Board of Administration Agenda
REGULAR MEETING
TUESDAY, AUGUST 11, 2026
10:00 A.M.
LACERS BOARDROOM
977 N. Broadway
Los Angeles, CA 90012

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IMPORTANT MESSAGES TO THE PUBLIC

An opportunity for the public to address the Board in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Board or on any agenda item will be provided at the beginning of the meeting and before consideration of items on the agenda.

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via YouTube streaming at the following link: **LACERS YouTube Livestream Link for Board/Committee meeting audio** **– only accessible during meetings**.

The Board may take action on any item appearing on this agenda, regardless of whether it is listed as an action item. Cal. Gov. Code § 54954.2.

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I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA

II. GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS

B. UPCOMING AGENDA ITEMS

III. RECEIVE AND FILE ITEMS

A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD

B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER

C. LEGISLATIVE UPDATE FOR JULY 2026

D. FISCAL YEAR END REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING JUNE 30, 2026

IV. CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETING ON JULY 14, 2026 AND POSSIBLE BOARD ACTION

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF FE VELASCO AND POSSIBLE BOARD ACTION

V. BOARD/DEPARTMENT ADMINISTRATION

A. 2027 HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE BOARD ACTION

B. 2027 MAXIMUM SUBSIDY AND REIMBURSEMENT AMOUNTS AND POSSIBLE BOARD ACTION

C. LACERS 2025 ANTHEM BLUE CROSS MEDICAL, BLUE VIEW VISION, AND DELTA DENTAL PREFERRED PROVIDER ORGANIZATION YEAR-END ACCOUNTING AND POSSIBLE BOARD ACTION

VI. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT

B. NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN KAYNE ANDERSON REAL ESTATE PARTNERS VII, L.P.

C. CONSENT OF ASSIGNMENT OF KAYNE ANDERSON CAPITAL ADVISORS, L.P. AND POSSIBLE BOARD ACTION

VII. LEGAL/LITIGATION

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)

B. 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: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)

VIII. OTHER BUSINESS

IX. NEXT MEETING: The next Regular meeting of the Board is scheduled for August 25, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

X. ADJOURNMENT

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT – NOTIFICATION TO THE BOARD

Board Meeting: 8/11/2026
Item III-A

RESTRICTED SOURCES

The Board's Ethical Contract Compliance Policy was adopted in order to prevent and avoid the appearance of undue influence on the Board or any of its Members in the award of investment-related and other service contracts. Pursuant to this Policy, this notification procedure has been developed to ensure that Board Members and staff are regularly apprised of firms for which there shall be no direct marketing discussions about the contract or the process to award it; or for contracts in consideration of renewal, no discussions regarding the renewal of the existing contract.

Name	Description	Inception	Expiration	Division
Loomis, Sayles & Company, L.P.	Active High Yield Fixed Income	September 1, 2020	August 31, 2026	Investments
Polen Capital Credit, LLC	Active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Loan	September 1, 2020	August 31, 2026	Investments
Barrow, Hanley, Mewhinney & Strauss, LLC	Active Non-U.S. Equities Developed Markets Value	October 1, 2013	September 30, 2026	Investments
Cushman & Wakefield U.S., Inc.	Property Management Services	N/A	N/A	Administration
OnActuate Consulting US Inc	The Implementation of The Microsoft Dynamics 365 Business Central	N/A	N/A	Fiscal

ACTIVE REQUEST FOR PROPOSALS (RFPs)

Description	Respondents	Inception	Expiration	Division
Property Management Services	Bell Properties, Inc., Cushman & Wakefield, Dow Property Group, Inc., EBS Asset Management Inc., Simon Shamoulia, SoCal Premier Property Management	July 28, 2025	September 5, 2025	Administration
Chief Investment Officer Search	Bob Murray and Assoc., Korn Ferry, CBIZ, Diversified Search Group, Dore Partnership, Cummings Leadership Search	July 7, 2026	July 17, 2026	Human Resources

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B

Benefit payments have been approved by the General Manager under the authority delegated by the Board of Administration (Board Rule GMA 1 adopted June 14, 2016):

SERVICE RETIREMENTS

Member Name	Service	Department	Classification
Connolly, Richard J	45	Dept. of Airports	Deputy General Manager
Gray, Alfred E	39	PW - Sanitation	Equipment Supervisor
Zamora Kapnek, Maria	39	Library Dept.	Library Assistant
Villacorta, Ricardo N	39	GSD	Dir. Of Mat. Testing Svcs.
Yakushiji, Ruth J	38	Zoo Dept.	Animal Keeper
Mmeje, Hyginus O	38	PW - Sanitation	Sr Environ Eng
Nishihara, Sharon L	37	Dept. of Rec. & Parks	Recreation Supervisor
Johnson, Shezzell Larice	37	Dept. of Airports	Management Analyst
Meachamwilliams, Anita D	37	Dept. of Rec. & Parks	Supt Of Operations
Gutierrez, Victor	36	EWDD	Senior Project Assistant
Torres, Arturo	36	PW - Sanitation	Refuse Collection Truck Opr
Sar, Christina Uyan	36	Harbor Dept.	Harbor Engineer
Leon, Laura E	35	Harbor Dept.	Civil Eng. Assoc.
Stadel, Renee Ann	34	City Attorney's Office	Assistant City Attorney
Avalos, Alejandro Perez	33	PW - Street Services	Street Services Supv
Walsh, Leilani U	32	Harbor Dept.	Harbor Engineer
Luna, Salvador Zamora	32	PW - Sanitation	Refuse Collection Supv
Kochner, Bryan K	31	Dept. of Rec. & Parks	Recreation Facility Dir.
Aubry, Heather L	30	City Attorney's Office	Assistant City Attorney
Moss, Travon Marie	30	Mayor's Office	Mayoral Aide
Garcia-Godinez, Michele R	30	Personnel Dept.	Executive Admin Asst
Thomas, Latanya Roshawn	30	Police Dept. - Civilian	Police Service Representative
Thompson, Patrick I	30	Police Dept. - Civilian	Forensic Print Specialist
Sanborn, Michael S	30	Dept. of Rec. & Parks	Museum Director
Greene, Tiffany N	30	Dept. of Transportation	Traffic Officer
Hood, April Marie	30	Police Dept. - Civilian	Senior Admin Clerk
Pisano, Teresa Gioiello	28	Harbor Dept.	Environ Affairs Officer
Martin, Mario	28	GSD	Equipment Specialist
Phan, Quyen	27	PW - Engineering	Civil Engineering Assoc
Trujillo, Marisa	27	Police Dept. - Civilian	Sr Police Serv Rep
Heinz, Chris E	27	Police Dept. - Civilian	Police Service Rep
Awad, Abdullah	27	Police Dept. - Civilian	Detention Officer
Loera, Ana Rosa	27	City Attorney's Office	City Attorney Admin Coord
Wu, Thomas Sengthong	26	Police Dept. - Civilian	Systems Analyst
Haskin, Robert C	26	PW - Admin Div.	Management Analyst
Rodriguez, Danny O	26	PW - Street Services	Equipment Operator
Finan, Katherine	26	City Attorney's Office	Principal Clerk
Dunn, Charlotte D	26	GSD	Custodian
Rivera, Olga G	25	Police Dept. - Civilian	Police Service Rep

Samuel, Michelle	25	Dept. of Transportation	Traffic Officer
Liske, Pamela P	25	Police Dept. - Civilian	Police Service Rep
Roscelli, Sergio	25	Dept. of Airports	Chief Of Operations
Morales, Blanca M	25	Dept. of Bldg. & Safety	Administrative Clerk
Corral, Ernesto	24	Dept. of Bldg. & Safety	Senior Building Inspector
Dominguez, Tony P	22	Zoo Dept.	Custodian
Burke, Blanche Anne	22	EWDD	Management Analyst
Webb, Darryl E	22	PW - Sanitation	Refuse Collection Truck Opr
Magpoc, Raul Pomer	22	PW - Sanitation	Wastewater Treatment Opr
Logan, James E	21	Dept. of Rec. & Parks	Senior Gardener
Calhoun, Ronnie	20	PW - Sanitation	Refuse Collection Truck Opr
Cox, Thomas Jeffrey	20	Police Dept. - Civilian	Management Assistant
Diaz, Delia Pauline	19	PW - Sanitation	Administrative Clerk
Frias, Manuelange V	17	Dept. of Transportation	Traf Officer
Englander, Mitchell	15	Council	Council Member
Pizzuti, Michael P	14	City Attorney's Office	Deputy City Attorney
Brauner, Paul G	13	Dept. of Airports	Airport Guide
Teague, Rodney D	13	GSD	Senior Custodian
Badar, Lolita Castro	12	LACERS	Accountant
Gonzales, Julio Caesar	12	Dept. of Animal Svcs.	Animal Care Tech
Avery, Andre	11	Dept. of Rec. & Parks	Sr Gardener
Sales, Lisa W	11	Harbor Dept.	Civil Eng Associate
Proffitt, Parvati Joshi	11	PW - Sanitation	Senior Management Analyst
Acosta, Graciela Carolina	10	City Planning Dept.	City Planning Associate
Sais, Sergio Raul	9	Police Dept. - Civilian	Police Performance Auditor
Ortega, Irma	9	Dept. of Rec. & Parks	Recreation Assistant
James, Lori J	8	Dept. of Airports	Security Officer
Silva, Lucia	8	Library Dept.	Library Cler Asst
Gonzalez, Ubaldo J	7	Dept. of Rec. & Parks	Special Program Assistant
Noceti, James Joseph	7	Dept. of Rec. & Parks	Recreation Asst
Lau, Cheon Fay	6	Dept. of Rec. & Parks	Recreation Asst

APPROVED DEATH BENEFIT PAYMENTS

Deceased	Beneficiary/Payee
TIER 1	
Abraham, Fred Lee	Carla Yvette Abraham for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Adger, Douglass	Lawrence D. Adger for the payment of the Accrued But Unpaid Service Retirement Allowance
Ali, Anita Esther	Diana Rodriguez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Alvarez, Danny C	Daniel Michael Alvarez for the payment of the Accrued But Unpaid Service Retirement Allowance
	Gilbert Alvarez for the payment of the Accrued But Unpaid Service Retirement Allowance
Balaoing, Alda	Michael J. Balaoing for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Banks, Carl J	Carl James Banks IV for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Carla B. Banks for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Beasley, Lorna V	David Lester Vogel for the payment of the Accrued But Unpaid Service Retirement Allowance
	Linda Jane Forrest for the payment of the Accrued But Unpaid Service Retirement Allowance
	William Ronald Vogel for the payment of the Accrued But Unpaid Service Retirement Allowance

Bendit, May	Nadine Bendit Breuer for the payment of the Accrued But Unpaid Continuance Allowance
Bianchi, Edward	Patricia Lou Bianchi for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Bilal, Ameen	Mahdee Ameen Muhammad Bilal for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Bilderback, John R	Donna Sturdevant for the payment of the Burial Allowance
Bond, Gary A	Dena L Bond for the payment of the Burial Allowance
Borders, Robert	Robert Borders for the payment of the Burial Allowance
Cadena, William R	Aaron Elijah Pete Cadena for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Cannon, Waylon D	Steven Cannon for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Carmouche, Bertram H	Kangelia R Carmouche for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Casaletta, Giselle	Richard Casaletta Jr for the payment of the Accrued But Unpaid Continuance Allowance
Castro, Esperanza C	Manuel Castro Boado Junior for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions

Charles, Sandra Gail	Cynthia Renee Butler for the payment of the Burial Allowance Unused Contributions
Custodia, Glecy C	Ami Garvin for the payment of the Accrued But Unpaid Continuance Allowance
Dominguez, Daniel	George Anthony Disoto for the payment of the Burial Allowance Unused Contributions
Doyle, Michael F	Patrick Doyle for the payment of the Accrued But Unpaid Continuance Allowance
Drescher, Linda	Amy Rae Drescher-Crumpley for the payment of the Accrued But Unpaid Continuance Allowance
Ductor, Serene	Daniel J Ductor for the payment of the Accrued But Unpaid Continuance Allowance
	Diana J Zuber for the payment of the Accrued But Unpaid Continuance Allowance
Elkins, Eleanor	Lawrence James Elkins for the payment of the Accrued But Unpaid Continuance Allowance
	William Elkins for the payment of the Accrued But Unpaid Continuance Allowance
Emery, Anthony Walter	Aaron A Emery for the payment of the Accrued But Unpaid Service Retirement Allowance
Escott, Wedzell	Wendell Cory Escott for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Famatiga, Miguel M	Luis Miguel Famatiga for the payment of the Burial Allowance

Floyd, Elizabeth A	Janniece Kelker for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Tracy F Floyd for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Flygar, Paul A	Lynda L Flygar for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gaffney, Frank O	Maria Elena Gaffney for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Galang, Visitacion F	Edward F. Galang for the payment of the Burial Allowance
Galloway, Julia M	Kevin E Galloway for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Garcia, Manuel S	Marylou Garcia for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Good, Jordan A	Aaron E Good for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Eli Good for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Guevara, Herminio S P	Glen John R. Guevara for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hagerman, James Alanabdiel	Tresa Lynn Hagerman for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Hale, Ramona F	Mona Lisa Boykin for the payment of the Accrued But Unpaid Disability Continuance Allowance
Holmes, Idella C	David Kenneth Holmes for the payment of the Accrued But Unpaid Continuance Allowance
Jernagin, Richard	Lisa R Jernagan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jones, Edgar L	Yvette Louise Jones Jackson for the payment of the Accrued But Unpaid Service Retirement Allowance
Jones, Gloria J	Kory D Boyd for the payment of the Accrued But Unpaid Service Retirement Allowance
Lally, Patrick Dennis	Marguerite E Lally for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Limqueco, Leonides Miranda	Priscilla A Limqueco for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lopez, Alfred	Garett Cristopher Lopez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Melinda Cantwell for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Love, Richard A	Lei'lani K Ingram for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
	Samuel Love for the payment of the Burial Allowance
	Torrance D Ingram for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions

Malone, Julia Lee	Stephen M Malone for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Marshall, Billie E	Fay R Marshall for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mc Carbery, Dennis R	Cynthia A. Mc Carbery Nordskog for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Meyer, Carl W	Sylvia Meyer for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mickel, Kurt George	Christine Hill for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance Unused Contributions
Miner, David A	Brigette K Cuonzo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Madeline E Ulloa for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Samantha A Miner for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Miranda, Johnnie C	Pauline Miranda for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Vivienne E Miranda for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Montgomery, Jerome	The Montgomery Trust for the payment of the Accrued But Unpaid Service Retirement Allowance

Munoz, Betty P	Rhonda Schreiber for the payment of the Accrued But Unpaid Continuance Allowance
Odencrantz, Susan L	Kirsten Odencrantz for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Ohlander, Gail A	Kerstin Ohlander for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Patrich, Virginia S	Dana Jo Monk for the payment of the Accrued But Unpaid Continuance Allowance
Pattee, Donald P	Phillip J Pattee for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Quickstrom, Noal O	Annette B Quickstrom for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Ramirez, Francisca	Jose Ramirez for the payment of the DRO Lump Sum
Rhoads, Paulette J	Claudette Lynn Rhoads for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rigney, Robert H	Laurel M. Jackson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Robles, Robert	Andrea Carey for the payment of the Accrued But Unpaid Vested Retirement Allowance Christina D Robles for the payment of the Accrued But Unpaid Vested Retirement Allowance

Schwab, Carol J	Virgil Edward Schwab for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Sewell, Veronica	Joseph Robert Sewell for the payment of the Accrued But Unpaid Continuance Allowance
Sklar, Anna	Tracy Nora Sklar for the payment of the Accrued But Unpaid Service Retirement Allowance
Sloan, Louis R	Aaron Grady Sloan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Smith, Phyllis Verlita	Phillip Douglass Covington for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Staudhammer, Fred George	Sylvia Joyce Staudhammer for the payment of the DRO Lump Sum
Taylor, Betty L	Barbara Ann Mc Ilwaine for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
	Kathleen Gay Holle for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
	Vivian Lee Richardson for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Traylor, Barbara L	Sonya Michelle Powe for the payment of the Accrued But Unpaid Continuance Allowance
Updegraff, Wanda L	David S Updegraff for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Walker, Jan	Mary Joyce Hopkins Walker for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Washington, Billy M	Billy M. Washington Jr. for the payment of the Burial Allowance
Wheeler, James H	Patricia L Wheeler for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wilson, Harry L	Gale A Wilson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

APPROVED DEATH BENEFIT PAYMENTS

Deceased	Beneficiary/Payee
TIER 1	
Davis, Won T (Deceased Active)	Estate Of Won T Davis for the payment of the Accumulated Contributions
Foster, Kenneth (Deceased Active)	Cassandra Wheeler for the payment of the Accumulated Contributions
	Zachary D Foster for the payment of the Accumulated Contributions
Guerra, Enrique (Deceased Active)	Rosalinda Robledo De Guerra for the payment of the Service Retirement Survivorship Allowance
Hahn, Kenneth (Deceased Active)	Danny I Hahn for the payment of the Accumulated Contributions
	Joon C Hahn for the payment of the Accumulated Contributions
Hall, Judia Mae (Deceased Active)	Davar Taquan Jr Fennell for the payment of the Accumulated Contributions
Myrato, Lillian Ines(Deceased Active)	John Myrato for the payment of theDisability Retirement Survivorship Allowance
Williams, Ronald (Deceased Active)	Angela Strode for the payment of the Accumulated Contributions
	Larry D Pitre for the payment of the Accumulated Contributions

TIER 3

Jamison, Jermaine (Deceased Active)	De Ja Jordan Celeste Jamison for the payment of the Accumulated Contributions
Magallon Trejo, Wendoline (Deceased Active)	Rita Trejo for the payment of the Limited Pension

Disclaimer: The names of members who are deceased may appear more than once due to multiple beneficiaries being paid at different times.

REPORT TO BOARD OF ADMINISTRATION
MEETING: AUGUST 11, 2026
FROM: Todd Bouey, General Manager
ITEM: III-C

SUBJECT: LEGISLATIVE UPDATE OF AUGUST 2026

☐ ACTION ☐ CLOSED ☐ CONSENT ☒ RECEIVE & FILE

Recommendation
That the Board receive and file this report.

Executive Summary

The United States Congress reconvened on January 5, 2026, to commence the 119th Congressional second session, and the California State Legislature reconvened on January 5, 2026, to commence a new legislative session and bringing the opportunity to address any key legislative priorities. This report provides updates on current legislation that may be of interest to the Board.

The updated Legislative Watch List is attached. The current Watch List includes six State and five City Council proposals. At this time, it is not recommended for the Board to take a position on any other specific proposed legislation.

Discussion

BILLS PASSED INTO LAW

The following bills passed into law and will be removed from the future Legislative Watch List. Staff will work with respective consultants and legal counsel towards operational and legal compliance, as necessary.

SB 707 – Open meetings: meeting and teleconference requirements

On October 3, 2025, SB 707 was chaptered by the Secretary of State. The bill revises and reorganizes the Brown Act's teleconferencing provisions to include local emergencies, extends remote-participation allowances for "just cause" and "emergency circumstances" from January 1, 2026, through January 1, 2030 and requires agencies to provide a copy of the Brown Act to all newly elected or appointed members.

Key Impacts on LACERS: LACERS will assess the feasibility and implementation of local emergency teleconferencing provisions and ensure that all newly elected or appointed Board Members receive a copy of the Brown Act.

SB 827 – Local agency officials: training

On October 11, 2025, SB 827 was chaptered by the Secretary of State. The bill expands mandatory ethics training to include department heads and similar administrative officers. New officials who commence service on or after January 1, 2026, must complete their initial training within the first six months, and local agencies must post instructions online for requesting training records. Additionally, this bill requires covered local agency officials to complete at least two hours of fiscal and financial training every two years.

Key Impacts on LACERS: LACERS Board Members are required to complete biennial ethics training and a new two-hour fiscal and financial training. The City is expected to establish the required financial training in addition to the existing Board training.

SB 125 – Medi-Cal: managed care organization provider tax

Federal law enacted July 4, 2025 places new limits on permissible Medicaid provider taxes. SB 125 proposes implementing a Managed Care Organization (MCO) provider tax that complies with federal requirements and supports Medi-Cal funding. The bill would impose an MCO tax on health plans for calendar years 2027–2029, set at $8.85 per enrollee per month unless adjusted, and would prohibit collection until the tax is certified or federally approved as a permissible health-care-related tax

Key Impacts on LACERS: California's current MCO tax structure is less than $0.20 per Member per month. Under the proposed redesign, the tax would be $8.85 per member per month, and with the additional tax burden on commercial enrollment, premiums for employers and employees could increase.

INFORMATIONAL

The following are identified bills/proposals of interest since the last legislative update.

- AB 1821 (Pacheo) – California Public Records Act: agency response time

- AB 1337 (Ward) – Information Practices Act of 1977
- AB 1159 (Cabaldon) – Artificial intelligence: transparency and governance
- AB 259 (Rubio) – Open meetings: local agencies: teleconferences
- AB 1838 (Berman) – Public contracts: local agencies: responsive bidders

The following are identified city proposals of interest since the last legislative update.

- C.F. 26-0489 (Charter Reform Commission) - Charter Reform Recommendations / November 3, 2026 General Election / Charter Reform Commission
- C.F. 26-0489-S1 (LACERS Board) - Los Angeles City Employees' Retirement System (LACERS) / Charter Reforms

Prepared By:

Lisa Li, Management Analyst

TB:VJ:CK:LL

ATTACHMENT(S): 1. LACERS Legislative Watch List August 2026

BOARD MEETING: 08/11/2026
ITEM: III-C
ATTACHMENT: 1

Statewide Legislation

AB 1821 (Pacheo) – California Public Records Act: agency response time

Summary:

This bill would require each agency to determine whether the request seeks copies of disclosable public records in possession of the agency and to promptly notify the person as described above within 10 business days of a request for a copy of records. The bill would authorize the time period for each agency to respond to be extended by no more than 14 business days.

Impact:

Public Pensions General Counsel and LACERS will continue to monitor.

Status:

2026-07-01: From committee: Do pass and re-refer to Com. on APPR.

AB 1337 (Ward) – Information Practices Act of 1977

Summary:

Existing law, the Information Practices Act of 1977 (IPA), prescribes a set of requirements, prohibitions, and remedies applicable to agencies, as defined, with regard to their collection, storage, and disclosure of personal information, as defined. Existing law exempts from the provisions of the act counties, cities, any city and county, school districts, municipal corporations, districts, political subdivisions, and other local public agencies, as specified. This bill would, beginning January 1, 2028, recast those provisions to, among other things, remove that exemption for local agencies, and would revise and expand the definition of "personal information." The bill would make other technical, nonsubstantive, and conforming changes. Because the bill would expand the duties of local officials, this bill would impose a state-mandated local program.

Impact:

In general, the IPA obligates agencies to limit the collection, maintenance, use, and disclosure of personal information, and they must implement procedures and safeguards to ensure the protection of individual privacy. These obligations include, among other things, the following:

- Maintaining only personal information relevant and necessary to accomplish an agency purpose required or authorized by law;
- Collecting information, to the greatest extent practicable, from the individual subject rather than from other sources;
- Maintaining the source identity (name of person/agency) in an accessible format if the information is obtained from someone other than the individual, so the subject can access it;

- Providing notice on collection forms of the following: the agency/division name; contact information of the official responsible for the system; the authority authorizing the collection; etc.;
- Ensuring records used to make determinations about individuals are accurate, relevant, timely, and complete;
- Requiring contractors who operate or maintain personal information records to comply with the IPA;
- Establishing rules of conduct, remedies, penalties, and training for persons involved with the records;
- Implementing appropriate and reasonable administrative, technical, and physical safeguards to ensure confidentiality and protect against threats to security or integrity; and
- Appointing an employee responsible for compliance with the IPA.

Public Pensions General Counsel and LACERS will continue to monitor.

Status:

2026-06-25: In committee: Set, final hearing. Hearing canceled at the request of author.

AB 1159 (Cabaldon) – Artificial intelligence: transparency and governance

Summary:

This bill would specify that, for purposes of the California Public Records Act, the Bagley-Keene Open Meeting Act, the Ralph M. Brown Act, the Legislative Open Records Act, the Administrative Procedure Act, the California Coastal Act of 1976, and CEQA, “person,” “interested person,” “participant,” “member of the public,” as applicable, and any other similar terms under each act referring to those who may engage with governmental agencies, do not include artificial intelligence, as defined, systems, autonomous agents, or robots, whether physical or digital. The bill would authorize governmental agencies to use a disclosure verification tool to determine if artificial intelligence is present. The bill would make findings and declarations related to these provisions.

The bill would prohibit a person from knowingly using artificial intelligence to falsely represent that a natural person appeared before, submitted information to, or otherwise engaged with a governmental agency.

Impact:

Public Pensions General Counsel and LACERS will continue to monitor.

Status:

2026-07-02: Read second time in Assembly. Ordered to third reading.

SB 707 (Durazo) – Open meetings: meeting and teleconference requirements

Summary:

Beginning July 1, 2026, eligible legislative bodies must provide two-way telephonic or audiovisual public participation, adopt and implement policies for handling disruptions of remote services, and take additional steps to encourage public engagement, including targeted outreach. The bill also revises and reorganizes the Brown Act's teleconferencing provisions to include local emergencies, extends remote-participation allowances for "just cause" and "emergency circumstances" from January 1, 2026**,** through January 1, 2030, makes permanent the exception permitting separate social-media communications by members, and requires agencies to provide a copy of the Brown Act to all newly elected or appointed members**.**

Impact:

LACERS does not qualify as an eligible legislative body under Government Code § 54953.4(e)(2), so it is not subject to the two-way participation, disruption policy, or translation mandates imposed by Government Code § 54953.4. However, LACERS must comply with the Brown Act reforms that went into effect on January 1, 2026.

LACERS Administrative Operations Bureau is reviewing the feasibility and implementation of teleconferencing provisions to include local emergencies.

Status:

2025-10-03: Chaptered by Secretary of State. Chapter 327, Statutes of 2025

SB 827 (Gonzalez) – Local agency officials: training

Summary:

Existing law imposes ethics training on specified local agency officials. Existing law requires each training to be 2 hours and requires the officials to receive each training every 2 years, and as described otherwise, with the first training within one year of commencing service. Existing law requires the local agency to maintain records of the trainings, as prescribed.

This bill would expand which local agency officials are required to complete the above-described ethics training to include department heads, or other similar administrative officers, as specified, and would instead require officials who commence service on or after January 1, 2026, to receive their initial training within 6 months of commencing service. The bill would require the local agency to post clear instructions and contact information for requesting the training records on its internet website, as specified.

This bill would additionally require specified local agency officials, as defined, to receive at least 2 hours of fiscal and financial training, as provided. The bill would require the training to be received at least once every 2 years, as provided.

Impact:

LACERS Board members are required to complete biennial ethics training and a new two-hour fiscal and financial training. LACERS must maintain training records and post public instructions for accessing them on its website.

It is expected that the City will produce and provide financial training meeting this requirement, in addition to the Board member trainings already provided. Public Pensions General Counsel and LACERS will continue to monitor.

Status:

2025-10-11: Chaptered by Secretary of State. Chapter 661, Statutes of 2025

AB 259 (Rubio) – Open meetings: local agencies: teleconferences

Summary:

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. This bill would extend the alternative teleconferencing procedures until January 1, 2030.

Existing law, until January 1, 2026, authorizes a legislative body, notwithstanding that provision, to consider and take action on a request from a member to participate in a meeting remotely due to emergency circumstances if the request does not allow sufficient time to place the proposed action on the posted agenda for the meeting for which the request is made, as specified. This bill would extend the authorization for a legislative body of a local agency to consider and take action on a request from a member to participate in a meeting remotely due to emergency circumstances as described above until January 1, 2030.

Impact:

LACERS has not adopted an optional teleconference process for individual emergency-circumstance remote participation. Public Pensions General Counsel and LACERS will continue to monitor.

Status:

2026-06-27: In Senate Committee: Hearing postponed by committee.

AB 1838 (Berman) – Public contracts: local agencies: responsive bidders

Summary:

This bill would require a contractor, as a condition of submitting a bid to a local agency for a public works contract, to fully disclose any history of wage and hour violations, as specified, and provide supporting documentation, as described. The bill would authorize a contractor that fails to provide the required disclosures and supporting materials to be disqualified from the bid. The bill would require a local agency to establish a process for a contractor to appeal their bid disqualification, as specified. By requiring local agencies to establish a bid disqualification appeal process, this bill would impose a state-mandated local program. The bill would exempt public works contracts covered by a project labor agreement, and projects where local agencies require contractors to prequalify as a condition of bidding.

Impact:

Public Pensions General Counsel and LACERS will continue to monitor.

Status:

2026-06-17: From committee: Do pass and re-referred to Com. on APPR

SB 125 (Committee on Budget and Fiscal Review) – Medi-Cal: managed care organization provider tax

Summary:

Existing federal law, enacted on July 4, 2025, sets forth various changes to the Medicaid program, including, among others, certain limitations on permissible health care-related taxes, known as provider taxes, with regard to broad-based and uniformity standards and tax rates.

This bill would state legislative intent to implement an Management Care Organization (MCO) provider tax that is not subject to the Protect Access to Health Care Act of 2024 and that meets certain goals, including compliance with federal requirements and funding for the Medi-Cal program.

The bill would impose an MCO provider tax on a health plan, as defined, for the 2027, 2028, and 2029 calendar years. The bill would prohibit the department from collecting the tax until the Director of Health Care Services certifies that the tax is a federally permissible health care-related tax meeting specified federal requirements, or until the department receives federal approval that the tax is a permissible health-care related tax, as specified. The bill would set the tax amount at $8.85 per countable enrollee per month, unless that amount is modified by the department under certain conditions.

Impact:

California’s current MCO tax structure of less than $0.20 per member per month (PMPM) runs through December 31, 2026. The new MCO tax structure for 2027-2029 requires health plans to pay approximately $8.85 PMPM for enrolled Members.

Public Pensions General Counsel and LACERS will continue to monitor.

Status:

2026-06-29: Chaptered by Secretary of State. Chapter 24, Statutes of 2026.

City of Los Angeles

C.F. 24-0357 (Lee) – Retired City Employees / Multiple Pensions / Charter Compliance

Motion:

It's critical to have a complete understanding of how allowing retired City employees to receive multiple pensions complies with the Charter and the impact this practice will have on the City's overall financial health.

a. City Attorney be requested to report to Council on the legality of retired City employees receiving a retirement while continuing to work for a City Department, including what defines a "retirement benefit" for a public pension system, and what are the requirements to approve a change to retirement benefits or plan administration from LACERS.
b. LACERS and Water and Power Employees' Retirement Plan be requested to report to Council on the number of retired City employees receiving a retirement while continuing to work for a City Department without a separation from service, provide cost studies for each of the pension plans, and detail the process that was followed in agendizing and authorizing through Board action for this change in benefits or plan administration.

Status:

2024-08-08: Los Angeles City Employees' Retirement System report, dated August 8, 2024, relative to the City's Employees receiving multiple pensions.

2025-08-06: Personnel and Hiring Committee continued the item to a date to be determined.

C.F. 24-1100-S10 (City Attorney) – Peace Officer Membership Transfer / Los Angeles City Employees Retirement System (LACERS) / Los Angeles Fire and Police Pension Plan (LAFPP) Tier 6 / Ballot Resolutions / Election Ordinance / Charter Amendment / November 5, 2024 Ballot

Motion:

City Attorney report R24-0323, dated June 20, 2024, relative to a draft Charter amendment regarding the transfer of membership of peace officers currently employed by the City's Police, Airport, Harbor, and Recreation and Parks Departments, from the Los Angeles City Employees' Retirement System to Tier 6 of the Los Angeles Fire and Police Pension Plan; and draft ballot Resolutions and draft election Ordinance.

Status:

2024-12-06: Attested Resolution

2025-10-31: Ordinance adoption by City Council

C.F. 24-0418 (LACERS) – Discretionary Cost-of-Living Adjustment (COLA) / Retired Members and Beneficiaries / Los Angeles City Employees’ Retirement System

Motion:

Los Angeles City Employees Retirement System report, dated March 20, 2026, relative to the recommendation for the City Council to grant a discretionary cost-of living-adjustment (COLA) increase to eligible retired LACERS’ Members and their beneficiaries.

Status:

2026-03-23: Board of Los Angeles City Employees' Retirement System document(s) referred to Budget and Finance Committee; Personnel and Hiring Committee.

C.F. 26-0489 (Charter Reform Commission) – Charter Reform Recommendations / November 3, 2026 General Election / Charter Reform Commission

Motion:

[Transmittal of] the final report, along with the recommendations for Charter Amendments, to the City Council for its consideration, in accordance with Ordinance No. 188303 [by the Charter Reform Commission].

Status:

2026-06-15: Rules, Elections and Intergovernmental Relations Committee approved the remaining items in the Chief Legislative Analyst report dated 6/10/26, as amended in Committee.

2026-06-19: Council action final.

C.F. 26-0489-S1 (LACERS Board) – Los Angeles City Employees’ Retirement System (LACERS) / Charter Reforms

Motion:

The LACERS Board recommends the following Charter reform proposals that would strengthen LACERS’ ability to carry out its mission effectively, while reinforcing the system’s long-term operational sustainability:

1. Grant LACERS the exclusive authority to meet staffing needs and set appropriate compensation levels as determined by the Board.
2. Allow LACERS to set the frequency and timing of its Board meetings.
3. Grant the LACERS Board independent authority to select its chief executive (i.e., General Manager) and determine the General Manager’s compensation.
4. Grant LACERS the ability to select its own legal counsel if by Board action it is determined that the Los Angeles City Attorneys’ Office has an incurable conflict of interest.

Status:

2026-06-15: Rules, Elections and Intergovernmental Relations Committee continued item to date to be determined.

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: AUGUST 11, 2026
FROM: Todd Bouey, General Manager
ITEM: III-D

SUBJECT: FISCAL YEAR-END REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING JUNE 30, 2026

☐ ACTION ☐ CLOSED ☐ CONSENT ☒ RECEIVE & FILE

Recommendation
That the Board receive and file this report.

Executive Summary
The LACERS Strategic Plan is achieved through various Board-sponsored initiatives that move the organization toward established strategic goals. Highlights of the annual achievements under each goal are provided within this report, and the attached Business Plan Initiative (BPI) report details the year-end status of four initiatives adopted into the Business Plan for Fiscal Year 2025-26 (FY26). Three initiatives are ongoing and will continue as BPIs for Fiscal Year 2026-27 (FY27); one initiative will conclude, and one new BPI — New Employee Orientation Integration (NEOI) — will be added.

Discussion
LACERS FY26 BPIs and accomplishments, along with the introduction of the FY27 BPIs, are all discussed herein.

Business Plan Initiatives and Accomplishments
LACERS has demonstrated significant progress and successes as outlined in the FY26 BPI dashboards and summarized below.

<u>Governance</u>
LACERS has successfully updated several existing policies and implemented new Board policies, as recommended in the most recent Management Audit report. The remaining new policies are currently in development and will be presented to the

Board for consideration in FY27. In addition, the triennial board policy will be brought to the Board for review.

Business Continuity Plan (BCP)

LACERS strengthened emergency preparedness this year by completing six department-wide training exercises, including shelter-in-place and active-shooter drills, and by submitting the annual Departmental Emergency Plan to the City's Emergency Management Department. All employees were onboarded to the new Building Safety Solutions (BSS) evacuation training platform. While the BCP will not continue as a BPI in FY27, LACERS is integrating emergency-readiness training into the Learning Management System, with updated modules and one cybersecurity tabletop exercise planned for this fiscal year.

Artificial Intelligence (AI) Enablement

Over the reporting period, LACERS advanced its Business Plan Initiative goals through several key initiatives focused on responsible and effective adoption of artificial intelligence technologies:

- **Delivered organization-wide AI readiness** through a LACERS Lunch & Learn training series, providing staff with foundational knowledge of AI concepts, practical use cases, and guidance on safe implementation practices.

- **Successfully implemented BOX AI and Microsoft Copilot**, enabling secure document intelligence, productivity enhancements, and improved internal workflow automation across departments.

- **Developed comprehensive Generative AI Policies** to govern responsible use, ensuring alignment with privacy, security, and ethical standards while supporting innovation within LACERS operations.

- **Established an Agentic AI Controls Procedure** to guide the assessment, approval, and integration of AI agents into LACERS systems, strengthening safeguards around data protection, operational risk, and system integrity.

These accomplishments represent significant progress toward modernizing LACERS' business processes, improving operational efficiency, and ensuring the security of our network systems while embedding AI tools throughout the organization.

Information Management and Workflow Redesign

During this reporting period, LACERS made substantial progress in redesigning core operational processes, strengthening information flow, and preparing the organization for future structural transformation:

- **Developed and prepared the Pod-based organizational structure pilot** within RSD to improve coordination, triage, and cross-functional teamwork.

Once implemented, this model will serve as the foundation for a broader Benefits Division reorganization aimed at streamlining service delivery and ensuring greater consistency across all staff.

- **Developed new procedural manuals and initiated implementation of an AI-enabled Knowledge Management Center**, creating a centralized training hub that improves onboarding, speeds information access, and standardizes process guidance. This modernized system keeps institutional knowledge current, accessible, and reinforced through automation.

- **Drafted a redesigned management structure** that strengthens quality control, audit rigor, and people management, improving accountability and operational clarity. The new framework emphasizes continuous feedback, clear supervisory roles, and consistent performance oversight to enhance service accuracy and support staff.

Collectively, these accomplishments reflect LACERS' commitment to redesigning business processes, modernizing information systems, and building an organizational structure that improves service quality and operational effectiveness.

Other LACERS Goals Accomplishments for FY26

Highlights of other recent department accomplishments toward LACERS Strategic Goals include:

Outstanding Customer Service

- Counseled 1,952 Members in 2025, including 441 Members receiving counseling as they aged into Medicare (a 44% increase); total member contacts rose to 12,588 (a 6% increase over 2024)
- Successfully implemented the Retirement Orientation Pilot Program, resulting in 78% of attendees submitting applications within 60 days and improving overall retirement application processing times compared to the Retirement Application Portal (RAP)
- Increased Member Outreach and Education in 2025:
    - Conducted 135 events and seminars (8% increase)
    - Educated 24 different departments (23% increase)
    - Interacted with over 3,907 Members (9% increase)
- Completed the Amazon Web Services (AWS) Voicemail and Call Transfer Voicemail Project, resulting in a significant reduction in average call-handle time, allowing more calls to be answered, and an overall increase in LACERS' Service Level Agreement performance from 38% to 58% since implementation of the project
- Grew LinkedIn by 376 followers (about 35% growth), to a total of 1,436 followers.
- MyLACERS Portal Enhancements:

- Ensured the portal met the accessibility requirements mandated by the Department of Justice (DOJ). Updates include: Accessibility Improvements on Key Pages, Mobile Experience Enhancements, and User Interface and Navigation Updates.

Accurate and Timely Delivery of Benefits

- 100% on-time delivery of the pension payroll by the last of the month
- Received and processed 1,115 retirement applications
- Processed 1,884 claims paid to beneficiaries
- Conducted Domestic Alive and Well Audit with 95.4% response rate from retired Members
- Completed the Measure FF transfer of 314 Public Safety Officers (PSOs) elected to transfer membership to the Los Angeles Fire and Police Pension (LAFPP); 20 elected to remain with LACERS
- Successfully prorated and removed the Early Retirement Incentive Program (ERIP) deductions in WorkDay

Valued Health and Wellness Benefits

- LACERS Health Plan is 108.2% funded as of June 30, 2025 (based on market value of assets)
- LACERS' Health Care Fund savings were about $680,576 from self-funded plans and cost recovery measures
- Achieved savings on a three-year average of Retiree Health Premiums against the Actuarial Assumed Medical Trend Rate (AAMTR). Three-year average (2024 to 2026), LACERS 6.42% versus the AAMTR 7.33%
- 17,960 Medicare covered lives and 5,542 non-Medicare covered lives enrolled into the plan as of March, 2026
- Wellness Program Enhancement – In 2025, Member participation increased by 5.43%; successfully held 91 webinars, an increase by 18.18%; in-person events increased by 58%; outreach touchpoints increased by 69.2%
- Consistently maintaining an average of less than six months of processing time for service purchases and buybacks, while effectively managing a 26% increase in cases in 2025 compared to 2024

Superior Investments

- Achieved an unaudited total performance return of 14.33% net-of investment fees for Fiscal Year Ending June 30, 2026
- Successfully held a joint Emerging Manager Networking Forum with LAFPP

Good Governance

- LACERS' website met the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standards by achieving 100 percent accessibility compliance by April 24, 2026
- Successfully submitted the FY 2025 Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) for the Government Finance Officers Association (GFOA) Award Programs in Financial Reporting
- Completed 90% of the Internal Audit's Workplan as of June 30, 2026

Organizational Effectiveness, Efficiency, and Resiliency

- Successfully automated the annual insurance rate update process in LACERS' pension system, resulting in process efficiency and mitigating data entry errors
- Cataloged and indexed 3,144 files as part of the creation of the City Attorney Advice/Opinion Repository
- Completed Platform Migration – Full replacement of the legacy reporting technologies with a modern and scalable platform
- Redesigned the security architecture for the organization's cloud-native content management platform, expanding support in artificial intelligence (AI), workflows, and collaboration hubs
- Successfully deployed a scalable cloud-based backup and recovery infrastructure redesign that reduced long-term infrastructure costs, achieved a 99%+ reliable and immutable backup success rate, and strengthened cyber resilience against ransomware and other security threats
- Completed the scanning backlog of the Personnel records change forms (Form 41), which includes processing all scanning, sorting, verification, and destruction activities
- Completed the wall mural installation on the LACERS Headquarters building
- Completed six department-wide emergency preparedness trainings
- Launched the unit Parcel Lockers to securely and efficiently distribute and pick up mail and packages
- Completed the PO Box closure and mail migration of all incoming LACERS mail to the LACERS Headquarters, reducing trips to the central post office and allowing staff to focus on core services

High-Performing Workforce

- Hired four employees from the Target Local Hire Program (TLH) and four employees from the Bridge to Job Program (BTJ), while four TLH employees successfully transitioned to Admin Clerk; five transitioned to Office Service Assistant; two BTJ employees successfully transitioned to Accounting Clerk, while four employees transitioned to Accounting Clerk Assistant

- Enrolled four employees in the CALAPRS Management Academy and five employees received support through LACERS' tuition reimbursement program
- Launched the Lunch and Learn series, which enhances staff development through interactive, interest-driven learning opportunities
- Conducted Senior Leadership Off-Site Visioning Session

Business Plan Initiatives for FY27

This current fiscal year (FY27) will include four major initiatives, and work has begun on each, as described further below.

Governance

This is a continuing initiative from FY26 dedicated to developing new Board policies, as recommended in the most recent Management Audit report and other relevant Board policies as needed. The first new policy expected to go to the Governance Committee is the Operational Risk policy, and staff anticipates implementing the remaining Board policies by the end of FY27.

Artificial Intelligence (AI) Enablement

Looking ahead, LACERS will focus on deepening the integration of artificial intelligence across Benefits operations to strengthen staff support, improve accuracy, and streamline service delivery. Key goals include:

- Deploy AI Agents within internal benefits workflows to assist staff in case management, eligibility validation, knowledge retrieval, and procedural guidance. These agents will be designed to act as intelligent workflow companions that reduce manual effort and enhance consistency.

- Integrate AI Agents into the forthcoming Pod operational model, enabling automated triage, workload balancing, and real-time decision support. This will help ensure that staff have immediate access to reliable information and automated tools that reinforce high-quality member service.

- Expand the AI-enabled Knowledge Management Center by embedding agentic capabilities such as contextual search, guided training modules, and automated explanations of policies and procedures. This will support staff onboarding, ongoing training, and continuous skill development.

- Implement robust Agentic AI Controls and governance mechanisms to ensure that every deployed agent adheres to LACERS' security, compliance, and privacy requirements. Future work includes formalizing evaluation procedures, monitoring guardrails, and establishing lifecycle management processes for all operational AI agents.

- Develop specialized AI-supported quality assurance tools that leverage agentic intelligence to flag inconsistencies, identify audit risks, and support supervisors in maintaining performance standards across the Benefits division.

Together, these goals position LACERS to responsibly integrate advanced AI capabilities that empower staff, strengthen operational reliability, and improve member-focused outcomes.

Information Management and Workflow Redesign

As LACERS continues modernizing benefits operations, the next phase will center on evaluating and scaling the Pod model beyond the initial pilot in the Retirement Services Division (RSD). Key goals for this transition include:

- Conduct a formal evaluation of the Pod pilot's effectiveness, including workflow efficiency, staff experience, service consistency, and impact on benefit processing timelines. Findings will guide decisions on structural refinements and identify the support elements needed for full-scale implementation.
- Develop a comprehensive transition plan for expanding the Pod model across all RSD units, ensuring that roles, responsibilities, triage flows, and service expectations are clearly defined. This will include change management, staff engagement, and training strategies to facilitate a smooth organization-wide shift.
- Design and implement a full RSD organizational re-architecture grounded in lessons learned from the pilot. This future structure will emphasize coordinated teams, streamlined information flow, standardized procedures, and greater operational alignment across units.
- Integrate quality assurance and audit functions into the new operating model, ensuring that the modernized RSD structure prioritizes accuracy, member service reliability, and continuous improvement.
- Support staff through training, knowledge development, and new management practices that reinforce collaboration, empower decision-making, and ensure consistent application of benefits policies across the reorganized division.

Collectively, these goals position LACERS to transition from a successful pilot to a fully reengineered RSD framework that enhances service delivery, operational efficiency, and organizational resilience.

New Employee Orientation Integration

This new initiative is designed to enhance the employee onboarding experience outside of the mandatory Human Resources (HR) processes. It aims to address gaps in new employees' understanding of benefits and performance expectations, by establishing a centralized, standardized onboarding framework. Key goals include:

- Standardized onboarding framework outlining goals, scope, and required onboarding components
- Delivery of standardized LACERS-specific training for all new employees
- Template for division-specific onboarding guides

Prepared By:
Chhintana Kurimoto, Management Analyst, Executive Office of Governance and Performance

TB:VJ:LL:CK

ATTACHMENT: 1. Fiscal Year-End Report of Business Plan Initiatives for the period ending June 30, 2026

BOARD MEETING: August 11, 2026

ITEM: III-D

ATTACHMENT: 1

FISCAL YEAR 2025-26

BUSINESS PLAN INITIATIVES

FISCAL YEAR-END REPORT OF BUSINESS PLAN INITIATIVES

FOR THE PERIOD ENDING JUNE 30, 2026

TABLE OF CONTENTS

LACERS GOALS

CUSTOMER SERVICE

Provide outstanding customer service that meets Members’ needs

BENEFITS DELIVERY

Deliver accurate and timely Member benefits

HEALTH & WELLNESS

Improve value and minimize costs of Members’ health and wellness benefits

INVESTMENTS

Optimize long-term risk adjusted returns through superior investments

GOVERNANCE

Uphold good governance practices which affirm transparency, accountability, and fiduciary duty

ORGANIZATION

Increase organizational effectiveness, efficiency, and resiliency

WORKFORCE

Recruit, retain, mentor, empower, and promote a high-performing workforce

EXECUTIVE SUMMARY DASHBOARD

Status: Completed On-Track Off-Track Intervention Needed

	INITIATIVES	GOALS	STATUS	INITIATIVE LEADS
1.	Governance	Governance	On-Track	Vikram Jadhav
2.	Business Continuity Plan	Organization	On-Track	Horacio Arroyo Kristen Szanto
3.	LACERS Artificial Intelligence (AI) Enablement	Organization	On-Track	Vikram Jadhav Thomas Ma
4.	Information Management and Workflow Redesign	Benefits Delivery	On-Track	Vikram Jadhav Isaias Cantu Audrey Dymally Lauren McCall

GOVERNANCE

STATUS: On-Track
STRATEGIC GOAL(S): Governance
DIVISION(S)/SECTION: Executive Office of Governance and Performance (EGAP)
LEAD(S): Vikram Jadhav
TEAM: Chhintana Kurimoto, Lisa Li
REPORT MONTHS: July 2025 – June 2026

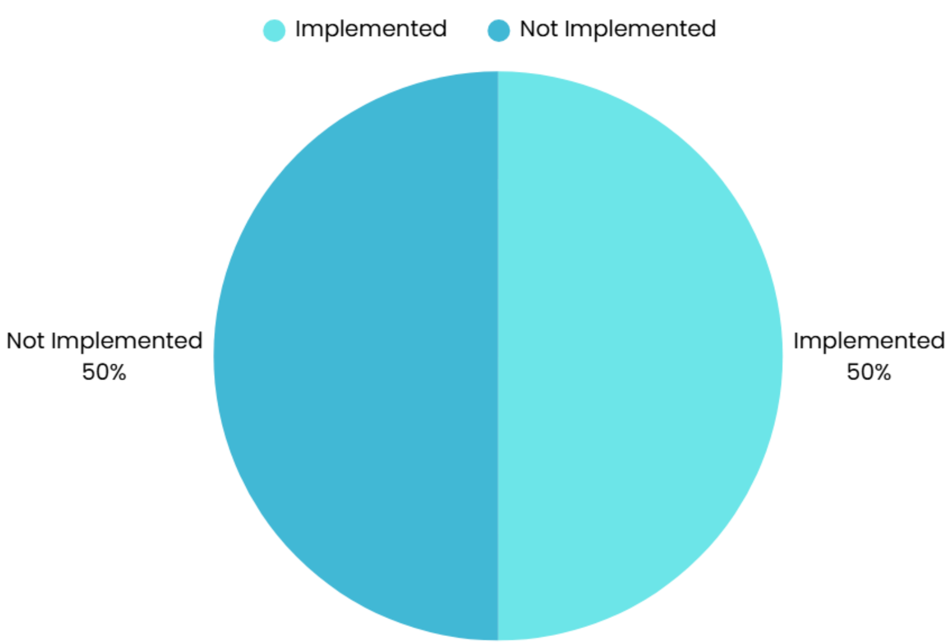
PURPOSE:
To complete the triennial review of Board policies and implement updated board policies to ensure continued relevance, effectiveness, and compliance with regulatory requirements, thereby strengthening the Board's ability to effectively govern LACERS.

FISCAL YEAR 2026-27 BUDGET:

Allocated Budget	Expended	Available Balance
N/A	N/A	N/A

KEY METRICS:

Progress on new policies recommended by the Management Audit to be added to the Board Manual



MILESTONES

- Completed Triennial Board Policies review: Board Education & Travel Policy and Contract Renewal Policy
- Drafted and implemented five new Board Policies: Budget Approval Policy, Compensation Policy, Whistleblower Policy, Succession Policy, and Information Security Policy
- Drafted and submitted Charter changes to the Charter Reform Commission and to the City Council for consideration

ACCOMPLISHMENTS

In FY26, LACERS has made significant progress in several areas. 1) Successfully separated the Board Education & Travel Policy into two policies for better clarification and readability, 2) Updated the Contract Renewal Policy, 3) Implemented five policies recommended by the Management Audit, and 4) drafted and submitted Charter change proposals to the Charter Reform Commission and the City Council. None of LACERS' Charter change proposals were considered or moved forward, though they are held for future consideration by City Council. LACERS will continue to monitor any updates.

The next step for the initiative is to continue drafting the remaining policies recommended by the Management Audit for the Board's consideration and prepare for the next triennial board policy review within the next fiscal year.

BUSINESS CONTINUITY PLAN

STATUS: On-Track
STRATEGIC GOAL(S): Organization
DIVISION(S)/SECTION: Administration
LEADS: Kristen Szanto, Horacio Arroyo
TEAM: Dale Herron
REPORT MONTHS: July 2025 – June 2026

PURPOSE:
Continue to improve and test the LACERS Business Continuity Plan (BCP).

FISCAL YEAR 2025-26 BUDGET:

Allocated Budget	Expended	Available Balance
$98,487	$61,335	$37,152

KEY METRICS:

17 senior staff trained in their annual role in updating the Department Emergency Plan and the BCP	**136** staff who participated in a simulation of an active shooter situation and shelter-in-place exercise
100% of staff completed Workplace Violence Prevention Plan training prepared by ASO	**28** employees with current training on First Aid, CPR, and AED **11** trained to use Narcan
102 employees trained on emergency response and Floor Warden trainings	**116** employees participated in evacuation drills

MILESTONES

- Conducted shelter-in-place exercise and active shooter tabletop
- Submitted annual Departmental Emergency Plan to the Emergency Management Department
- Conducted First Aid/CPR/AED training and will continue to offer training annual to employees
- Conducted various emergency-related trainings including Workplace Violence Prevention, Safety-related trainings, Business Continuity, etc.
- Onboarded all LACERS employees to the new Building Safety Solutions (BSS) Training Portal

ACCOMPLISHMENTS

The Administrative Services Office (ASO) launched a series of trainings, drills, and tabletop exercises that have begun transforming the BCP from a static document into a living, resilient program. This approach helps LACERS staff anticipate operational issues, set priorities, and coordinate responses before a disruption becomes a crisis.

The launch of the Building Safety Solutions (BSS) Training Portal has also automated the facility's annual evacuation and facility safety training, allowing staff to complete the course on their own time and resulting in stronger participation than past in-person sessions.

Future initiatives will focus on advancing the BCP initiatives, including further strengthening our cybersecurity posture and IT recovery readiness. In addition, ASO will conduct business impact analyses (BIA) on all Software-as-a-Service (SaaS) and proprietary software in use, which will help ensure we fully understand critical dependencies and are better prepared for potential IT disruptions. In addition, ASO will continue to deliver life-saving and emergency preparedness training, including First Aid, Los Angeles Police Department (LAPD) security awareness, and other emergency response training.

LACERS ARTIFICIAL INTELLIGENCE (AI) ENABLEMENT

STATUS: On-Track
STRATEGIC GOAL(S): Organization
DIVISION(S)/SECTION: Executive Office of Governance and Performance; Systems Division
LEADS: Vikram Jadhav, Thomas Ma
TEAM: Chhintana Kurimoto, Lisa Li; Julie Guan
REPORT MONTHS: July 2025 – June 2026

PURPOSE:
This initiative aims to modernize LACERS operations through strategic adoption of artificial intelligence, including development of Generative AI policies, implementation of Copilot and BOX AI, creation of Agentic AI Controls, and integration of AI-enabled tools to improve staff efficiency, knowledge management, and benefits service delivery.

FISCAL YEAR 2026-27 BUDGET:

Allocated Budget	Expended	Available Balance
NA	NA	NA

KEY METRICS:
As this is a newly launched initiative focused on AI enablement and the development of foundational infrastructure—including AI training, policy creation, and agent governance—formal performance metrics are not yet applicable.

Baseline measurements and ongoing tracking will begin in Fiscal Year 2027, once operational AI tools, agentic workflows, and knowledge-management systems are fully implemented and producing measurable outcomes.

MILESTONES

- Delivered organization-wide AI Lunch & Learn training series
- Implemented BOX AI and Microsoft Copilot for productivity and enhanced search
- Developed formal Generative AI Policies for responsible governance
- Created Agentic AI Controls Procedure governing AI agent integration

ACCOMPLISHMENTS

During this reporting period, LACERS achieved several critical milestones in advancing responsible AI adoption and preparing the organization for broader technological transformation.

- Developed formal Generative AI Policies to govern responsible use, data protection, compliance, and ethical guidelines for AI implementation within LACERS environments
- Delivered comprehensive AI Training through the LACERS Lunch & Learn series, equipping staff with foundational knowledge of artificial intelligence, responsible use guidelines, and practical applications across benefits operations
- Successfully implemented Box AI to provide secure document intelligence, search capabilities, productivity automation, and staff support tools across our enterprise content management suite
- Successfully implemented Microsoft CoPilot to help staff produce higher-quality work by reducing errors, improving clarity, and standardizing best practices
- Created a robust Agentic AI Controls Procedure establishing governance, risk evaluation, security guardrails, and integration workflows for future AI agent deployments within LACERS operational systems

These accomplishments lay the groundwork for modernizing internal workflows, strengthening security, and enabling safe, strategic adoption of agentic AI within LACERS operations.

INFORMATION MANAGEMENT AND WORKFLOW REDESIGN

STATUS: On-Track
STRATEGIC GOAL(S): Benefits Delivery
DIVISION(S)/SECTION: Executive Office of Governance and Performance;
Retirement Services Division
LEADS: Vikram Jadhav, Isaias Cantu, Lauren McCall, Audrey Dymally
TEAM: Estella Priebe, Chhintana Kurimoto, Lisa Li
REPORT MONTHS: July 2025 - June 2026

PURPOSE:
The purpose of this initiative is to redesign and modernize LACERS' benefits operations by improving information flow, standardizing work distribution, and establishing a more efficient benefits delivery process within the Retirement Services Division (RSD).

FISCAL YEAR 2026-27 BUDGET:

Allocated Budget	Expended	Available Balance
NA	NA	NA

KEY METRICS:
As this initiative is in its foundational stage, key performance metrics are not yet trackable or meaningful at this time. Infrastructure development, policy creation, training, and workflow redesign are currently underway. Formal metric collection and performance tracking will begin in Fiscal Year 2026-27, once AI-enabled tools, agentic systems, and redesigned workflows are fully deployed and producing measurable operational outcomes.

MILESTONES

- Implemented the AI-enabled Knowledge Management Center through Box Hubs to centralize training resources and improve staff access to operational guidance
- Launched the Pod pilot within RSD to test a new team-based workflow and triage model
- Established intake and triage procedures for routing work from unit managers to the Pod
- Developed updated procedures manuals to support redesigned workflows and improve consistency
- Assessed coordination, efficiency, and output quality within the Pod pilot through staff feedback, performance observation, and workflow tracking

- Drafted a new management structure emphasizing quality control, audit alignment, and improved people-management responsibilities

ACCOMPLISHMENTS

During this reporting period, LACERS made substantial progress in redesigning core operational processes, strengthening information flow, and preparing the organization for future structural transformation:

- Launched the Pod organizational structure pilot within RSD, establishing a new workflow model designed to improve coordination, triage efficiency, and cross-functional collaboration. This pilot serves as the foundation for a broader benefits-division reorganization aimed at streamlining service delivery and enhancing consistency across units.
- Developed new procedural manuals and initiated implementation of an AI-enabled Knowledge Management Center, creating a centralized, intelligent training hub that supports staff onboarding, rapid information retrieval, and standardized process guidance. This modernized approach ensures that institutional knowledge is accessible, current, and reinforced through automation.
- Drafted a redesigned management structure emphasizing quality control, audit rigor, and effective people management, improving accountability and operational clarity. The new structure prioritizes continuous feedback loops, performance oversight, and well-defined supervisory responsibilities to strengthen service accuracy and staff support.
- Completed three of five Central Repository development phases—report consolidation, database cleanup, and process mapping—significantly advancing LACERS' modernization and legacy system retirement efforts.

Collectively, these accomplishments reflect LACERS' commitment to redesigning business processes, modernizing information systems, and building an organizational structure that improves service quality and operational effectiveness.

Board Agenda of: August 11, 2026
Item No.: IV-A

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

July 14, 2026
10:09 A.M.

Present:

Annie Chao, President

Janna Sidley, Vice President

Thuy Huynh, Commissioner

Susan Liem, Commissioner

Thomas Moutes, Commissioner

Gaylord "Rusty" Roten, Commissioner

Sung Won Sohn, Commissioner

Legal Counselor:

Miguel Bahamon

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

The Items in the Minutes are numbered to correspond with the Agenda.

II

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, General Manager, advised the Board of the following items:

- Commissioner Sohn's reappointment to the LACERS Board for another five-year term was confirmed by the City Council on June 30, 2026. Commissioner Sohn's new term was effective July 1, 2026, through June 30, 2031.
- Effective July 11th, Rod June is officially retired as LACERS Chief Investment Officer. Effective immediately, Deputy CIO Wilkin Ly is LACERS Acting CIO. LACERS management is also preparing the CIO recruitment process. As the 45-day solicitation holding period has expired, we have let out requests for proposals for qualified executive search firms and expect to come back to the Board on this item for funding approvals and next steps in the process.
- Fiscal Year End and New Payroll Adjustments: We are tracking for adjustment to Active employee payroll for ERIP expiration and Family Death Benefit Program withholding adjustment, as well as for Tier 1 and Tier 3 retiree COLA's of 3% and 2% respectively. All of these changes have been tested and implemented pending upcoming payroll runs.
- Benefit Operations Update: Communication and Stakeholder Relations Division: Website RFP – The Communication and Stakeholder Relations Division has released a Request for Proposal to secure vendors capable of WCAG-compliant websites, document remediation services, and captioning.
- Retirement Services Division: Department Personnel Director Seminar – The Retirement Services Division hosted a Department Personnel Director Seminar on Thursday, July 9th, with 94 participants from various department's Human Resources Sections. This is a past practice we've reconstituted to be conducted on an annual basis.
- Health Wellness, & Buyback Division: IRMAA Outreach – The Health Wellness, and Buyback Division conducted an IRMAA Outreach on July 7th, providing a virtual briefing for City Leadership, Union Leaders, and Key Stakeholders on the Medicare Income-Related Monthly Adjustment Amount and its direct financial impact on City Retirees. The presentation covered an overview of LACERS retiree health benefits and enrollment requirements, an explanation of IRMAA, and additional implications for Members hired before April 1, 1986.
- The Active Members Training Project Update: The Active Members Training Project is progressing following the Board's Wellness Budget approval of funding

to develop a comprehensive educational module for active LACERS Members through the Cornerstone Learning platform available to all City employees.

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

- Board Meeting on July 28, 2026: Receipt of the City's Contributions for Fiscal Year 2026-27, Election of Board Officers for Fiscal Year 2026-27, and Legislative Update.
- Benefit Administration Committee: Medical, Dental, Vision Renewals – Tentatively pending timely receipt of renewals data from the carriers.

President Chao took Item I out of order.

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 received via email from Christina Williams, a member of the public, regarding one of the nation's greatest behavioral health challenges.

II

C. INTRODUCTION OF NEW CITY ATTORNEY STAFF – Miguel Bahamon, Deputy City Attorney IV, welcomed Tamar Terzian, Deputy City Attorney III, as well as interns Maria Velazquez and Leylany Lara. The new members of the City Attorney staff introduced themselves.

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. ANNUAL CONTRACTOR DISCLOSURE COMPLIANCE REPORT FOR THE YEAR ENDED DECEMBER 31, 2025 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 23, 2026 – Vice President Sidley stated the Committee discussed the Board Policy Review: Information Security Policy.

V

Vice President Sidley moved approval of Consent Agenda Item V-A, and seconded by Commissioner Moutes, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, Sohn, Vice President Sidley, and President Chao -7; Nays, None.

CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETING ON JUNE 9, 2026 AND POSSIBLE BOARD ACTION

VI

BOARD/DEPARTMENT ADMINISTRATION

A. REPORT ON MEASURE FF TIER 1-ENHANCED PUBLIC SAFETY OFFICER TRANSFER OPPORTUNITY AND POSSIBLE BOARD ACTION – Isaias Cantu, Chief Benefits Analyst, presented and discussed this item with the Board for three minutes. This report was received by the Board and filed.

B. BOARD POLICY REVIEW: INFORMATION SECURITY POLICY AND POSSIBLE BOARD ACTION – Lisa Li, Management Analyst, presented and discussed this item with the Board for one minute. Vice President Sidley moved approval, seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, Sohn, Vice President Sidley, and President Chao -7; Nays, None.

C. CONTRACT WITH ONACTUATE CONSULTING US INC AND RELATED SUPPLEMENTAL APPROPRIATION FOR THE IMPLEMENTATION OF THE MICROSOFT DYNAMICS 365 BUSINESS CENTRAL AND POSSIBLE BOARD ACTION – JoAnn Peralta, Departmental Chief Accountant IV, presented and discussed this item with the Board for four minutes. Vice President Sidley moved approval of the following Resolution:

CONTRACT WITH ONACTUATE CONSULTING US INC AND RELATED SUPPLEMENTAL APPROPRIATION FOR THE IMPLEMENTATION OF MICROSOFT DYNAMICS 365 BUSINESS CENTRAL

RESOLUTION 260714-A

WHEREAS, Microsoft Dynamics GP 2015, the current General Ledger (GL) software used to maintain and record all financial transactions of LACERS, is critical to preparing the required annual financial report, reached Microsoft's end-of-support date in April 2025. As a result, the system no longer receives vendor support, security updates, or product enhancements, increasing operational and business continuity risks.

WHEREAS, Microsoft Dynamics 365 Business Central is Microsoft's strategic successor to Dynamics GP, offering a secure, cloud-based platform with ongoing vendor support and more robust financial management reporting, workflow automation, and audit capabilities that support current operational needs and future growth.

WHEREAS, staff evaluated available procurement options for implementing the new GL software, including engaging the City's contracted technology vendor and participating in the California Multiple Award Schedule (CMAS) procurement program established by the State of California, which provides access to pre-qualified vendors and negotiated pricing.

WHEREAS, OnActuate Consulting US Inc., a qualified Microsoft partner with extensive and relevant experience implementing Microsoft Dynamics 365 Business Central, is part of CMAS and has provided the proposed scope, deliverables, implementation approach, project timeline, and pricing, which offer better overall value for the implementation of Microsoft Dynamics 365 Business Central.

WHEREAS, an appropriation of $90,000 was included in the LACERS Fiscal Year 2025-26 departmental budget for the implementation of Microsoft Dynamics 365 Business Central; however, the procurement process for the services took longer than expected, and therefore, the re-appropriation of these funds for Fiscal Year 2026-27, along with an additional fund request to cover the increase in fees and the estimated cost of optional changes and customization, is needed.

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

1. Approve a one-year contract with OnActuate Consulting US Inc. for the implementation of Microsoft Dynamics 365 Business Central.
2. Approve the FY 2026-27 supplemental appropriation of $116,570 under Fund 800, Appropriation Account 163040 – Contractual Services, for the implementation of Microsoft Dynamics 365 Business Central.
3. Authorize the General Manager to negotiate and execute the new contract, subject to the review and approval of the City Attorney as to form.

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

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Acting Chief Investment Officer, reported on the portfolio value of $27.92 billion as of July 13, 2026; and the Volatility Index at 16. Wilkin Ly discussed the following items:

INDUSTRY NEWS:
a. Discussion of U.S. stock market events
- S&P 500 return for Q2 2026
- Russell 2000 return for Fiscal Year 2025-2026

PERFORMANCE:
a. Preliminary unaudited 1-year total portfolio return of 14.25 % net of fees

OPERATIONAL:
a. Deployment plans for annual City contribution
b. Introduction of Girls Who Invest Intern, Dezerae Mendoza

FUTURE AGENDA ITEMS:
a. Annual report on LACERS Emerging Investment Manager Program
b. Q2 2026 portfolio performance review
c. U.S. Small cap analysis

B. INVESTMENT MANAGER CONTRACT WITH LAZARD ASSET MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS CORE PORTFOLIO AND POSSIBLE BOARD ACTION – Barbara Sandoval, Investment Officer II, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board for five minutes. Commissioner Huynh moved approval of the following Resolution:

CONTRACT EXPIRATION
LAZARD ASSET MANAGEMENT LLC
ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS CORE
PORTFOLIO MANAGEMENT

RESOLUTION 260714-B

WHEREAS, LACERS' current three-year contract with Lazard Asset Management LLC (Lazard) for management of an active non-U.S. equities developed markets core portfolio management expires on September 30, 2026; and,

WHEREAS, Lazard was placed "On-Watch" on July 11, 2025, due to underperformance, in accordance with the LACERS Manager Monitoring Policy; and, WHEREAS, as of May 31, 2026, the strategy continues to underperform the benchmark and breach Policy criteria; and has been on watch status due to underperformance or organizational changes throughout the most recent contract period; and,

WHEREAS, on July 14, 2026, the Board approved staff and NEPC LLC's recommendation to allow the Lazard contract to expire on September 30, 2026 and have the proceeds fund near-term cash and rebalancing needs; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the contract expiration of Lazard and authorizes LACERS staff to use the proceeds for near-term cash and rebalancing needs.

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

C. RESPONSIBLE INVESTMENT PROGRAM EXPENDITURES REVIEW AND POSSIBLE BOARD ACTION – Todd Bouey, General Manager, and Ellen Chen, Investment Officer III, presented and discussed this item with the Board for 20 minutes. The Board provided staff with direction and to bring this item back to the Board for consideration.

D. NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN PRIME PROPERTY FUND, LLC – This report was received by the Board and filed.

The Board did not discuss any Legal/Litigation items.

VIII

LEGAL/LITIGATION

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)

B. 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: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)

IX

OTHER BUSINESS – President Chao reported that she received an additional public comment card from Rosario Martinez, a member of the public. Rosario Martinez made a public comment concerning SEIU-USWW Pension.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 28, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XI

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the meeting at 11:20 A.M.

Annie Chao President
Todd Bouey, Manager-Secretary

REPORT TO BOARD OF ADMINISTRATION
MEETING: AUGUST 11, 2026
FROM: Isaias Cantù, Chief Benefits Analyst
ITEM: IV-B

SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF FE VELASCO AND POSSIBLE BOARD ACTION

☐ ACTION ☐ CLOSED ☒ CONSENT ☐ RECEIVE & FILE

Recommendation

That, pursuant to Los Angeles Administrative Code § 4.1008(b), the Board approve the disability retirement benefit for Fe Velasco based on their claimed disabling condition and the supporting medical evidence contained in the administrative record, which includes reports by three licensed, practicing physicians.

Background

Fe Velasco (Applicant), age 73, is an Administrative Clerk at the Department of Recreation and Parks with 15.76185 years of City Service. The Applicant applied for disability retirement on February 13, 2025, within the normal one-year filing period.

The Applicant's last day on active payroll was October 17, 2024. If approved, the Applicant's retirement effective date will be October 18, 2024.

Accommodation

Because Physicians 1 and 2 opined the Applicant is disabled with no form of accommodation that would allow the Applicant to return to work, no inquiries were made with the employing department.

Fiscal Impact

Upon approval, the Applicant would receive a disability allowance of approximately $1,760.00 per month, and a retroactive payment covering approximately 23 months of approximately $40,480.00.

Prepared By:

Rachelle Ramiento, Benefits Specialist, Retirement Services Division
Carol Jackson, Benefits Analyst, Retirement Services Division
Claudia Batres-Flores, Sr. Benefits Analyst I, Retirement Services Division

TB:DWN:IC:CBF:rr

ATTACHMENT(S): 1 Proposed Resolution

BOARD MEETING: 08/11/2026

ITEM: IV-B

ATTACHMENT: 1

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR FE VELASCO

PROPOSED RESOLUTION

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 and 2 examined Fe Velasco and concluded that they are unable to perform their usual and customary duties as an Administrative Clerk with the City of Los Angeles;

NOTWITHSTANDING, Physician 3 examined and concluded Fe Velasco is able to perform the usual and customary duties as an Administrative Clerk 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 Fe Velasco is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing the duties as an Administrative Clerk;

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 applicant's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the retirement benefit for Fe Velasco based upon their claimed disabling conditions.

REPORT TO BOARD OF ADMINISTRATION
MEETING: AUGUST 11, 2026
FROM: Todd Bouey, General Manager
ITEM: V-A

SUBJECT: 2027 HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board:
1. Approve the 45.1% Anthem Medicare Supplement premium increase;
2. Approve adding an over-the-counter benefit to the Kaiser Permanente Senior Advantage plan at an estimated cost of $399,391 per year;
3. Approve the proposed Anthem Blue Vision benefit enhancement Option 3A (with or without copayment change) at an estimated cost of $215,751; with no premium increase;
4. Approve the UnitedHealthcare average premium increase of 2.9%;
5. Approve the proposed 2027 contract renewals for LACERS medical, dental, and vision plans, allowing for minor premium adjustments; and,
6. Authorize the General Manager to make premium adjustments within the limitations established in the Los Angeles Administrative Code, as necessitated by updates or information received after this report.

Executive Summary

The recommended health plan contract renewals and associated premium changes for 2027 resulted in an overall increase in medical, dental, and vision premium costs of approximately $11.4 million or 6.3%, from $181.5 million in 2026 to $192.9 million.

The proposed 2027 carrier premium changes for one-party LACERS medical, dental, and vision plans are shown below (additional coverage level increases are reflected in Attachment 1):

- Anthem Blue Cross HMO: 10.6%, $157.27
- Anthem Blue Cross PPO: 5.8%, $108.19
- Anthem Blue Cross Life and Health Medicare Plan (Medicare Supplement): 45.1%, $281.33
- Anthem Blue Cross Medicare Preferred (PPO) Plan: 3.5%, $15.00
- Kaiser Permanente HMO: 9.9%, $115.03
- Kaiser Permanente Senior Advantage HMO: 1.8%, $4.66
- SCAN Health Plan Medicare Advantage HMO: 0.0%
- UnitedHealthcare Medicare Advantage HMO: 2.9%, $12.00
- Delta Dental HMO: 0.0%
- Delta Dental PPO: 2.4%, $1.25
- Anthem Blue View Vision: 0.0%

Discussion

Annual premium renewal rates are solicited from LACERS' medical plan carriers: Kaiser Permanente (Kaiser), Anthem Blue Cross (Anthem), UnitedHealthcare (UHC), and Senior Care Action Network (SCAN). Preliminary rates are negotiated by LACERS' Health and Welfare Consultant, Keenan & Associates (Keenan), to arrive at the final proposed renewal rates presented herein.

2027 Medical Plan Renewal Summary

The 2027 preliminary medical premiums increased by $14.5 million or 8.7%, from $167.0 million to $181.5 million. After negotiations with Keenan, the 2027 medical premium cost was reduced to $178.1 million, an increase of approximately $11.1 million or 6.7% from the 2026 medical premium cost. The increase includes one benefit change to provide an over-the-counter (OTC) benefit to the Kaiser Senior Advantage plan to align with the Anthem Medicare Advantage PPO Plan. A breakdown of premium cost changes from 2026 to 2027 by carrier is included in the attached Keenan report.

UHC Plan Renewal Increase

UHC proposed an average plan increase of 2.9%, or approximately $116,000; 2.9% ($12.00) for California, 3.7% ($12.00) for Nevada, and 2.9% ($12.00) for Arizona. This follows a significant 2026 increase of 39.1%: 42.7% ($94.80) in California, 32.2% ($80.00) in Nevada, and 16.8% ($60.00) in Arizona when the UHC premium increases for 2025 and 2026 were smoothed using the 115 Trust funds. The buydowns for prior years were approximately $286,000 in 2025 and approximately $564,000 in 2026.

The projected 2027 premium increase is $74.50, or 18%, which includes the year-over-year premium increase and the expiration of the temporary 2026 employer-funded rate buydown. The projected 2027 UHC premium increase is reasonable compared with the last two years; therefore, a buydown from the 115 Trust is unnecessary.

Approximately 70% of the 625 Members enrolled in UHC are fully subsidized and will not incur deductions. Across all three states, approximately 50 Members with one-party coverage and the minimal subsidy will see an increase in premium deductions ranging from $10.50 to $18.63. In addition, these Members have options to switch to other lower-cost plans, such as SCAN and Anthem Medicare Preferred in California, as well as the Anthem Medicare Preferred plan in Arizona and Nevada. It is recommended that the Board approve this premium rate increase, with no buydown for 2027.

Anthem Premium Increase and Anthem Medicare Advantage Prescription Drug (MAPD) Decoupling

Anthem proposed an average plan increase of 6.9%, or about $5.6 million. This includes: a 5.8% increase for Anthem PPO (under 65 and over 65 Part B only); a 10.6% increase for Anthem HMO (under 65 and over 65 Part B only); a 3.5% increase for Medicare Advantage; and a 45.1% increase (about $766,000) for the Medicare Supplement plan. It is recommended that the Board approve these premium increases, including the 45.1% for the Medicare Supplement plan with no buydown.

Although the Anthem Medicare Supplement Plan will experience a 45.1% premium increase for the 355 Members in this plan, approximately 181 Members are fully subsidized and will not incur any deductions. Approximately 174 Members will incur between $91.44 to $1,137.98 in deductions. Of these 174 Members, 78 are fully subsidized for their coverage because they have 20+ years of service credit; the premium deduction applies to their dependents' coverage. Their dependents' coverage is subsidized by an average of 85%. Members who chose the Medicare Supplement plan understood that it is the most expensive LACERS Medicare plan; however, these Members have the option to switch to the Anthem Medicare Preferred during Open Enrollment, which offers additional benefits at a lower cost. LACERS would pay 85% of the premium, either way, as most Members are fully subsidized.

Decoupling Recommendation

Keenan provided an option for LACERS to decouple the Medicare prescription drug (Part D) coverage from the Medicare Preferred Advantage Plan bundle. There is potential to save approximately $1-$2 million in the first year. However, this recommendation was submitted to LACERS, prior to the Medicare announcement of removing additional subsidies provided to the Medicare Advantage Plans. Because of the uncertainty regarding potential unintended consequences of incurring additional costs and increasing administrative burden on LACERS, LACERS is not recommending Board adoption of the proposed decoupling. The decoupling could create distinct medical and pharmacy plans, which could improve affordability by increasing reimbursements available through the Centers for Medicare & Medicaid Services (CMS). However, due to ongoing changes to Medicare, the potential savings may be temporary, and combining the plans in the future may add additional burden to LACERS, since there are limits on adding benefits. The change could also create confusion for Members now having to enroll in two rather than one plan, and it is expected to increase LACERS' workload. Potential cost savings may be temporary, with medical costs trending upward.

Kaiser Plan Renewal - Over-the-Counter Coverage

Kaiser proposed an average plan increase of 6.8%; 9.9% ($115.03) for HMO under 65, and 1.8% ($4.66) for Senior Advantage. The over-the-counter (OTC) benefit added to the Kaiser Senior Advantage plan for 2027 aligns with Anthem's Medicare Preferred (PPO) plan.

OTC coverage benefits Medicare Advantage Members by reducing routine out-of-pocket health expenses and improving access to essential wellness products. It may cover many everyday items such as pain relievers, allergy medications, vitamins, first-aid supplies, and basic health-monitoring tools. The benefit adds supplemental value without affecting existing deductibles or copayments, and Members can conveniently obtain these products online, by mail, or phone, or through participating retail locations. Implementing OTC coverage is projected to cost LACERS approximately $399,391 annually (approximately $3.40 per member per month), based on roughly 9,789 enrolled members as of February 2026.

Adding this benefit to the Kaiser Senior Advantage plan for 2027 will increase the total premium cost by about 0.2%. This increase is within the Board's discretionary benefit change limit of one-half of one percent (0.5%) in total annual premium cost, which is $964,528 (Los Angeles Administrative Code Section 4.1106 and LACERS Board rules).

Delta Dental Renewal

The Delta Dental PPO has been self-funded by LACERS since January 1, 2019. A review of the premiums and claims shows that projected dental costs will exceed the current premiums, and underwriting determined that a 2.4% ($1.25) premium adjustment with a 2.50% margin, or a 0.1% ($0.05) adjustment without a margin, should cover the projected costs. If the premium is not increased and a deficit arises, the reserves in the 115 Trust would be used to cover it. LACERS recommends that the Board increase the 2027 premium by 2.4% ($1.25) to strengthen the reserves. As dental costs continue to rise, small, consistent annual adjustments are preferable to a larger future increase.

The DeltaCare USA (HMO) premium will not change as it is guaranteed through 2027 and has a rate cap for 2028 and 2029. Overall, the 2027 dental plan costs are estimated to increase by $302,878, or 2.2%, to $13.8 million.

Anthem Blue View Vision Renewal

The Anthem Blue View Vision has been self-funded by LACERS beginning on January 1, 2022. Based on a review of the premiums and claims, the vision plan is operating at a surplus, and the underwriting determined that the plan could withstand a 13.4% ($1.22) premium decrease with a 2.0% margin, or a 15.0% ($1.37) decrease without a margin.

Members have asked LACERS to consider changes to the Vision benefit to match the Active Employees Vision plan. The cost to increase would range from 4.2% ($34,674) to 26.1% ($215,751), with various enhancements matching the Active Employee Vision Plan (see Attachment 1, page 22 for detailed breakdown). LACERS is recommending Option 3A, which incorporates benefits similar to those of the Active Employee plan with a 26.1% ($215,751) increase.

Although the proposed enhancement increases the annual cost to approximately $1,041,980, the plan is operating at a surplus. Therefore, LACERS recommends that the premium remain unchanged for 2027 and that Option 3A be selected for vision benefits. Adding this benefit will increase the total premium cost by about 0.1%, within the Board's annual discretionary benefit enhancement limit. LACERS has requested a quote reflecting the exam copayment remaining at the current $20, along with the enhancements listed in attachment 1.

Kaiser Vision Plan Enhancement

Kaiser was also requested to provide enhancements to the vision plan aligning more closely to coverage available to active City employees.

Kaiser provided three options (Options A, B, and C); these options vary in frame and contact lens allowance levels and frequency limits, with corresponding impacts across both Commercial and Medicare plans. A detailed breakdown of each option is in Attachment 1.

Cost modeling shows that all three enhancement options would result in substantial increases to annual plan costs. For HMO Members, estimated increases range from approximately $75,600 to $115,700, depending on the selected option. For Senior Advantage Members, annual increases range from approximately $1.06 million to over $1.4 million. These increases represent significant percentage changes, with cost growth from 54% to more than 83% across the evaluated options.

After reviewing the financial impact, we are not recommending any changes to Kaiser vision benefits for plan year 2027. Maintaining the current plan ensures cost stability and avoids substantial premium increases for both Commercial and Medicare populations.

Wellness Funding

The carriers will continue to fund the LACERS Wellness program, providing a total of $298,500. Kaiser's funding of $150,000, Anthem's funding of $100,000, Anthem Blue View Vision's funding of $10,000, SCAN's funding of $20,000, UHC's funding of $8,500, and Delta Dental's funding of $10,000 remain at the same level as in 2026.

Prepared By:
Ariana Alvarez, Benefits Analyst

TB:DWN:KF:JK:MLD:AA

ATTACHMENTS:

1. Keenan Report – 2027 Health Plan Renewal Final Report
2. LACERS Historical Medical Cost Increases Through 2027
3. Proposed Resolution
4. UHC 2027 Plan Renewal Premium Deduction Comparison

BOARD MEETING: 08/11/2026
ITEM: V-A
ATTACHMENT: 1

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

LACERS

2027 Health Plan Final Renewal Report

August 11th, 2026

Respectfully Submitted by:

Keenan®

Bordan Darm, Lead Consultant

Jennifer Chien, Consultant

Jillian Turner, Underwriter

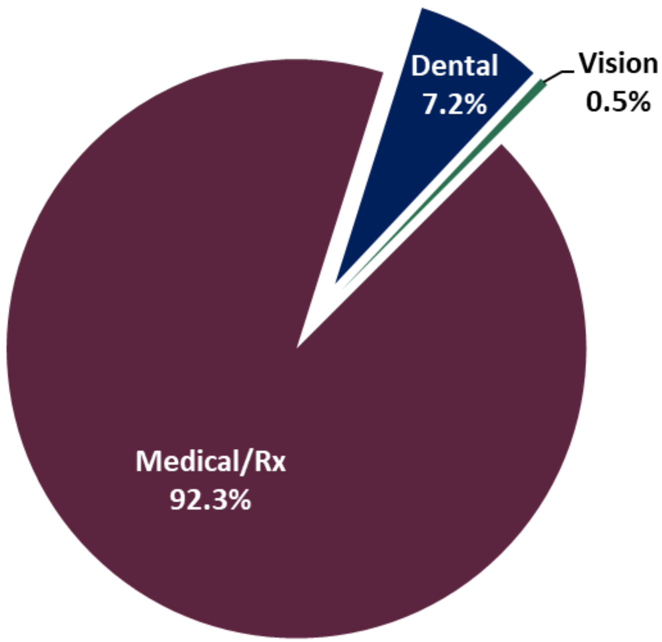
Table of Contents

Introduction

- This report presents Los Angeles City Employees' Retirement System's (LACERS) 2027 final health plan renewals.
- Anthem Blue Cross (Anthem), Kaiser Permanente (Kaiser), SCAN, and UnitedHealthcare (UHC) have provided medical plan renewals.
- The Delta Dental DHMO plan rates will remain unchanged for 2027.
- The Delta Dental PPO plan has been self-funded since 2019; the administration fee remains unchanged for 2027.
- Anthem Vision has been self-funded since 2022; the administration fee remains unchanged for 2027.
- Data provided by the carriers included plan designs, rates, and enrollment.

Executive Summary by Line of Coverage

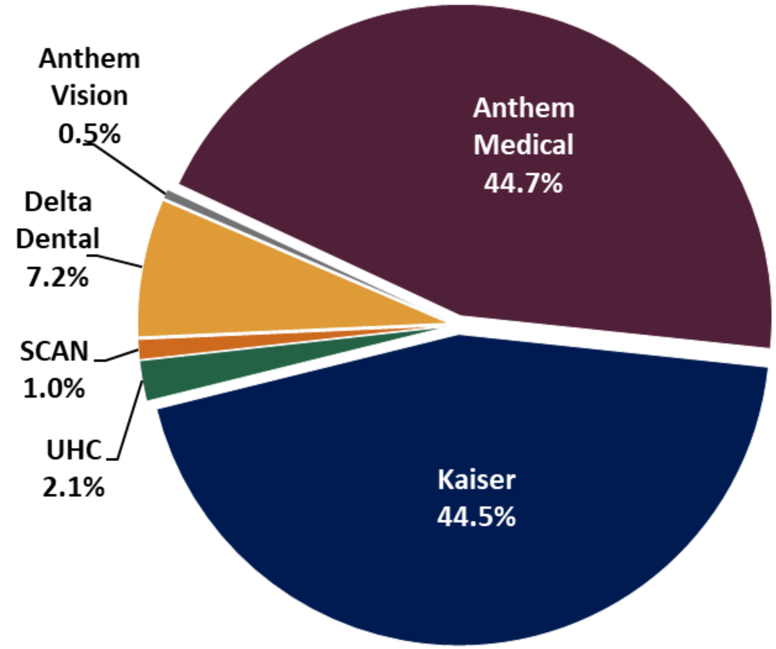
- The 2027 final renewal for LACERS' health plans requires an increase in cost of **$11.43 million** or **6.3%**.
- The 2027 LACERS final premium adjustment breakdown by line of coverage is as follows:
  - Medical/Rx premiums: **$11.13 million** or **6.7%**
  - Dental premiums: **$303k** or **2.2%**
  - Vision premiums: **$0** or **0.0%**
  - Total premiums: **$11.43 million** or **6.3%**



Overall Final Renewal	Current Enrollment	2026 Premium	2027 Renewal - Final			Negotiated Savings
			Premium	$ Change	% Change	
Medical/Rx	21,632	$167,016,125	$178,141,413	$11,125,289	6.7%	$3,391,386
Dental	17,740	$13,517,721	$13,820,598	$302,878	2.2%	$0
Vision	7,527	$943,587	$943,587	$0	0.0%	$0
Grand Total	**46,899**	**$181,477,432**	**$192,905,598**	**$11,428,166**	**6.3%**	**$3,391,386**

Executive Summary by Carrier

- The 2027 LACERS final renewal cost change by carrier is as follows:
  - Anthem: **$5.58 million** or **6.9%**
  - Kaiser: **$5.43 million** or **6.8%**
  - UHC: **$116k** or **2.9%**
  - SCAN: **$0** or **0.0%**
  - Delta Dental: **$303k** or **2.2%**
  - Anthem Blue View: **$0 or 0.0%**
- Kaiser and Anthem comprise 89.2% of the total cost.

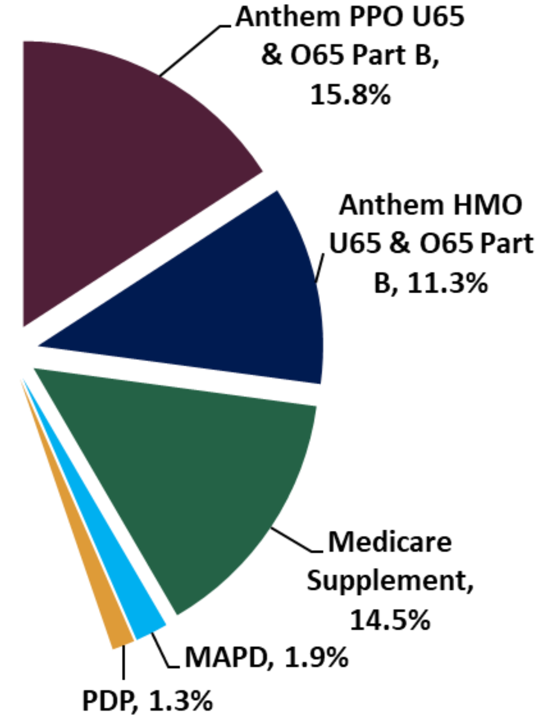


Carrier Final Renewal	Current Enrollment	2026 Premium	2027 Renewal - Final Premium	$ Change	% Change	Negotiated Savings
Anthem Medical	8,292	$80,722,446	$86,300,827	$5,578,381	6.9%	$1,220,729
Kaiser	11,758	$80,336,450	$85,767,294	$5,430,843	6.8%	$2,170,657
UHC	806	$3,946,767	$4,062,831	$116,064	2.9%	$0
SCAN	776	$2,010,461	$2,010,461	$0	0.0%	$0
Delta Dental	17,740	$13,517,721	$13,820,598	$302,878	2.2%	$0
Anthem Vision	7,527	$943,587	$943,587	$0	0.0%	$0
Grand Total	**46,899**	**$181,477,432**	**$192,905,598**	**$11,428,166**	**6.3%**	**$3,391,386**

Medical/Rx Renewals

Anthem Blue Cross Renewal

- Anthem comprises **44.7%** of LACERS' premium costs.
- Anthem requires the following rate adjustments:
  - PPO U65 & O65 Part B: **$1.68 million** or **5.8%**
    - Loss Ratio of **86%** over the experience period
  - HMO U65 & O65 Part B: **$2.08 million** or **10.6%**
    - Loss Ratio of **98%** over the experience period
  - Medicare Advantage (MAPD): **$939k** or **3.5%**
  - PDP (Rx Only): **$116k or 3.4%**
  - Medicare Supplement Coverage: **$766k** or **45.1%**
    - Loss Ratio of **137%** over the experience period
  - An overall change of **$5.58 million** or **6.9%**
- Other Consideration: $100,000 for wellness programs.



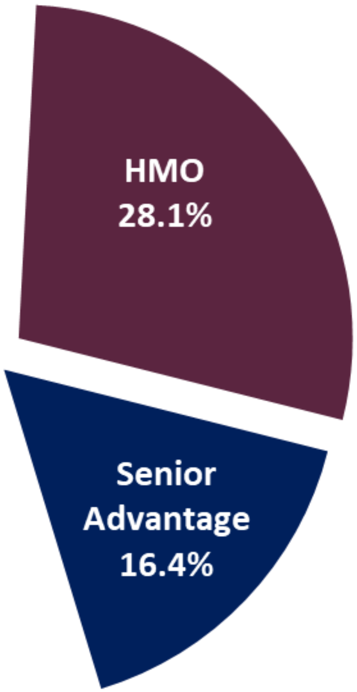
Anthem Final Renewal	Current Enrollment	2026 Premium	2027 Renewal - Final Premium	$ Change	% Change	Negotiated Savings
PPO Under 65 and 65+ Part B	1,095	$28,885,045	$30,560,350	$1,675,305	5.8%	$0
HMO Under 65 and 65+ Part B	783	$19,689,612	$21,770,825	$2,081,214	10.6%	$1,220,729
MAPD (Medical and Rx)	5,218	$26,986,870	$27,926,110	$939,240	3.5%	$0
PDP (Rx Only)	969	$3,461,307	$3,577,587	$116,280	3.4%	$0
Medicare Supplement	227	$1,699,613	$2,465,955	$766,343	45.1%	$0
Total	**8,292**	**$80,722,446**	**$86,300,827**	**$5,578,381**	**6.9%**	**$1,220,729**

Kaiser Permanente Renewal

- Kaiser comprises **44.5%** of LACERS' premium costs.

- Kaiser requires the following rate adjustments:
  - HMO U65: **$4.88 million** or **9.9%**
  - Senior Advantage: **$547k** or **1.8%**
  - Total All Kaiser: **$5.43 million** or **6.8%**

- Other Consideration: $150,000 health and wellness fund embedded in the Pre-65 rates.

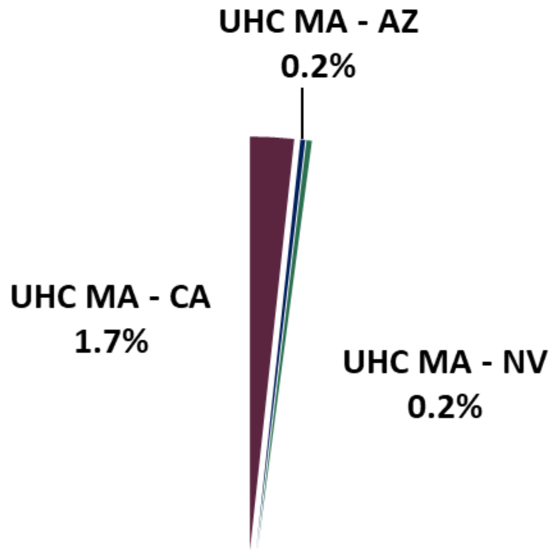


Kaiser Final Renewal	Current Enrollment	2026 Premium	2027 Renewal - Final Premium	2027 Renewal - Final $ Change	2027 Renewal - Final % Change	Negotiated Savings
HMO Under 65	1,969	$49,327,248	$54,210,690	$4,883,442	9.9%	$2,170,657
Senior Advantage	9,789	$31,009,203	$31,556,604	$547,401	1.8%	$0
Total	**11,758**	**$80,336,450**	**$85,767,294**	**$5,430,843**	**6.8%**	**$2,170,657**

UnitedHealthcare Renewal

- UHC comprises **2.1%** of LACERS' premium costs.

- Coverage for retirees with Part A and Part B is available in California, Arizona, and Nevada. UHC requires the following rate adjustments:
  - CA HMO: **$92k** or **2.9%**
  - NV HMO: **$13k** or **3.7%**
  - AZ HMO: **$11k** or **2.9%**
  - Total All UHC: **$116k** or **2.9%**



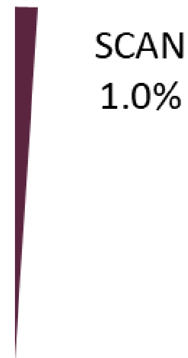
- Other Consideration: Renewal rates include $8,500 wellness program contribution.

UnitedHealthcare Final Renewal	Current Enrollment	2026 Premium	2027 Renewal - Final Premium	$ Change	% Change	Negotiated Savings
CA Medicare Advantage	639	$3,204,994	$3,297,010	$92,016	2.9%	$0
NV Medicare Advantage	89	$350,582	$363,398	$12,816	3.7%	$0
AZ Medicare Advantage	78	$391,192	$402,424	$11,232	2.9%	$0
Total	**806**	**$3,946,767**	**$4,062,831**	**$116,064**	**2.9%**	**$0**

SCAN Renewal

- SCAN comprises **1.0%** of LACERS' premium costs.

- SCAN Medicare Advantage HMO is available to retired Members with Medicare Parts A and B.



- SCAN requires the following rate adjustments:
  - Medicare Advantage: **$0** or **0.0%** increase
  - SCAN has only increased rates once since 2017 (2026).

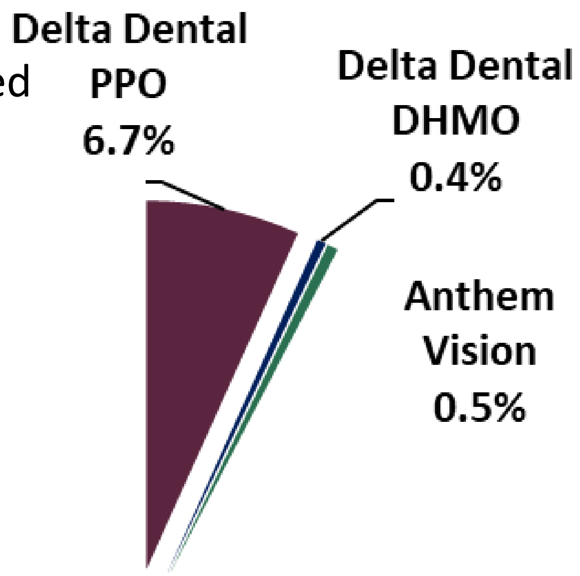
- Other Consideration: Renewal rates include $20,000 wellness program contribution.

SCAN Final Renewal	Current Enrollment	2026 Premium	2027 Renewal - Final Premium	2027 Renewal - Final $ Change	2027 Renewal - Final % Change	Negotiated Savings
Medicare Advantage	776	$2,010,461	$2,010,461	$0	0.0%	$0

Dental & Vision Renewals

Dental and Vision Renewals

- LACERS' Delta Dental PPO and DHMO rates are guaranteed through 2027 and have rate caps for 2028/2029.
- LACERS' Vision program is currently in fee guarantee through 2028.
- Final projections for the self-funded plans for 2027 are as follows:
  - Delta Dental PPO: 2.4%
  - Anthem Vision: -13.4%
  - Both Anthem (separate from the Medical/Rx) and Delta contribute $10,000 of wellness funding.



Delta Dental Final Renewal	Current Enrollment	2026 Premium	2027 Renewal - Final Premium	2027 Renewal - Final $ Change	2027 Renewal - Final % Change	Negotiated Savings
PPO	14,700	$12,749,984	$13,052,862	$302,878	2.4%	$0
DHMO	3,040	$767,737	$767,737	$0	0.0%	$0
Total	**17,740**	**$13,517,721**	**$13,820,598**	**$302,878**	**2.2%**	**$0**

Anthem Blue View Final Renewal	Current Enrollment	2026 Premium	2027 Renewal - Final Premium	2027 Renewal - Final $ Change	2027 Renewal - Final % Change	Negotiated Savings
Vision	7,527	$943,587	$943,587	$0	0.0%	$0

Delta Dental Self-Funded Renewal

- 2027 will be the ninth year of self-funding the PPO dental plan.
- The 2027 underwriting shows that projected costs are expected to be slightly more than the current premium.
- The underwriting for 2027 shows a rate increase of:
  - 0.1% (without margin) or,
  - 2.4% with 2.5% margin.
- LACERS could consider the 2.4% renewal with margin to increase the reserve level, or
- Alternatively, LACERS could approve a rate pass (0.0%), meaning:
  - The projected 0.1% shortfall would be funded from reserves,
  - Margin accumulation for reserve buildup is not projected to occur for 2027, and
  - Should realized claims exceed the projected claims, the balance would need to be funded from reserves.

LACERS
LACERS - Self-Funded Dental Renewal
Effective from January 1, 2027 through December 31, 2027
Claims Paid July 1, 2025 through June 30, 2026

1	Paid Claims (7/1/2025 - 6/30/2026)		$11,504,162
2	Annual Covered Subscribers		176,872
3	Paid Claims Per Retiree Per Month (PEPM)		$65.04
4	Trend Factor	2.5%	1.038
5	Expected Paid Claims (1/1/2027 - 12/31/2027)		$67.50
6	Administration		$5.10
7	Calculated Funding Level Without Margin		$72.60
8	Current Average Funding Level		$72.56
9	**Calculated Funding Action Without Margin = (7)/(8) - 1**		**0.1%**
10	Recommended Margin = Margin % x (5)	2.5%	$1.69
11	Calculated Funding Level With Margin = (7)+(10)		$74.29
12	Current Average Funding Level = (8)		$72.56
13	**Calculated Funding Action With Margin = (11)/(12) - 1**		**2.4%**

Anthem Blue View Self-Funded Renewal

- The 2027 underwriting shows that projected costs are expected to be less than the current premium.
- The Vision administration fee will remain unchanged for 2027.
- Underwriting for 2027 shows a rate decrease of:
  - -15.0% (without margin)
  - -13.4% with 2.0% margin
- Keenan recommends a rate pass (0.0%) for 2027 to allow the Vision plan to continue building its plan reserves.

LACERS

LACERS - Self-Funded Vision Renewal

Effective from January 1, 2027 through December 31, 2027

Claims Paid July 1, 2025 through June 30, 2026

1	Paid Claims (7/1/2025 - 6/30/2026)		$696,498
2	Average Covered Subscribers		89,977
3	Paid Claims Per Retiree Per Month (PEPM)		$7.74
4	Trend Factor	4.5%	1.0683
5	Expected Paid Claims (1/1/2027 - 12/31/2027)		$8.27
6	Administration		$0.61
7	Calculated Funding Level Without Margin		$8.88
8	Current Average Funding Level		$10.44
9	**Calculated Funding Action Without Margin = (7)/(8) - 1**		**-15.0%**
10	Recommended Margin = Margin % x (5)	2.0%	$0.17
11	Calculated Funding Level With Margin = (7)+(10)		$9.05
12	Current Average Funding Level = (8)		$10.44
13	**Calculated Funding Action With Margin = (11)/(12) - 1**		**-13.4%**

LACERS 2027 Final Renewal Projection

All Coverage Medical/Rx	Current Enrollment	2026 Premium	2027 Renewal - Final Premium	2027 Renewal - Final $ Change	2027 Renewal - Final % Change	Negotiated Savings
Anthem						
PPO Under 65 and 65+ Part B	1,095	$28,885,045	$30,560,350	$1,675,305	5.8%	$0
HMO Under 65 and 65+ Part B	783	$19,689,612	$21,770,825	$2,081,214	10.6%	$1,220,729
MAPD (Medical and Rx)	5,218	$26,986,870	$27,926,110	$939,240	3.5%	$0
PDP (Rx Only)	969	$3,461,307	$3,577,587	$116,280	3.4%	$0
Medicare Supplement	227	$1,699,613	$2,465,955	$766,343	45.1%	$0
Total Anthem	**8,292**	**$80,722,446**	**$86,300,827**	**$5,578,381**	**6.9%**	**$1,220,729**
Kaiser						
HMO Under 65	1,969	$49,327,248	$54,210,690	$4,883,442	9.9%	$2,170,657
Senior Advantage	9,789	$31,009,203	$31,556,604	$547,401	1.8%	$0
Total Kaiser	**11,758**	**$80,336,450**	**$85,767,294**	**$5,430,843**	**6.8%**	**$2,170,657**
UnitedHealthcare						
CA Medicare Advantage	639	$3,204,994	$3,297,010	$92,016	2.9%	$0
NV Medicare Advantage	89	$350,582	$363,398	$12,816	3.7%	$0
AZ Medicare Advantage	78	$391,192	$402,424	$11,232	2.9%	$0
Total UnitedHealthcare	**806**	**$3,946,767**	**$4,062,831**	**$116,064**	**2.9%**	**$0**
SCAN						
Medicare Advantage	776	$2,010,461	$2,010,461	$0	0.0%	$0
Total SCAN	**776**	**$2,010,461**	**$2,010,461**	**$0**	**0.0%**	**$0**
Medical Total	**21,632**	**$167,016,125**	**$178,141,413**	**$11,125,289**	**6.7%**	**$3,391,386**
Dental						
Delta Dental PPO (self-funded)	14,700	$12,749,984	$13,052,862	$302,878	2.4%	$0
Delta Dental HMO	3,040	$767,737	$767,737	$0	0.0%	$0
Dental Total	**17,740**	**$13,517,721**	**$13,820,598**	**$302,878**	**2.2%**	**$0**
Vision						
Anthem Blue View (self-funded)	7,527	$943,587	$943,587	$0	0.0%	$0
Vision Total	**7,527**	**$943,587**	**$943,587**	**$0**	**0.0%**	**$0**
Grand Total		**$181,477,432**	**$192,905,598**	**$11,428,166**	**6.3%**	**$3,391,386**

Strategic Considerations

Strategic Considerations

Anthem MAPD	• Decoupling of Medicare Advantage (MA) and Prescription Drug Plan (PDP) • Est. 7% or **$2M** annual savings from Renewal
Kaiser	• Add coverage for OTC drugs for Medicare Retirees • Est. **$399K** annual cost to LACERS
Anthem Vision	• Enhance Frame frequency and Contact Lens allowance to mirror plan design for Active population • Est. **$35K to $216K** annual cost depending on option selected
Kaiser Vision	• Enhance Frame frequency and Contact Lens allowance to mirror plan design for Active population • Quote pending

Anthem MAPD – Decoupling

MAPD (Medicare Advantage Prescription Drug) is an all-in-one Medicare plan that bundles Medicare Advantage coverage (Parts C) and prescription drug coverage (Part D) into a single, privately-administered plan.

Decoupling separates the current MAPD arrangement into distinct Medical and Pharmacy components while still requiring members to enroll in both.

The primary purpose of decoupling is to create affordability through CMS reimbursement and risk score adjustments.

Administrative Impact

- New members still only required to complete one application
- Any existing members will be “decoupled” by Anthem (requiring no member interaction)
- Enrollment, member communications, ID cards, billing, and service support will continue to be coordinated so the experience does not feel fragmented

Member Experience Impact

- Anthem materials that go to members will explain decoupling to them
- Members will continue to experience the plan as one coordinated retiree health solution
- The decoupled arrangement continues to support one unified plan with a combined ID card, Sydney mobile app, member portal, invoice, and same service experience

Anthem MAPD – Decoupling (ctd.)

Decoupling Savings Analysis	Current	Renewal	Alternative 1 Decoupled
Members	5,218	5,218	5,218
PMPM Rate	$430.99	$445.99	$414.46
Projected Annual Cost	**$26,986,870**	**$27,926,110**	**$25,951,827**
Variance vs. Current ($)		**$939,240**	**($1,035,042)**
Variance vs. Current (%)		**3.5%**	**-3.8%**
Variance vs. Renewal ($)			**($1,974,282)**
Variance vs. Renewal (%)			**-7.1%**

Projected annual savings of **$1M** vs. current costs and **$2M** vs. status quo renewal costs

Pros

- Supports affordability while maintaining continued coordination across ID card, member portal, Sydney mobile app, billing, communications, and member services.
- Keeps the member-facing experience simple, coordinated and familiar.
- Savings associated with decoupled arrangements driven by CMS adjustments in reimbursement and risk scoring.

Cons

- CMS could discontinue permitting this plan structure in the future.
- New ID card goes to all members.

Anthem MAPD – Decoupling (ctd.)
Non-Discretionary Materials

Non-Discretionary Material	Recipient	Delivery	2026 (MAPD)	2027 (Decoupled MA + PDP)
<u>ANOC</u> (Custom)	Renewing	Mail	One	One
EOC*	New/Renewing/Age in	Online	One	Two
Extra Covered Drugs*	New/Renewing/Age in	Mail/Online	One	One
<u>ID Card</u>	New/Renewing/Age in	Mail	One	One
Part D Formulary*	New/Renewing/Age in	Online	One	One
Pre-Enrollment Guide (Custom)	New/Age-in	Mail	One	One
Provider Directory*	New/Renewing/Age in	Online	One	Two
Welcome Guide	New/Age-in	Mail	One	One

* = materials must be requested by member to be mailed out
<u>underlined</u> = all members receive these

Kaiser Medicare Retirees – OTC Coverage

- Adding coverage for over-the-counter (OTC) drugs for Medicare Retirees to mirror Anthem's Medicare Advantage PPO plan is an estimated cost of $399K to LACERS annually.
- It is generally favorable for Medicare Advantage members because it helps offset routine health-related purchases and improves access to wellness products.

OTC Coverage Analysis	2027
Members	9,789
Additional PMPM Cost	$3.40
Projected Annual Cost	**$399,391**

Advantages

- Reduces out-of-pocket costs for common health and wellness products.
- Covers many everyday items such as pain relievers, allergy medications, vitamins, first-aid supplies, and health-monitoring products.
- Provides a quarterly or monthly allowance at no additional cost under eligible plans.
- Convenient ordering through online, phone, mail, and in some cases participating retail stores.
- Encourages preventive care and self-management of chronic conditions.
- Can provide additional value without increasing medical deductibles or copays.

Disadvantages

- Benefit amount is limited ($70 quarterly benefit) and may not cover all annual OTC expenses.
- Only approved products can be purchased; many non-covered items are excluded.
- OTC coverage would be limited to the California Region.
- Unused benefit dollars typically expire and do not roll over to the next period.
- May require purchases through designated vendors or approved retailers.
- Some plans may impose minimum order requirements.

Vision Plan Enhancements – Anthem

If LACERS elects to enhance its vision benefits:

- Option A is LACERS' current Access Network.
- Option B is the Insight Network and is utilized by the City of LA active plan with PLUS.
  - Insight offers up to a 5.0% cost savings.
- Options 1 and 3 include the PLUS benefit:
  - Should a member go to a PLUS provider, the Exam copay is $0 and the frame allowance is increased by $50.

Benefit Enhancements	Current Plan	Option 1a	Option 2a	Option 3a
Frame Allowance	$150	$150	$150	$150
Contact Allowance	$120	$120	**$150**	**$150**
PLUS Benefits	No	**Yes**	No	**Yes**
Frequency Limit - Frames	24 Months	24 Months	**12 Months**	**12 Months**
Copayment - Exam	$20	$20	**$10**	**$10**
Option A utilizing the Access Network with the 46,000 providers at over 31,000 locations				
Option B utilizing the Insight Network with the 45,000 providers at over 30,000 locations				
Access Network	**Current Plan**	**Option 1A**	**Option 2A**	**Option 3A**
Annual Cost	**$826,229**	**$899,430**	**$988,042**	**$1,041,980**
$ Difference		**$73,201**	**$161,813**	**$215,751**
% Difference		**8.9%**	**19.6%**	**26.1%**
Insight Network (up to 5.0% cost savings)		**Option 1B**	**Option 2B**	**Option 3B**
Annual Cost		**$860,903**	**$949,515**	**$1,003,453**
$ Difference		**$34,674**	**$123,286**	**$177,224**
% Difference		**4.2%**	**14.9%**	**21.4%**

Notes: Based on 7,608 Subscribers

- Option 2 and 3:
  - Increase the contact allowance to $150.
  - Reduce the Frames frequency limit to every 12 months.
  - Reduce the exam copayment to $10.

Vision Plan Enhancements – Kaiser

Benefit Enhancements	Current Plan	Option A	Option B	Option C
Frame / Contact Allowance	$150	$175	$300	$150
Frequency Limit - Frames	24 Months	12 Months	24 Months	12 Months
Frequency Limit - Contact	24 Months	12 Months	12 Months	12 Months
Commercial Plan	**Current Plan**	**Option A**	**Option B**	**Option C**
Per Member Per Month	**$3.12**	**$5.72**	**$4.82**	**$5.07**
Annual Cost	**$138,828**	**$254,517**	**$214,471**	**$225,595**
$ Difference		**$115,689**	**$75,643**	**$86,767**
% Difference		**83.3%**	**54.5%**	**62.5%**
Medicare Plan	**Current Plan**	**Option A**	**Option B**	**Option C**
Per Member Per Month	**$13.91**	**$25.48**	**$24.34**	**$22.55**
Annual Cost	**$1,698,912**	**$3,112,025**	**$2,972,790**	**$2,754,167**
$ Difference		**$1,413,113**	**$1,273,878**	**$1,055,255**
% Difference		**83.2%**	**75.0%**	**62.1%**

Notes: Based on 3,708 Commercial Plan Members, 10,178 Medicare Plan Members.

Kaiser provided three optional plan designs for LACERS to consider.

- Option A increases the frame and contact lenses allowance from $150 to $175 and decreases the frames and contact lenses frequency limit from 24 months to 12 months.
- Option B increases the frame and contact lenses allowance from $150 to $300 and decreases the frames frequency limit from 24 months to 12 months.
- Option C decreases the frames and contact lenses frequency limit from 24 months to 12 months.

Recommendations & Next Steps

2027 Recommendations

1. Renewal with Anthem
   - Anthem decoupling quote with a $2M savings is worth consideration and recommended with minimal change to LACERS and the retirees.
     - The Anthem savings may be used to offset other benefits enhancements for retirees on benefits alignment for Over-the-Counter (OTC) medication coverage and/or a benefit administration platform.
2. Renew with Kaiser
   - Potential consideration for OTC enhancement to align with Anthem Medicare Advantage PPO plan.
3. Renew SCAN and UHC with no change.
4. Renew Dental with no change.
5. Renew Vision with benefit enhancements since vision is running well with a healthy reserve and projected at a -13.4% savings.

Next Steps

- LACERS Decisions
- Approval by LACERS' Board
- Carrier Renewal Confirmations
- Implementation
- Communication – Updates
  - Employee Guides
  - Enrollment Forms
  - Carrier Mandated Changes
- Open Enrollment

Mandated and Carrier Changes

2027 CMS Mandates and Changes

Program	Key 2027 CMS Changes	Member Impact
Medicare Advantage Part C	Star Ratings overhaul; removal of 11 measures; continued focus on clinical outcomes and patient experience.	Improved comparison of plan quality; greater focus on member outcomes and behavioral health.
Medicare Part D	The Inflation Reduction Act (IRA) driven Part D redesign formally codified; annual out-of-pocket cap remains; Manufacturer Discount Program replaces older coverage gap framework.	More predictable prescription drug costs and simplified benefit structure.
Medicare Supplement (Medigap)	No major CMS benefit changes.	Coverage remains stable; members continue benefiting indirectly from Part D reforms.

2027 Federal Mandates and Changes

Federal Change	Effective Date	Impact on Employer Health Plans
MHPAEA (Mental Health Parity and Addiction Equity Act) - Increased scrutiny of behavioral health and mental health parity compliance	Ongoing into 2027	Employers should expect continued enforcement of MHPAEA requirements.
Transparency Compliance - Pharmacy benefit and prescription drugs	Ongoing into 2027	Continued reporting and fiduciary oversight expectations for employers and PBMs (pharmacy benefit managers).

2027 California Mandates and Changes

The **California Managed Care Organization (MCO) tax increase** is one of the most significant healthcare cost developments that could affect health plans in 2027.

What is the MCO Tax? The MCO tax is a state tax imposed on health plans to help fund Medi-Cal. California's current MCO tax structure **(<$0.20 PMPM)** runs through December 31, 2026, and generates billions of dollars annually for Medi-Cal and related healthcare programs.

What Changed? In 2025, Congress enacted new Medicaid provider-tax restrictions that forced California to redesign its MCO tax structure. In response, California passed **SB 125** in 2026 to create a new MCO tax structure for 2027–2029, subject to federal approval. Under the proposed redesign:

- Both commercial and Medi-Cal health plans would pay the **same tax rate**.
- The tax would be **$8.85 per member per month (PMPM)** for enrolled members.
- This shifts substantially more of the tax burden onto commercial insurance plans.

Impact on Plan Sponsors: Although plan sponsors do **not pay the tax directly**, health plans have indicated that they are likely to pass some or all of the cost through premium increases. According to reporting on SB 125:

- The proposal would require health plans to pay approximately **$8.85 PMPM per enrollee**.
- Health plans have warned that the additional tax burden on commercial enrollment could increase premiums for employers and employees.
- The annual cost per member is **$106.20** in additional premium costs if carriers fully pass through the assessment.

2027 Carrier Mandates and Changes

Anthem Medicare Advantage PPO Changes:

- **Diabetic Testing Supplies:** Aligning with Original Medicare on diabetic test strip and lancet quantity limits. Up to 102 test strips and 100 lancets for a 30-day supply. Additional quantities require medical review.
- **Routine Transportation:** Non-Emergency Stretcher Van - Covered through health plan.
- **Benefits no longer included:**
    - Personal Home Helper will no longer be offered on the plan.
    - Adult Day Center will no longer be offered on the plan.

Kaiser:

- **NON-EMERGENCY MEDICAL TRANSPORTATION (NEMT) POLICY:** Will cover non-emergency medical transportation services such as stretcher-gurney van, or wheelchair van, when medically necessary and ordered by a Plan Physician.
- **SCREENING FOR CERVICAL CANCER:** Will expand the cervical cancer screening benefit for average risk women to cover additional testing and follow up after an initial screening when indicated to complete the screening process, at $0 cost share.

UHC:

- **Part D Coverage - True Out of Pocket Threshold (TrOOP):** CMS increased the TrOOP from $2,100 for 2026 to $2,400 for 2027. UHC has increased the TrOOP maximum threshold to $2,400 for 2027 which means members could pay an additional $300 before the member cost share for prescription drugs is $0.

SCAN: No Benefit Changes

Appendix

Delta Dental – PPO Experience

Date	Number of Claims	Paid Amount	Administration	Total Expenses	Total Primary Enrollees	Estimated Premium	Surplus / Deficit	Total Cost Loss Ratio
Jul-24	3,776	$775,628	$73,420	$849,048	14,386	$1,013,490	$164,442	83.8%
Aug-24	4,908	$1,002,371	$73,425	$1,075,795	14,400	$1,014,071	-$61,724	106.1%
Sep-24	3,707	$758,349	$73,450	$831,799	14,397	$1,013,551	$181,752	82.1%
Oct-24	4,854	$975,961	$73,496	$1,049,457	14,420	$1,014,818	-$34,639	103.4%
Nov-24	3,669	$711,133	$73,506	$784,639	14,419	$1,013,907	$229,268	77.4%
Dec-24	3,966	$837,277	$73,557	$910,834	14,415	$1,013,125	$102,291	89.9%
Jan-25	4,175	$961,897	$74,144	$1,036,041	14,548	$1,024,956	-$11,085	101.1%
Feb-25	4,235	$996,750	$74,108	$1,070,858	14,552	$1,024,774	-$46,084	104.5%
Mar-25	4,326	$965,974	$74,174	$1,040,149	14,564	$1,025,489	-$14,660	101.4%
Apr-25	4,182	$963,704	$74,404	$1,038,108	14,559	$1,025,108	-$13,000	101.3%
May-25	5,178	$1,157,698	$74,363	$1,232,061	14,579	$1,027,222	-$204,839	119.9%
Jun-25	4,077	$870,779	$74,399	$945,178	14,606	$1,030,025	$84,847	91.8%
Jul-25	4,868	$1,026,519	$74,552	$1,101,071	14,637	$1,032,888	-$68,183	106.6%
Aug-25	3,939	$860,791	$74,746	$935,537	14,654	$1,034,059	$98,522	90.5%
Sep-25	3,995	$836,366	$74,837	$911,203	14,671	$1,034,678	$123,475	88.1%
Oct-25	5,046	$1,029,433	$74,827	$1,104,260	14,671	$1,034,230	-$70,030	106.8%
Nov-25	3,986	$784,950	$74,904	$859,854	14,681	$1,035,168	$175,314	83.1%
Dec-25	4,542	$915,028	$74,904	$989,932	14,673	$1,034,352	$44,420	95.7%
Jan-26	4,122	$944,677	$75,302	$1,019,979	14,754	$1,068,068	$48,089	95.5%
Feb-26	4,350	$1,047,193	$75,291	$1,122,485	14,744	$1,066,548	-$55,937	105.2%
Mar-26	4,451	$1,017,906	$75,628	$1,093,534	14,829	$1,072,312	-$21,222	102.0%
Apr-26	5,459	$1,215,323	$75,776	$1,291,099	14,858	$1,074,104	-$216,995	120.2%
May-26	4,226	$920,153	$75,801	$995,954	14,863	$1,074,356	$78,401	92.7%
Jun-26	4,246	$905,823	$75,669	$981,492	14,837	$1,072,118	$90,626	91.5%
Prior 12	**51,053**	**$10,977,521**	**$886,446**	**$11,863,967**	**14,487**	**$12,240,535**	**$376,568**	**96.9%**
Current 12	**53,230**	**$11,504,162**	**$902,237**	**$12,406,400**	**14,739**	**$12,632,879**	**$226,480**	**98.2%**

Anthem Blue View Vision – Experience

Date	Paid Amount	Administration	Total Expenses	Subscribers	Estimated Premium	Surplus / Deficit	Total Cost Loss Ratio
Jul-24	$52,394	$4,883	$57,277	7,283	$76,156	$18,879	75.2%
Aug-24	$39,739	$4,888	$44,627	7,291	$76,237	$31,610	58.5%
Sep-24	$67,757	$4,888	$72,645	7,291	$76,237	$3,592	95.3%
Oct-24	$52,740	$4,897	$57,637	7,304	$76,358	$18,721	75.5%
Nov-24	$53,614	$4,902	$58,516	7,311	$76,440	$17,925	76.6%
Dec-24	$65,094	$4,905	$69,999	7,316	$76,494	$6,495	91.5%
Jan-25	$53,533	$4,482	$58,015	7,348	$76,834	$18,819	75.5%
Feb-25	$65,260	$4,486	$69,746	7,354	$76,883	$7,137	90.7%
Mar-25	$72,204	$4,491	$76,695	7,363	$76,988	$292	99.6%
Apr-25	$68,651	$4,496	$73,148	7,371	$77,069	$3,922	94.9%
May-25	$63,660	$4,511	$68,171	7,395	$77,313	$9,142	88.2%
Jun-25	$67,782	$4,526	$72,308	7,420	$77,581	$5,273	93.2%
Jul-25	$55,618	$4,532	$60,150	7,430	$77,647	$17,496	77.5%
Aug-25	$58,585	$4,538	$63,123	7,439	$77,696	$14,573	81.2%
Sep-25	$73,999	$4,541	$78,540	7,444	$77,737	-$802	101.0%
Oct-25	$64,532	$4,542	$69,074	7,446	$77,741	$8,667	88.9%
Nov-25	$61,591	$4,551	$66,142	7,460	$77,952	$11,811	84.8%
Dec-25	$71,950	$4,554	$76,504	7,466	$77,997	$1,492	98.1%
Jan-26	$43,848	$4,568	$48,416	7,489	$78,223	$29,807	61.9%
Feb-26	$52,510	$4,584	$57,094	7,514	$78,491	$21,397	72.7%
Mar-26	$55,230	$4,595	$59,825	7,532	$78,674	$18,849	76.0%
Apr-26	$46,427	$4,613	$51,040	7,563	$78,984	$27,944	64.6%
May-26	$53,639	$4,627	$58,266	7,586	$79,184	$20,917	73.6%
Jun-26	$58,569	$4,641	$63,210	7,608	$79,439	$16,229	79.6%
Prior 12	**$722,428**	**$56,357**	**$778,785**	**7,337**	**$920,590**	**$141,805**	**84.6%**
Current 12	**$696,498**	**$54,886**	**$751,384**	**7,498**	**$939,764**	**$188,380**	**80.0%**

Anthem PPO

Anthem		Carrier Rates			Member Rate			Amount Retained by LACERS	
U65 and 65+ Part B PPO - Refunding		2026	2027	% Change	2026	2027	% Change	2026	2027
Retiree Only									
U	Retiree < 65 or > 65 with only Part B of Medicare	$1,865.38	$1,973.57	5.80%	$1,865.38	$1,973.57	5.80%	$0.00	$0.00
Retiree and One Dependent									
UU	Retiree & Dependent both < 65 or both > 65 with Part B of Medicare	$3,730.76	$3,947.14	5.80%	$3,730.76	$3,947.14	5.80%	$0.00	$0.00
UM	Retiree < 65 & Dependent > 65 with both parts A & B of Medicare	$1,865.38	$1,973.57	5.80%	$1,865.38	$1,973.57	5.80%	$0.00	$0.00
MU	Retiree > 65 with both parts A & B of Medicare & Dependent < 65	$1,865.38	$1,973.57	5.80%	$1,865.38	$1,973.57	5.80%	$0.00	$0.00
Retiree and Family (Family = 2 or more dependents)									
UUU	Retiree & Dependents all < 65 or > 65 with Part B of Medicare	$4,383.65	$4,637.90	5.80%	$4,383.65	$4,637.90	5.80%	$0.00	$0.00
UMU	Retiree < 65 & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare	$2,518.27	$2,664.33	5.80%	$2,518.27	$2,664.33	5.80%	$0.00	$0.00
MUU	Retiree > 65 with both parts A & B of Medicare & Dependents < 65	$2,518.27	$2,664.33	5.80%	$2,518.27	$2,664.33	5.80%	$0.00	$0.00
MMU	Retiree & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare (One or more Children)	$652.89	$690.75	5.80%	$652.89	$690.75	5.80%	$0.00	$0.00

Anthem HMO

Anthem		Carrier Rates			Member Rate			Amount Retained by LACERS	
HMO - Refunding (Assumes Current Plan with Traditional HMO Network)		2026	2027	% Change	2026	2027	% Change	2026	2027
Retiree Only									
U	Retiree < 65 or > 65 with only Part B of Medicare	$1,487.85	$1,645.12	10.57%	$1,487.85	$1,645.12	10.57%	$0.00	$0.00
Retiree and One Dependent									
UU	Retiree & Dependent both < 65 or both > 65 with Part B of Medicare	$2,975.70	$3,290.23	10.57%	$2,975.70	$3,290.23	10.57%	$0.00	$0.00
UM	Retiree < 65 & Dependent > 65 with both parts A & B of Medicare	$1,487.85	$1,645.12	10.57%	$1,487.85	$1,645.12	10.57%	$0.00	$0.00
MU	Retiree > 65 with both parts A & B of Medicare & Dependent < 65	$1,487.85	$1,645.12	10.57%	$1,487.85	$1,645.12	10.57%	$0.00	$0.00
Retiree and Family (Family = 2 or more dependents)									
UUU	Retiree & Dependents all < 65 or > 65 with Part B of Medicare	$3,868.41	$4,277.30	10.57%	$3,868.41	$4,277.30	10.57%	$0.00	$0.00
UMU	Retiree < 65 & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare	$2,380.56	$2,632.18	10.57%	$2,380.56	$2,632.18	10.57%	$0.00	$0.00
MUU	Retiree > 65 with both parts A & B of Medicare & Dependents < 65	$2,380.56	$2,632.18	10.57%	$2,380.56	$2,632.18	10.57%	$0.00	$0.00
MMU	Retiree & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare (One or more Children)	$892.71	$987.07	10.57%	$892.71	$987.07	10.57%	$0.00	$0.00

Anthem Medicare Supplement

Anthem Medicare Supplement Plan - Refunding		Carrier Rates			Member Rate			Amount Retained by LACERS	
		2026	2027	% Change	2026	2027	% Change	2026	2027
Retiree Only									
M	Retiree > 65 with both Parts A & B of Medicare	$623.94	$905.27	45.09%	$623.94	$905.27	45.09%	$0.00	$0.00
Retiree and One Dependent									
UM	Retiree < 65 & Dependent > 65 with both Parts A & B of Medicare	$623.94	$905.27	45.09%	$623.94	$905.27	45.09%	$0.00	$0.00
MU	Retiree > 65 with both Parts A & B of Medicare & Dependent < 65	$623.94	$905.27	45.09%	$623.94	$905.27	45.09%	$0.00	$0.00
MM	Retiree & Dependent both > 65 with both Parts A & B of Medicare	$1,247.88	$1,810.55	45.09%	$1,247.88	$1,810.55	45.09%	$0.00	$0.00
Retiree and Family (Family = 2 or more dependents)									
UMU	Retiree < 65 & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare	$623.94	$905.27	45.09%	$623.94	$905.27	45.09%	$0.00	$0.00
MUU	Retiree > 65 with both parts A & B of Medicare & Dependents < 65	$623.94	$905.27	45.09%	$623.94	$905.27	45.09%	$0.00	$0.00
MMU	Retiree & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare	$1,247.88	$1,810.55	45.09%	$1,247.88	$1,810.55	45.09%	$0.00	$0.00
MMM	Retiree & Two Dependent both > 65 with both Parts A & B of Medicare	$1,871.82	$2,715.82	45.09%	$1,871.82	$2,715.82	45.09%	$0.00	$0.00

Anthem Medicare Advantage

Anthem Medicare Advantage Plan		Carrier Rates 2026	Carrier Rates 2027	Carrier Rates % Change	Member Rate 2026	Member Rate 2027	Member Rate % Change	Amount Retained by LACERS 2026	Amount Retained by LACERS 2027
Retiree Only									
M	Retiree > 65 with both Parts A & B of Medicare	$430.99	$445.99	3.48%	$430.99	$445.99	3.48%	$0.00	$0.00
Retiree and One Dependent									
UM	Retiree < 65 & Dependent > 65 with both Parts A & B of Medicare	$430.99	$445.99	3.48%	$430.99	$445.99	3.48%	$0.00	$0.00
MU	Retiree > 65 with both Parts A & B of Medicare & Dependent < 65	$430.99	$445.99	3.48%	$430.99	$445.99	3.48%	$0.00	$0.00
MM	Retiree & Dependent both > 65 with both Parts A & B of Medicare	$861.98	$891.98	3.48%	$861.98	$891.98	3.48%	$0.00	$0.00
Retiree and Family (Family = 2 or more dependents)									
UMU	Retiree < 65 & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare	$430.99	$445.99	3.48%	$430.99	$445.99	3.48%	$0.00	$0.00
MUU	Retiree > 65 with both parts A & B of Medicare & Dependents < 65	$430.99	$445.99	3.48%	$430.99	$445.99	3.48%	$0.00	$0.00
MMU	Retiree & One Dependent > 65 with both parts A & B of Medicare, & at least One Dependent without Medicare	$861.98	$891.98	3.48%	$861.98	$891.98	3.48%	$0.00	$0.00
MMM	Retiree & Two Dependent both > 65 with both Parts A & B of Medicare	$1,292.97	$1,337.97	3.48%	$1,292.97	$1,337.97	3.48%	$0.00	$0.00

Kaiser HMO

Kaiser HMO		Carrier Rates 2026	Carrier Rates 2027	Carrier Rates % Change	Member Rates 2026	Member Rates 2027	Member Rates % Change	Amount Retained by LACERS 2026	Amount Retained by LACERS 2027
Retiree Only									
U	Retiree < 65 or > 65 with only Part B of Medicare	$1,161.91	$1,276.94	9.90%	$1,161.91	$1,276.94	9.90%	$0.00	$0.00
M	Retiree with Medicare	$263.98	$268.64	1.77%	$263.98	$268.64	1.77%	$0.00	$0.00
Retiree and One Dependent									
UU	Retiree & Dependent both < 65	$2,323.82	$2,553.88	9.90%	$2,323.82	$2,553.88	9.90%	$0.00	$0.00
UM	Retiree < 65 & Dependent with both Parts A&B of Medicare	$1,425.89	$1,545.58	8.39%	$1,425.89	$1,545.58	8.39%	$0.00	$0.00
MU	Retiree > 65 with both Parts A&B of Medicare & Dependent < 65	$1,425.89	$1,545.58	8.39%	$1,425.89	$1,545.58	8.39%	$0.00	$0.00
MM	Retiree & Dependent > 65 with both Parts A&B of Medicare	$527.96	$537.28	1.77%	$527.96	$537.28	1.77%	$0.00	$0.00
Retiree and Family (Family = 2 or more dependents)									
UUU	Retiree & Dependents all < 65	$3,020.96	$3,320.04	9.90%	$3,020.96	$3,320.04	9.90%	$0.00	$0.00
UMU	Retiree < 65 & One Dependent > 65 with both Parts A&B of Medicare, & Dependents without Medicare	$2,123.03	$2,311.74	8.89%	$2,123.03	$2,311.74	8.89%	$0.00	$0.00
MUU	Retiree > 65 with both Parts A&B of Medicare & Dependents without Medicare	$2,123.03	$2,311.74	8.89%	$2,123.03	$2,311.74	8.89%	$0.00	$0.00
MMU	Retiree & One Dependent > 65 with both Parts A&B of Medicare & One+ Dependent w/out Medicare	$1,225.10	$1,303.44	6.39%	$1,225.10	$1,303.44	6.39%	$0.00	$0.00
MMM	Retiree & Two Dependents > 65 with both Parts A&B of Medicare	$791.94	$805.92	1.77%	$791.94	$805.92	1.77%	$0.00	$0.00

UHC HMO

UHC HMO MAPD with RX		Carrier Rates 2026	Carrier Rates 2027	Carrier Rates % Change	Member Rates 2026	Member Rates 2027	Member Rates % Change	Amount Retained by 2026	Amount Retained by 2027
California									
M	Retiree with Medicare	$417.97	$429.97	2.87%	$417.97	$429.97	2.87%	$0.00	$0.00
MM	Retiree & Dependent > 65 with both Parts A&B of Medicare	$835.94	$859.94	2.87%	$835.94	$859.94	2.87%	$0.00	$0.00
MMM	Retiree & Two Dependents > 65 with both Parts A&B of Medicare	$1,253.91	$1,289.91	2.87%	$1,253.91	$1,289.91	2.87%	$0.00	$0.00
Nevada									
M	Retiree with Medicare	$328.26	$340.26	3.66%	$328.26	$340.26	3.66%	$0.00	$0.00
MM	Retiree & Dependent > 65 with both Parts A&B of Medicare	$656.52	$680.52	3.66%	$656.52	$680.52	3.66%	$0.00	$0.00
MMM	Retiree & Two Dependents > 65 with both Parts A&B of Medicare	$984.78	$1,020.78	3.66%	$984.78	$1,020.78	3.66%	$0.00	$0.00
Arizona									
M	Retiree with Medicare	$417.94	$429.94	2.87%	$417.94	$429.94	2.87%	$0.00	$0.00
MM	Retiree & Dependent > 65 with both Parts A&B of Medicare	$835.88	$859.88	2.87%	$835.88	$859.88	2.87%	$0.00	$0.00
MMM	Retiree & Two Dependents > 65 with both Parts A&B of Medicare	$1,253.82	$1,289.82	2.87%	$1,253.82	$1,289.82	2.87%	$0.00	$0.00

SCAN

SCAN		Carrier Rates			Member Rates			Amount Retained by LACERS	
HMO		2026	2027	% Change	2026	2027	% Change	2026	2027
M	Retiree with Medicare	$215.90	$215.90	0.00%	$217.79	$217.79	0.00%	$1.89	$1.89
MM	Retiree & Dependent > 65 with both Parts A&B of Medicare	$431.80	$431.80	0.00%	$435.58	$435.58	0.00%	$3.78	$3.78
MMM	Retiree & Two Dependents > 65 with both Parts A&B of Medicare	$647.70	$647.70	0.00%	$653.37	$653.37	0.00%	$5.67	$5.67

Delta Dental

Delta Dental		Carrier Rates			Member Rates			Amount Retained by LACERS	
Dental		2026	2027	% Change	2026	2027	% Change	2026	2027
Dental Self-funded PPO									
	Dental ASO Fee PRPM	$5.10	$5.10	0.00%					
M	Retiree	$52.52	$53.77	2.37%	$52.52	$53.77	2.37%	$0.00	$0.00
MM	Retiree & Dependent	$104.16	$106.64	2.38%	$104.16	$106.64	2.38%	$0.00	$0.00
MMM	Retiree & Two Dependents	$150.47	$154.05	2.38%	$150.47	$154.05	2.38%	$0.00	$0.00
DHMO									
M	Retiree	$15.70	$15.70	0.00%	$15.70	$15.70	0.00%	$0.00	$0.00
MM	Retiree & Dependent	$29.31	$29.31	0.00%	$29.31	$29.31	0.00%	$0.00	$0.00
MMM	Retiree & Two Dependents	$33.89	$33.89	0.00%	$33.89	$33.89	0.00%	$0.00	$0.00

Anthem Vision

Anthem Blue View Vision		Carrier Rates			Member Rates			Amount Retained by LACERS	
Vision		2026	2027	% Change	2026	2027	% Change	2026	2027
Vision Self-funded		Self-Funded Fee & Premium Equivalent Rates*							
	Vision ASO Fee PRPM	$0.61	$0.61	0.00%					
M	Retiree	$9.14	$9.14	0.00%	$9.14	$9.14	0.00%	$0.00	$0.00
MM	Retiree & Dependent	$13.25	$13.25	0.00%	$13.25	$13.25	0.00%	$0.00	$0.00
MMM	Retiree & Two Dependents	$23.67	$23.67	0.00%	$23.67	$23.67	0.00%	$0.00	$0.00

Acknowledgement

Keenan & Associates would like to thank Ms. Karen Freire and the LACERS Health Benefits Administration staff for providing the necessary data and engaging in this renewal process. Their cooperation and guidance have been extremely valuable.

BOARD MEETING: 08/11/2026

ITEM: V-A

ATTACHMENT: 2

LACERS HISTORICAL MEDICAL COST CHANGES THROUGH 2027

Medical Plan	1999	2000	2001	2002	2003	2004
Kaiser Senior Advantage					51.35%	59.34%
Anthem Medicare Supplement/ LPPO / Med. Adv. Passive PPO					0.10%	15.40%
UnitedHealthcare -CA MAPD					72.87%	7.81%
Kaiser HMO		47.48%	4.49%	7.62%	17.71%	1.72%
Anthem PPO					-12.16%	5.92%
Aggregate Medical Cost Change				17.00%	16.10%	18.20%
Assumed Actuarial Trend Rate	8.13%	7.88%	7.63%	8.13%	7.88%	7.63%

Medical Plan	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Kaiser Senior Advantage	-20.11%	-27.61%	6.43%	6.50%	3.69%	8.71%	-0.19%	2.70%	2.47%	5.32%	4.03%	-1.90%	6.60%	4.90%
Anthem Medicare Supplement/ LPPO / Med. Adv. Passive PPO	5.00%	-11.20%	14.00%	11.90%	6.80%	1.30%	9.40%	-11.80%	7.10%	8.90%	6.30%	-6.90%	3.80%	7.30%
UnitedHealthcare -CA MAPD	-4.00%	-19.24%	-6.64%	3.00%	13.40%	11.75%	11.40%	10.88%	0.00%	0.00%	3.00%	3.00%	1.70%	5.00%
SCAN HMO		-2.00%	22.90%	0.00%	0.00%	-9.40%	0.00%	-0.50%	0.00%	16.30%	0.00%	0.00%	3.90%	0.00%
Kaiser HMO	6.97%	5.17%	7.34%	3.95%	9.60%	0.28%	5.92%	-0.17%	14.84%	7.06%	7.95%	-5.06%	10.50%	3.30%
Anthem HMO	0.00%	2.78%	15.88%	2.19%	6.50%	11.80%	11.81%	6.00%	3.00%	11.70%	8.40%	9.42%	-2.00%	7.40%
Anthem PPO	-10.47%	2.89%	19.98%	4.97%	6.80%	5.32%	7.91%	0.00%	7.50%	6.92%	-5.66%	0.00%	10.30%	7.50%
Aggregate Medical Premium Cost Change	-5.21%	-6.22%	12.47%	5.71%	7.08%	4.47%	6.16%	0.23%	7.92%	7.44%	4.77%	-1.89%	6.49%	5.40%
Assumed Actuarial Trend Rate	9.63%	12.00%	12.00%	12.00%	9.00%	9.00%	9.00%	10.00%	9.00%	8.50%	8.00%	7.00%	6.75%	6.50%

Medical Plan	2019	2020	2021	2022	2023	2024	2025	2026	2027	10-Yr Avg, Incl 2027	HistoricAvg
Kaiser Senior Advantage	2.03%	-2.91%	-6.25%	-0.50%	-9.22%	9.61%	5.84%	7.69%	1.77%	1.30%	4.81%
Anthem Medicare Supplement/ LPPO / Med. Adv. Passive PPO	2.63%	1.37%	2.65%	-25.28%	0.00%	-14.31%	9.50%	10.61%	3.48%	-0.21%	2.32%
Anthem Medicare Supplement							6.00%	9.00%	45.09%	20.03%	20.03%
UnitedHealthcare - CA MAPD	-5.56%	7.52%	0.54%	1.50%	1.47%	-28.88%	52.88%	42.67%	2.87%	8.00%	7.56%
SCAN HMO	0.00%	0.00%	0.00%	-3.00%	0.00%	-16.67%	0.00%	2.81%	0.00%	-1.69%	0.65%
Kaiser HMO	-2.70%	-2.08%	3.37%	7.10%	4.32%	14.41%	3.99%	3.99%	9.90%	4.56%	7.11%
Anthem HMO	-9.66%	9.15%	2.91%	-0.05%	9.50%	8.90%	8.00%	9.00%	10.57%	5.57%	6.23%
Anthem PPO	-2.44%	0.31%	2.85%	4.58%	9.50%	8.90%	8.00%	9.00%	5.80%	5.40%	4.17%
Aggregate Medical Premium Cost Change	-1.60%	-0.20%	0.72%	-1.45%	0.92%	4.49%	6.97%	7.80%	6.70%	2.98%	5.02%
Assumed Actuarial Trend Rate	7.00%	7.00%	6.75%	6.75%	7.50%	7.25%	7.25%	7.50%	7.25%	7.08%	8.27%

2005 to 2011: Anthem Medicare Supplement

2011 to 2012: Anthem LPPO Medicare Preferred PPO

2014 to 2021: Anthem Medicare Supplement

2022 to 2023: Anthem Medicare Advantage Passive PPO

2024: Anthem Medicare Supplement along with Medicare Advantage Passive PPO

BOARD MEETING: 08/11/2026

ITEM: V-A

ATTACHMENT: 3

2027 LACERS HEALTH PLAN PREMIUMS

PROPOSED RESOLUTION

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 the health plan consultant received the preliminary medical premium rates from the carriers and, after thorough reviews and negotiations, recommend that the Board accept the plan year 2027 medical, dental, and vision premium rates commencing on January 1, 2027, through December 31, 2027; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board

1. Approve the 45.1% Anthem Medicare Supplement premium increase;
2. Approve adding an over-the-counter benefit to the Kaiser Permanente Senior Advantage plan at an estimated cost of $399,391 per year;
3. Approve the proposed Anthem Blue Vision benefit enhancement Option 3A (with or without copayment change) at an estimated cost of $215,751; with no premium increase;
4. Approve the UnitedHealthcare average premium increase of 2.9%;
5. Approve the proposed 2027 contract renewals for LACERS medical, dental, and vision plans, allowing for minor premium adjustments; and,
6. Authorize the General Manager to make premium adjustments within the limitations established in the Los Angeles Administrative Code, as necessitated by updates or information received after this report.

2027 CALIFORNIA MEDICAL PLAN PREMIUM RATES

Medicare Status	Anthem Blue Cross PPO / Med Sup PPO	Anthem Blue Cross PPO / Passive PPO Med Adv	Kaiser Permanente HMO / Senior Advantage	Anthem Blue Cross HMO / UnitedHealthcare Med Adv HMO	Anthem Blue Cross / Senior Care Action Network (SCAN)
U	$1,973.57	$1,973.57	$1,276.94	$1,645.12	$1,645.12
M	$905.27	$445.99	$268.64	$429.97	$217.79
UU	$3,974.14	$3,947.14	$2,553.88	$3,290.24	$3,290.24
UM	$2,878.84	$2,419.56	$1,545.58	$2,075.09	$1,862.91
MU	$2,878.84	$2,419.56	$1,545.58	$2,075.09	$1,862.91

MM	$1,810.54	$891.98	$537.28	$859.94	$435.58
UUU	$4,637.90	$4,637.90	$3,320.04	$4,277.31	$4,277.31
UMU	$3,569.60	$3,110.32	$2,311.74	$3,062.16	$2,849.99
MUU	$3,569.60	$3,110.32	$2,311.74	$3,062.16	$2,849.99
MMU	$2,501.30	$1,582.73	$1,303.44	$1,847.01	$1,422.65
MMM	$2,715.81	$1,337.97	$805.92	$1,289.91	$653.37

2027 UNITEDHEALTHCARE MEDICARE ADVANTAGE HMO NON-CALIFORNIA PREMIUM RATES

Medicare Status	Arizona	Nevada
M	$429.94	$340.26
MM	$859.88	$680.52
MMM	$1,289.82	$1,020.78

2027 DENTAL PLAN PREMIUM RATES

Dental Tiers	Delta Dental PPO Self-Funded	DeltaCare USA HMO
Retiree	$53.77	$15.10
Retiree + 1 Dependent	$106.64	$29.31
Retiree + Family	$154.05	$33.89

2027 VISION PLAN PREMIUM RATES

Tiers	Anthem Blue View Vision Self-Funded
Retiree	$9.14
Retiree + 1 Dependent	$13.25
Retiree + Family	$23.67

BOARD MEETING: 08/11/2026

ITEM: V-A

ATTACHMENT: 4

UnitedHealthcare – CA

Retirees

Service Credit	1pty Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	28	$91.15	$109.78	$100.46	$18.63	$9.31	$9.32	$111.84
15-19yr	32	$36.46	$43.91	$40.19	$7.45	$3.73	$3.72	$44.64
20+	122	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Service Credit	2pty Ret & Dep A&B Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	6	$450.73	$543.86	$517.57	$93.13	$66.84	$26.29	$315.48
15yr	4	$396.04	$477.99	$369.11	$81.95	-$26.93	$108.88	$1,306.56
16yr	2	$352.01	$442.99	$263.59	$90.98	-$88.42	$179.40	$2,152.80
17yr	4	$255.70	$338.48	$158.08	$82.78	-$97.62	$180.40	$2,164.80
18 yr	2	$159.39	$232.96	$52.56	$73.57	-$106.83	$180.40	$2,164.80
19yr	3	$63.07	$127.45	$41.81	$64.38	-$21.26	$85.64	$1,027.68
20+	130	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

*** At 20+yrs Retiree UHC premium fully subsidized, deduction is for Anthem HMO Dependent(s)**
LACERS currently have 38 Members with the dualcare coverage who are fully subsidized. There is one dualcare Member with 16yr and the minimum UHC medical deduction.

Survivors

Service Credit	1pty Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	11	$91.15	$109.78	$100.46	$18.63	$9.31	$9.32	$111.84
15-19yr	6	$36.46	$43.91	$40.19	$7.45	$3.73	$3.72	$44.64
20+	63	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

UnitedHealthcare – NV

Retirees

Service Credit	1pty Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	7	$74.35	$87.35	$80.85	$13.00	$6.50	$6.50	$78.00
15-19yr	6	$29.74	$34.94	$32.34	$5.20	$2.60	$2.60	$31.20
20+	27	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Service Credit	2pty Ret & Dep A&B Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	0	$366.72	$431.72	$399.22	$65.00	$32.50	$32.50	$390.00
15yr	1	$322.11	$293.56	$264.96	-$28.55	-$57.15	$28.60	$343.20
20+	21	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Survivors

Service Credit	1pty Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	0	$74.35	$87.35	$80.85	$13.00	$6.50	$6.50	$78.00
15-19yr	2	$29.74	$34.94	$32.34	$5.20	$2.60	$2.60	$31.20
20+	4	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

UnitedHealthcare – AZ

Retirees

Service Credit	1pty Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	4	$99.27	$109.77	$104.52	$10.50	$5.25	$5.25	$63.00
15-19yr	4	$39.71	$43.91	$41.81	$4.20	$2.10	$2.10	$25.20
20+	10	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Service Credit	2pty Ret & Dep A&B Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ Full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	1	$491.32	$543.82	$517.57	$52.50	$26.25	$26.25	$315.00
15-19yr	1	$431.76	$392.21	$437.02	-$39.55	$5.26	-$44.81	-$537.72
20+	20	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Survivors

Service Credit	1pty Count	2026 Member premium	2027 Full premium	2027 prem split 50/50	Deduction Increase w/ Full prem	Deduction Increase w/ split prem	Monthly difference full vs split	Annual difference full vs split
10-14yr	0	$99.27	$109.77	$104.52	$10.50	$5.25	$5.25	$63.00
15-19yr	3	$39.71	$43.91	$41.81	$4.20	$2.10	$2.10	$25.20
20+	9	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

REPORT TO BOARD OF ADMINISTRATION
MEETING: AUGUST 11, 2026
FROM: Todd Bouey, General Manager
ITEM: V-B

2027 MAXIMUM SUBSIDY AND REIMBURSEMENT AMOUNTS AND POSSIBLE BOARD ACTION

☒ **ACTION** ☐ **CLOSED** ☐ **CONSENT** ☐ **RECEIVE & FILE**

Recommendation

That the Board:

1. Approve a maximum medical plan premium subsidy of $2,637.90 per month for Tier 1 Discretionary and Vested Retired Members under age 65 or enrolled in Medicare Part B only;
2. Approve a maximum reimbursement of $2,637.90 per month for Tier 1 Discretionary and Vested Retired Members under age 65 or with Medicare Part B only, enrolled in the Medical Premium Reimbursement Program;
3. Approve a maximum reimbursement of $914.41 per month for Tier 1 Discretionary and Vested, and Tier 3 Retired Members, with Medicare Parts A and B, enrolled in the Medical Premium Reimbursement Program;
4. Set the maximum dental subsidy for Tier 1 and Tier 3 Retired Members equal to the City's approved 2027 Active Employee subsidy; and,
5. Authorize the General Manager to make subsidy and reimbursement adjustments within the limitations established in the Los Angeles Administrative Code, as necessitated by updates or information received after this report.

Executive Summary

LACERS provides a variety of health benefits to Retired Members in the form of subsidies and reimbursements. The Los Angeles Administrative Code (LAAC) Section 4.1101 authorizes the Board to administer the health and welfare programs for LACERS Retired Members. Each year, the Board sets the maximum retiree health subsidies and the Medical Premium Reimbursement Program (MPRP) reimbursement amounts. Five other subsidies are established by ordinance based on the respective LAAC provisions, as shown in the following chart.

Benefit Type	Tier 1 Retired Before July 1, 2011 "Discretionary"	Tier 1 Retired After July 1, 2011, "Vested"	Tier 1 Retired After July 1, 2011, "Capped"	Tier 3
Retiree Medical Subsidy, Under 65 or Medicare Part B Only - LAAC 4.1111(b), 4.1111(c), 4.1126(b)	Board Resolution	Board Resolution	Ordinance	Ordinance
Retiree Medical Subsidy, Medicare Parts A and B – LAAC 4.1111(e), 4.1126(d)	Ordinance	Ordinance	Ordinance	Ordinance
Retiree MPRP Reimbursement, Under 65 or Medicare Part B Only – LAAC 4.1112(b), 4.1127(b)	Board Resolution	Board Resolution	Ordinance	Ordinance
Retiree MPRP Reimbursement, Medicare Parts A and B – LAAC 4.1112(d), 4.1127(d)	Board Resolution	Board Resolution	Ordinance	Board Resolution
Retiree Dental Subsidy – LAAC 4.1114(a), 4.1129(a)	Board Resolution	Board Resolution	Board Resolution	Board Resolution
Survivor Medical Subsidy, Under 65 or Medicare Part B Only – LAAC 4.1115(b)(3), 4.1115(e), 4.1129.1(b)(3)	Ordinance	Ordinance	Ordinance	Ordinance
Survivor Medical Subsidy, Medicare Parts A and B – LAAC 4.1115(c), 4.1129.1(c)	Ordinance	Ordinance	Ordinance	Ordinance
Survivor MPRP Reimbursement, Under 65 or Medicare Part B Only – LAAC 4.1112(g), 4.1127(g)	Ordinance	Ordinance	Ordinance	Ordinance
Survivor MPRP Reimbursement, Medicare Parts A and B – LAAC 4.1112(g), 4.1127(g)	Ordinance	Ordinance	Ordinance	Ordinance

This report presents the 2027 maximum retiree health subsidies and MPRP reimbursement amounts, consistent with LAAC requirements.

Discussion

Retiree Medical Subsidy, Under 65 or Medicare Part B Only *(LAAC 4.1111(b), 4.1111(c), 4.1126(b))*

TIER 1 VESTED RETIRED MEMBERS UNDER AGE 65 OR ENROLLED IN MEDICARE PART B ONLY

- LAAC Authority: The increases in the maximum plan subsidy to Vested Members shall be provided at an amount not less than the increase in the Kaiser two-party non-Medicare Part A and Part B premium.
- Limitations: The 2027 Kaiser non-Medicare two-party plan premium increases by $230.06 or 9.90% from $2,323.82 to $2,553.88.
- Recommended Subsidy: LACERS recommends that the maximum subsidy be increased from $2,407.84 to $2,637.90 ($2,407.84 + $230.06 or 9.55%).

TIER 1 DISCRETIONARY RETIRED MEMBERS UNDER AGE 65 OR ENROLLED IN MEDICARE PART B ONLY

- LAAC Authority: The Board has the option to apply the Vested Retired Members subsidy increase to Discretionary Retired Members (LAAC Section 4.1111(b)) so long as any increase does not exceed the dollar increase in the Kaiser non-Medicare two-party plan premium and the three-year average percentage increase does not exceed the average assumed actuarial medical trend rates for the same period.
- Limitations:
  1. The 2027 Kaiser non-Medicare two-party plan premium increases by $230.06 (9.90%), from $2,323.82 to $2,553.88.
  2. The three-year 2027 Assumed Actuarial Medical Trend Rate (AAMTR) assumption is 7.33%, and the maximum increase for 2027 is 12.15%. With the 9.55% subsidy increase, the three-year average is below the assumed actuarial medical trend rate limit.
- Recommended Subsidy: LACERS recommends the maximum subsidy be increased the same as Vested Retired Members above, from $2,407.84 to $2,637.90 ($2,407.84 + $230.06 or 9.55%).

Medical Premium Reimbursement Program (MPRP) Reimbursements

The MPRP is available to Retired Members and Survivors who live outside of California or within California but outside of a LACERS HMO zip code service area. To participate, Members enroll in an individual plan and submit proof of premium payment to LACERS. LACERS reimburses premium costs up to the Member’s subsidy amount on a quarterly basis. The recommended maximum MPRP Reimbursement amounts are as follows:

TIER 1 DISCRETIONARY AND VESTED RETIRED MEMBERS UNDER AGE 65 OR ENROLLED IN MEDICARE PART B ONLY (LAAC 4.1112(B), 4.1127(B))

- LAAC Authority: The maximum MPRP reimbursement amounts are set similarly to the medical subsidies, pursuant to LAAC Section 4.1112 and 4.1127.
- Recommended Subsidy: LACERS recommends applying the same maximum subsidy toward MPRP reimbursements at $2,637.90. This will provide Members who are unable to access a LACERS HMO the same amount of subsidy dollars to apply toward non-LACERS medical coverage.

TIER 1 DISCRETIONARY AND VESTED RETIRED MEMBERS, AND TIER 3 MEMBERS, ENROLLED IN MEDICARE PARTS A AND B

- LAAC Authority: An increase to the maximum reimbursement amount may not exceed the one-party premium of LACERS' highest-cost Medicare plan.
- Recommended Subsidy: In 2027, the monthly premium for LACERS' highest-cost single-party Medicare Parts A and B medical plan, the Anthem Blue Cross Life and Health Medicare Plan (Medicare Supplement), will be $914.41. LACERS recommends setting the maximum reimbursement for MPRP participants enrolled in Medicare Parts A and B at $914.41.

Overall Member Impact

The chart below compares the average medical subsidies and monthly premium deductions for Tier 1 Members in 2026 and 2027. There are currently three Tier 3 Retired Members who are receiving a medical subsidy.

Tier 1 Member Status	**Tier 1 2027 Estimated Population**	**Tier 1 2026 Subsidy $2,407.84**		**Tier 1 2027 Subsidy $2,637.90**	
		Avg. Monthly Subsidy	**Avg. Monthly Deduction**	**Avg. Monthly Subsidy**	**Avg. Monthly Deduction**
Non-Medicare Retiree	4,426	$1,549.30	$108.93	$1,696.49	$99.81
Non-Medicare Survivor	188	$865.45	$171.25	$946.08	$183.46
Medicare Retiree	11,113	$486.01	$46.62	$506.50	$49.79
Medicare Survivor	1,595	$327.28	$10.97	$339.93	$11.48
All Covered Members	17,322	$747.60	$60.61	$799.99	$60.43

Dental Plan Premium Subsidy *(LAAC Section 4.1114 and 4.1129)*

- LAAC Authority: The Retired Member's maximum dental plan premium subsidy cannot exceed the maximum dental plan premium subsidy for Active Members.
- Recommended Subsidy: The maximum dental plan subsidy for Active Members of LACERS for plan year 2026 is currently $42.93 per month. LACERS recommends that the maximum 2027 dental subsidy for Tier 1 and Tier 3 Retired Members be set at the approved 2027 amount for Active Members. The maximum 2027 subsidy for Active Members has not yet been approved by the City at the time of this report. Therefore, the delegation of authority to the General Manager is necessary, in case an adjustment is made in the future.

Prepared By:

Maria Macias, Benefits Analyst

TB:DWN:KF:JK:MLD:MM

Attachments:

1. Maximum Subsidy and Reimbursement Amounts Established by Ordinance
2. LACERS Medical Plan Premium Subsidy for Tier 1 Discretionary Retired Members
3. LACERS Historical Medical Subsidy Costs
4. Proposed Resolution

BOARD MEETING: 08/11/2026
ITEM: V-B
ATTACHMENT: 1

Maximum Subsidy and Reimbursement Amounts Established by Ordinance

The Los Angeles Administrative Code (LAAC) Division 4, Chapter 11, provides the Board the authority to set the maximum retiree health subsidies and the Medical Premium Reimbursement Program (MPRP) reimbursement amounts. Other subsidies and reimbursements do not require Board action as they are established by ordinance and codified in the LAAC:

- *Maximum Medical Plan Premium Subsidies and MPRP Reimbursement Amounts for Tier 1 Capped Retired Members and their Survivors*

  All medical benefit amounts for these Members and their Survivors are capped at 2011 amounts. The medical subsidy that may be used toward the premium costs of covering a dependent is also capped.

- *Maximum Medical Plan Premium Subsidies for Tier 1 Discretionary and Vested, and Tier 3 Retired Members, Enrolled in Medicare Parts A and B*

  The maximum subsidy is based on the single-party premium of the LACERS plan in which the Retired Member is enrolled.

- *Maximum Medical Plan Premium Subsidy and MPRP Reimbursement Amount for Tier 3 Retired Members Under Age 65 or Enrolled in Medicare Part B Only*

  The maximum subsidy and reimbursement amount is based on the Kaiser two-party non-Medicare plan premium.

- *Survivor Medical Plan Premium Subsidies and MPRP Reimbursement Amounts for Tier 1 and Tier 3 Retired Members*

  A Survivor's subsidy amount is based on the Retired Member's years of Service Credit.

  - *Survivors Under Age 65 or Enrolled in Medicare Part B Only* – The maximum Survivor subsidy is equal to the single-party premium of the lowest-cost non-Medicare plan. The lowest-cost LACERS non-Medicare plan is the Kaiser Permanente HMO.
  - *Survivors Enrolled in Medicare Parts A and B* – The maximum subsidy is set to the single-party premium of the LACERS plan in which the Survivor is enrolled.

BOARD MEETING: 08/11/2026
ITEM: V-B
ATTACHMENT: 2

LACERS MEDICAL PLAN PREMIUM SUBSIDY FOR TIER 1 DISCRETIONARY RETIRED MEMBERS

The LACERS Board has the authority, as established by the Los Angeles Administrative Code (LAAC) Section 4.1112(b), to increase the maximum medical plan premium subsidy by the amount of the increase in the Kaiser Permanente HMO (non-Medicare) two-party premium. If the three-year average increase in the subsidy is greater than the three-year average assumed actuarial medical trend rate for the same period, the increase must be approved by the City Council. City Council may set the increase at any other amount.

For 2027, the Kaiser Permanente HMO (non-Medicare) two-party premium will increase by $230.06 or 9.90%. The 2027 maximum medical plan premium subsidy increase to $2,637.90 ($2,407.84 + $230.06) does not exceed the LAAC limitation, as the three-year average subsidy increase of 6.5% is lower than the three-year average assumed actuarial medical trend rate of 7.33%. The table below shows by how much the Board may increase the 2027 maximum subsidy before reaching the cap imposed by the three-year average of the assumed actuarial medical trend rate.

	Assumed Actuarial Trend Rate*	% Increase	Max. Medical Subsidy Amt. (Cap)
2027	7.25%	12.15%**	$2,700.39**
2026	7.25%	3.85%	$2,407.84
2025	7.50%	5.99%	$2,318.58
3-yr Average	**7.33**%	**7.33%**	

*The assumed actuarial medical trend rates for the coming years may be adjusted during each valuation and may alter the information contained in these tables.

**For the 2027 plan year, the LACERS Board could approve a subsidy increase of up to 12.15% without requiring City Council approval.

BOARD MEETING: 08/11/2026
ITEM: V-B
ATTACHMENT: 3

LACERS HISTORICAL TIER 1 MEDICAL SUBSIDY COSTS

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Maximum Monthly Medical Subsidy	$508.00	$702.00	$702.00	$751.00	$872.00	$883.00	$883.00	$928.00	$983.00	$1,022.00	$1,120.00	$1,123.00	$1,190.00	$1,190.00	$1,367.00	$1,464.00	$1,580.08
Dollar Increase - Maximum Subsidy		$194.00	$0.00	$49.00	$121.00	$11.00	$0.00	$45.00	$55.00	$39.00	$98.00	$3.00	$67.00	$0.00	$177.00	$97.00	$116.08
% Increase - Maximum Subsidy		38.2%	0.0%	7.0%	16.1%	1.3%	0.0%	5.1%	5.9%	4.0%	9.6%	0.3%	6.0%	0.0%	14.9%	7.1%	7.9%
Kaiser 2-Party	$409.84	$604.44	$631.56	$679.68	$800.08	$813.87	$870.56	$915.14	$982.74	$1,021.54	$1,119.58	$1,122.74	$1,189.22	$1,187.24	$1,363.44	$1,459.66	$1,575.74
Dollar Increase - Kaiser 2-Party		$194.60	$27.12	$48.12	$120.40	$13.79	$56.69	$44.58	$67.60	$38.80	$98.04	$3.16	$66.48	($1.98)	$176.20	$96.22	$116.08
% Increase - Kaiser 2-Party		47.5%	4.5%	7.6%	17.7%	1.7%	7.0%	5.1%	7.4%	3.9%	9.6%	0.3%	5.9%	-0.2%	14.8%	7.1%	8.0%
Aggregate Medical Premium Increase				17.0%	16.1%	18.2%	-5.2%	-5.2%	12.5%	5.7%	7.1%	4.5%	6.2%	0.2%	7.9%	7.4%	4.8%
% Premium Cost Subsidized	88.9%	91.0%	88.4%	90.8%	93.9%	92.0%	92.4%	92.4%	91.1%	91.6%	92.5%	91.8%	91.3%	90.9%	92.7%	92.5%	94.0%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Maximum Monthly Medical Subsidy	*$1,580.08*	*$1,736.88*	*$1,790.80*	*$1,790.80*	*$1,790.80*	*$1,790.80*	*$1,884.50*	*$1,962.20*	*$2,187.58*	*$2,318.58*	*$2,407.84*	*$2,637.90*
Dollar Increase - Maximum Subsidy	*$0.00*	*$156.80*	*$53.92*	*$0.00*	*$0.00*	*$0.00*	*$93.70*	*$77.70*	*$225.38*	*$131.00*	*$89.26*	*$230.06*
% Increase - Maximum Subsidy	*0.0%*	*9.9%*	*3.1%*	*0.0%*	*0.0%*	*0.0%*	*5.2%*	*4.1%*	*11.5%*	*6.0%*	*3.8%*	*9.6%*
Kaiser 2-Party	$1,496.06	$1,652.86	$1,706.78	$1,660.88	$1,626.28	$1,681.07	$1,800.48	$1,878.18	$2,103.56	$2,234.56	$2,323.82	$2,553.88
Dollar Increase - Kaiser 2-Party	($79.68)	$156.80	$53.92	($45.90)	($34.60)	$54.79	$119.41	$77.70	$225.38	$131.00	$89.26	$230.06
% Increase - Kaiser 2-Party	-5.1%	10.5%	3.3%	-2.7%	-2.1%	3.4%	7.1%	4.3%	12.0%	6.2%	4.0%	9.9%
Aggregate Medical Premium Increase	-1.9%	6.5%	5.4%	-1.6%	-0.2%	0.7%	-1.5%	0.9%	4.6%	6.3%	7.4%	6.5%
% Premium Cost Subsidized	94.0%	94.3%	93.7%	94.2%	93.8%	93.4%	93.7%	92.4%	92.4%	92.7%	92.6%	92.4%

1. Beginning in 2019, LACERS published premiums may have two components: the Carrier premium and a 115 Trust component. This chart only reflects the Carrier premium.

2. In plan year 2024, the Kaiser 2-party under-65 rate increases by 14.4%, which exceeds the 12.2% Assumed Actuarial Medical Trend Rate (AAMTR) increase. The recommended increase is bought down using the 115 Trust, up to 12%, below the limit. Therefore, the Kaiser 2-party rate and subsidy reflected in 2024 is 12%.

3. In plan year 2025, the Kaiser 2-party under 65 rate increases by 3.99% compounded with the addition of the 2.4% by the plan year 2024 buydown. *Therefore, the Kaiser 2-party rate increase reflected in 2025 is 6.2%*

LACERS HISTORICAL TIER 3 MEDICAL SUBSIDY COSTS

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Maximum Monthly Medical Subsidy	$1,496.06	$1,652.86	$1,706.78	$1,660.88	$1,626.28	$1,681.07	$1,800.48	$1,878.18	$2,103.56	$2,234.56	$2,323.82	$2,553.88
Dollar Increase - Maximum Subsidy		$156.80	$53.92	($45.90)	($34.60)	$54.79	$119.41	$77.70	$225.38	$131.00	$89.26	$230.06
% Increase - Maximum Subsidy		10.5%	3.3%	-2.7%	-2.1%	3.4%	7.1%	4.3%	12.0%	6.2%	4.0%	9.9%
Kaiser 2-Party	$1,496.06	$1,652.86	$1,706.78	$1,660.88	$1,626.28	$1,681.07	$1,800.48	$1,878.18	$2,103.56	$2,234.56	$2,323.82	$2,553.88
Dollar Increase - Kaiser 2-Party		$156.80	$53.92	($45.90)	($34.60)	$54.79	$119.41	$77.70	$225.38	$131.00	$89.26	$230.06
% Increase - Kaiser 2-Party		10.5%	3.3%	-2.7%	-2.1%	3.4%	7.1%	4.3%	12.0%	6.2%	4.0%	9.9%
Aggregate Medical Premium Increase	-1.9%	6.5%	5.4%	-1.6%	-0.2%	0.7%	-1.5%	0.9%	4.6%	6.3%	7.4%	6.5%
% Premium Cost Subsidized	94.0%	94.3%	93.7%	94.2%	93.8%	93..4%	93.7%	92.4%	92.4%	92.7%	92.6%	92.4%

1. Beginning in 2019, LACERS published premiums may have two components: the Carrier premium and a 115 Trust component. This chart only reflects the Carrier premium.

2. In plan year 2024, the Kaiser 2-party under-65 rate increases by 14.4%, which exceeds the 12.2% Assumed Actuarial Medical Trend Rate (AAMTR) increase. The recommended increase is bought down using the 115 Trust, up to 12%, below the limit. Therefore, the Kaiser 2-party rate and subsidy reflected in 2024 is 12%.

3. In plan year 2025, the Kaiser 2-party under 65 rate increases by 3.99% compounded with the addition of the 2.4% by the plan year 2024 buydown. *Therefore, the Kaiser 2-party rate increase reflected in 2025 is 6.2%*

BOARD MEETING: 08/11/2026
ITEM: V-B
ATTACHMENT: 4

MAXIMUM HEALTH PLAN SUBSIDIES AND REIMBURSEMENT AMOUNTS FOR PLAN YEAR 2027

PROPOSED RESOLUTION

WHEREAS, the Los Angeles Administrative Code establishes that the Los Angeles City Employees' Retirement System (LACERS) provides 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 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 11, 2026, the Board of Administration approved the 2027 health benefit subsidies and reimbursements; and,

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

1. Approve a maximum medical plan premium subsidy of $2,637.90 per month for Tier 1 Discretionary and Vested Retired Members under age 65 or enrolled in Medicare Part B only;

2. Approve a maximum reimbursement of $2,637.90 per month for Tier 1 Discretionary and Vested Retired Members under age 65 or with Medicare Part B only, enrolled in the Medical Premium Reimbursement Program;

3. Approve a maximum reimbursement of $914.41 per month for Tier 1 Discretionary and Vested, and Tier 3 Retired Members, with Medicare Parts A and B, enrolled in the Medical Premium Reimbursement Program;
4. Set the maximum dental subsidy for Tier 1 and Tier 3 Retired Members equal to the City's approved 2027 Active Employee subsidy; and,
5. Authorize the General Manager to make subsidy and reimbursement adjustments within the limitations established in the Los Angeles Administrative Code, as necessitated by updates or information received after this report.

Benefit Type	**Tier 1 Retired Before July 1, 2011 "Discretionary"**	**Tier 1 Retired On/After July 1, 2011 "Vested"**	**Tier 3**
Retiree Medical Subsidy, <65/Medicare Part B	$2,637.90	$2,637.90	$2,553.88
Retiree MPRP Reimbursement, <65/Medicare Part B	$2,637.90	$2,637.90	$2,553.88
Retiree MPRP Reimbursement, Medicare Parts A and B	$914.41	$914.41	$914.41
Retiree Dental Subsidy	2027 Active Employee Subsidy	2027 Active Employee Subsidy	2027 Active Employee Subsidy

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: AUGUST 11, 2026
FROM: Todd Bouey, General Manager
ITEM: V-C

SUBJECT: LACERS 2025 ANTHEM BLUE CROSS MEDICAL, BLUE VIEW VISION, AND DELTA DENTAL PREFERRED PROVIDER ORGANIZATION YEAR-END ACCOUNTING AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board:

1. Approve the transfer of the 2025 Anthem surplus premium funds amount of $193,214.55 to LACERS' 401(h) account and $23,880.45 to LACERS' 115 Trust;
2. Approve the 2025 Year-End Accounting for the Anthem Blue Cross (Anthem) medical plan;
3. Approve the 2025 Year-End Accounting for the self-funded Anthem Blue View Vision (Blue View Vision) plan; and,
4. Approve the 2025 Year-End Accounting for the self-funded Delta Dental Preferred Provider Organization (PPO) plan.

Executive Summary

LACERS requires health plans that are dividend-eligible, participating experience-rated, or self-funded to provide year-end accounting (YEA) reports[1]. The Year-End Accounting report compares premiums collected during the plan year with actual claims costs and administrative expenses and identifies any resulting surplus or deficit.

[1] In participating experience-rated plans, dividends or rate credits are paid at the end of each policy year equal to the excess of premiums collected over claims incurred and administrative and other charges made according to the insurer's formulas, where the premium charged is based on the projection of future claims from past experience. A self-funded plan is one in which the employer assumes the risk for providing health care benefits and is responsible for paying claims.

The 2025 Year-End Accounting results are as follows:

- The Anthem medical plans produced a surplus of $177,210, which is held in the Claims Stabilization Fund.
- The self-funded Anthem Blue View Vision plan produced a surplus of $97,822.
- The self-funded Delta Dental PPO plan produced a surplus of $98,697.

Discussion

Anthem Blue Cross Medical Plans

LACERS has experience-rated refunding contracts with Anthem for its under-65 and Medicare Part B-only Commercial HMO plan, under-65 and Medicare Part B-only Commercial PPO plan, and Anthem Life & Health Medicare (Medicare Supplement) plan. All of which requires YEA. At the end of each plan year, LACERS' Health and Welfare Consultant, Keenan & Associates (Keenan), reviews and compares Anthem's actual annual costs with the annual premium[2] amount paid by LACERS and its Members. The Medicare Advantage plan is not included in the report since it is dependent, in part, on Medicare funding and is not dividend (surplus) eligible; thus, it does not require a YEA.

Any deficit resulting from the year-end accounting may be funded from the LACERS' Claims Stabilization Fund (CSF), which is held by Anthem and funded by LACERS.

For the 2025 plan year, the Anthem medical plans produced a surplus of $177,210, which is held in the Claims Stabilization Fund. The fund also earned $39,886 in interest based on the 12-month Effective Federal Funds Rate Index (approximately 3.4%). As of December 31, 2025, the CSF balance is $1,917,095.

2024 Year-End CSF Balance	$1,176,572
Wire Transfer to CSF	$523,428
Total Premium Paid	$45,037,568
Claims/Expenses	($44,860,358)
Surplus Premiums	$177,210
Interest Earned	$39,886
2025 Year-End CSF Balance	$1,917,095*

*Some numbers may differ slightly due to rounding

The required minimum fund level for January 1, 2027, is $1,700,000. The excess amount of $217,095 may remain in the CSF or be returned to LACERS, where it can

[2] Anthem plan premiums are based on projected costs for the next plan year.

earn a higher return. LACERS recommends that the CSF be set at $1,700,000 and that $217,095 be returned to LACERS.

Blue View Vision

LACERS has self-funded its Anthem Blue View Vision plan since 2022. The Blue View Vision premiums are paid to LACERS from the 401(h) account and, together with the Members' premium deductions, are deposited into the 115 Trust Fund Account. LACERS is responsible for paying all related provider claims and administrative fees from the 115 Trust Fund account. When premiums exceed claims costs, LACERS retains the surplus premium dollars in the 115 Trust Fund account; however, when premiums are not sufficient to cover all claims costs, the deficit must be resolved by LACERS and paid from the 115 Trust Fund.

For the 2025 plan year, premiums totaled $929,438; administrative expenses, $54,251; and paid claims $777,365.

Total Premiums Paid	$929,438
Claims/Expenses	($831,616)
2025 Year-End Balance	$97,822

Anthem Blue View Vision surplus funds remain in the LACERS' 115 Trust Fund and are available to support future plan expenses, subject to applicable reserve requirements and LACERS funding policies.

Delta Dental PPO

LACERS has self-funded its Delta Dental PPO plan since 2019. The Delta Dental PPO premiums are paid to LACERS and deposited into the 115 Trust Fund account. LACERS is responsible for paying all claims and administrative expenses from the 115 Trust Fund account. When premiums exceed claims costs, LACERS retains the surplus premium dollars in the 115 Trust Fund account; however, when premiums are not sufficient to cover all claims costs, the deficit must be resolved by LACERS and paid from the 115 Trust Fund.

For the 2025 plan year, the Delta Dental PPO premiums totaled $12,362,949, administrative expenses totaled $894,362, paid claims totaled $11,369,889, and the surplus was $98,697.

Total Premiums Paid	$12,362,949
Claims/Expenses	($12,264,251)
2025 Year-End Balance	$98,697*

*Some numbers may differ slightly due to rounding

Delta Dental PPO premium surpluses are held in LACERS' 115 Trust Fund. The funds are maintained in accordance with LACERS' premium reserve funding policy, which requires a minimum balance equal to 15% of the plan's projected premium cost for the coming year.

Prepared By:

Alejandra Zuniga, Benefits Analyst, Health, Wellness, and Buyback Division

TB:DWN:KF:JK:az

Attachments:
1. Keenan Report – LACERS 2025 Year-End Accounting
2. Proposed Resolution

BOARD MEETING: 08/11/2026
ITEM: V-C
ATTACHMENT: 1

Los Angeles City Employees' Retirement System (LACERS) 2025 Year-End Accounting

August 11, 2026

Jennifer Chien

Bordan Darm

Table of Contents

Anthem Medical/Rx Year-End Accounting

Anthem Year-End Accounting Overview

- The Anthem Medical/Rx Year-End Accounting (YEA) provides LACERS with the difference between the total costs incurred during the policy period and the premiums remitted. The balance is expressed as a surplus or deficit position.
- The Claims Stabilization Fund (CSF) is set/held by Anthem and funded by LACERS. It is used to fund any deficit incurred during a policy period.
- The 2025 plan year produced a YEA surplus of $177,210.
- Anthem's Claims Stabilization Fund (CSF) is now funded at $1,917,095 as of 12/31/2025, an increase of $740,524 when compared to the CSF of $1,176,572 at 12/31/2024. The increase is a combination of funding from the following:
  - Wire transfer in January 2026 of $523,428[1]
  - Interest earned in the amount of $39,886 (12-month Effective Federal Funds Rate [EFFR] Index)
  - Surplus of $177,210 allocated to CSF
- Anthem's minimum CSF funding level for January 1, 2027, will remain at $1.7M.
  - LACERS may elect to request a transfer of the current excess CSF funds held by Anthem of $217,095.

1 $523,428 Wire transfer was done by LACERS to increase the CSF fund to $1.7M effective 1/1/26

2025 Anthem Medical/Rx Accounting Summary

Policy Year	2019	2020	2021	2022	2023	2024	2025
YEA	$2,366,139	$2,255,347	$2,426,892	$3,334,641	($38,346)	($629,999)	$177,210
Surplus/(Deficit)	Surplus	Surplus	Surplus	Surplus	Deficit	Deficit	Surplus
% of Premium	4.2%	4.1%	3.7%	9.1%	-0.1%	-1.5%	0.4%
Ending CSF	$1,452,172	$1,515,734	$1,675,806	$1,700,000	$1,734,584	$1,176,572	$1,917,095
$ Adjustment*	$46,749	$63,562	$160,072	$133,232	$34,584	($558,013)	$740,524
% Adjustment*	3.2%	4.2%	9.6%	7.8%	2.0%	-47.4%	38.6%
PSR w/YEA	$0	$0	$0	$0	$0	$0	$0
$ Adjustment	($11,956,924)	$0	$0	$0	$0	$0	$0

** Compared to ending balance of CSF from prior year.*

- With the 2019 YEA, the Premium Stabilization Reserve (PSR) held by Anthem was discontinued and all surplus funds were returned to LACERS.
- Anthem's Claim Stabilization Fund (CSF) is now funded at $1,917,095 as of 12/31/2025, an increase of $740,524 when compared to the CSF of $1,176,572 at 12/31/2024. The increase is a combination of funding from the following:
    - Wire transfer in January 2026 of $523,428
    - Interest earned in the amount of $39,886 (12-month EFFR Index)
    - Surplus of $177,210 allocated to CSF

2025 Claims Stabilization Fund (CSF)

Claim Stabilization Fund (CSF) Accounting	2019	2020	2021	2022	2023	2024	2025
1/1 CSF Balance	$1,405,423	$1,452,172	$1,515,734	$3,947,165	$1,700,000	$1,734,585	$1,176,572
Interest Earned	$33,382	$11,184	$4,540	$133,232	$72,930	$71,985	$39,886
Interest Yield	2.4%	0.8%	0.3%	3.4%	4.3%	4.2%	3.4%
YEA Fund Transfer	$0	$0	$0	$0	$0	$0	$523,428
Surplus Transfer*	$13,367	$52,378	$155,532	$0	($38,346)	($629,999)	$177,210
12/31 CSF Balance	**$1,452,172**	**$1,515,734**	**$1,675,806**	**$4,080,398**	**$1,734,584**	**$1,176,572**	**$1,917,095**

** Prior to 2020, Surplus Transfer was known as PSR Fund Transfer.*

- The January 1, 2025, beginning balance for the CSF was $1,176,572.
- A YEA Fund Transfer in the amount of $523,428 was completed to meet the minimum CSF balance of $1.7 million. This minimum amount is set forth by Anthem.
- The $39,886 interest yield is based on the 12-month EFFR Index; the 2025 interest yield was 3.4%.
- The $177,210 surplus was also deposited into the CSF, bringing the closing balance to $1,917,095.

*Values shown may include minor rounding differences. Totals may not exactly match the sum of displayed line items.

Anthem Medical/Rx YEA History

Anthem Year End Accounting History	2019	2020	2021	2022	2023	2024	2025
Annual Amount							
Total Income	$55,927,235	$54,664,982	$65,618,714	$36,755,305	$39,027,692	$42,132,827	$45,037,568
Total Expenses	$53,561,096	$52,409,635	$63,191,822	$33,420,663	$39,066,037	$42,762,825	$44,860,358
Surplus / (Deficit)	$2,366,139	$2,255,347	$2,426,892	$3,334,641	($38,346)	($629,999)	$177,210
Expense Ratio	95.8%	95.9%	96.3%	90.9%	100.1%	101.5%	99.6%
Contracts	4,920	5,149	5,505	2,088	2,032	2,130	2,190
Per Retiree Per Month Amount							
Total Income	$947.34	$884.79	$993.33	$1,466.81	$1,600.35	$1,648.07	$1,713.43
Total Expenses	$907.26	$848.29	$956.60	$1,333.73	$1,601.92	$1,672.71	$1,706.69
Surplus / (Deficit)	$40.08	$36.50	$36.74	$133.08	($1.57)	($24.64)	$6.74

LACERS has achieved a surplus position in 5 of the last 7 years.

Dental & Vision Year-End Accounting

Dental Year-End Accounting Overview

- LACERS self-funded its dental plan effective January 1, 2019.
- Through 12/31/2024, LACERS had a surplus position of $7,975,924.
- Through 12/31/2025, LACERS is now at a surplus position of $8,074,621.
- For the 2025 Plan Year:
  - Average Monthly Enrollment was 14,616
  - Budgeted Premium was $12,362,949
  - Administration was $894,362
  - Paid Claims were $11,369,889
- The Loss Ratio for the year was 99.2%, which created an additional surplus of $98,697.
- The Year-End Accountings were prepared by Keenan based on information provided by Delta Dental. LACERS' auditing team may have more accurate numbers based on fluctuations in enrollment or other debits and credits.

2025 Delta Dental Accounting Summary

Date	Paid Amount	Administration	Total Expenses	Total Primary Enrollees	Estimated Premium	Surplus / Deficit	Total Cost Loss Ratio
Jan-25	$961,897	$74,144	$1,036,041	14,548	$1,024,956	-$11,085	101.1%
Feb-25	$996,750	$74,108	$1,070,858	14,552	$1,024,774	-$46,084	104.5%
Mar-25	$965,974	$74,174	$1,040,149	14,564	$1,025,489	-$14,660	101.4%
Apr-25	$963,704	$74,404	$1,038,108	14,559	$1,025,108	-$13,000	101.3%
May-25	$1,157,698	$74,363	$1,232,061	14,579	$1,027,222	-$204,839	119.9%
Jun-25	$870,779	$74,399	$945,178	14,606	$1,030,025	$84,847	91.8%
Jul-25	$1,026,519	$74,552	$1,101,071	14,637	$1,032,888	-$68,183	106.6%
Aug-25	$860,791	$74,746	$935,537	14,654	$1,034,059	$98,522	90.5%
Sep-25	$836,366	$74,837	$911,203	14,671	$1,034,678	$123,475	88.1%
Oct-25	$1,029,433	$74,827	$1,104,260	14,671	$1,034,230	-$70,030	106.8%
Nov-25	$784,950	$74,904	$859,854	14,681	$1,035,168	$175,314	83.1%
Dec-25	$915,028	$74,904	$989,932	14,673	$1,034,352	$44,420	95.7%
2025 Plan Year	***$11,369,889***	***$894,362***	***$12,264,252***	***14,616***	***$12,362,949***	***$98,697***	***99.2%***

The 2025 plan year produced a Dental surplus position of $98,697.
This brings LACERS' approximate total surplus for the Dental plan to $8,074,621.

Vision Year-End Accounting Overview

- LACERS self-funded its vision plan effective January 1, 2022.
- Through 12/31/2024, LACERS had a surplus position of $663,866.
- Through 12/31/2025, LACERS is now at a surplus position of $761,688.
- For the 2025 Plan Year:
  - Average monthly enrollment was 7,411
  - Budgeted premium was $929,438
  - Administration was $54,251
  - Paid claims were $777,365
- The Loss Ratio for the year was 89.5%, which created an additional surplus of $97,822.
- The Year-End Accountings were prepared by Keenan based on information provided by Anthem. LACERS' auditing team may have more accurate numbers based on fluctuations in enrollment or other debits and credits.

2025 Anthem Vision Accounting Summary

Date	Paid Amount	Administration	Total Expenses	Subscribers	Estimated Premium	Surplus / Deficit	Total Cost Loss Ratio
Jan-25	$53,533	$4,482	$58,015	7,348	$76,834	$18,819	75.5%
Feb-25	$65,260	$4,486	$69,746	7,354	$76,883	$7,137	90.7%
Mar-25	$72,204	$4,491	$76,695	7,363	$76,988	$292	99.6%
Apr-25	$68,651	$4,496	$73,148	7,371	$77,069	$3,922	94.9%
May-25	$63,660	$4,511	$68,171	7,395	$77,313	$9,142	88.2%
Jun-25	$67,782	$4,526	$72,308	7,420	$77,581	$5,273	93.2%
Jul-25	$55,618	$4,532	$60,150	7,430	$77,647	$17,496	77.5%
Aug-25	$58,585	$4,538	$63,123	7,439	$77,696	$14,573	81.2%
Sep-25	$73,999	$4,541	$78,540	7,444	$77,737	-$802	101.0%
Oct-25	$64,532	$4,542	$69,074	7,446	$77,741	$8,667	88.9%
Nov-25	$61,591	$4,551	$66,142	7,460	$77,952	$11,811	84.8%
Dec-25	$71,950	$4,554	$76,504	7,466	$77,997	$1,492	98.1%
2025 Plan Year	***$777,365***	***$54,251***	***$831,616***	***7,411***	***$929,438***	***$97,822***	***89.5%***

The 2025 plan year produced a Vision surplus position of $97,822.
This brings LACERS' approximate total surplus for the Vision plan to $761,688.

Appendix

2025 Medical/Rx YEA Summary by Plan

	HMO	*PPO*	*Medicare Supplement*	*Medicare D*	*Total*
Income Reported	$23,146,961	*$21,175,623*	$714,983	$0	$45,037,568
CMS Revenue (Medicare D)	$0	$0	$0	$0	$0
Total Income Received	$23,146,961	$21,175,623	$714,983	$0	$45,037,568
Paid Claims	$12,277,665	$22,375,720	$1,364,200	$0	$36,017,585
+ Ending Reserve	$1,329,072	$2,139,997	$215,936	$0	$3,685,005
- Beginning Reserve	($1,177,856)	($2,227,297)	($66,118)	$0	($3,471,271)
+ Large Claim Charge	$1,031,692	$2,028,146	$0	$0	$3,059,837
- Large Claim Credit	($1,768,182)	($635,139)	$0	$0	($2,403,321)
Incurred Claims	$11,692,390	$23,681,427	$1,514,018	$0	$36,887,835
Retention	$582,111	$861,079	$137,929	$0	$1,581,118
HMC Programs	$4,151	$5,633	$1,256	$0	$11,039
Silver Sneakers Program	$93,351	$108,153	$24,740	$0	$226,244
Premium Tax	$0	$166,860	$0	$0	$166,860
ACA Insurer Fee	$0	$0	$0	$0	$0
Capitation Expenses	$5,980,174	$0	$0	$0	$5,980,174
Consortium Fees	$0	$7,089	$0	$0	$7,089
SB510 Settlement Claims	$0	$0	$0	$0	$0
Part D Credit Final Settlement ReOpening - 2019	$0	$0	$0	$0	$0
Total Expense	$18,352,177	$24,830,239	$1,677,942	$0	$44,860,358
Expense Ratio	79.29%	117.26%	234.68%	0.00%	99.61%
Accumulated Surplus/(Deficit) at December 31, 2025	$4,794,784	($3,654,616)	($962,959)	$0	$177,210
Amount Allocated to Claims Stabilization Fund	($4,794,784)	$3,654,616	$962,959	$0	($177,210)
Ending Surplus/(Deficit)	$0	$0	$0	$0	$0

2025 Medical/Rx CSF Accounting Summary

LOS ANGELES CITY EMPLOYEES RETIREMENT SYSTEM

Claims Stabilization Fund
Case No. C22357
January 1, 2025 through December 31, 2025

Claims Stabilization Fund as of January 1, 2025	**$1,176,572**
Interest Earned based on average of the 12-month EFFR	**$39,886**
Amount of Surplus added to the Stabilization Fund	**$177,210**
Wire transfer processed January 2, 2026	**$523,428**
Total Claims Stabilization Fund	**$1,917,095**

Note: Required Minimum Fund Level as of January 1, 2026 is $1,700,000

Historical YEA Position – Dental

Plan Year	Premium	Expenses	Yearly Surplus/Deficit	Cumulative Reserve Total
2019	$10,183,784	$8,499,496	$1,684,288	$1,684,288
2020	$10,585,837	$7,814,981	$2,770,856	$4,455,144
2021	$11,538,873	$9,731,835	$1,807,039	$6,262,183
2022	$11,893,605	$11,031,862	$861,743	$7,123,926
2023	$12,024,809	$11,509,032	$515,777	$7,639,703
2024	$12,148,772	$11,812,550	$336,222	$7,975,924
2025	$12,362,949	$12,264,252	$98,697	$8,074,621
Dental Total	**$80,738,629**	**$72,664,007**		**$8,074,621**

Historical YEA Position – Vision

Plan Year	Premium	Expenses	Yearly Surplus/Deficit	Cumulative Reserve Total
2022	$876,842	$652,992	$223,850	$223,850
2023	$891,418	$670,293	$221,125	$444,975
2024	$910,852	$691,961	$218,891	$663,866
2025	$929,438	$831,616	$97,822	$761,688
Total	**$3,608,550**	**$2,846,862**		**$761,688**

BOARD MEETING: 08/11/2026
ITEM: V-C
ATTACHMENT: 2

LACERS 2025 ANTHEM BLUE CROSS MEDICAL, BLUE VIEW VISION, AND DELTA DENTAL PREFERRED PROVIDER ORGANIZATION YEAR-END ACCOUNTING

PROPOSED RESOLUTION

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

WHEREAS the LACERS' vision and dental PPO plans are self-funded and the premiums and claims are reviewed every year for any premium surplus to be held in the LACERS' 115 Trust Fund;

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 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 2025 Anthem year-end accounting shows an adjusted premium surplus of $177,210;

WHEREAS the 2025 Anthem premium surplus is to be allocated between the LACERS 401(h) account and the 115 Trust Fund in accordance with the applicable premium funding percentages;

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

1. Approve the transfer of the 2025 Anthem surplus premium funds amount of $193,214.55 to LACERS' 401(h) account and $23,880.45 to LACERS' 115 Trust;
2. Approve the 2025 Year-End Accounting for the Anthem Blue Cross (Anthem) medical plan;
3. Approve the 2025 Year-End Accounting for the self-funded Anthem Blue View Vision (Blue View Vision) plan; and,
4. Approve the 2025 Year-End Accounting for the self-funded Delta Dental Preferred Provider Organization (PPO) plan.

August 11, 2026

REPORT TO BOARD OF ADMINISTRATION
MEETING: AUGUST 11, 2026
FROM: Todd Bouey, General Manager
ITEM: VI-B

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN KAYNE ANDERSON REAL ESTATE PARTNERS VII, L.P.

☐ ACTION ☒ RECEIVE & FILE ☐ CONSENT ☐ CLOSED

Recommendation
That the Board receive and file this notice of a commitment of up to $50 million in Kayne Anderson Real Estate Partners VII, L.P.

Executive Summary
Kayne Anderson Real Estate Partners VII, L.P. will target alternative assets in medical office, student housing, and senior housing in the United States.

Discussion
Townsend Holdings LLC (“Townsend”), LACERS’ Private Real Estate Consultant, recommended a commitment of up to $50 million in Kayne Anderson Real Estate Partners VII, L.P. (“the Fund”). The Fund is a real estate non-core value-add opportunity sponsored by Kayne Anderson Capital Advisors, L.P. (“Kayne Anderson” or the “Firm”). Kayne Anderson Real Estate (“KARE”) serves as the overarching real estate investment platform under Kayne Anderson Capital Advisors, L.P. Fund management and incentive fees are favorable compared to similar strategies. This recommendation is consistent with the Private Real Estate Program 2025 Strategic Plan adopted by the Board on May 27, 2025.

Background

Kayne Anderson was founded in 1984 and created its real estate arm in 2007. The firm has been privately owned by founding partners Ric Kayne and Al Rabil with the rest of the company being held by former and current employees. On June 29, 2026, Bridgepoint Group plc (“Bridgepoint”) announced the acquisition of Kayne Anderson Real Estate. Kayne Anderson Capital Advisors, L.P. will be replaced by Bridgepoint. Bridgepoint is a global alternative asset management firm headquartered in London, UK.

Investment Thesis

The Fund invests in specialized real estate assets, primarily healthcare related properties (medical office and senior housing) and student housing, within “mission critical” alternative sectors. The manager targets undermanaged, undercapitalized, or operationally challenged assets where Net Operating Income (NOI) growth can be driven through renovations, operation improvements, and targeted development projects. A target Net IRR of 15-18% and leverage of 55-70% make this an opportunistic investment positioned to capitalize on alternative real estate. The strategy is further supported by long-term demographic and secular demand tailwinds, mitigated by a management team with a proven track record of delivering strong risk-adjusted returns.

Placement Agent

The GP did not use a placement agent in connection with LACERS’ investment.

Staff Recommendation

Staff concurred with Townsend’s recommendation. The commitment has been consummated pursuant to the Discretion in a Box Section 7.H (Roles and Responsibilities) of the Private Real Estate Investment Policy; no Board action is required.

Prepared By:

Jessica Chumak, Investment Officer I, Investment Division

TB:WL:EC:RM:JC

Attachments:
1. Townsend Investment Notification
2. Discretion in a Box

BOARD MEETING DATE: AUGUST 11, 2026

ITEM: VI-B

ATTACHMENT: 1

Investment Manager	*Kayne Anderson Real Estate*
General Partner	Kayne Anderson Real Estate Advisors VII, LLC
Fund	Kayne Anderson Real Estate Partners VII, L.P.
Firm Founded	1984 Parent / 2007 Real Estate
Strategy	Alternative Property Types
Headquarters	Los Angeles
Structure	Closed-End Fund
Risk Segment	Opportunistic
Target Sectors	Healthcare, Senior Housing, Student Housing
Target Return	15-18% Net IRR Target
Leverage	55% - 70%
Target Fund Size	$3 billion; $5 billion cap
Fund Term	8 years
LACERS Commitment	$50 million

Investment Highlights

- Kayne Anderson Real Estate Partners VII is a closed-end, opportunistic fund sponsored by Kayne Anderson Real Estate.
- The Fund invests in specialized real estate assets, primarily healthcare-related properties and student housing, with a focus on driving NOI growth through operational improvements, targeted development projects, and opportunistic acquisitions of high-quality assets.
- As of March 2026, the Fund has deployed $2.0 billion across 31 assets spanning medical office, student housing, multifamily development, and light industrial properties, with an additional $582 million of equity commitments under agreement across 7 deals, reflecting strong investment momentum and portfolio growth.

Firm and Background

- Kayne was founded in 1984, with their real estate arm being created in 2007.
- The Sponsor has $37.2 billion in assets under management across the entire firm, with $18.5 billion being real estate.
- Kayne is privately owned, primarily by the founding partners, Ric Kayne and Al Rabil, with the rest being held by former and current employees.

Investment Strategy

- The Fund seeks to acquire and develop specialized real estate assets, with a primary focus on healthcare-related properties, including medical office and senior housing, as well as student housing communities.

- The Fund generally targets undermanaged, undercapitalized, or operationally challenged assets where renovations and operational improvements can drive NOI growth, while also pursuing high-quality properties from motivated sellers with stressed or distressed capital structures.
- The Fund employs a diversified investment approach across acquisitions and development, including speculative student housing development and build-to-suit medical office projects, supported by a track record of consistent performance that has generated an 11.9% net IRR and 1.36x net equity multiple across fully invested funds and co-investment vehicles.

Disclaimer

This document has been prepared by Townsend Holdings LLC ("Townsend") and is appropriate solely for qualified investors. Nothing in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. It should not be taken as financial advice and action should not be taken as a result of this document alone. The information contained herein is given as of the date hereof and does not purport to give information as of any other date. The delivery at any time shall not, under any circumstances, create any implication that there has been a change in the information set forth herein since the date hereof or any obligation to update or provide amendments hereto. The information contained herein is derived from proprietary and non-proprietary sources deemed by Townsend to be reliable and are not necessarily all inclusive. Reliance upon information in this material is at the sole discretion of the reader. This document does not constitute an offer of securities or solicitation of any kind and may not be treated as such, i) in any jurisdiction where such an offer or solicitation is against the law; ii) to anyone to whom it is unlawful to make such an offer or solicitation; or (iii) if the person making the offer or solicitation is not qualified to do so. Townsend is a Registered Investment Adviser with the Securities and Exchange Commission. Select Townsend employees may have personal interest in this investment/fund or affiliates of this investment/fund. All Townsend employees are subject to an investment pre-clearance process for such investments under Townsend's Code of Ethics. To assess any conflict of interest/perceived conflict of interest and to avoid any opportunity of beneficial treatment, all employee investments that may create a conflict/or perceived conflict are monitored by Townsend Compliance and the Townsend Compliance Committee.

Past performance is not indicative of future performance.

BOARD MEETING DATE: AUGUST 11, 2026

ITEM: VI-B

ATTACHMENT: 2

H. **Roles and Responsibilities (Part 1 of 2)**

	Role of the Board	Role of Staff	Role of Private Real Estate Consultant
Strategy/Policy	• Select Private Real Estate Consultant. • Approve asset class funding level. • Review and approve the Private Real Estate Annual Strategic Plan which includes allocation targets and ranges.	• In consultation with Private Real Estate Consultant and General Fund Consultant, develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board. • Provide input to the Private Real Estate Consultant in the development of the Private Real Estate Annual Strategic Plan.	• Under the guidance of staff, assist in the development of policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board. • Develop the fiscal year Private Real Estate Annual Strategic Plan for the fiscal year, incorporating staff input, and present it to the Board on or before the fiscal year's end.
Investment Management and Monitoring	• Review and approve policies, procedures, guidelines, allocation targets, ranges, and assumptions. • Review quarterly, annual, and other periodic monitoring reports and plans. • Review Commitment Notification Reports.	• Review quarterly, annual, and other periodic monitoring reports prepared by the Private Real Estate Consultant. • Conduct meetings with existing managers periodically. • Attend annual partnership meetings when appropriate. • Fund capital calls and manage distributions. • Review Private Real Estate Consultant's recommendations on partnership amendments and consents. • Execute contract amendments and consents. • Manage and approve the wind-down and/or dissolve private real estate fund investment(s) with Private Real Estate Consultant's concurrence. • Manage and execute secondary market transactions up to and including $50 million in Fair Market Value. • Prepare Commitment Notification Reports for the Board.	• Maintain regular contact with existing Managers in the portfolio to ascertain significant events within the portfolio. • Recommend contract amendments and consents to Staff for approval. • Provide quarterly, annual, and other periodic monitoring reports and plans.

H. **Roles and Responsibilities (Part 2 of 2)**

	Role of Board	Role of Staff	Role of Private Real Estate Consultant
Investment Selection	• Review and approve investments in commingled funds that exceed $65 million, or in any fund that does not receive the Real Estate Consultant's highest unconditional fund-quality rating for similar institutional investors. • Review and approve direct co-investment and separately managed account (SMA) opportunities. • Review and approve secondary market transactions exceeding $50 million in Fair Market Value. • Review and approve a simultaneous sale of multiple partnership fund interests in a packaged structure. • Review and approve any direct investment where LACERS would be exclusive title holder or debt holder in real property interest.	• Refer investments and forward to Private Real Estate Consultant for preliminary screening. • Review due diligence reports and conduct meetings with prospective or existing general partners to discuss investment opportunities. • Conduct due diligence with general partners and Managers to better ascertain risk and return profile, as determined by the Chief Investment Officer. • Consider and approve an investment up to and including $65 million in commingled funds that have received the Real Estate Consultant's highest non-conditional quality rating for like-institutional investors. If Staff does not concur with Real Estate Consultant recommendation, staff will refer items to the Board for a decision. • Recommend to the Board the approval of investments exceeding $65 million and/or investments not meeting the consultant's highest unconditional fund-quality rating for similar institutional investors, as advised by the Private Real Estate Consultant. • Make recommendations to the Board for co-investment and separately managed account (SMA) opportunities recommended by the Real Estate Consultant • General Manager or designee with signature authority will execute agreements and other legal or business documents to effectuate the transaction closing. • Ensure review of relevant fund documents by the City Attorney and/or external legal counsel.	• Conduct appropriate analysis and due diligence on commingled fund investments for Staff review. • Provide due diligence reports for each new commingled fund investment, secondary market transaction, direct investment, co-investment, and separately managed account (SMA) opportunity. • Recommend commingled fund investments to Staff for consideration up to and including $65 million; investments exceeding $65 million will be brought forth to the Board for review and approval. • Prepare investment reports for Board/Staff consideration of commingled fund investments. • Recommend direct co-investment and separately managed account (SMA) opportunities to Staff for Board approval. • Recommend secondary market transaction opportunities to Staff for consideration up to and including $50 million in Fair Market Value; transactions exceeding $50 million will be brought to the Board for review and approval. • Communicate with Staff regarding potential investment opportunities undergoing analysis and due diligence. Coordinate meetings with Managers at the request of Staff. • Advise on and negotiate investment terms.

REPORT TO BOARD OF ADMINISTRATION
MEETING: AUGUST 11, 2026
FROM: Todd Bouey, General Manager
ITEM: VI-C

SUBJECT: CONSENT OF ASSIGNMENT OF KAYNE ANDERSON CAPITAL ADVISORS, L.P. CONTRACT AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board:

1. Consent to the assignment of the Kayne Anderson Capital Advisors, L.P. contract; and

2. Authorize the General Manager or designee to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Executive Summary

Kayne Anderson Capital Advisors, L.P. (“Kayne Anderson”) has entered into an acquisition agreement with Bridgepoint Group plc (LSE: BPT) (“Bridgepoint”). Kayne Anderson Real Estate (“KARE”) serves as the overarching real estate investment platform under Kayne Anderson Capital Advisors, L.P. LACERS committed $35 million (2019), $25 million (2021), and $25 million (2024) -- totaling $85 million to Kayne Anderson Core Real Estate funds - and additionally committed $50 million to Kayne Anderson Real Estate Partners VII, L.P. in 2026, bringing LACERS’ aggregate commitments to $135 million across the referenced funds.

Under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with Kayne Anderson, this change of control of an investment advisory firm is deemed to be a contract assignment (a legal transfer of the obligations and benefits of a contract to another party) and requires Board approval.

Discussion

LACERS is a limited partner in both the core-plus and value-add funds managed by Kayne Anderson, with commitments spanning from 2019 to 2026. As of December 31, 2025, Kayne Anderson Core Real Estate Fund had an internal rate of return of 5.2% with an equity multiple of 1.2x. No material returns have been recorded for Kayne Anderson Real Estate Partners VII as of April 2026, given the recent allocation and limited performance history to date.

In a press release dated June 29, 2026, Bridgepoint Group plc announced it had entered into an acquisition agreement with Kayne Anderson Real Estate for an upfront enterprise value of approximately $1.393 billion. The business line includes a real estate investment platform with approximately $22 billion in assets under management focused on specialist sectors such as medical office, seniors housing, student housing, multifamily, and light industrial across the United States. Both the leadership and investment teams managing the underlying assets, led by Co-Founder and CEO Al Rabil, will be integrated into the platform and will continue to manage the business under the rebranded name Kayne Bridgepoint. The acquiring alternative investment manager is listed on the London Stock Exchange (LSE: BPT).

The acquisition is structured as a mix of cash and equity, ensuring the existing leadership team remains financially aligned with the new parent company. The transaction is expected to conclude by the end of 2026, pending the necessary regulatory approval and investor consent. This partnership is intended to leverage a global network to support investments in sectors such as medical offices and specialized housing.

Due Diligence

Staff and Townsend Holdings LLC ("Townsend"), LACERS' Real Estate Consultant, recommend consenting to the assignment of the Kayne Anderson contract.

Prepared By:

Jessica Chumak, Investment Officer I, Investment Division

TB:WL:EC:RM:JC

ATTACHMENTS: 1. Real Estate Flash Report – Bridgepoint Group plc's Proposed Acquisition of Kayne Anderson Real Estate (Townsend)
2. Press Release – Bridgepoint Group plc
3. Proposed Resolution

BOARD MEETING DATE: AUGUST 11, 2026

ITEM: VI-C

ATTACHMENT: 1

Real Estate Flash Report

July 31, 2026

Kayne Anderson Real Estate
Re: Bridgepoint Group plc's Proposed Acquisition of Kayne Anderson Real Estate (end of 2026 target close)

Recommendation

Townsend recommends that limited partners ("LPs") in vehicles sponsored by Kayne Anderson Real Estate ("KARE") consent to the ownership transaction between Bridgepoint Group plc ("BG") and KARE, subject to appropriate legal review of the relevant consent form(s) and vehicle documents.

Summary

Bridgepoint Group plc (LSE: BPT), a London-based middle-market private equity firm, has agreed to acquire Kayne Anderson Real Estate for an upfront enterprise value of approximately $1.393 billion. Consideration consists of approximately $759 million in cash and approximately 189 million newly issued Bridgepoint shares, with additional contingent consideration tied to management fee-related performance hurdles. Upon closing, the combined firm is expected to manage approximately $117 billion of assets across private equity ($40 billion), credit ($21 billion), infrastructure ($30 billion), real estate ($22 billion), and secondaries ($4 billion). The business will operate as Bridgepoint's specialist real estate platform and will sit within the broader Bridgepoint Group alongside the existing private equity, credit, infrastructure and secondaries businesses.

Bridgepoint is a publicly traded global alternative asset manager headquartered in London, England and listed on the London Stock Exchange (LSE: BPT). As a publicly listed company, Bridgepoint is broadly owned by institutional and public market investors and operates under the governance, disclosure, and reporting requirements applicable to listed companies. Prior to the transaction, the firm managed approximately $95 billion of assets across private equity, credit, infrastructure, and secondaries strategies through a global investment platform serving institutional investors. Bridgepoint has demonstrated a successful track record of acquiring, integrating, and expanding alternative investment businesses while preserving investment autonomy. Following the acquisition, KARE will become Bridgepoint's dedicated real estate platform, providing access to a broader institutional distribution network and relationships with 38 of the top 50 global limited partners. Townsend believes Bridgepoint's global scale, institutional governance, and proven acquisition and integration track record make it a well-suited long-term strategic owner for KARE.

KARE manages approximately $22 billion of assets across real estate equity and debt strategies focused on US specialist real estate sectors including medical office, seniors housing, student housing, multifamily housing, and light industrial. Following closing, the business will continue under the Kayne Bridgepoint brand led by Co-Founder and Chief Executive Officer Al Rabil and Chief Investment Officer David Selznick, preserving continuity of culture, investment process, and client relationships.

Key Takeaways and Rationale

- **Structured to ensure alignment and platform stability.** Kayne Anderson Real Estate's management team, led by Al Rabil, will continue to manage the business under the new Kayne Bridgepoint brand. The transaction structure, including staggered lock-up provisions until 2029 and performance-based earn-out shares, is designed to ensure strong alignment.

    Employment Terms for Al Rabil and David Selznick

    - At closing, each of Mr. Rabil and Mr. Selznick will enter into employment agreements with Bridgepoint, including customary non-compete and non-solicit obligations, where breach of such obligations results in significant forfeiture of current and future economics.
    - Transaction consideration includes a meaningful earn-out component that is tested at the end of 2029.
    - A significant portion of transaction consideration (both up-front and as part of any potential earn-out) is in the form of Bridgepoint stock that is (i) subject to multi-year lockups and (ii) vesting and forfeiture provisions if departing before vesting occurs.

    Economic Alignment

    - Prior to the transaction, Petershill was entitled to 31% of carried interest, KARE's parent, Kayne Anderson Capital Advisors, was entitled to 17.5%, and the real estate team—including Al Rabil and David Selznick—received the remaining 51.5%. In KAREP VII, for example, approximately 31.5% of carried interest was allocated across approximately 40 real estate investment professionals, while approximately 20% was allocated to Al Rabil and David Selznick.
    - Following the transaction, the real estate team, including Al Rabil and David Selznick, will collectively receive 65% of future carried interest, while Bridgepoint will receive 35%. Accordingly, the investment team's aggregate carried interest participation increases by approximately 13.5 percentage points, reinforcing long-term alignment between the investment professionals responsible for investment decisions and fund investors.

    Broader Real Estate Team

  - Members of the real estate team will receive Bridgepoint stock as part of an equity incentive plan funded with a portion of the deal proceeds, subject to multi-year vesting and weighted toward payments from the earn-out.
  - Team members will continue to participate in the carried interest program with similar vesting, forfeiture, and restrictive covenant provisions to those that are in place today.

- **Existing KARE funds are expected to operate with substantial continuity.** Following the completion of the transaction, the investment strategy, investment process, investment team, investment committees, and advisory boards are expected to remain largely unchanged. Townsend's discussions with Bridgepoint Chief Executive Officer, Raoul Hughes, reinforced Bridgepoint's operating philosophy of preserving KARE's existing investment process and decision-making structure. Bridgepoint also emphasized the economic incentives and retention arrangements that remain in place to support continuity across the investment team. Bridgepoint will own and govern the platform; however, Al Rabil and David Selznick will continue leading the real estate business and remain responsible for investment decisions through the existing investment committees. Bridgepoint's non-voting observer seat on the investment committees is intended to facilitate communication within the broader organization and provide Bridgepoint with greater familiarity with KARE's business and investments, rather than to interfere with or influence the investment process. At the time of Townsend's discussion with Bridgepoint, the firm had not determined who would fill the observer role, although Mr. Hughes indicated that he may assume the position. The investor relations and certain back-office functions are expected to be integrated into Bridgepoint's broader organization, while responsibility for investment decisions will remain with KARE's existing investment professionals and committees. As a result, the transaction does not constitute a Key Person event under the governing documents of the existing funds. To facilitate an orderly integration, Kayne Anderson will provide transition services following closing.

- **Expands KARE's institutional capabilities.** Prior to the transaction, KARE lacked the global institutional distribution platform and investor relationships available through Bridgepoint. Following the transaction, KARE is expected to benefit from Bridgepoint's established global fundraising infrastructure, broader operating resources, and relationships with many of the world's largest institutional investors while continuing to operate as Bridgepoint's dedicated real estate platform. Bridgepoint maintains relationships with 38 of the top 50 global institutional investors, compared to only five overlapping relationships with KARE, creating meaningful opportunities to expand KARE's investor base, support future fundraising, enhance product development, and strengthen institutional client coverage.

Limited Partner Consent Process

KARE is seeking investor consent by **August 13, 2026,** in connection with the proposed change of control. In general, the governing documents require approval from 50.1% of the limited partner interests in each fund.

Summary and Conclusions

Townsend recommends that investors consent to the proposed acquisition of Kayne Anderson Real Estate by Bridgepoint Group plc. The transaction provides KARE with access to Bridgepoint's global institutional distribution platform, broader institutional resources, and operating infrastructure while preserving continuity across the investment business. KARE's existing senior leadership team and investment professionals are expected to remain in place, with responsibility for investment and disposition decisions continuing to reside with the existing KARE investment committees. In addition, KARE's senior principals and broader investment team are expected to maintain their long-term economic alignment with the business and, through new employment arrangements with Bridgepoint, increase their participation in future carried interest.

The transaction represents the latest step in the continued evolution of the KARE platform. KARE previously sold a minority interest (20%) to AIMS Petershill in 2020, which was subsequently increased (to 37%) in 2022. As demonstrated during KARE's previous ownership transitions, the firm's investment strategy, investment process, and day-to-day management are expected to remain substantially unchanged following closing. Bridgepoint will own and govern the platform; however, responsibility for investment decisions for the existing funds will remain with the existing investment committees, with Bridgepoint's role limited to appointing a non-voting observer to those committees. During discussions with Bridgepoint Chief Executive Officer Raoul Hughes, Bridgepoint confirmed that the observer role is intended to facilitate communication within the broader organization and provide greater familiarity with KARE's business and investments, rather than to influence or participate in investment decisions. Mr. Hughes also reaffirmed Bridgepoint's operating philosophy of preserving KARE's existing investment process while integrating investor relations and certain back-office functions into Bridgepoint's broader organization. This structure provides an additional layer of institutional oversight while preserving the autonomy of KARE's investment platform.

Accordingly, Townsend believes the transaction is unlikely to result in material changes to the management or execution of the existing funds. At the same time, the transaction strengthens the long-term alignment of the investment professionals responsible for managing investor capital while providing KARE with access to Bridgepoint's broader institutional distribution platform and operating resources. Townsend believes these factors should position the platform to benefit from enhanced fundraising capabilities, broader institutional resources, and continued organizational stability while maintaining continuity for existing fund investors. Townsend will continue to monitor the platform's evolution, organizational stability, and alignment with investors under Bridgepoint's ownership.

About Townsend

Founded in 1983, Townsend provides a core set of investment skills exclusively focused on global real estate and real asset classes. The firm offers these capabilities to institutional investors as an investment advisor and consultant.

Townsend has been advising and managing real estate portfolios for over three decades and across multiple market cycles. As of June 30, 2025, Townsend had assets under management of approximately $19.6 billion. As of June 30, 2025, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding $249.3 billion. We believe, through our global investment platform, fiduciary culture, asset class expertise and client capital scale, we are able to deliver clients unique information, while providing a sourcing and execution advantage.

Disclaimer

BOARD MEETING DATE: AUGUST 11, 2026

ITEM: VI-C

ATTACHMENT: 2

Bridgepoint to acquire Kayne Anderson Real Estate, strengthening its position as a leading global middle-market private markets platform with $117 billion of AUM

- Kayne Anderson Real Estate is a leading real estate investment platform with approximately $22 billion of assets under management (AUM). Headquartered in Boca Raton, Florida, the firm has built a track record of delivering strong risk-adjusted returns across specialist sectors benefiting from long-term demographic and secular demand tailwinds.

- Combined platform will span private equity, credit, infrastructure, real estate and secondaries, with approximately $117 billion of AUM.

- Upfront enterprise value of approximately $1.393 billion, comprising $759 million of cash and approximately 189 million newly issued Bridgepoint shares, with further consideration subject to management fee-related performance hurdles.

- Kayne Anderson Real Estate's experienced leadership and investment team, led by Al Rabil, will continue to manage the business under the Kayne Bridgepoint brand, supporting continuity of management and client relationships.

29 June 2026 – **LONDON & LOS ANGELES** – Bridgepoint Group plc (LSE: BPT) (“Bridgepoint”), one of the world’s leading mid-market investors, has agreed to acquire Kayne Anderson Real Estate (“KARE”), a leading real estate investment platform for an upfront enterprise value of approximately $1.393 billion. This marks a significant step forward in Bridgepoint’s strategy to build a globally scaled and diversified middle-market private markets platform.

Kayne Anderson Real Estate manages approximately $22 billion of assets across real estate equity and debt strategies and has built a leading position in specialist sectors supported by structural, long-term demographic and secular demand tailwinds. These sectors include medical office, seniors housing, student housing, multifamily housing and light industrial across the United States. Since its founding in 2007, the business has established a strong track record of investment performance, fundraising and organic growth. Its latest flagship equity fund, KAREP VII, closed in May 2026 with $5.12 billion in commitments, nearly doubling the size of its predecessor fund.

The acquisition is highly complementary to Bridgepoint's existing platform. It adds real estate as a fifth investment vertical, expands the firm's presence in the United States, the world's largest alternatives market, and further diversifies its sources of recurring fee income. The transaction also creates a scaled real assets platform, with real assets representing almost half of the Bridgepoint Group's AUM. Its footprint will be broadly balanced between the United States and Europe, enhancing diversification across both strategies and geographies and providing exposure to the two largest investment trends of power infrastructure and demographics.

The transaction represents an attractive valuation, with Kayne Anderson Real Estate acquired at a high single-digit multiple of expected 2027 EBITDA, reducing to a mid-single-digit multiple in 2028 as earnings grow. The addition of KARE is expected to be earnings per share (EPS) accretive, boosting Bridgepoint's EPS by a mid-single-digit percentage in 2027 and by more than 20% in 2028.

Following completion, the combined platform is expected to manage approximately $117 billion of assets across private equity, credit, infrastructure, real estate and secondaries, further strengthening Bridgepoint's position as a leading global middle-market private markets investor.

Kayne Anderson Real Estate brings more than 115 new institutional investor relationships, with limited overlap between the two firms' existing LP bases. The combination creates significant opportunities to broaden relationships with existing investors and introduce clients to a wider range of investment strategies across the enlarged platform.

Kayne Anderson Real Estate's experienced management and investment team, led by Co-Founder and Chief Executive Officer Al Rabil, will continue to lead the business, preserving its investment approach and client relationships. Operating under the Kayne Bridgepoint brand, the platform will benefit from Bridgepoint's global reach, institutional investor relationships and broader private markets capabilities.

Raoul Hughes, Chief Executive of Bridgepoint, said:

“This marks another major step forward in our strategy to strengthen our position as a leading global middle-market private markets platform. Real estate is a growing private markets asset class and Kayne Anderson Real Estate has built a leading position as a scaled specialist with an exceptional track record and strong fundraising momentum. The transaction is highly complementary and immediately accretive. Bridgepoint’s and Kayne Anderson Real Estate’s investor networks have limited overlap, creating attractive opportunities to broaden relationships and enhance fundraising. Adding Kayne Anderson Real Estate creates a more balanced and diversified platform, with around half of our AUM invested in real assets and around half of our management fees generated in the US.”

“Importantly, Kayne Anderson Real Estate is an outstanding cultural fit. We share an entrepreneurial mindset, a commitment to investment excellence and a long-term approach to building businesses. We look forward to working alongside Al and the Kayne Anderson Real Estate team to continue delivering for clients and growing the platform together.”

Tim Score, Chair of Bridgepoint, said:

“Kayne Anderson Real Estate is a high-quality business with an outstanding management team, a strong track record and leading positions in attractive areas of the US real estate market. The Board has been highly selective in its approach to strategic acquisitions, and we believe Kayne Anderson Real Estate is an exceptional fit for Bridgepoint.

“The transaction strengthens the quality and diversification of the Bridgepoint Group's earnings, broadens our capabilities and enhances our long-term growth prospects. We are confident it will further strengthen Bridgepoint's position in global private markets.”

Al Rabil, Co-Founder and Chief Executive Officer of Kayne Anderson Real Estate, said:

“For the last 20 years, we have built a scaled real estate platform focused on mission-critical alternative sectors where we believe long-term fundamental tailwinds and operational complexity create compelling investment opportunities. We are in the beginning of a super cycle for the alternative real estate sectors on which we focus, and joining together with Bridgepoint provides additional global resources to capitalize on this opportunity and support our continued growth. Importantly, this partnership allows us to preserve our culture and investment approach while continuing to manage the business as we always have. We are deeply grateful to our investors and look forward to building on our long track record of delivering strong risk-adjusted returns."

The transaction is valued at an upfront enterprise value of approximately $1.393 billion and will be funded through a combination of cash and newly issued Bridgepoint shares. A significant proportion of the consideration will be equity-based, with Kayne Anderson Real Estate's leadership team and employees becoming shareholders in Bridgepoint and participating in the future growth of the enlarged platform. The transaction structure includes staggered lock-up arrangements and performance-based consideration designed to align KARE's management team with Bridgepoint shareholders and support the continued growth of the business.

The transaction is expected to complete at the end of 2026, subject to shareholder approval, regulatory approvals and fund consents.

Bridgepoint was advised by Moelis & Company (lead financial adviser), Goldman Sachs (capital markets adviser) and Simpson Thacher & Bartlett (legal adviser). BNP Paribas, JP Morgan and Morgan Stanley are acting as joint corporate brokers to Bridgepoint. Kayne Anderson Real Estate was advised by Evercore (lead financial advisor) and Kirkland & Ellis (legal adviser).

About the Bridgepoint Group
The Bridgepoint Group is one of the world's leading mid-market investors, specialising in private equity, infrastructure, credit, secondaries and private wealth. With $95 billion of assets under management and a strong local presence in Europe, North America and Asia, the Bridgepoint Group combines global scale with local market insight and sector expertise, consistently delivering strong returns through cycles.

About Kayne Anderson Real Estate
Kayne Anderson Real Estate is a leading real estate investment firm, managing $22 billion in assets under management across opportunistic equity, core equity, and real estate debt, with sector expertise in medical office, seniors housing, off-campus student housing, multifamily housing, self-storage, and light industrial. Kayne Anderson Real Estate is part of Kayne Anderson, an approximately $43 billion alternative investment management firm with more than 42 years of successful experience across real estate, infrastructure, energy, and credit. For more information, visit www.kayneanderson.com/real-estate/.

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BOARD MEETING DATE: AUGUST 11, 2026

ITEM: VI-C

ATTACHMENT: 3

CONSENT TO ASSIGN CONTRACT WITH
KAYNE ANDERSON CAPITAL ADVISORS, L.P.

PROPOSED RESOLUTION

WHEREAS, LACERS has a contract with Kayne Anderson Capital Advisors, L.P. (“Kayne Anderson”) to provide general pension fund investment management services; and,

WHEREAS, Kayne Anderson has entered into an acquisition agreement with Bridgepoint Group plc (“Bridgepoint”); and,

WHEREAS, under the Investment Advisers Act of 1940 and pursuant to LACERS’ contract with Kayne Anderson, the change in control of Kayne Anderson is deemed to be a contract assignment that requires written consent of the Board; and,

WHEREAS, staff has conducted initial discussions with Kayne Anderson representatives and staff proposes ongoing monitoring and due diligence of Kayne Anderson through the end of 2026,

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the assignment of LACERS’ existing contract with Kayne Anderson to Bridgepoint; and that the Board authorizes the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

August 11, 2026