

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
August 24, 2021, meeting was conducted
via telephone and/or videoconferencing.

Agenda of: Sept. 28, 2021

Item No: II

August 24, 2021

10:00 a.m.

PRESENT via Videoconferencing:	President:	Cynthia M. Ruiz
	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
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 JULY 27, 2021 AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, 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 encouraged all to get vaccinated.

IV

GENERAL MANAGER VERBAL REPORT

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

- City Vaccination Requirement
- In-Person Appointments
- Retirement Application Portal
- Kick-Off of Annual Valuation Preparations
- Year-End Financial Audit
- Annual Report of City Employees Eligible to Retire
- Benefit Payroll Stats
- Member Communications Statistics
- Member Events

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

- September 14th – Board Meeting – Health Plan 2020 Year-End Accounting and Premium Reserve Policy Revisions; Several proposed Board Rules on the Larger Annuity, Service Purchases, and Disability Retirement Programs

C. HEADQUARTERS PROJECT UPDATE – This item was not discussed.

D. RECOGNITION OF SERVICE FOR LINDA APARICIO – President Ruiz, Neil M. Guglielmo, General Manager, Commissioners, and staff congratulated and recognized Linda Aparicio, Public Information Director I, for her service to the City of Los Angeles and LACERS. Ms. Aparicio shared her thoughts and thanked the Commissioners and staff for their support.

V

RECEIVE AND FILE ITEMS

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

VI

COMMITTEE REPORT(S)

- A. INVESTMENTS COMMITTEE VERBAL REPORT FOR THE MEETING ON AUGUST 10, 2021 – Vice President Sohn reported that the Committee was presented with a presentation by Lazard Asset Management LLC, the Annual Report on LACERS Emerging Investment Manager Program, and approved the Asset Allocation and Performance Reports for posting on LACERS website.
- B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON AUGUST 24, 2021 – Commissioner Serrano reported that the Committee was presented, and then discussed and approved the proposed revisions to the Marketing Cessation Policy.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. GENERAL MANAGER DESIGNEE SIGNATURE AUTHORITY AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**SIGNATURE AUTHORITY
FOR GENERAL MANAGER DESIGNEES**

RESOLUTION 210824-A

WHEREAS, the Board may delegate authority to the necessary deputies, assistants, and employees of the department and define their duties under Los Angeles City Charter (LACC) Section 511(a); and

WHEREAS, the General Manager is authorized under LACC Section 509 to administer the affairs of the department as its Chief Administrative Officer; and,

WHEREAS, the General Manager determines it is in the best interest of the department to ensure department business is transacted expeditiously on occasions when he is absent or unable to act through the assignment of signature authorities over specific areas of expertise;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the signature authority resolution for the General Manager designees. If practicable, designees shall seek verbal concurrence from the General Manager. Authority is assigned to the position, rather than the individual. This resolution shall be endorsed by the designees and should there be a change in personnel, a new endorsement certificate may be made and kept on file in the Board office; filed with any other necessary office of City government; or any agencies involved in processing LACERS' investment transactions and custodial responsibilities for the securities of LACERS. The proposed resolution will supersede any previously adopted resolutions related to General Manager Designee signature authority and is effective upon adoption.

1. Assistant General Manager(s) – for the approval of contracts in compliance with the contracting limitations established in the LACC; approval of expenditures; and approval of benefit payments and related transactions;
2. Chief Benefits Analyst of Administration Division (AD) – for the approval of contracts in compliance with the contracting limitations established in the LACC; for the approval of service purchase contracts, certifications of service, and related transactions, and approval of expenditures within the

authorized AD budget. The Chief Benefits Analyst may delegate to the Senior Management Analysts I and II in the Administrative Services Office the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the Service Purchase Section the approval and execution of service purchase contracts, certifications of service, and related transactions.

3. Chief Benefits Analyst of Health Benefits Administration and Wellness Division (HBAWD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized HBAWD budget. The Chief Benefits Analyst may delegate to the Senior Benefits Analyst II in the Health Benefits Administration and Wellness Division’s the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS.
4. Chief Benefits Analyst of Retirement Services Division (RSD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized RSD budget. The Chief Benefits Analyst may delegate to the Senior Benefits Analyst IIs in the Retirement Services Division’s the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS.
5. Information Systems Manager – for the approval of expenditures within the authorized Systems Division budget.
6. Chief Investment Officer or Investment Officer III – for the approval of investment transactions required within the scope of the contracts approved by the Board; and approval of expenditures within the authorized Investment Division budget.
7. Member Services Manager – for the approval of expenditures within the authorized Member Services Section budget.
8. Departmental Personnel Director – for the approval of expenditures within the authorized Human Resources budget.
9. Departmental Audit Manager – for the approval of expenditures within the authorized Internal Audit budget.
10. Active Member Accounts & Member Stewardship Unit Manager (AMA-MSU) – for the approval of expenditures within the authorized AMA-MSU budget.
11. Systems Operations Support Manager (SOS) – for the approval of expenditures within the authorized SOS budget.

Endorsed: _____
Todd Bouey
Assistant General Manager

Endorsed: _____
Dale Wong-Nguyen
Assistant General Manager

Endorsed: _____
Vacant
Chief Benefits Analyst of Administration Division

Endorsed: _____
Karen Freire
Chief Benefits Analyst of Retirement Services Division

Endorsed: _____
Alex Rabrenovich
Chief Benefits Analyst of Health Benefits Administration and Wellness Division

Endorsed: _____
Rodney June
Chief Investment Officer

Endorsed: _____
Thomas Ma
Information System Manager II

Endorsed: _____
Bryan Fujita
Investment Officer III

Endorsed: _____
Wilkin Ly
Investment Officer III

Endorsed: _____
Isaias Cantú
Senior Management Analyst II

Endorsed: _____
Edeliza Fang
Senior Benefits Analyst II

Endorsed: _____
Ann Seales
Senior Benefits Analyst II

Endorsed: _____
Ferralyn Sneed
Senior Benefits Analyst II

Endorsed: _____
Bruce Bernal
Senior Benefits Analyst II

Endorsed: _____
Taneda Larios
Senior Benefits Analyst II

Endorsed: _____
Lin Lin
Departmental Personnel Director

Endorsed: _____
Melanie Rejuso
Departmental Audit Manager

Endorsed: _____
Edwin Avanesian
Senior Benefits Analyst II

Endorsed: _____
Lauren McCall
Senior Benefits Analyst II

Endorsed: _____
John Koontz
Senior Management Analyst I

Endorsed: _____
Horacio Arroyo
Senior Management Analyst I

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.

VIII

BENEFITS ADMINISTRATION

A. 2022 MAXIMUM MEDICAL AND DENTAL PLAN PREMIUM SUBSIDIES AND POSSIBLE BOARD ACTION – Bruce Bernal, Senior Benefits Analyst II, presented and discussed this item with the Board for 15 minutes. Commissioner Wilkinson moved approval of the following Resolution:

**MAXIMUM HEALTH PLAN SUBSIDIES AND REIMBURSEMENT AMOUNTS
FOR PLAN YEAR 2022**

RESOLUTION 210824-B

WHEREAS, the Los Angeles Administrative Code establishes that the Los Angeles City Employees' Retirement System (LACERS) provide health and welfare programs for retired employees and their eligible dependents;

WHEREAS, Section 4.1111(b) of the Los Angeles Administrative Code provides that by resolution, the Board of Administration may change the maximum monthly medical subsidy for eligible Tier 1 retirees who retired before July 1, 2011, so long as any increase does not exceed the dollar increase in the Kaiser two-party non-Medicare plan premium and the average percentage increase for the first year of the increase and the preceding two years does not exceed the average assumed actuarial medical trend rate for the same period;

WHEREAS, Section 4.1111(c) of the Los Angeles Administrative Code provides that by resolution, the Board of Administration shall, for Tier 1 retirees who at any time prior to retirement made additional contributions to LACERS as provided in Section 4.1003(c) of the Los Angeles Administrative Code, set the increase in the maximum medical plan premium subsidy at an amount not less than the dollar increase in the Kaiser two-party non-Medicare Part A and B premium;

WHEREAS, Sections 4.1112(b) and 4.1112(d) of the Los Angeles Administrative Code provide that by resolution, the Board of Administration may increase the monthly reimbursement maximum of eligible retirees participating in the Medical Premium Reimbursement Program;

WHEREAS, Section 4.1114(a) of the Los Angeles Administrative Code provides that the Board of Administration may, in its discretion, decrease or increase the maximum retiree dental plan subsidy to reflect changes in the dental plan subsidy provided to active City of Los Angeles employees;

WHEREAS, on August 10, 2021, the 2022 health benefit subsidies and reimbursements were presented to the Benefits Administration Committee, these recommendations were forwarded to the Board without recommendation due to lack of a quorum in the Committee.

WHEREAS, on August 24, 2021, the Board of Administration approved the 2022 health benefit subsidies and reimbursements;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration hereby adopts the following 2022 health benefit subsidies and reimbursements:

Benefit Type	Tier 1 Retired Before July 1, 2011 "Discretionary"	Tier 1 Retired After July 1, 2011 "Vested"	Tier 3
Retiree Medical Subsidy, <65/Medicare Part B	\$1,800.48	\$1,800.48	-
Retiree MPRP Reimbursement, <65/Medicare Part B	\$1,800.48	\$1,800.48	-

Retiree MPRP Reimbursement, Medicare Parts A and B	\$494.67	\$494.67	\$494.67
Retiree Dental Subsidy	\$44.60	\$44.60	\$44.60

Which motion was 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.

Item VII-B was taken out of order.

VII

B. OPTION TO AMORTIZE UNFUNDED ACTUARIAL ACCRUED LIABILITY FOR RETIREE HEALTH PLAN AND POSSIBLE BOARD ACTION – Todd Bouey, Executive Officer, Paul Angelo, and Andy Yeung, Actuaries with Segal Consulting, presented and discussed this item with the Board for 25 minutes. After discussion, Commissioner Elizabeth Lee moved approval with no phase in approach, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

IX

RETIREMENT SERVICES

A. CONTRACT AWARD RECOMMENDATION FOR INVESTIGATIVE SERVICES AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:

CONTRACT AWARD TO FRASCO, INC. AND TRUIVIEW BSI, LLC TO PROVIDE INVESTIGATIVE SERVICES

RESOLUTION 210824-C

WHEREAS, LACERS utilizes investigative services to aid in the administration of retirement benefits as part of LACERS proactive risk management strategy;

WHEREAS, on April 20, 2021, LACERS released a Request for Proposal to solicit proposals from qualified investigative services firms;

WHEREAS, on May 28, 2021, LACERS received four proposals from Frasco, Inc., JHRI, Inc., RJN Investigations Inc., and TruView BSI, LLC;

WHEREAS, the Board after some discussion concluded Frasco, Inc. and TRUIVIEW BSI, LLC were the most qualified proposers based on experience, cost, and services provided; and,

NOW, THEREFORE BE IT RESOLVED, that the Board, subject to City Attorney approval as to form:

- 1) Approve awarding contracts to Frasco Inc. and TruView BSI LLC, to provide investigative services, and;
- 2) Authorize the General Manager to negotiate the terms and conditions and execute the contracts for each recommended firm in an amount not to exceed \$30,000 per contract, per year for a three-year period.

Which motion was 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.

X

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$23.7 billion as of August 23, 2021. Mr. June discussed the following items:
 - Axiom Investors, LLC, an emerging markets growth manager already on watch for performance, announced the pending departure of its president
 - Staff will work to place on LACERS website the new Asset Allocation and Performance Reports
 - Staff continues to work on the Responsible Investment Policy, Unique Opportunities Investment Policy, and revisions to the Rebalancing Policy
 - The Investor Agenda Letter – 2021 Global Investor Statement to Governments on the Climate Crises
 - Emerging Manager Symposium planned for October 20th led by Investment Officer II Barbara Sandoval
 - Future Agenda Items: Total Fund Performance for Fiscal Year ending June 30, 2021 and discussion of Asset Class Target Policy Ranges
- B. INVESTMENT MANAGER SEARCH FOR PASSIVE U.S., NON-U.S., AND GLOBAL INDEX STRATEGIES AND POSSIBLE BOARD ACTION – Vice President Sohn 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.
- C. REAL ESTATE CONSULTANT REQUEST FOR PROPOSAL AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer and Wilkin Ly, Investment Officer III, presented and discussed this item with the Board for 15 minutes. Commissioner Wilkinson moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.
- D. NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN HELLMAN & FRIEDMAN CAPITAL PARTNERS X, L.P. – This report was received by the Board and filed.

- E. NOTIFICATION OF COMMITMENT OF UP TO \$60 MILLION IN TA XIV-A, L.P. – This report was received by the Board and filed.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN ORCHID ASIA VIII, L.P. – This report was received by the Board and filed.
- G. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN ICG STRATEGIC EQUITY FUND IV LP – This report was received by the Board and filed.
- H. NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN AVANCE INVESTMENT PARTNERS, L.P. – This report was received by the Board and filed.

President Ruiz recessed the Regular Meeting at 11:35 a.m. to convene in Closed Session discussion.

XI

LEGAL/LITIGATION

- A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION (ONE CASE) AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 12:16 p.m.

XII

OTHER BUSINESS – There was no other business.

XIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, September 14, 2021, at 10:00 a.m. at Edward R. Roybal BPW Session Room, 200 N. Spring Street, Room 350 City Hall 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.

XIV

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 12:19 p.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary