

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

October 8, 2024

10:13 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Janna Sidley
	Commissioners:	Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Todd Bouey
	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 – President Chao asked if any persons wanted to make a general public comment to which there was one public comment card received. Tom Moutes, member of the public, made public comment with respect to CarelonRx, a prescription service provided to LACERS Retirees.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Executive Officer, advised the Board of the following items:
- 977 Front Entry Mural
 - HRP Technology
 - HRP Onboarding
 - LACERS FY 25/26 Budget Development
 - Benefit Operations Update

B. UPCOMING AGENDA ITEMS – Todd Bouey, Executive Officer, advised the Board of the following items:

- Board Meeting on October 22, 2024, and Governance Committee Meeting: Continuing Board Policy Reviews
- Board Meeting on November 12, 2024: Actuarial Valuations

III

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.
- C. GASB 68 AND 75 VALUATIONS BASED ON JUNE 30, 2023 MEASUREMENT DATE FOR EMPLOYER REPORTING AS OF JUNE 30, 2024 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON OCTOBER 8, 2024 – Commissioner Wilkinson stated the Committee approved the Board Rules related to Member and Benefits Administration and LACERS 2023 Anthem Blue Cross Medical, Blue View Vision, and Delta Dental PPO Year-End Accounting. A CarelonRx Pharmacy update was also provided to the Committee.

V

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 10, 2024 AND POSSIBLE BOARD ACTION - Commissioner Lee moved approval, seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7. Nays; None.
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF BRENTON GARDNER FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 53% AND POSSIBLE BOARD ACTION - Vice President Sidley moved approval of the following Resolution:

APPROVAL OF SERVICE-CONNECTED DISABILITY RETIREMENT BENEFIT FOR BRENTON GARDNER

RESOLUTION 241008-A

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Brenton Gardner is unable to perform his usual and customary duties as an Airport Police Officer II with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that the clear and convincing evidence demonstrates that the discharge of Brenton Gardner's duties as an Airport Police Officer II is the predominant cause of the incapacity pursuant to the definition in Los Angeles Administrative Code § 4.1008.1(b) and he is not capable of performing his duties as an Airport Police Officer II;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the Officer's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Service-Connected disability retirement benefit for Brenton Gardner of 53% of his Final Average Compensation based upon his claimed disabling condition.

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

C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF YVES DIDIER FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 72% AND POSSIBLE BOARD ACTION – Vice President Sidley moved approval of the following Resolution:

**APPROVAL OF SERVICE-CONNECTED DISABILITY RETIREMENT
BENEFIT FOR YVES DIDIER**

RESOLUTION 241008-B

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Yves Didier is unable to perform his usual and customary duties as an Airport Police Officer III with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that the clear and convincing evidence demonstrates that the discharge of Yves Didier's duties as an Airport Police Officer III is the predominant cause of the incapacity pursuant to the definition in Los Angeles Administrative Code § 4.1008.1(b) and he is not capable of performing his duties as an Airport Police Officer III;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the Officer's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Service-Connected disability retirement benefit for Yves Didier of 72% of his Final Average Compensation based upon his claimed disabling conditions.

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

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. BOARD RULES RELATED TO MEMBER AND BENEFITS ADMINISTRATION AND POSSIBLE BOARD ACTION – Carol Rembert, Benefits Analyst, presented and discussed this item with the Board for three minutes. Vice President Sidley moved approval of the following Resolution:

**SOURCE DOCUMENT – BOARD MANUAL
SECTION 4.0 BENEFITS ADMINISTRATION
4.1 PROPOSED BOARD RULE CHANGES AND ADDITIONS**

RESOLUTION 241008-C

DISABILITY LOAN (DL):

DL 7: Pursuant to the Los Angeles Administrative Code (LAAC), the purpose of the loan program is to support members through the application process. If it is determined that the member has misused the loan process, and does not intend to retire on disability, future requested disability loans shall be denied.

SURVIVOR BENEFITS (SB):

SB2: In the event an active Member, who is eligible for retirement, dies without submitting a Designation of Beneficiary Form and the surviving spouse, who is eligible to receive the Member's survivor benefits, dies prior to filing the required benefit election packet or Designation of Beneficiary Form, then LACERS will pay the accumulated contributions and any benefits due to the estate of the surviving spouse.

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

- B. LACERS 2023 ANTHEM BLUE CROSS MEDICAL, BLUE VIEW VISION, AND DELTA DENTAL PPO YEAR-END ACCOUNTING AND POSSIBLE BOARD ACTION – Karen Freire, Chief Benefits Analyst, James Kawashima, Senior Benefits Analyst II, Vi Duong, Senior Benefits Analyst I, and Bordan Darm, Lead Consultant with Keenan Associates, presented and discussed this item with the Board for 19 minutes. Vice President Sidley moved approval of the following Resolution:

ANTHEM BLUE CROSS 2023 YEAR- END ACCOUNTING

RESOLUTION 241008-D

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 LACERS contracts with Anthem Blue Cross (Anthem) for its under-65 and Medicare Part B only Commercial HMO plan, under-65 and Medicare Part B only Commercial PPO plan, and 2021 Anthem Life & Health Medicare (Medicare Supplement) plan. These contracts are experience-rated, dividend-eligible participating contracts which means that at the end of each plan year, an accounting is performed to review and compare Anthem's actual annual costs with the annual premium amount paid by LACERS and its Members;

WHEREAS, if the year-end accounting results in a deficit of premium funds, LACERS must pay Anthem the shortfall; if the accounting results in a surplus, those funds may be returned to LACERS;

WHEREAS the 2023 Anthem year-end accounting shows an adjusted premium deficit of \$38,346;

WHEREAS the 2023 premium deficit of \$38,346 will be subtracted from the interest amount of \$72,930 earned in 2023, the remaining interest of \$34,584 was added to the Claims Stabilization Fund for 2023, and no excess premiums were returned to LACERS; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board to approve the 2023 year-end accounting of the Anthem Blue Cross medical plan.

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

- C. CARELONRX PHARMACY UPDATE – Karen Freire, Chief Benefits Analyst, and James Kawashima, Senior Benefits Analyst II, presented and discussed this item with the Board for six minutes.

VII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.64 billion as of October 7, 2024; and Volatility Index at 21.9. Rod June discussed the following items:

OPERATIONAL

- a. Hurricane Helene – No major hurricane damage to real estate properties; some minor water damage reported.
- b. Hurricane Milton – Staff will monitor the situation following the hurricane.

GLOBAL ISSUES

- a. No material changes in valuation for Russia, Israel, and China Tech; Slight decline in Ukraine; Slight increase in China

ESG/EMERGING MANAGERS

- a. Report on CIO's attendance at the Investment Diversity Advisory Council (IDAC) – September 24 & 25, 2024
- b. Report on the Emerging Manager Networking Forum – November 14, 2024

FUTURE AGENDA ITEMS

- a. Continue discussion of Asset Allocation
- b. Contract with a investment benchmarking vendor to analyze investment costs
- c. Private Credit Notifications

VIII

CLOSED SESSION

There was no closed session discussion.

- A. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)**

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 22, 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XI

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 11:24 a.m.

Annie Chao

Annie Chao
President



Todd Bouey
Manager-Secretary