

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

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020)  
and due to the concerns over COVID-19, the  
LACERS Board of Administration's  
July 14, 2020, meeting was conducted  
via telephone and/or videoconferencing.

**Agenda of: July 28, 2020**

**Item No: II**

July 14, 2020

10:00 a.m.

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PRESENT via Zoom Meeting:	President:	Cynthia M. Ruiz
	Vice President:	Michael R. Wilkinson
	Commissioners:	Annie Chao Elizabeth Lee Nilza R. Serrano Sung Won Sohn
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Anya Freedman
ABSENT:	Commissioner:	Sandra Lee
PRESENT at LACERS offices:	Executive Assistant:	Ani Ghoukassian

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* – **PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Ruiz asked if any persons wanted to make a general public comment to which there was one response. Lawrence Nash, member of the public, asked about allowing public to access the Zoom video link for Board Meetings. Neil M. Guglielmo, General Manager, stated that with direction from ITA, the Zoom video link is password protected for security purposes. He stated that he will look into this request and provide an update at the next Board Meeting. He also asked Mr. Nash to email LACERS and provide his contact information so that staff can respond to his request directly.

II

APPROVAL OF MINUTES FOR THE REGULAR BOARD MEETING OF JUNE 23, 2020 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the minutes for the Regular Meeting of June 23, 2020, seconded by Commissioner Elizabeth Lee and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -6; Nays, None.

### III

BOARD PRESIDENT VERBAL REPORT – President Ruiz thanked all staff who work on the Zoom Board meeting process and thanked the Commissioners for their patience and participation.

### IV

#### GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Experience Study/Actuarial Assumption changes
- Commissioner Serrano Sworn In
- City Separation Incentive Program (CSIP)
- Member Services Center (MSC) stats
- Retirement videos
- Hiring for CSIP
- Financial Resilience Workshop
- Retiree Check-In calls
- Summer Wellness Newsletter
- LACERS YouTube Channel
- Amazon Connect or Live Member Service Center
- LAWA SIP
- Side A Fiduciary Insurance Policy
- Unconscious Bias Training
- New Employee Orientation Guidebook
- ERIP Liability Payments – QE 6/30/2020

B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board on the following upcoming agenda items:

- Board: Receipt of City Contribution
- Board: Business Plan Initiatives Fiscal year-end report
- Board: FY 19/20 Customer Service Report
- BAC 07/28/20: Review Health Plan Renewal numbers as well as plan design information
- BAC 07/28/20: Discuss Keenan contract
- BAC 07/28/20: Get to know the Wellness Program Manager
- BAC 07/28/20: Review Year-End Accounting

- BAC 07/28/20: Discuss potential changes to the way Open Enrollment will operate

V

RECEIVE AND FILE ITEMS

- A. MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT ON THE SPECIAL MEETING OF JULY 8, 2020 – Investment Committee Chair Sohn reported out that the Committee was presented with the Finalist Firms of the Active Emerging Markets Small Cap Equities Investment Manager Search and the Committee provided their recommendation for the search.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. CITY SEPARATION INCENTIVE PROGRAM AND PRELIMINARY SUPPLEMENTAL BUDGET AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager, Todd Bouey, Assistant General Manager, and Dale Wong-Nguyen, Chief Benefits Analyst, presented this item to the Board. After a robust 45 minute discussion with staff, Commissioner Elizabeth Lee moved approval of the following Resolutions:

**SUPPLEMENTAL BUDGET IN PREPARATION FOR THE  
CITY'S SEPARATION INCENTIVE PROGRAM**

**RESOLUTION 200714-A**

WHEREAS, on June 30, 2020 the City Council approved implementation of a Separation Incentive Program (CSIP) in hopes of retiring at least 1,300 LACERS members within a relatively short period of time as an alternative to mandatory furloughs and strategy to balance the City budget;

WHEREAS, the City Administrative Office will accept CSIP applications between July 6, 2020 and August 3, 2020; and applicants have a seven day application rescission period ending on August 10, 2020 and if the minimum threshold of 1,300 eligible employees is met, SIP will be implemented;

WHEREAS, LACERS recognizes the difficult financial situation of the City and the importance to the City of LACERS processing this large volume of retirement applications as expeditiously as possible. In order to meet this need, advanced positioning of resources such as hiring and training temporary staff is necessary;

WHEREAS, pursuant to the City Charter the Board has full control of LACERS budget,

NOW, THEREFORE, BE IT RESOLVED, that the Board

1. Authorize a transfer of \$109,400 from the Office and Administrative Account to the Contractual Services Account to fund the Retirement Application Portal
2. Approve a Supplemental Appropriation of \$2,408,000, to Fund 800, LACERS Administrative Budget, which follows; and,
3. Authorize the General Manager to correct any clerical or typographical errors in this document.

FISCAL YEAR 2020-21 – SUPPLEMENTAL BUDGET APPROPRIATION FOR PREPARATIONS FOR THE SEPARATION INCENTIVE PROGRAM

**LACERS FUND 800**

	<b>Supplemental Budget Appropriation</b>	
	<b>2020-21</b>	
<b>SALARIES</b>		
General	\$	1,500,000
As Needed		400,000
Overtime		100,000
Total Salaries	<u>\$</u>	<u>2,000,000</u>
<b>EXPENSE</b>		
Contractual Services	\$	249,400
Employee Benefits		193,000
Office and Administrative		(109,400)
Total Expense	<u>\$</u>	<u>333,000</u>
<b>EQUIPMENT</b>		
Furniture, Office and Technical Equipment	\$	75,000
Total Equipment	<u>\$</u>	<u>75,000</u>
<b>Total Administrative Expense</b>	<u>\$</u>	<u><b>2,408,000</b></u>

**CONTRACT WITH BOX, INC.  
FOR CUSTOM CONSULTING SERVICES  
TO PROVIDE A RETIREMENT APPLICATION PORTAL**

**RESOLUTION 200714-A**

WHEREAS, LACERS is in the midst of implementing a Separation Incentive Program for the Los Angeles World Airports, which will retire 340 applicants between August and December 2020; and will soon be engage in processing at least 1,300 retirements under the City Separation Incentive Program (CSIP);

WHEREAS, the current pandemic environment, limits in-person interaction with Members, and digital transformation of business functions have become a necessity;

WHEREAS, LACERS desires to engage the services of Box Consulting (“Box”) to deliver a custom portal accessible through the LACERS’ website to collect documents and retirement data from applicants. Box will configure, customize and implement their commercial-off-the-shelf document exchange product into the LACERS’ business environment in an accelerated time frame, in order to meet upcoming demands of CSIP.

NOW, THEREFORE BE IT RESOLVED, that the Board:

1. Find that competitive bidding is "undesirable and impractical" for these services as the selection of Box as the service provider will result in the following benefits:
  - Ability to meet LACERS’ accelerated timeframe in preparedness for CSIP and further implementation of cloud content management objectives in a post-COVID environment
  - Minimize time for development by another vendor
  - Minimize time for staff to be trained on learning a new product as LACERS is already utilizing Box
  - Minimize the potential issues with integration with another product
  - Minimize the cost for the development because it would be a one-time, non-recurring fee, ongoing usage of which is included in the purchase of Box Business Suite licenses already owned by LACERS
  - Meets LACERS’ security standards within the existing Box environment
2. Authorize the General Manager to execute the necessary documents, within the following terms, subject to City Attorney review:

FIRM: BOX, INC. also known as BOX Consulting  
TERM: Not to exceed 12-months  
AMOUNT: Not to exceed \$95,975 fix fee plus 10% for contingency for out-of-scope work

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

VIII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$18 billion as of July 13, 2020. Mr. June discussed the following items:

- City contribution of \$542 million arriving this week
- Investment Manager search report indicates status of manager search
- RFP/RFI Notification Service is up and running on the updated LACERS website
- Upcoming Board items: Finalist Firms of the Emerging Manager Small Cap Investment Manager Search and Contract Amendment for legal services
- Jeremiah Paras, Investment Officer I, completed the work experience requirement for the CFA and is now a CFA Charterholder.

IX

OTHER BUSINESS – No other business was discussed.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 28, 2020 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401 and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while public health concerns relating to the novel coronavirus continue.

XI

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:18 a.m.



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Cynthia M. Ruiz  
President



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Neil M. Guglielmo  
Manager-Secretary