

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
November 10, 2020, meeting was conducted
via telephone and/or videoconferencing.

Agenda of: Dec. 8, 2020

Item No: II

November 10, 2020

10:01 a.m.

PRESENT via Videoconferencing:	President: Vice President:	Cynthia M. Ruiz 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
PRESENT at LACERS offices:	Executive Assistant:	Ani Ghoukassian

(Arrived at 10:21 a.m.)

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

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF OCTOBER 13, 2020 AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz shared that she is inspired by the new leadership for the United States of America.

IV

GENERAL MANAGER VERBAL REPORT

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

- City request for Actuarial Analysis of Phase-In Assumption Changes
- Open Enrollment
- Wellness Workshop
- MSC Stats
- SIP Update
- HQ Update

B. UPCOMING AGENDA ITEMS – There were no items discussed.

Commissioner Sandra Lee arrived at the Regular Meeting at 10:21 a.m.

C. MEMBER SERVICES DIVISION METRICS SHOWCASE FY 19-20 – Taneda Larios, Senior Benefits Analyst II with Member Services Division, presented and discussed this with the Board for 20 minutes.

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.

C. COMMISSIONER ELIZABETH LEE BOARD EDUCATION EVALUATION ON IFEBP, INVESTMENTS IN TODAY'S CLIMATE & BEYOND, VIRTUAL; AUGUST 18-19, 2020 – This report was received by the Board and filed.

D. COMMISSIONER WILKINSON BOARD EDUCATION EVALUATION ON PREA ANNUAL INVESTOR CONFERENCE, VIRTUAL; OCTOBER 1-2, 2020 – This report was received by the Board and filed.

E. COMMISSIONER RUIZ BOARD EDUCATION EVALUATION ON 2020 MILKEN INSTITUTE GLOBAL CONFERENCE, VIRTUAL; OCTOBER 12-21, 2020 – This report was received by the Board and filed.

- F. COMMISSIONER SOHN BOARD EDUCATION EVALUATION ON 2020 MILKEN INSTITUTE GLOBAL CONFERENCE, VIRTUAL; OCTOBER 12-21, 2020 – This report was received by the Board and filed.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. PRESENTATION BY SEGAL CONSULTING OF THE ACTUARIAL VALUATIONS AS OF JUNE 30, 2020 AND PROPOSED CITY CONTRIBUTION RATES FOR FISCAL YEAR 2021-22 AND POSSIBLE BOARD ACTION – Edwin Avanesian, Senior Benefits Analyst II with the Administration Division, Paul Angelo and Andy Yeung, Actuaries with Segal, presented and discussed this item with the Board for 45 minutes. Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.
- B. MID-YEAR SUPPLEMENTAL BUDGET ADJUSTMENTS FOR FISCAL YEAR 2020-21 AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager and Dale Wong-Nguyen, Chief Benefits Analyst with the Administration Division, presented and discussed this item with the Board for 10 minutes. Commissioner Elizabeth Lee moved approval of the following Resolution:

**SUPPLEMENTAL BUDGET
IMPLEMENTATION OF THE CITY’S SEPARATION INCENTIVE PROGRAM
AND VARIOUS MID-YEAR ADJUSTMENTS**

RESOLUTION 201110-A

WHEREAS, LACERS recognizes the difficult financial situation of the City and the importance to the City of LACERS processing the City Separation Incentive Program “CSIP” retirement applications as expeditiously as possible;

WHEREAS, on September 2, 2020 the City Council approved moving forward on CSIP after eliminating the minimum participant threshold of 1,300 CSIP retirement applicants; thereby necessitating LACERS hire additional temporary staffing and equip staff with related computer hardware, software, and mobile phones to enable telecommuting as the City and State pandemic health prevention requirements are in place;

WHEREAS, other mid-year funding is needed to address expenses related to good pandemic health practices; various work from home tools;

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

NOW, THEREFORE, BE IT RESOLVED, that the Board

1. Approve a Supplemental Appropriation of \$1,188,813, to Fund 800, LACERS Administrative Budget, as indicated in the following schedule;

2. Approve the reallocation of \$85,000 from various surpluses within the contractual services account to fund enhancements to the Retirement Application Portal; and
3. Authorize the General Manager to correct any clerical or typographical errors in this document.

FISCAL YEAR 2020-21 – SUPPLEMENTAL BUDGET APPROPRIATION FOR IMPLEMENTATION OF THE CITY SEPARATION INCENTIVE PROGRAM AND VARIOUS MID-YEAR ADJUSTMENTS

LACERS FUND 800

		Supplemental Budget Appropriation
		2020-21
SALARIES		
General	\$	625,641
As Needed		23,600
Overtime		205,257
Total Salaries	<u>\$</u>	<u>854,498</u>
EXPENSE		
Printing and Binding	\$	10,000
Contractual Services		14,090
Office and Administrative		228,824
Total Expense	<u>\$</u>	<u>252,914</u>
EQUIPMENT		
Furniture, Office and Technical Equipment	\$	81,400
Total Equipment	<u>\$</u>	<u>81,400</u>
Total Administrative Expense	<u>\$</u>	<u>1,188,812</u>

Which motion was seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

- C. APPROVAL OF LACERS REDESIGNED LOGO AND POSSIBLE BOARD ACTION – Vikram Jadhav, Innovation Director, presented this item to the Board. After a 10 minute discussion, Commissioner Serrano moved to approve choice #1, seconded by Vice President Sohn. Commissioner Chao requested an amendment to the motion by making “LA” the darker blue and “CERS” the lighter blue. Commissioner Serrano approved the amendment, and was adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Vice President Sohn, and President Ruiz -6; Nays, Commissioner Wilkinson -1.

VII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value at \$19.95 billion as of November 9, 2020. Mr. June discussed the following items:
- Investment Manager search update and status
 - Rise in stock market partly due to Pfizer news on Covid vaccine. LACERS exposure to Pfizer is through its index manager
- B. PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2020 – Felix Fels, Vice President and Storm Klyve-Underkofler, Investment Analyst, with The Townsend Group, presented this item to the Board for 10 minutes.

President Ruiz recessed the Regular Meeting at 12:25 p.m. for a break and reconvened the Regular Meeting at 12:32 p.m.

- C. PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2020 – David Fann, President and Jeff Goldberger, Senior Vice President, with Aksia-TorreyCove Partners LLC, presented and discussed this item with the Board for 30 minutes.
- D. NOTIFICATION OF COMMITMENT OF UP TO \$30 MILLION IN STELLEX CAPITAL PARTNERS II LP – This report was received by the Board and filed.
- E. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN FORTRESS CREDIT OPPORTUNITIES FUND V EXPANSION (A) LP – This report was received by the Board and filed.

VIII

COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON NOVEMBER 10, 2020 – Commissioner Serrano stated that the Committee approved the revisions to the LACERS Travel Policy.

IX

OTHER BUSINESS – No other business was discussed.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 24, 2020 at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to 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 1:02 p.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary