

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
August 11, 2020, meeting was conducted
via telephone and/or videoconferencing.

Agenda of: Mar. 23, 2021

Item No: II

August 11, 2020

10:00 a.m.

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

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 no response.

II

BOARD PRESIDENT VERBAL REPORT – There was no verbal report.

III

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- 2021 Retiree Health Plan Open Enrollment
 - LAWA SIP
 - LACERS *Well*
 - Digital Transformation
 - Virtual Retirement Processing – Member Experience Improvements
 - Space Planning Visioning Meetings
 - Retirement Stats
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board on the following upcoming agenda items:
- Board August 25, 2020: 2021 Retiree Health Plan Subsidy and Reimbursement Maximums
 - Board August 25, 2020 or September 2020: Supplemental Budget Request for CSIP
 - Governance Committee August 25, 2020: Travel Policy Revision and Survey Results on Board Officer Election Term Limits
- C. RECOGNITION OF SERVICE FOR MIKYONG JANG – Neil M. Guglielmo, General Manager, Vice President Sohn, and Commissioners recognized Ms. Mikyong Jang, Department Chief Accountant IV for her 22 years of City service. Ms. Jang also shared her experience and thanked the Commissioners and staff.

IV

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.

V

COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT ON THE MEETING OF AUGUST 11, 2020 – Benefits Administration Committee Chair Wilkinson stated the Committee approved the 2021 Retiree Health Plan Subsidy and Reimbursement Maximums.

VI

BENEFITS ADMINISTRATION

- A. 2021 HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE BOARD ACTION – Alex Rabrenovich, Chief Benefits Analyst with Benefits Administration and Wellness Division, presented item to the Board. Commissioner Chao moved approval of the following Resolution:

2021 LACERS HEALTH PLAN PREMIUMS

RESOLUTION 200811-A

2021 CALIFORNIA MEDICAL PLAN PREMIUM RATES				
Medicare Status	Anthem Blue Cross PPO/ Med Supplement	Kaiser Permanente HMO / Senior Advantage	Anthem Blue Cross HMO / UnitedHealthcare Med Adv HMO	Anthem Blue Cross / Senior Care Action Network (SCAN)
Single-Party Plan – Retiree Only				
U	\$1,270.65	\$853.39	\$1,060.44	\$1,060.44
M	\$555.78	\$262.47	\$270.56	\$259.81
Two-Party Plan – Retiree and One Dependent				
UU	\$2,541.30	\$1,706.78	\$2,120.88	\$2,120.88
UM	\$1,826.43	\$1,115.86	\$1,331.00	\$1,320.25
MU	\$1,826.43	\$1,115.86	\$1,331.00	\$1,320.25
MM	\$1,111.56	\$524.94	\$541.12	\$519.62
Family Plan – Retiree and Family				
UUU	\$2,986.03	\$2,218.82	\$2,757.14	\$2,757.14
UMU	\$2,271.16	\$1,627.90	\$1,967.26	\$1,956.51
MUU	\$2,271.16	\$1,627.90	\$1,967.26	\$1,956.51
MMU	\$1,556.29	\$1,036.98	\$1,177.38	\$1,155.88
MMM	\$1,667.34	\$786.81	\$816.00	\$779.43

2021 UNITED HEALTHCARE MEDICARE ADVANTAGE HMO NON-CALIFORNIA PREMIUM RATES		
Medicare Status	Arizona	Nevada
Single-Party Plan – Retiree Only		
U	N/A	N/A
M	\$341.50	\$241.73
Two-Party Plan – Retiree and One Dependent		
UU	N/A	N/A
UM	N/A	N/A
MU	N/A	N/A
MM	\$683.00	\$483.46
Family Plan – Retiree and Family		
UUU	N/A	N/A
UMU	N/A	N/A
MUU	N/A	N/A
MMU	N/A	N/A
MMM	\$1,028.82	\$729.51

2021 DENTAL PLAN PREMIUM RATES		
Dental Tiers	Delta Dental PPO	DeltaCare USA HMO
Retiree	\$51.16	\$14.38
Retiree + 1 Dependent	\$101.45	\$26.85
Retiree + Family	\$146.56	\$31.04

2021 VISION PLAN PREMIUM RATES	
Tiers	Anthem Blue View Vision
Retiree	\$9.14
Retiree + 1 Dependent	\$13.25
Retiree + Family	\$23.67

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

- B. ANTHEM BLUE CROSS 2019 YEAR-END ACCOUNTING AND POSSIBLE BOARD ACTION – Alex Rabrenovich, Chief Benefits Analyst with Health Benefits Administration and Wellness Division and Borden Darm with Keenan & Associates presented item to the Board. Commissioner Wilkinson moved approval of the following Resolution:

ANTHEM BLUE CROSS 2019 YEAR-END ACCOUNTING

Commissioner Wilkinson moved approval of the following Resolution:

RESOLUTION 200811-B

WHEREAS, LACERS has participating contracts with Anthem Blue Cross (Anthem), which means that at the end of each plan year, an accounting is performed to determine total premium funds versus total claims costs and administrative expenses;

WHEREAS, if the year-end accounting results in a deficit of premium funds, LACERS must pay Anthem the shortfall; if the accounting results in a surplus, those funds may be returned to LACERS;

WHEREAS, LACERS maintains a Premium Stabilization Reserve (PSR) account with Anthem where premium surpluses are placed to be used at a later time, usually to fund a premium defrayal for Anthem Members;

WHEREAS, the 2019 accounting showed that the PSR had an accumulated balance of \$11,474,009;

WHEREAS, the PSR funds are not required to be retained with Anthem and at the September 10, 2019 Board of Administration meeting, the Board approved a recommendation to return the PSR funds to LACERS' Section 115 Trust account;

WHEREAS, tax law requires that only the portion of the PSR funds that is estimated to have been paid out of pocket by Members can be transferred to the Section 115 Trust account, and the portion that is

estimated to have been paid by LACERS as medical plan subsidy dollars must be returned to LACERS' 401(h) account, the account from which these monies originated;

WHEREAS, on August 27, 2019, the Benefits Administration Committee approved forwarding a recommendation to transfer the entire balance of the PSR to LACERS' Section 115 Trust and 401(h) accounts;

WHEREAS, the 2019 year-end PSR balance of \$11,474,009 was transferred to LACERS, with \$10,154,498 being placed in the 401(h) account and \$1,319,511 being placed in the 115 Trust account, leaving a balance of zero;

WHEREAS, a 2019 premium surplus of \$2,352,772 is being held by Anthem separately from the PSR and will be transferred to LACERS upon approval of the 2019 year-end accounting;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Anthem Blue Cross 2019 year-end accounting.

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

C. HEALTH AND WELFARE CONSULTANT CONTRACT EXTENSION AND POSSIBLE BOARD ACTION – Alex Rabrenovich, Chief Benefits Analyst with Health Benefits Administration and Wellness Division and Miguel Bahamon, Deputy City Attorney, presented item to the Board. Commissioner Elizabeth Lee moved approval of the following Resolution, as amended:

**HEALTH AND WELFARE CONSULTING CONTRACT EXTENSION
PROPOSED RESOLUTION**

RESOLUTION 200811-C

WHEREAS, LACERS has a three-year contract with Keenan and Associates for health and welfare consulting services that expires on February 28, 2021;

WHEREAS, LACERS staff will experience a significant increase in workload related to health plan enrollment for Members retiring under the Los Angeles World Airport and anticipated City Separation Incentive Programs, which will occur at the time a health and welfare consulting services contract Request for Proposal will need to be administered;

WHEREAS, LACERS staff is requesting an extension to the Keenan and Associates contract so that the Request for Proposal can be performed when workload returns to normal;

WHEREAS, on July 28, 2020, the Benefits Administration Committee agreed to forward to the Board a recommendation to amend the health and welfare consulting contract with Keenan and Associates to extend it for an additional one year and four months at a cost of \$1,070,667, and the General Manager to execute the contract amendment;

WHEREAS, on August 11, 2020, the Board approved the extension of the Keenan and Associates contract;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the amendment to the health and welfare consulting services contract with Keenan and Associates.

Which motion was amended by the City Attorney that LACERS has determined that competitive bidding for such health and welfare consulting services would be “undesirable, impractical, or impossible” pursuant to Charter Section 371(e)(10) at this time due to the increased workload required to ensure Member health insurance coverage for the increased number of retirees expected as a result of the concurrent Los Angeles World Airports and City Separation Incentive Programs, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and Vice President Sohn -6; Nays, None.

VII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$19.19 billion as of August 10, 2020. Mr. June discussed the following items:
- Total fund net of fee performance for the one-year ending 06/30/20 was 1.07%
 - Bain Capital Senior Loan Fund put on watch status
 - 7 Lebanon bonds within emerging market debt portfolio with a total book value at \$2.5 million are now valued at \$564K in total
 - Pension Bridge on August 24-28, 2020
 - Upcoming Agenda items: Private Equity notifications and education
- B. PRI ACTION PLAN AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer and Ellen Chen, Investment Officer I, presented and discussed this item with the Board for 35 minutes. Commissioner Chao moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and Vice President Sohn -6; Nays, None.

VIII

OTHER BUSINESS – No other business was discussed.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, August 25, 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 responding to public health concerns relating to the novel coronavirus continue.

X

ADJOURNMENT – There being no further business before the Board, Vice President Sohn adjourned the Meeting at 11:28 a.m.

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary

Sung Won Sohn

Sung Won Sohn
Vice-President