

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
September 28, 2021, meeting was conducted
via telephone and/or videoconferencing.

Agenda of: Oct. 26, 2021

Item No: II

September 28, 2021

10:00 a.m.

| | | |
|--------------------------------|---|---|
| PRESENT via Videoconferencing: | President: Vice President: Commissioners: Manager-Secretary: Legal Counselor: | Cynthia M. Ruiz Sung Won Sohn Annie Chao Elizabeth Lee <small>(left at 11:42 a.m.)</small> Sandra Lee Nilza R. Serrano Michael R. Wilkinson Neil M. Guglielmo 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 AUGUST 24, 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 – There was no report.

IV

GENERAL MANAGER VERBAL REPORT

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

- Update on in-person meetings and reopening for in-person pick up and drop off of documents
- LACERS' Quarterly Safety Committee meeting held on September 21, 2021
- LACERS Staff provided Executive and Emergency Response Team members with training on how to use the Government Emergency Telecommunications Service and the Wireless Priority Service cards
- 977 Broadway Building update
- Retirement Stats
- Member Communications Stats
- Top 5 Member Inquiries
- New videos on LACERS YouTube channel
- Upcoming webinars: Planning for Retirement and Retirement Application Portal
- Update on Health and Wellness

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

- Staff will provide the Board with the results of a consultant study on compensation for Investment positions
- Resolution for continuing virtual Board and Committee meetings in accordance with AB 361

V

RECEIVE AND FILE ITEMS

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

VII

BENEFITS ADMINISTRATION

A. REVISED 2022 MAXIMUM MEDICAL SUBSIDY AND MEDICAL PREMIUM REIMBURSEMENT PROGRAM MAXIMUM REIMBURSEMENT AMOUNTS AND POSSIBLE BOARD ACTION – Alex Rabrenovich, Chief Benefits Analyst, presented and discussed this item with the Board for five minutes. After discussion, Commissioner Wilkinson moved approval of the following Resolution:

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

RESOLUTION 210928-A

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 what 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 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;

WHEREAS, on September 28, 2021, the Board approved a revised recommendation for the 2022 maximum medical premium plan subsidy and Medical Premium Reimbursement Program maximum reimbursement amount for Tier 1 Discretionary and Vested retired Members under age 65 or enrolled in only Medicare Part B;

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 | \$1,884.50 | \$1,884.50 | - |
| Retiree MPRP Reimbursement, <65/Medicare Part B | \$1,884.50 | \$1,884.50 | - |
| 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.

VIII

RETIREMENT SERVICES

- A. ASSUMPTIONS FOR JUNE 30, 2021 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION – Todd Bouey, Executive Officer, and Andy Yeung, Actuary with Segal Consulting, discussed this item with the Board for 10 minutes. After discussion, Commissioner Elizabeth Lee moved approval, seconded by Commissioner Wilkinson, 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 VI-A taken out of order

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON SEPTEMBER 14, 2021 – Vice President Sohn stated that the Committee was presented with a presentation by MFS Institutional Advisors, Inc. regarding the management of an Active Non-U.S. Equities Developed Markets Growth Portfolio. The Committee approved the Private Equity Pacing Implementation Plan. The Committee was also presented with the Proxy Voting Activity Report and Brokerage Activity Report for the period July 1, 2020 to June 30, 2021.

VIII

BOARD/DEPARTMENT ADMINISTRATION

- B. PROPOSED REVISION TO THE MARKETING CESSATION POLICY AND POSSIBLE BOARD ACTION – Julie Guan, Management Analyst, discussed this item with the Board. Commissioner Serrano 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.

IX

DIVISION SPOTLIGHT

- A. HEALTH ADVOCACY UNIT SPOTLIGHT – Vi Duong, Benefits Analyst, presented and discussed this item with the Board for 10 minutes.

X

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$23.75 billion as of September 27, 2021. Mr. June discussed the following items:
- Report on PRI Signatory General Meeting on September 23, 2021
 - Crescent Capital, one of LACERS private credit investment managers, is now under an executed contract
 - Monthly Asset Allocation and Performance Reports will be posted this week or next week
 - Pacific Center for Asset Management based out of UC San Diego will hold Fall meeting on September 30, 2021
 - Upcoming Agenda Items: Investment manager contract, private credit pacing implementation plan, and a real estate opportunity
- B. PRIVATE EQUITY PACING IMPLEMENTATION PLAN AND POSSIBLE BOARD ACTION – Wilkin Ly, Investment Officer III and Trevor Jackson, Senior Portfolio Advisor and Jeff Goldberger, Managing Director, with Aksia TorreyCove Partners LLC, presented and discussed this item with the Board for 20 minutes. Commissioner Chao 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.
- C. THE INVESTOR AGENDA'S 2021 GLOBAL INVESTOR STATEMENT TO GOVERNMENTS ON CLIMATE CRISIS AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, and Ellen Chen, Investment Officer I, presented and discussed this item with the Board for five minutes. Commissioner Chao moved approval, seconded by Commissioner Sandra 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.
- D. INSTITUTIONAL LIMITED PARTNERS ASSOCIATION'S SUPPORT OF U.S. SECURITIES AND EXCHANGE COMMISSION'S RULE REGARDING FEE TRANSPARENCY OF PRIVATE FUND INVESTMENTS AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer,

and Robert King, Investment Officer I, presented and discussed this item with the Board for 15 minutes. 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.

President Ruiz recessed the Regular Meeting at 11:40 a.m. to convene in Closed Session discussion.

Commissioner Sandra Lee left the Regular Meeting at 11:42 a.m.

XI

LEGAL/LITIGATION

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) AND (D)(1) TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED IN RE: TRIBUNE COMPANY FRAUDULENT CONVEYANCE LITIGATION (CASE NO. 11-MD-02296)

President Ruiz reconvened the Regular Meeting at 11:47 a.m.

XII

OTHER BUSINESS – Neil M. Guglielmo, General Manager, congratulated Ferralyn Sneed on her Emergency Appointment to head Retirement Services Division. He also stated that Karen Freire, Chief Benefits Analyst, will be shadowing Alex Rabrenovich, Chief Benefits Analyst over Health Administration and Wellness Division.

XIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 12, 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.

XIV

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:49 a.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary