

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 August 9, 2022 meeting will be conducted via telephone and/or videoconferencing.

August 9, 2022

10:00 a.m.

PRESENT via Videoconferencing:	President:	Vacant
	Vice President:	Sung Won Sohn
	Commissioners:	Annie Chao Thuy Huynh Elizabeth Lee Nilza R. Serrano Janna Sidley Michael R. Wilkinson
	Legal Counselor:	Joshua Geller
	Manager-Secretary:	Neil M. Guglielmo
	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* – Vice President Sohn asked if any persons wanted to make a general public comment to which there was one response. Alexys Lamonda, employee of PetSmart and member of the public, requested the Commissioners to call BC Partners to take responsibility for the company that they own and to stop putting all the responsibility on PetSmart.

II

APPROVAL OF MINUTES FOR THE MEETING OF JULY 12, 2022 AND POSSIBLE BOARD ACTION – Commissioner Lee moved approval, seconded by Commissioner Serrano, and adopted by the

following vote: Ayes, Commissioners Chao, Huynh, Elizabeth Lee, Serrano, Wilkinson, and Vice President Sohn -6; Abstention, Commissioner Sidley -1.

Vice President Sohn stated he may need to leave the Regular Meeting for some time during the meeting and asked for a nomination to Chair the meeting in his absence. Commissioner Chao nominated Commissioner Wilkinson, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Lee, Serrano, Sidley, Wilkinson, and Vice President Sohn -7; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – Vice President Sohn introduced and welcomed the new LACERS Board of Administration Commissioners, Thuy Huynh and Janna Sidley.

IV

GENERAL MANAGER VERBAL REPORT

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

- Welcome of two newest appointed Commissioners, Thuy Huynh & Janna Sidley
- Actuarial Valuation
- Annual Financial Audit
- Change to Member drop off appointments
- LACERS Office hours
- Update on LACERS HQ
- Retirement Services Division stats
- Health Benefits Administration updates
- Member Services updates and stats
- Upcoming Events

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

- 08/23/22 Board Meeting: IRMAA Report Update
- 08/23/22 BAC & Board Meetings: Health Subsidy Report

C. RECOGNITION OF SERVICE FOR ANN SEALES – Neil M. Guglielmo, General Manager, the Commissioners, and Ruth Perry, member of the public congratulated Ms. Seales on her retirement and thanked her for her service to the City of Los Angeles and LACERS.

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

COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON AUGUST 9, 2022 – Commissioner Wilkinson stated the Committee approved the 2023 Health Plan Contract Renewals and the Income-Related Monthly Adjustment Amounts (IRMAA) and Medicare Part B Only Reimbursement Consideration and received an update on the Anthem Medicare Advantage Plan Transition.

VII

BOARD ELECTION

- A. ELECTION OF BOARD OFFICERS FOR FISCAL YEAR 2022-23 AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager, advised that the nominations for Board President were being considered and then Commissioner Chao nominated Commissioner Sohn. Next, Commissioner Elizabeth Lee nominated Commissioner Serrano. There were no other nominations. Mr. Guglielmo called for the vote on the nomination of Commissioner Sohn as President: Ayes, Commissioners Chao, Sohn, and Wilkinson -3; Nays, Commissioners Huynh, Lee, Sidley, and Serrano -4. The nomination for Commissioner Sohn did not pass. Vice President Sohn recused himself from the Regular Meeting at 10:39 a.m. Mr. Guglielmo next called for the vote on the nomination of Commissioner Serrano as President: Ayes, Commissioners Chao, Huynh, Lee, Serrano, Sidley, and Wilkinson -6; Nays, None. The nomination of Nilza R. Serrano for President passed.

Commissioner Sohn rejoined the Regular Meeting at 10:40 a.m.

Mr. Guglielmo advised the nominations for Vice President were being considered and then Commissioner Serrano nominated Commissioner Elizabeth Lee for Board Vice President. Next, Commissioner Chao nominated Commissioner Wilkinson. There were no other nominations. Mr. Guglielmo called for the vote on the nomination of Commissioner Elizabeth Lee as Board Vice President: Ayes, Commissioners Huynh, Lee, Serrano, and Sidley -4; Nays, Commissioners Chao, Sohn, and Wilkinson -3. The nomination of Elizabeth Lee for Vice President passed with four votes and therefore nomination for Commissioner Wilkinson was not taken.

President Serrano recessed the Regular Meeting at 10:44 a.m. to convene in Closed Session discussion.

VIII

- A. **CLOSED SESSION – PURSUANT TO GOVERNMENT CODE §54957(b)(1): GENERAL MANAGER 2021-22 PERFORMANCE EVALUATION REPORT AND POSSIBLE BOARD ACTION**

President Serrano reconvened the Regular Meeting at 11:07 a.m.

IX

BOARD/DEPARTMENT ADMINISTRATION

- A. CONSIDERATION OF 2022 GENERAL MANAGER'S MERIT PAY AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**SALARY COMPENSATION FOR
GENERAL MANAGER
NEIL M. GUGLIELMO**

RESOLUTION 220809-A

WHEREAS, the Board of Administration has authorization to set the salary for the position of General Manager-LACERS; and

WHEREAS, the salary is consistent with the range allowable and set by City Council;

BE IT RESOLVED, that the Board of Administration approves a yearly salary at 5% higher than the current salary for Neil M. Guglielmo, General Manager, to be effective on July 1, 2022, pursuant to Charter Section 1108(c).

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

- B. CONSIDERATION OF GENERAL MANAGER'S COST OF LIVING ADJUSTMENT AND POSSIBLE BOARD ACTION – Vice President Lee moved approval of the following Resolution

**SALARY COMPENSATION FOR
GENERAL MANAGER
NEIL M. GUGLIELMO**

RESOLUTION 220809-B

Approval of cost-of-living increase for LACERS' General Manager effective January 19, 2020, June 19, 2022, January 29, 2023, and June 18, 2023 and 3 percent biweekly bonus on regular base rate of pay commencing July 3, 2022, and will cease on July 1, 2023. On July 2, 2023, all base hourly rates shall be increased by 3 percent.

WHEREAS, the Los Angeles City Council took a series of actions in 2018 and 2021 involving compensation for non-represented employees of the City of Los Angeles (City Council File 19-1164, 19-1164-S2, and 14-0407-S1) including LACERS' General Manager;

WHEREAS, these actions provided for the following cost of living adjustments: 2.75% effective January 19, 2020, 2% effective June 19, 2022, 2% effective January 29, 2023, and 1.5% effective June 18, 2023; and non-pensionable, biweekly bonus of three percent (3%) based on employee's regular base rate of pay. The bonus will commence on July 3, 2022 and will cease on July 1, 2023. On July 2, 2023, all base hourly rates shall be increased by 3 percent.

WHEREAS, Los Angeles City Charter Section 508 requires that the amount of compensation for the General Manager be adjusted by the appointing commission within guidelines established by the City Council; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration approves cost-of-living adjustments of 2.75% effective January 19, 2020, 2% effective June 19, 2022, 2% effective January 29, 2023, and 1.5% effective June 18, 2023, and non-pensionable, biweekly bonus of three percent (3%) of employee's regular base rate of pay. The bonus will commence on July 3, 2022 and will cease on July 1, 2023. On July 2, 2023, all base hourly rates shall be increased by 3 percent for General Manager Los Angeles City Employees' Retirement System

Which motion was seconded by Commissioner Sidley, and adopted by the following votes: Ayes, Commissions Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

C. 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 Sidley moved approval of the following Resolution:

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

RESOLUTION 220809-C

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 substantial or high 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 Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

D. 2023 HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE BOARD ACTION – Karen Freire, Chief Benefits Analyst, and James Kawashima, Senior Benefits Analyst, presented and discussed this item with the Board. Commissioner Chao moved approval of the following Resolution:

2023 LACERS HEALTH PLAN PREMIUMS

RESOLUTION 220809-D

WHEREAS, under Chapter 11 of the Los Angeles Administrative Code (LAAC), the Board of Administration (Board) of the Los Angeles City Employees’ Retirement System (LACERS) has the authority to administer the health and welfare program and shall contract for suitable plans to be made available to eligible retirees, their eligible dependents, and their qualified survivors;

WHEREAS, during the annual health plan renewal process, LACERS staff and health plan consultant were presented the medical, dental, and vision premium rates from the carriers and after thorough reviews and negotiations, recommends the Board accept the plan year 2023 medical, dental, and vision premium rates commencing on January 1, 2023, through December 31, 2023;

NOW, THEREFORE, BE IT RESOLVED, that the Board approve the plan year 2023 medical, dental, and vision premium rates below; and authorize the General Manager to execute a one-year contract with the carriers, subject to satisfactory legal review by the City Attorney.

2023 CALIFORNIA MEDICAL PLAN PREMIUM RATES					
Medicare Status	Anthem Cross Passive Med Adv	Blue PPO / PPO	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	\$1,455.09		\$939.09	\$1,160.60	\$1,160.60
M	\$485.53		\$262.47	\$278.66	\$259.81
Two-Party Plan – Retiree and One Dependent					
UU	\$2,910.18		\$1,878.18	\$2,321.20	\$2,321.20
UM	\$1,940.62		\$1,148.55	\$1,439.26	\$1,420.41

MU	\$1,940.62	\$1,148.55	\$1,439.26	\$1,420.41
MM	\$971.06	\$524.94	\$557.32	\$519.62
Family Plan – Retiree and Family				
UUU	\$3,419.46	\$2,441.63	\$3,017.56	\$3,017.56
UMU	\$2,449.90	\$1,712.00	\$2,135.62	\$2,116.77
MUU	\$2,449.90	\$1,712.00	\$2,135.62	\$2,116.77
MMU	\$1,480.34	\$1,036.98	\$1,253.68	\$1,215.98
MMM	\$1,456.59	\$786.81	\$835.98	\$779.43

2023 UNITED HEALTHCARE MEDICARE ADVANTAGE HMO NON-CALIFORNIA PREMIUM RATES		
Medicare Status	Arizona	Nevada
Single-Party Plan – Retiree Only		
U	N/A	N/A
M	\$350.66	\$249.40
Two-Party Plan – Retiree and One Dependent		
UU	N/A	N/A
UM	N/A	N/A
MU	N/A	N/A
MM	\$701.32	\$498.80
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	\$1,051.98	\$748.20

2023 DENTAL PLAN PREMIUM RATES		
Dental Tiers	Delta 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

2023 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 Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

- E. MANAGEMENT AUDIT REPORT OF THE LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM AND POSSIBLE BOARD ACTION – Melani Rejuso, Departmental Audit Manager, Julie Becker, Associate Partner, Jeanna Cullins, Partner, Michael McCormick, Associate Partner, and John Sullivan, Associate Partner, with Aon, presented and discussed this item with the Board for 25 minutes. Commissioner Chao moved approval, seconded by Vice President Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano-7; Nays, None.
- F. TRAVEL AUTHORITY – COMMISSIONER NILZA R. SERRANO; INVESTMENT DIVERSITY ADVISORY COUNCIL (IDAC) NATIONAL SUMMIT; ATLANTA, GA; SEPTEMBER 14, 2022 AND POSSIBLE BOARD ACTION – Vice President Lee moved approval of the following Resolution:

**TRAVEL AUTHORITY
INVESTMENT DIVERSITY ADVISORY COUNCIL (IDAC) NATIONAL SUMMIT
SEPTEMBER 14, 2022
ATLANTA, GA**

RESOLUTION 220809-E

WHEREAS, Board approval is required for all international travel requests, travel not included in the Approved List of Educational Seminars, and travel that exceeds the annual education travel budget of \$10,000 for each Commissioner;

WHEREAS, the IDAC National Summit in Atlanta, GA is not included in the Approved List of Educational Seminars, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Serrano is hereby authorized to attend the IDAC National Summit on September 14, 2022, in Atlanta, GA;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$1,345 for Commissioner Serrano is hereby authorized for reasonable expenses in connection with participation.

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

X

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 \$22.058 billion as of August 8, 2022. Mr. June discussed the following items:

- Staff is looking at the Emerging Manager Policy and considering a graduation provision for Emerging Managers. The proposed revisions to the policy will be brought to the Investment Committee and then the Board.
- Investment Diversity Advisory Council (IDAC), an organization focused on increasing diversity within the investment industry, will meet in Atlanta on September 14, 2022, to help prepare IDAC to become an independent industry organization.
- Several staff will be attending the CalPERS “Pathways for Women” Conference on August 23, 2022 in Anaheim.
- Staff is planning for the next Emerging Manager Symposium to take place in November 2022
- David Fann, Vice Chairman of Aksia, is departing at the end of this month. Staff will conduct appropriate due diligence and return to the Board with recommendations in October or November 2022.
- Future Agenda Items: Securities Lending Program modification recommendation; presentations by NEPC, Aksia, and Townsend regarding their firm’s emerging manager efforts; private equity commitment notifications

Mr. June shared that Russian markets are still closed to foreign investors, however, sovereign bond holdings have recently increased in value. The current Russian exposure is 8.2 bps or about \$18 million in market value.

- B. PRI ACTION PLAN AND ESG RISK FRAMEWORK STATUS AND UPDATES AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, and Ellen Chen, Investment Officer II, Camille Wright, Girls Who Invest Intern, presented and discussed this item with the Board for 10 minutes. Vice President Lee moved approval, seconded by President Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano-7; Nays, None.
- C. NOTIFICATION OF COMMITMENT OF UP TO \$75 MILLION IN EQT EXETER INDUSTRIAL VALUE FUND VI, L.P. – This report was received by the Board and filed.

XI

OTHER BUSINESS – President Serrano stated there was a breach at the City Council Meeting.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, August 23, 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.

XIII

ADJOURNMENT – There being no further business before the Board, President Serrano adjourned the Meeting at 12:16 p.m.

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary



Nilza R. Serrano
President