

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

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's April 12, 2022 meeting will be conducted via telephone and/or videoconferencing.

April 12, 2022

10:00 a.m.

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

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 MEETING OF MARCH 8, 2022, AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -5; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz shared that City Council Meetings will be opening to the public in May 2022. She stated the LACERS is running a hybrid Board Meeting with staff in the office and the Commissioners joining virtually. She shared that she would like to proceed with in-person meetings in the coming months with all the Commissioners present in the LACERS' Board Room.

IV

GENERAL MANAGER VERBAL REPORT

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

- LACERS Offices Re-opening
- Liability Insurance status
- 977 Headquarters update
- ERIP Liability Payments – Quarter ending 03/31/22
- Retirement Services update
- Health Benefits Administration update
- Member Services update
- Upcoming Events: Seminars & Demos, Wellness Events
- Update on LACERS LinkedIn followers

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

- Education and Travel Expenditure Report for Quarter Ending March 31, 2022
- Contract Award for Actuarial Services
- Mid-Year Supplemental Budget Adjustments for FY 2021/22
- Possible Contract Extension for Web Design and Support Services

V

RECEIVE AND FILE ITEMS

A. ETHICAL CONTRACT COMPLIANCE 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.

VI

GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON APRIL 12, 2022 – Commissioner Serrano stated the Committee was provided with and discussed the Proxy Policy changes. The Committee provided comments and approved the policy to be presented to the full Board.

BOARD/DEPARTMENT ADMINISTRATION

- A. FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON, AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution:

**CONTINUE HOLDING LACERS BOARD AND COMMITTEE MEETINGS
VIA TELECONFERENCE AND/OR VIDEOCONFERENCE**

RESOLUTION 220412-A

WHEREAS, LACERS is committed to preserving public access and participation in meetings of the Board of Administration; and

WHEREAS, all LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions; and

WHEREAS, the COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active; and

WHEREAS, on October 12, 2021, the Board met via teleconference and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board has reconsidered the circumstances of the State of Emergency; and

WHEREAS, COVID-19 remains a public health concern in Los Angeles, with moderate or substantial levels of community transmission;

NOW THEREFORE, BE IT RESOLVED that pursuant to Government Code Section 54953(e)(1)(B)-(C), the Board finds that holding Board and Committee meetings in person would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 54953(e)(3)(A) and (B)(i), the Board finds that the COVID-19 State of Emergency continues to directly impact the ability of Board and Committee members to meet safely in person.

Which motion was seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -5; Nays, None.

- B. PROPOSED AMENDMENT TO KEENAN & ASSOCIATES CONTRACT NO. 4177 AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**PROPOSED AMENDMENT NO. 2 TO CONTRACT NO. 4177
WITH KEENAN & ASSOCIATES**

RESOLUTION 220412-B

WHEREAS, LACERS' Health and Welfare Consultant contract with Keenan & Associates ("Keenan") was initially in place effective March 1, 2018 through February 28, 2021;

WHEREAS, to allow staff to focus on significant workload related to the Separation Incentive Programs and various health-related benefits projects, the Board approved, on August 11, 2020, a contract amendment to extend the contract for sixteen (16) months, which expires June 30, 2022;

WHEREAS, Health, Wellness, and Buyback Division (HWABD) is in the process of conducting the Annual Renewal Process, which is supported by the current LACERS Health Consultant, Keenan. The underwriting and actuarial review of premiums, which is an important part of the renewal process, directly impacts timely delivery of benefits since the outcome of the renewals impact Health, Dental, and Vision premium and subsidy rates, as well as the benefit design offerings;

WHEREAS, Keenan has also been providing expertise in underwriting and monthly claims review services required for LACERS' self-funded programs;

WHEREAS, it is essential that there is no gap of consulting service, between the current contract and the inception of the new contract upon completion of the Retiree Health Plan Procurement and Administration Consulting Services RFP, which could impact accurate and timely delivery of health benefits.

WHEREAS, LACERS staff alone do not have the expertise nor the resources to provide the health and welfare services LACERS currently operates at without assistance from a Consultant;

NOW, THEREFORE, BE IT RESOLVED, that the Board:

Approve to extend the Health and Welfare Consultant contract with Keenan & Associates through December 31, 2022 not-to-exceed \$169,000; and authorize the General Manager to negotiate and execute the contract amendment.

Which motion was seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -5; Nays, None.

- C. CONTRACT WITH MONDAY.COM FOR PRODUCTIVITY SOFTWARE AND POSSIBLE BOARD ACTION – Isiaus Cantu, Chief Management Analyst, presented and discussed this item with the Board. After discussion and direction from the Board, Commissioner Serrano moved approval of the following Resolution:

**CONTRACT WITH MONDAY.COM FOR PRODUCTIVITY SOFTWARE
AND POSSIBLE BOARD ACTION**

RESOLUTION 220412-C

WHEREAS, in 2020 LACERS first procured Monday.com and continued to utilize City of Los Angeles' Information Technology Agency's piggyback contract with the County of Fairfax, Virginia to purchase the Monday.com licenses through Insight Public Sector, Inc. ("Insight");

WHEREAS, LACERS' staff thoroughly vetted various productivity products and determined Monday.com to be the most user-friendly, adaptable for staff needs, and compatible with other applications, and thus was recommended as the productivity software of choice for LACERS;

WHEREAS, LACERS' Divisions have thoroughly integrated Monday.com into their operations and have achieved significant efficiencies using the software's project management, workflow automation, and document and correspondence accessibility tools;

WHEREAS, LACERS attempted to purchase Monday.com licenses prior to the March 31, 2022 expiration date but was informed by Insight that it would no longer be able to source the product and that LACERS would have to purchase the product directly from Monday.com;

WHEREAS, Insight is the City of Los Angeles' sole contract software vendor who could procure the Monday.com licenses on behalf of LACERS;

WHEREAS, LACERS has had a positive experience with the Monday.com product and desires to continue to use the Monday.com product;

WHEREAS, initiating a competitive bidding process for these services would not be advantageous for LACERS due to the time required to implement the process and the operational impact that not having access to the software would have on LACERS' operations;

WHEREAS, time is of the essence as Monday.com has provided LACERS a limited amount of time to use their product after the expiration of the annual license;

WHEREAS, Charter Section 371(e)(10) provides exemption from the competitive bidding process when the process would be "undesirable, impractical, or impossible";

WHEREAS, a competitive bid is both impractical and impossible given the time needed to prepare an RFP, post it, evaluate responses, and prepare a contract as soon as possible given that the Monday.com licenses expired on March 31, 2022.

NOW, THEREFORE, BE IT RESOLVED, that the Board:

1. Find that, pursuant to City Charter Section 371(e)(10), the proposed contract is for technical, special services for which competitive bidding is not desirable or practical;
2. Approve a three-year, sole-source contract with Monday.com for productivity software and related services, for a period beginning April 1, 2022 and ending March 31, 2025 in accordance with annually budgeted funds, as authorized by the Board;

3. Authorize the General Manager to negotiate and execute up to a three-year (or three annual) contract(s) with Monday.com subject to the approval of the City Attorney as to form.

Which motion was seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -5; Nays, None.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$22.48 billion as of April 11, 2022. Mr. June discussed the following items:
 - Staff continues to explore options to an independent valuation of the private equity portfolio
 - Lazard CEO retiring at end of 2022 and his successor is Evan Russo; staff will monitor
 - Private Credit RFP closed on March 25, 2022; four firms submitted proposals
 - Transition Manager RFP closed on April 11, 2022; eight firms submitted proposals
 - SEC is proposing a requirement that publicly traded companies report their greenhouse emissions; staff will follow-up and report back to the Board
 - Future Agenda items: Emerging Manager Symposium on April 20, 2022 from 10am to 12pm PST, Camille Wright, a finance student at University of Louisville, is LACERS' summer intern from the Girls Who Invest Program.

Mr. June shared that the Russia exposure is largely unchanged since the last report to the Board on March 22, 2022, due to the Russian stock markets being closed to foreign investors. He stated that LACERS has approximately 5 basis points of exposure to Russian equity and fixed income securities in the total LACERS fund.

IX

LEGAL/LITIGATION

- A. BOARD FIDUCIARY EDUCATION: LEGAL UPDATE – Gina DiDomenico, Deputy City Attorney, presented and discussed this training with the Board for 30 minutes.

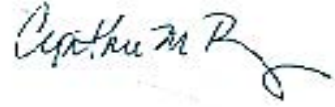
X

OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, April 26, 2022, at 10:00 a.m. at LACERS, 202 W. 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.

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:17 a.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary