

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

In conformity with the Governor's Executive Order N-08-21 (June 11, 2021)
and due to the concerns over COVID-19, the
LACERS Board of Administration's
July 27, 2021, meeting was conducted
via telephone and/or videoconferencing.

Agenda of: Aug. 24, 2021

Item No: II

July 27, 2021

10:00 a.m.

PRESENT via Videoconferencing:	President:	Cynthia M. Ruiz
	Vice President:	(left at 10:09 a.m.) Sung Won Sohn
	Commissioners:	Annie Chao Elizabeth Lee Sandra Lee Nilza R. Serrano Michael R. Wilkinson
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Joshua Geller
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

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF JUNE 22, 2021 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn and President Ruiz -7; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz recognized Executive Officer Lita Payne’s service to the City and her upcoming retirement.

IV

ANNUAL ELECTION OF THE BOARD OF ADMINISTRATION OFFICERS

A. ANNUAL ELECTION OF BOARD OFFICERS PURSUANT TO CITY CHARTER SECTION 503(a), AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager, advised that the nominations for President were being considered and then Commissioner Serrano nominated Commissioner Ruiz, seconded by Commissioner Sohn. There were no other nominations. Mr. Guglielmo called for the vote on the nomination of Commissioner Ruiz as President: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None. The nomination of Cynthia M. Ruiz for President passed.

Neil M. Guglielmo, General Manager, advised that the nominations for Vice President were being considered and then Commissioner Wilkinson nominated Commissioner Chao for Board Vice President. In addition, Commissioner Ruiz nominated Commissioner Sohn, seconded by Commissioner Serrano. Mr. Guglielmo called for the vote on the nomination of Commissioner Chao as Vice President: Ayes, Commissioners Chao and Wilkinson -2; Nays, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Vice President Sohn, and President Ruiz -5. The nomination for Commissioner Chao did not pass, therefore, Mr. Guglielmo called for the vote on the nomination of Commissioner Sohn: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None. The nomination of Sung Won Sohn for Vice President passed.

Vice President Sohn left the Regular Meeting at 10:09 a.m.

V

GENERAL MANAGER VERBAL REPORT

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

- Harbor SIP
- Harbor SIP Service Purchases
- Total Retirements – FY 2020-2021 (unaudited)
- Covid Deaths – FY 2020-2021
- HQ Update
- Annual Evacuation Drill
- Preparations for Limited Re-Opening
- LACERS *Well*
- Champion In-Person Activities to Re-Start Soon

- MSC Stats
- Learning Management System (LMS)
- Retirement Application Portal (RAP)

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

- August 10 or 24 – Benefits Administration Committee Meeting/Board Meeting – Health Subsidies; Health Plan Year-End Accounting
- August 10 – Governance Committee Meeting – Report back on revisions to the Marketing Cessation Policy
- Board Meeting – Business Plan Initiatives Fiscal Year End Report and Headquarters Quarterly Report

C. RECEIPT OF CITY’S CONTRIBUTION FOR FISCAL YEAR 2021-22 – Neil M. Guglielmo, General Manager, discussed this item with the Board.

D. RECOGNITION OF SERVICE FOR CARMELITA “LITA” PAYNE – Neil M. Guglielmo, General Manager, President Ruiz, and Commissioner Wilkinson, congratulated and recognized Lita Payne, Executive Officer, for her service to the City of Los Angeles and LACERS. Ms. Payne shared her future plans and thanked the Commissioners and staff for their support.

VI

RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR JUNE 2021 – This report was received by the Board and filed.

B. LEGISLATIVE UPDATE OF JULY 2021 – This report was received by the Board and filed.

C. COMMISSIONER ELIZABETH LEE EDUCATION EVALUATION ON PENSIONS & INVESTMENTS’ PRIVATE MARKETS VIRTUAL SERIES, VIRTUAL; JUNE 15-17, 2021 – This report was received by the Board and filed.

D. COMMISSIONER RUIZ EDUCATION EVALUATION ON HISPANIC HERITAGE FOUNDATION 2021 ANNUAL CONFERENCE, VIRTUAL; JUNE 3, 2021 – This report was received by the Board and filed.

VII

COMMITTEE REPORT(S)

A. INVESTMENTS COMMITTEE VERBAL REPORT FOR THE MEETING ON JULY 13, 2021 – Commissioner Serrano stated that the Committee decided to table the Private Equity Benchmark discussion and was presented with a real estate commitment with Brookfield Strategic Real Estate Partners IV-B, L.P.

- B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JULY 20, 2021 – Commissioner Wilkinson stated that the Committee was presented with and approved the 2022 Health Plan Contract Renewals.

VIII

BOARD/DEPARTMENT ADMINISTRATION

- A. CONSIDERATION OF 2021-22 GENERAL MANAGER’S MERIT PAY AND POSSIBLE BOARD ACTION – This item was deferred to the next Board Meeting.
- B. CYBERSECURITY PROGRAM PRESENTATION – Josh Geller, Deputy City Attorney, and Jennifer Urban, Partner, with Foley & Lardner LLP, discussed this item with the Board for 1 hour and 15 minutes.
- C. APPROVAL OF TASK ORDER AGREEMENT AWARD TO GRANT THORNTON LLP FOR CYBERSECURITY AND OTHER AUDIT SERVICES AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and President Ruiz -6; Nays, None.

IX

CLOSED SESSION

- B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1): GENERAL MANAGER 2020-21 PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION** – This item was deferred to the next Board Meeting.

X

BENEFITS ADMINISTRATION

- A. 2022 LACERS HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE BOARD ACTION – Alex Rabrenovich, Chief Benefits Analyst, presented and discussed this item with the Board. After discussion, Commissioner Wilkinson moved approval of the following Resolution:

2022 LACERS HEALTH PLAN PREMIUMS

RESOLUTION 210727-A

2022 CALIFORNIA MEDICAL PLAN PREMIUM RATES				
Medicare Status	Anthem Blue Cross PPO / Passive PPO Med Adv	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	\$1,328.85	\$900.24	\$1,059.91	\$1,059.91

M	\$485.53	\$262.47	\$274.62	\$259.81
Two-Party Plan – Retiree and One Dependent				
UU	\$2,657.70	\$1,800.48	\$2,119.82	\$2,119.82
UM	\$1,814.38	\$1,130.97	\$1,334.53	\$1,319.72
MU	\$1,814.38	\$1,130.97	\$1,334.53	\$1,319.72
MM	\$971.06	\$524.94	\$549.24	\$519.62
Family Plan – Retiree and Family				
UUU	\$3,122.80	\$2,340.62	\$2,755.77	\$2,755.77
UMU	\$2,279.48	\$1,671.11	\$1,970.48	\$1,955.67
MUU	\$2,279.48	\$1,671.11	\$1,970.48	\$1,955.67
MMU	\$1,436.16	\$1,036.98	\$1,185.19	\$1,155.57
MMM	\$1,456.59	\$786.81	\$823.86	\$779.43

2022 UNITED HEALTHCARE MEDICARE ADVANTAGE HMO NON-CALIFORNIA PREMIUM RATES		
Medicare Status	Arizona	Nevada
Single-Party Plan – Retiree Only		
U	N/A	N/A
M	\$346.62	\$245.36
Two-Party Plan – Retiree and One Dependent		
UU	N/A	N/A
UM	N/A	N/A
MU	N/A	N/A
MM	\$693.24	\$490.72
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	\$1,039.86	\$736.08

2022 DENTAL PLAN PREMIUM RATES		
Dental Tiers	Dental Dental PPO Self-Funded	DeltaCare USA HMO
Retiree	\$51.16	\$15.10
Retiree + 1 Dependent	\$101.45	\$28.19
Retiree + Family	\$146.56	\$32.59

2022 VISION PLAN PREMIUM RATES	
Tiers	Anthem Blue View Vision Self-Funded
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: Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and President Ruiz -6; Nays, None.

- B. 2021 OPEN ENROLLMENT CLOSEOUT REPORT – Alex Rabrenovich, Chief Benefits Analyst, and Ada Lok, Benefits Analyst, presented and discussed this item with the Board for 15 minutes.

XI

LEGAL/LITIGATION

- A. APPROVAL OF ONE YEAR EXTENSION TO CONTRACTS WITH ICE MILLER LLP AND REED SMITH LLP FOR OUTSIDE TAX COUNSEL SERVICES AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and President Ruiz -6; Nays, None.

XII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Bryan Fujita, Investment Officer III, reported on the portfolio value of \$23.42 billion as of July 26, 2021. Mr. Fujita discussed the following items:
- Three reports delivered to Board Box folder: Asset Allocation report, Monthly Flash Report, and Quarter-In-Review presentation by NEPC, LLC
 - Closed Session item to consider a commitment to Brookfield Strategic Real Estate Partners IV-B on July 27th Agenda
 - Future Agenda Items: RFP for Passive Strategies; and several notifications of private equity fund commitments

President Ruiz recessed the Regular Meeting at 12:18 p.m. to convene in Closed Session discussion.

Items IX-A and XII-B taken out of order

IX

CLOSED SESSION

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(a) TO CONFER WITH LACERS' CHIEF INFORMATION SECURITY OFFICER AND INFORMATION SYSTEMS MANAGER II REGARDING LACERS' CYBERSECURITY INFRASTRUCTURE; AND POSSIBLE BOARD ACTION**

XII

INVESTMENTS

B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO BROOKFIELD STRATEGIC REAL ESTATE PARTNERS IV-B, L.P. AND POSSIBLE BOARD ACTION

President Ruiz reconvened the Regular Meeting at 1:00 p.m.

XIII

OTHER BUSINESS – There was no other business.

XIV

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, August 10, 2021, at 10:00 a.m. at LACERS, 202 West 1st Street, Suite 500, 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.

XV

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 1:03 p.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary