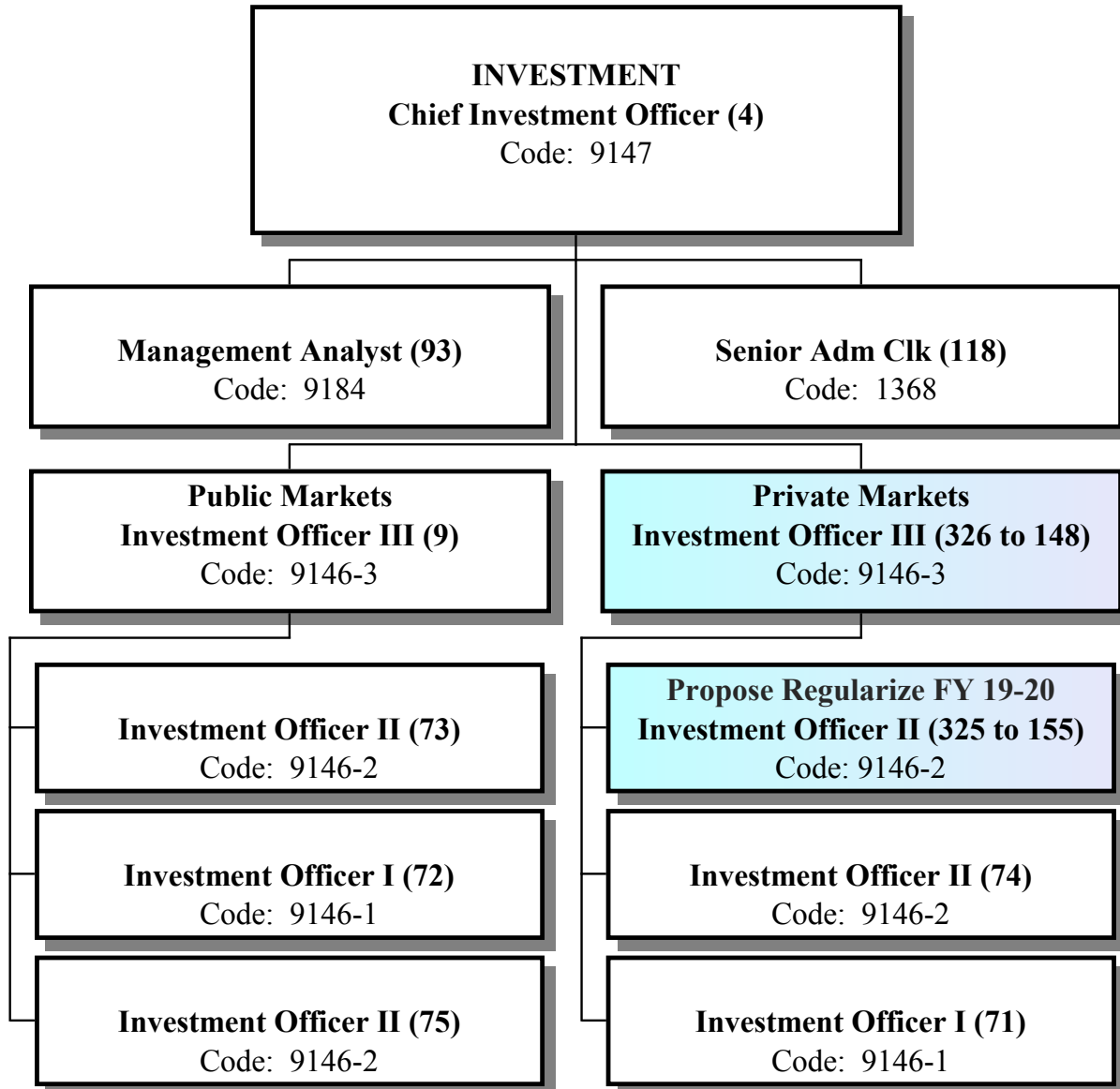
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


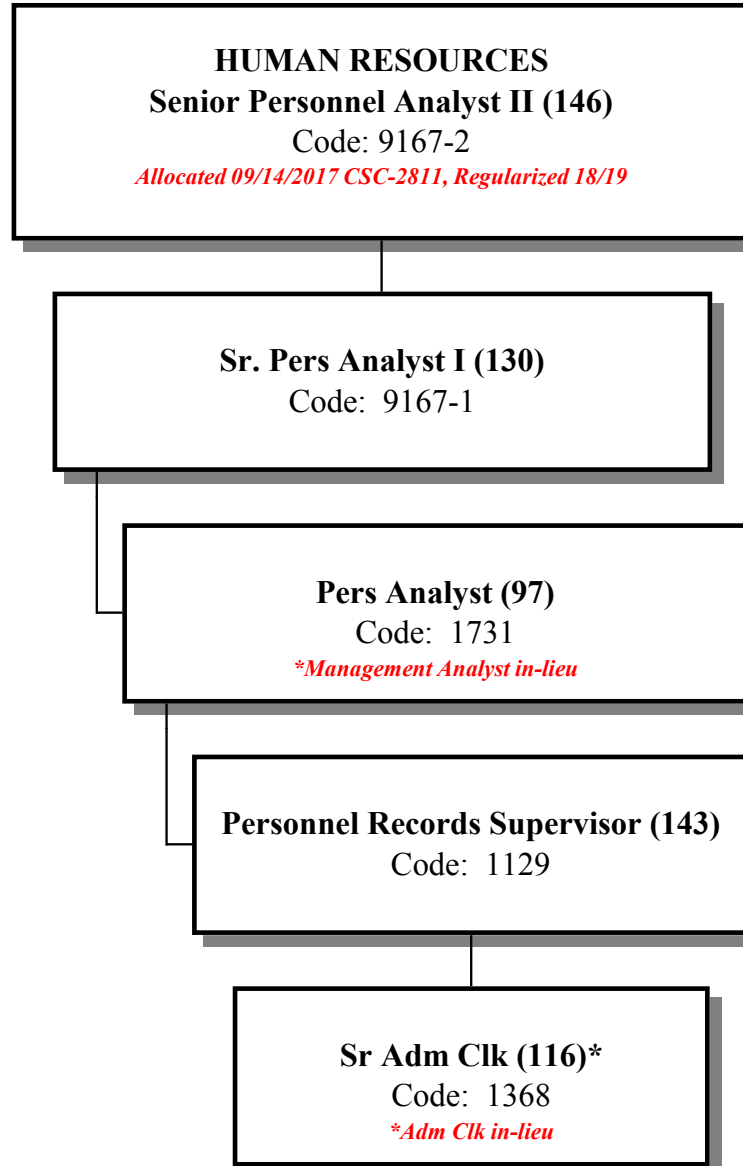
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


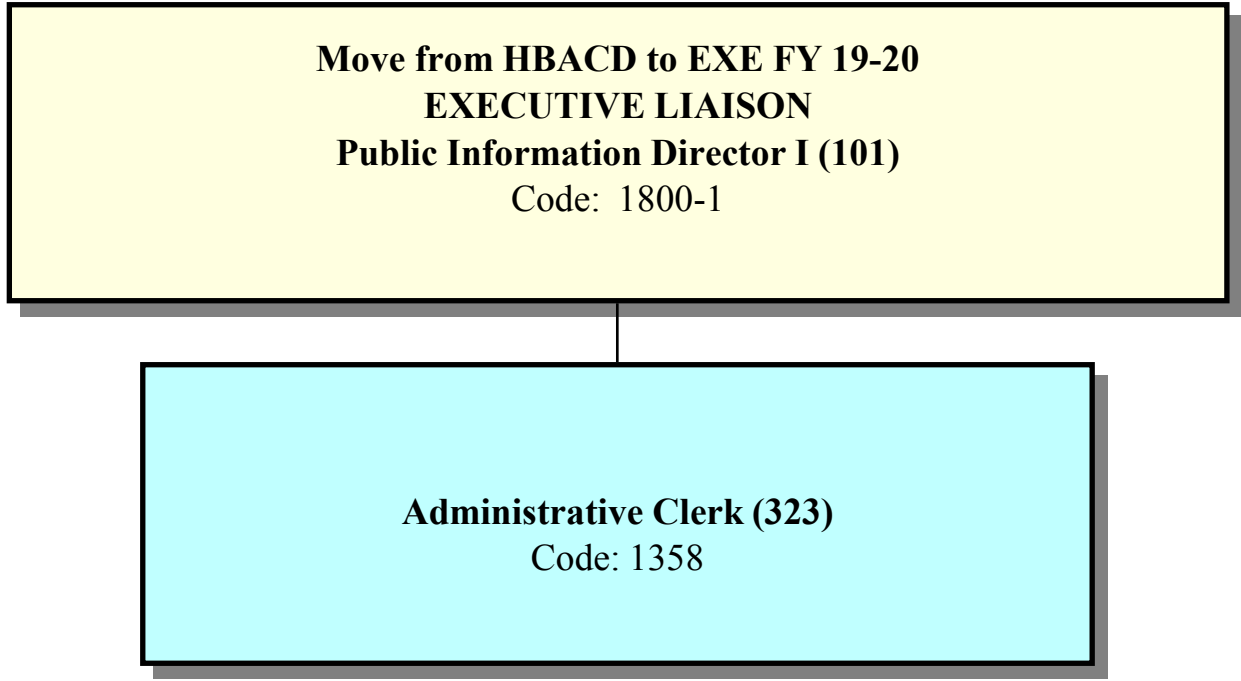
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LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

AUTHORIZATION FOR
DEPARTMENTAL EXEMPLARY STAFF RECOGNITION PROGRAM
FISCAL YEAR 2019-20

WHEREAS, on March 11, 2003, the Board established a departmental Exemplary Staff Recognition Program to provide a framework for team building and recognition throughout the Department;

WHEREAS, the Board endeavors to continue the program in order to recognize employees for their efforts, and to identify role models who communicate the standards established through our guiding principles;

WHEREAS, funds for program-related expenditures during the 2019-20 Fiscal Year have been included in the FY 2019-20 Departmental budget in order to continue the program; and

WHEREAS, the Controller's Office requires an annual Board Resolution confirming the establishment of the program in order to process future payments of related expenses;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby confirms the permanent establishment of the LACERS Exemplary Staff Recognition Program, and authorizes program-related expenditures for Fiscal Year 2019-20 not to exceed \$4,000.

May 14, 2019

**LEASE EXPENSE FY 19-20
UPDATE TO ESTIMATE FROM MARCH 26, 2019 CLOSED SESSION
AND FINAL FY 19-20 BUDGET REQUEST FOR KNOWN EXPANSION EXPENSES**

July 1 - June 30, 2019	Investments 4th floor (5,000 SF)	Reception/ Counseling 5th floor (3,500 SF)	Combined Costs 4th & 5th floors	
ORIGINAL REPORTED LEASE COSTS Presented March 2019	\$ 167,400	\$ 116,240	\$ 283,640	This original figure calculates rent for 8 months at the base rate, 2 months with 3% escalation; inadvertently included 8 months of monthly parking
ORIGINAL REPORTED PARKING COSTS Presented March 2019	\$ 9,600	\$ 5,760	\$ 15,360	Assumes 5 parking spaces for 4th floor, 3 parking spaces for 5th floor at \$160/month
ORIGINAL ONE-TIME COSTS Presented March 2019	\$ 233,000	\$ 162,480	\$ 395,480	
ORIGINAL TOTAL COST Presented March 2019	\$ 410,000	\$ 284,480	\$ 694,480	
BUDGETED RENT & PARKING Updated May 2019	\$ 155,576	\$ 95,724	\$ 251,300	May 2019 update: 4th floor space: 7 months at base rate \$3.20, 2 months at 3% escalation/\$3.30, 3 months abated rent. 5th floor space: 4 months abated rent; 3,500 SF at \$3.20 for 7 months, \$3.30 for 1 month
Rent	\$ 145,928	\$ 89,950	\$ 235,878	
Parking	\$ 9,648	\$ 5,774	\$ 15,422	4th FL: 5 spaces for 10 mos at \$160, 2 months with 3% increase; 5th FL: 3 spaces for 11 months at \$160; 1 month at +3%
BUDGETED ONE-TIME COSTS Unchanged from March 2019	\$ 233,000	\$ 162,480	\$ 395,480	
Furniture	\$ 150,000	\$ 150,000		
Computer hardware, software, internet	\$ 68,000			
Relocation expense	\$ 15,000	\$ 12,480		
TOTAL UPDATED FY 19-20 PROPOSED BUDGET	\$ 388,576	\$ 258,204	\$ 646,780	

LEASE EXPANSION RENT & PARKING DETAIL

MAY 2019

Months 1-12	\$ 3.20	4th floor SF	5032	5 parking spaces	
Months 13-24	\$ 3.30	5th floor SF	3500	3 parking spaces	
Lease start - 4th FL	6/1/2019			Months 1-12	\$ 160.00
Lease start - 5th FL	7/1/2019			Months 13-24	\$ 164.80

Payment date	Period beginning	# paymt.	Rent 4th FL	Parking 4th FL occupants	# paymt.	Rent 5th FL	Parking 5th FL occupants
May	6/1/2019	1	\$ 16,102	\$ 800			
June	7/1/2019	2	\$ -	\$ 800	1	\$ 11,200	\$ 480
July	8/1/2019	3	\$ -	\$ 800	2	\$ -	\$ 480
August	9/1/2019	4	\$ -	\$ 800	3	\$ -	\$ 480
September	10/1/2019	5	\$ -	\$ 800	4	\$ -	\$ 480
October	11/1/2019	6	\$ 16,102	\$ 800	5	\$ -	\$ 480
November	12/1/2019	7	\$ 16,102	\$ 800	6	\$ 11,200	\$ 480
December	1/1/2020	8	\$ 16,102	\$ 800	7	\$ 11,200	\$ 480
January	2/1/2020	9	\$ 16,102	\$ 800	8	\$ 11,200	\$ 480
February	3/1/2020	10	\$ 16,102	\$ 800	9	\$ 11,200	\$ 480
March	4/1/2020	11	\$ 16,102	\$ 800	10	\$ 11,200	\$ 480
April	5/1/2020	12	\$ 16,102	\$ 800	11	\$ 11,200	\$ 480
May	6/1/2020	13	\$ 16,606	\$ 824	12	\$ 11,200	\$ 480
June	1-Jul	14	\$ 16,606	\$ 824	13	\$ 11,550	\$ 494
FY20 Rent & Parking			\$ 145,928	\$ 9,648		\$ 89,950	\$ 5,774
TOTAL ANNUAL RENTS & PARKING			\$ 155,576			\$ 95,724	

* Rents are abated for months 2, 3, 4, 5 after actual Commencement Date of lease, pending completion of tenant improvements.



Report to Board of Administration

Agenda of: **MAY 14, 2019**

Neil M. Guglielmo
 From: Neil M. Guglielmo, General Manager

ITEM: **IX - E**

SUBJECT: APPROVAL OF A CONTRACT AMENDMENT WITH THE SEGAL COMPANY FOR ACTUARIAL CONSULTING SERVICES AND POSSIBLE BOARD ACTION

Recommendation

That the Board:

1. Approve Amendment No. 4 to Contract No. 4093 with The Segal Company to add \$80,000, for a total amount not to exceed \$380,000; and,
2. Authorize the General Manager to negotiate and execute the contract amendment.

Discussion

The Segal Company (Segal) has been LACERS' consulting actuary since 2004 and is operating under an extension of an original three-year contract awarded in June 2012. The original contract was extended for another three years through July 2018. A total of \$1.99 million was spent under these two three-year terms. In January 2018, an additional year was added through July 31, 2019.

Segal is currently providing actuarial services under a one-year contract commencing August 1, 2018 and ending July 31, 2019 (Amendment No. 3 to Contract No. 4093), for an amount not to exceed \$300,000. Segal services to date under this amendment total \$211,689, with an additional \$63,446 in fees to be billed for services rendered prior to March 31, 2019, and \$38,500 in fixed fee services anticipated including for preparation of Governmental Accounting Standards Board Statements. The total of \$313,635 in planned expenditures under the contract does not include other ad-hoc services including development and verification of actuarial assumption workbooks, support of Pension Administration System enhancements, and other as-needed actuarial consulting and advisory services. The primary issue impacting funding availability under the current contract amendment is that \$78,611 in prior year services were concluded and billed under the current year contract. Therefore, to offset the prior year expenditure amount and to ensure continuity of services, it is requested that the contract ceiling be increased by \$80,000, for a total contract amount of \$380,000.

There are sufficient savings in the Contractual services account to fund the \$80,000 contract amendment.

It should be noted that a Request for Proposal (RFP) for Actuarial Services is underway, and the proposed amendment does not supersede or overlap the anticipated services under the new RFP which

is anticipated to conclude in July 2019, with a new contract to be executed beginning August 1, 2019. The schedule of RFP activities is listed below.

Date - Event

3/15/2019 - Release RFP to Potential Proposers

4/10/2019 - Deadline to Submit Questions

5/08/2019 - RFP Response Due

5/09/2019 - Evaluation Period Begins

6/11/2019 - Recommendation of Award for Consulting Actuary to Board

6/25/2019 - Recommendation of Award for Audit Actuary to the Audit Committee

7/09/2019 - Recommendation of Award for Audit Actuary to Board

Strategic Plan Impact Statement:

Approving a contract extension with Segal conforms to LACERS' Organization Goal of increasing organizational effectiveness, efficiency, and resiliency.

This report was prepared by Dale Wong Nguyen, Chief Benefits Analyst, and Edeliza Fang, Senior Management Analyst, of the Administrative Services Division.

NG:TB:DWN:EF

Attachment: Proposed Resolution

CONTRACT EXTENSION WITH THE SEGAL COMPANY
FOR ACTUARIAL CONSULTING SERVICES

PROPOSED RESOLUTION

WHEREAS, In June 2012, the Board awarded a three-year contract, Contract No. 4093, to The Segal Company (Segal) following a competitive bidding process to provide actuarial consulting services. In October 2014, the contract was amended by Amendment No. 1 to reflect Segal's name change; and in July 2015, the contract was further amended by Amendment No. 2 to extend the contract term for an additional three years from August 1, 2015 to July 31, 2018. In January 2018, Amendment No. 3 extended the contract term for an additional year from August 1, 2018 to July 31, 2019;

WHEREAS, the contract ceiling under Amendment No. 3 has been reached, and it is LACERS' desire to retain Segal to continue to completion several projects currently in-process;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the proposed Contract Amendment No. 4 with Segal, and authorizes the General Manager to execute the necessary documents, within the following terms, and subject to City Attorney review:

CONSULANT	The Segal Company, aka The Segal Group
TERM	August 1, 2018 to July 31, 2019
AMOUNT	\$80,000 added to the contract for a total of \$380,000 for the current term

May 14, 2019