



**Board of Administration Agenda**

**REGULAR MEETING**

**TUESDAY, JULY 14, 2020**

**TIME: 10:00 A.M.**

**MEETING LOCATION:**

In conformity with the Governor’s Executive Order N-29-20 (March 17, 2020) and due to the concerns over COVID-19, the LACERS Board of Administration’s July 14, 2020, meeting will be conducted via telephone and/or videoconferencing.

**Important Message to the Public**

**Information to call-in to participate:**

Dial: (669) 900-6833 or (346) 248-7799

Meeting ID# 925 0101 8439

**Instructions for call-in participants:**

- 1- Dial in and enter Meeting ID
- 2- Automatically enter virtual “Waiting Room”
- 3- Automatically enter Meeting
- 4- During Public Comment, **press \*9** to raise hand
- 5- Staff will call out the last 3-digits of your phone number to make your comment

**Information to listen only:** Live Board Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

**Disclaimer to participants**

Please be advised that all LACERS Board and Committee Meeting proceedings are audio recorded.

President:	Cynthia M. Ruiz
Vice President:	Michael R. Wilkinson
Commissioners:	Annie Chao Elizabeth Lee Sandra Lee Nilza R. Serrano Sung Won Sohn
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghokassian
Legal Counsel:	City Attorney’s Office Public Pensions General Counsel Division

**Notice to Paid Representatives**

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq.* More information is available at [ethics.lacity.org/lobbying](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 978-1960 or [ethics.commission@lacity.org](mailto:ethics.commission@lacity.org).

**Request for services**

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days’ notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 855-9348 and/or email at [ani.ghokassian@lacers.org](mailto:ani.ghokassian@lacers.org).

[CLICK HERE TO ACCESS BOARD REPORTS](#)

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT - PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD*
- II. [APPROVAL OF MINUTES FOR REGULAR BOARD MEETING OF JUNE 23, 2020 AND POSSIBLE BOARD ACTION](#)
- III. BOARD PRESIDENT VERBAL REPORT
- IV. GENERAL MANAGER VERBAL REPORT
  - A. REPORT ON DEPARTMENT OPERATIONS
  - B. UPCOMING AGENDA ITEMS
- V. RECEIVE AND FILE ITEMS
  - A. [MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD](#)
  - B. [BENEFITS PAYMENTS APPROVED BY THE GENERAL MANAGER](#)
- VI. COMMITTEE REPORT(S)
  - A. INVESTMENT COMMITTEE VERBAL REPORT ON THE SPECIAL MEETING OF JULY 8, 2020
- VII. BOARD/DEPARTMENT ADMINISTRATION
  - A. [CITY SEPARATION INCENTIVE PROGRAM AND PRELIMINARY SUPPLEMENTAL BUDGET AND POSSIBLE BOARD ACTION](#)
- VIII. INVESTMENTS
  - A. CHIEF INVESTMENT OFFICER VERBAL REPORT
- IX. OTHER BUSINESS
- X. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 28, 2020 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401 and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while public health concerns relating to the novel coronavirus continue.
- XI. ADJOURNMENT

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

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020)  
and due to the concerns over COVID-19, the  
LACERS Board of Administration's  
June 23, 2020, meeting was conducted  
via telephone and/or videoconferencing.

**Agenda of: July 14, 2020**

**Item No: II**

June 23, 2020

10:00 a.m.

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

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* – **PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Ruiz asked if any persons wanted to make a general public comment to which there was no response and no comments from the public. President Ruiz will open public comment again prior to discussion of Item VIII-A.

II

APPROVAL OF MINUTES FOR THE REGULAR BOARD MEETING OF JUNE 9, 2020 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the minutes for the Regular Meeting of June 9, 2020, seconded by Commissioner Elizabeth Lee and adopted by the following vote:

Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz thanked all staff who work on the Zoom Board meeting process and thanked the Commissioners for their patience and participation.

IV

GENERAL MANAGER VERBAL REPORT

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

- COLAs will be applied to Members' July paychecks
- LACERS Retired Elected Member, Commissioner Wilkinson, Swearing-In on June 10, 2020
- City Payroll System Replacement
- LAWA Separation Incentive Program (SIP)
- April Retirements
- Health-Open Enrollment
- Retirement Webinar
- Retirement Benefit Retro Calculations
- LACERS Reconstitution Plan
- Fiscal Year End work

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

- July 28<sup>th</sup> Benefits Administration Committee Meeting -
  - Final Health Plan Renewal rates and plan design
  - Year-end accounting for our cost sharing plans – Anthem PPO and Delta Dental PPO
  - Discussion of the extension of the Keenan contract
  - Longer introduction of the new Wellness Program Manager

V

RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MAY 2020 – This report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT ON THE REGULAR MEETING OF JUNE 9, 2020 – Investment Committee Chair Sohn reported out that the Committee approved the contract with Barrow, Hanley, Mewhinney & Strauss, LLC and the Real Estate Fiscal Year 2020-21 Strategic Plan.

VII

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDER THE DISABILITY RETIREMENT APPLICATION OF RAYMOND GALOOSTIAN AND POSSIBLE BOARD ACTION (HEARING) – Carol Rembert, Management Assistant with Retirement Services Division, presented this item to the Board and introduced Mr. Galoostian’s legal representative, Thomas Wicke with Lewis, Marenstein, Wicke, Sherwin, Lee, LLP. After a 7 minute discussion, Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Sohn, Vice President Wilkinson, and President Ruiz -6; Abstain, Commissioner Serrano - 1.

VIII

BOARD/DEPARTMENT ADMINISTRATION

*Item I repeated for comments on Item VIII-A.*

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD’S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – **THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT – PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Ruiz stated a number of written public comments were emailed to staff regarding Agenda Item VIII-A. Ani Ghoukassian, Commission Executive Assistant II, stated the following members of the public submitted public comments via email: Susan Ozawa, Li Hsi, Tom Moutes, Mary Campos, Steve Montagna, Kelly Kadomatsu, Ruth Perry, Trina Unzicker, and Mark Blunk. President Ruiz asked if there were any public comments, to which there was one response. Ramon Rubalcava with SEIU Local 721 and member of the public stated his support, with modification of Segal’s recommendations regarding the actuarial assumptions.

- A. CONSIDERATION OF PROPOSED ASSUMPTION CHANGES BASED ON ACTUARIAL EXPERIENCE STUDY AND POSSIBLE BOARD ACTION – Paul Angelo, Senior Vice President and Actuary, Andy Yeung, Vice President, with Segal Consulting, Neil M. Guglielmo, General Manager, Todd Bouey, Assistant General Manager, presented this item to the Board. After a robust 1 hour, 10 minute discussion and instruction from the Board for staff to reach out to City management regarding whether a phase-in request was going to be submitted, Commissioner Chao moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.
- B. PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS FOR FISCAL YEAR 2020-21 AND POSSIBLE BOARD ACTION – Commissioner Serrano requested the

Harvard Kennedy School – Leadership Decision Making: Optimizing Organizational Performance program be added to the list of pre-approved Board educational seminars. Commissioner Elizabeth Lee moved approval of the list and addition of the Harvard Kennedy School program, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

C. EMERGENCY PURCHASES AND EXPENDITURES REPORT FOR COVID-19 AND POSSIBLE BOARD ACTION – Vice President Wilkinson moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

D. CONTRACT AWARD TO MOSS ADAMS FOR EXTERNAL AUDITING SERVICES AND POSSIBLE BOARD ACTION – Rahoof “Wally” Oyewole, Departmental Audit Manager presented this item to the Board and introduced Kory Hoggan with Moss Adams. After a 6 minute discussion, Commissioner Sohn moved approval of the following Resolution:

**CONTRACT WITH MOSS ADAMS LLP  
FOR EXTERNAL AUDITING SERVICES**

**RESOLUTION 200623-B**

WHEREAS, LACERS desires to engage the services of a public accounting firm to provide external auditing services, included but not limited to: (1) performing the audit to express an opinion on fair presentation of LACERS’ basic financial statements (Retirement Plan & Postemployment Health Care Plan); (2) performing the audit to express an opinion on schedules related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; (3) issuing a separate audit opinion on Section 115 Trust Fund financial statements; and (4) providing ongoing advisory services regarding GASB pension accounting and reporting requirements, as well as technical matters related to filing for the Certificate in Excellence in Financial Reporting from the Governmental Finance Officers Association;

WHEREAS, LACERS issued a Request for Proposal for External Auditor on March 2, 2020 and received seven proposals for the external auditing engagement by the April 17, 2020 deadline;

WHEREAS, Moss Adams LLP was selected by a review panel as the best qualified firm to meet LACERS’ needs;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves a contract with Moss Adams, and authorizes the General Manager to execute the necessary documents, within the following terms, subject to City Attorney review:

EXTERNAL AUDITOR: Moss Adams LLP

TERM: July 1, 2020 to June 30, 2023

AMOUNT: \$277,500, as follows:

- FYE June 30, 2020 Audit Fee – \$91,500
- FYE June 30, 2021 Audit Fee – \$92,500
- FYE June 30, 2022 Audit Fee – \$93,500

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

## IX

### INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.85 as of June 22, 2020. Mr. June discussed the following items:
- Wirecard news, lost €2 billion, LACERS exposure was at 11,200 shares or \$325K in market value
  - Upcoming Board agenda items: Finalists for the Emerging Markets Small Cap Equities Manager search and a legal contract amendment
- B. INVESTMENT MANAGER CONTRACT WITH BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS VALUE PORTFOLIO AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer I, presented this item to the Board. Commissioner Serrano moved approval of the following Resolution:

**CONTRACT RENEWAL  
BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC  
ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS VALUE  
PORTFOLIO MANAGEMENT**

**RESOLUTION 200623-C**

WHEREAS, LACERS' current one-year contract extension with Barrow, Hanley, Mewhinney & Strauss, LLC (BHMS) for active non-U.S. equities developed markets value portfolio management expires on September 30, 2020; and,

WHEREAS, BHMS is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract renewal with BHMS will allow the fund to maintain a diversified exposure to the active non-U.S. equities developed markets; and,

WHEREAS, on June 23, 2020, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with BHMS.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	Barrow, Hanley, Mewhinney & Strauss, LLC
<u>Service Provided:</u>	Active Non-U.S. Equities Developed Markets Value Portfolio Management
<u>Effective Dates:</u>	October 1, 2020 through September 30, 2023
<u>Duration:</u>	Three years
<u>Benchmark:</u>	MSCI EAFE Value Index
<u>Allocation as of May 31, 2020:</u>	\$448 million

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

- C. REAL ESTATE FISCAL YEAR 2020-21 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Felix Fels with Townsend/AON presented this item to the Board. Commissioner Sohn moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

X

#### LEGAL/LITIGATION

- A. APPROVAL OF CONTRACTS WITH KUTAK ROCK LLP, NOSSAMAN LLP, AND OLSON REMCHO LLP, FOR OUTSIDE FIDUCIARY COUNSEL SERVICES, AND POSSIBLE BOARD ACTION – Vice President Wilkinson moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

XI

OTHER BUSINESS – President Ruiz asked about the arrest of a City Council member and the ability for this member to collect a LACERS retirement even if convicted of the crimes to which the member is accused of. She asked if the Board has the right to change policy on a member collecting a pension if convicted. Anya Freedman, Assistant City Attorney, stated LACERS currently has no pension forfeiture provision in the Plan that would authorize the Board to forfeiture a member’s pension for a criminal conviction. She added this would be a change that would need to be made by the City Council by ordinance, and the City Attorney’s Office is prepared to assist Council upon request.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 14, 2020 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401 and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while public health concerns relating to the novel coronavirus continue.

XIII

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 12:13 p.m.

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Cynthia M. Ruiz  
President

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Neil M. Guglielmo  
Manager-Secretary



*Securing Your Tomorrows*

**Agenda of: JULY 14, 2020**

**Item No: V-A**

## **MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD**

The Board's Marketing Cessation 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.

Firms listed in Attachments 1 and 2 are subject to limited communications with Board Members and staff pursuant to the Policy and will appear and remain on the list, along with the status, from the first publicized intention to contract for services through the award of the contract. Lists of current LACERS' contracts are on file in the Board office and are available upon request.

Attachments: 1) Contracts Under Consideration for Renewal  
2) Active RFPs and RFQs

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE JULY 14, 2020 BOARD MEETING

**CONTRACTS UNDER CONSIDERATION FOR RENEWAL**

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
<b>CITY ATTORNEY</b>							
1.	Hogan Marren Babbo & Rose, Ltd	Legal Services - Health & Data Privacy Law	Pending	Pending	Board approved on 8/27/2019; contract under review for execution.	9/27/2019	9/27/2020
2.	Orrick, Herrington & Sutcliff, LLP	Legal Services - Health & Data Privacy Law	Pending	Pending	Board approved on 8/27/2019; contract under review for execution.	9/27/2019	9/27/2020
<b>HEALTH BENEFITS ADMINISTRATION</b>							
3.	Anthem 2020	Medical HMO & PPO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
4.	Anthem Blue View Vision 2020	Vision Services Contract	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE JULY 14, 2020 BOARD MEETING

**CONTRACTS UNDER CONSIDERATION FOR RENEWAL**

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
5.	Delta Dental 2020	Dental PPO and HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
6.	Kaiser 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
7.	SCAN 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
8.	United Healthcare 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
<b>INTERNAL AUDIT</b>							
9.	Moss Adams	External Auditor	7/1/2020	6/30/2023	Board approved on 6/23/2020; contract under review for execution.	4/1/2023	9/30/2023

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE JULY 14, 2020 BOARD MEETING

**CONTRACTS UNDER CONSIDERATION FOR RENEWAL**

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
<b>INVESTMENTS</b>							
10.	Barrow, Hanley, Mewhinney & Strauss, LLC	Active Non-U.S. Equities Developed Markets Value	10/1/2013	9/30/2020	Board approved contract extension on 6/23/2020; negotiations in progress.	6/5/2020	12/31/2020
11.	MFS Institutional Advisors, Inc.	Active Non-U.S. Equities Developed Markets Growth	10/2/2013	9/30/2020	Pending Investment Committee review.	6/30/2020	12/31/2020

**Start Date** - The estimated start date of the restricted period is three (3) months prior to the expiration date of the current contract. No entertainment or gifts of any kind should be accepted from the restricted source as of this date. Firms intending to participate in the Request for Proposal process are also subject to restricted marketing and communications.

**End Date** - The estimated end date of the restricted period is three (3) months following the expiration date of the current contract. For investment-related contracts, the estimated end date is normally six (6) months following the expiration of the current contract. For health carrier contracts, the estimated end date is normally one (1) year following the expiration of the current contract. Estimated dates are based on contract negotiation periods from prior years.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CONTRACTS LIST FOR THE JULY 14, 2020 BOARD MEETING

**ACTIVE RFPs AND RFQs**

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
<b>CITY ATTORNEY</b>		
1	Outside Fiduciary Counsel	<p><b>RFP Release Date:</b> February 7, 2020</p> <p><b>Submission Deadline:</b> February 28, 2020</p> <p><b>Status:</b> In progress. Expected to conclude July 2020.</p> <p><b>List of Respondents:</b> Barnes &amp; Thornburg LLP, Foley &amp; Lardner LLP, Kutak Rock LLP, Olson Remcho LLP, Reed Smith LLP, Nossaman LLP, Hanson Bridgett LLP, Encore Law Group LLP</p>
<b>INVESTMENTS</b>		
2	Core Fixed Income Mandate Search	<p><b>RFP Release Date:</b> August 19, 2019</p> <p><b>Submission Deadline:</b> October 4, 2019</p> <p><b>Status:</b> In progress</p> <p><b>List of Respondents:</b> Amundi Pioneer Institutional Asset Management, Inc., Baird Advisors, BlackRock, Inc., BMO Global Asset Management, Brown Brothers Harriman &amp; Co., C.S. McKee, L. P., Calvert Research and Management (Calvert or CRM), Conning, Dimensional Fund Advisors LP, Dodge &amp; Cox, EARNEST Partners, LLC, FIAM LLC, Galliard Capital Management, Garcia Hamilton &amp; Associates, L.P., Goldman Sachs Asset Management L.P., Guggenheim Partners Investment Management, LLC, Income Research &amp; Management, Integrity Fixed Income, Management, LLC, Invesco Advisers, Inc., J.P. Morgan Asset Management, Jennison Associates LLC, Lazard Asset Management LLC, LM Capital Group, LLC, Longfellow Investment Management Co., LLC, Loomis, Sayles &amp; Company, L.P., Manulife Investment Management, MFS Institutional Advisors, Inc., Morgan Stanley Investment Management, National Investment Services, Neuberger Berman, Nuveen, LLC, Payden &amp; Rygel, PGIM Fixed Income, Piedmont Investment Advisors, Inc., PIMCO, Princeton Asset Management, LLC, Progress Investment Management Company, LLC, Pugh Capital Management, Inc., Quadratic Capital Management LLC, Ramirez Asset Management, Schroder Investment Management North America Inc., Securian Asset Management, Inc., Segall Bryant &amp; Hamill, Sit Investment Associates, Inc. (Sit), SLC Management, Smith Graham &amp; Co., Investment Advisors, L.P., Sterling Capital Management LLC, T. Rowe Price Associates, Inc., TCW Group, Inc., The Capital Group Companies, Inc., Voya Investment Management (Voya IM), Wellington Management Company LLP, Wells Fargo Asset Management, Western Asset Management Company, LLC</p>

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CONTRACTS LIST FOR THE JULY 14, 2020 BOARD MEETING

**ACTIVE RFPs AND RFQs**

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
3	Emerging Market Debt Mandate Search	<p><b>RFP Release Date:</b> June 19, 2019</p> <p><b>Submission Deadline:</b> July 22, 2019</p> <p><b>Status:</b> On February 11, 2020, the Investment Committee advanced four firms as semi-finalists: Ashmore Investment Management; Wellington Management Company LLP; PGIM Fixed Income; Schroder Investment Management North America Inc.</p> <p><b>List of Respondents:</b> Eaton Vance Management, Ashmore Investment Management, Capital Group, Fidelity Institutional Asset Management, GAM USA, INC., Northwest Passage Capital Advisors LLC, Payden &amp; Rygel, PGIM Fixed Income, Schroder Investment Management North America Inc., Stone Harbor Investment Partners LP, LM Capital Group, Wellington Management Company LLP, Manulife Investment Management, Global Evolution USA LLC, GoldenTree Asset Management LP, Goldman Sachs Asset Management L.P., Investec Asset Management, Nuveen, A TIAA Company</p>
4	Emerging Market Small Cap Equities Mandate Search	<p><b>RFP Release Date:</b> June 10, 2019</p> <p><b>Submission Deadline:</b> July 22, 2019</p> <p><b>Status:</b> On January 14, 2020, the Investment Committee advanced four firms as semi-finalists: Copper Rock Capital Partners, LLC; Macquarie Investment Management; RBC Global Management; Wasatch Advisors, Inc.</p> <p><b>List of Respondents:</b> LMCG Investments, LLC, AQR Capital Management, LLC, Dimensional Fund Advisors LP, EAM Investors, LLC, Ashmore, Cedar Street Asset Management LLC, Copper Rock Capital Partners, LLC, FIAM LLC, Macquarie Investment Management, RBC Global Management, Inc., Capital, River and Mercantile LLC, Schroder Investment Management North America Inc., Somerset Capital Management LLP, Wasatch Advisors, Inc., Kayne Anderson Rudnick Investment Management, Franklin Templeton Investments, Globeflex Capital, LP, Quantitative Management Associates, LLC, State Street Global Advisors Distributor, LLC</p>

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CONTRACTS LIST FOR THE JULY 14, 2020 BOARD MEETING

**ACTIVE RFPs AND RFQs**

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
5	High Yield Fixed Income and Hybrid High Yield Fixed Income / U.S. Floating Rate Bank Loan Mandate Search	<p><b>RFP Release Date:</b> February 25, 2019</p> <p><b>Submission Deadline:</b> April 12, 2019</p> <p><b>Status:</b> On February 11, 2020, the Board awarded contracts to: High Yield Fixed Income - Loomis, Sayles &amp; Company, L.P. Hybrid Fixed Income/Bank Loans - DDJ Capital Management, LLC</p> <p style="text-align: center;">Negotiations in progress.</p> <p><b>List of Respondents:</b> Ares Management LLC, Arena Capital Advisors, LLC, Guggenheim Partners Investment Management, LLC, Aegon Asset Management US, MacKay Shields LLC, Post Advisory Group, LLC, Diamond Hill Capital Management, Inc., AXA Investment Managers, Pacific Asset Management, Mesirow Financial Investment Management, Inc., DDJ Capital Management, LLC, Par-Four Investment Management, LLC, PGIM Fixed Income, Beach Point Capital Management LP, KKR Credit, Barrings LLC, Eaton Vance Management, Brigade Capital Management, LP, Morgan Stanley Investment Management, Lord, Abnett &amp; Co. LLC, BlackRock, Inc., L &amp; S Advisors, Inc., Mellon Investments Corporation, Seix Investment Advisors LLC, Legal &amp; General Investment Management, Principal Global, Bain Capital Credit, LP, Princeton Asset Management, LLC, Symphony Asset Management, LLC, PIMCO, The Capital Group Companies, Inc., Loomis, Sayles &amp; Company, L.P., Credit Suisse Asset Management, LLC, J.P. Morgan Asset Management, Hotchkis and Wiley Capital Management, LLC, Northern Trust, CVC Credit Partners, LLC</p>
6	U.S. Small Cap Equities Mandate Search	<p><b>RFP Release Date:</b> February 25, 2019</p> <p><b>Submission Deadline:</b> April 12, 2019</p> <p><b>Status:</b> On January 28, 2019, the Board awarded contracts to the following five firms: Core - Copeland Capital Management, LLC Growth - EAM Investors, LLC; Granahan Investment Management Value - Bernzott Capital Advisors; Segall Bryant &amp; Hamill</p> <p style="text-align: center;">Negotiations in progress.</p> <p><b>List of Respondents:</b> 361 Capital, LLC, Aberdeen Standard Investments Inc., Acuitas Investments, LLC, Alliance Bernstein AB, Allianz Global Investors AllianzGI, AltraVue Capital, LLC, American Century Investment Management, Inc., AMI Asset Management Corporation, Anchor Capital Advisors LLC, Ariel Investments, LLC, Aristotle Capital Boston, LLC, Axiom Investors, Baron Capital, Barrow, Hanley, Mewhinney, Strauss, LLC, Bernzott Capital Advisors, Bivium Capital Partners, LLC, BlackRock, Inc., BMO Global Asset Management, BNP Paribas Asset Management USA Inc., Boston Advisors, LLC, Boston Partners Global Investors, Inc., Bridge City Capital, LLC, Cadence Capital Management LLC, Capital Impact Advisors, LLC, Capital Prospects LLC, Ceredex Value Advisors LLC, ClearBridge Investments, LLC, Copeland Capital Management, LLC, Dimensional Fund Advisors LP, Driehaus Capital Management LLC, Eagle Asset Management, EAM Investors, LLC, EARNEST Partners, LLC, Eastern Shore Capital Management, a Division of Moody Aldrich Partners, LLC, Eaton Vance Management, Elk Creek Partners LLC, Falcon Point Capital, LLC, Federated MDTA, LLC, FIAM LLC, Fisher Investments, Franklin Advisers, Inc., Frontier Capital Management Company, LLC, Goldman Sachs Asset Management, Granahan Investment Management, Granite Investment Partners, LLC, Great Lakes Advisors, LLC, GW&amp;K Investment Management, LLC</p>

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CONTRACTS LIST FOR THE JULY 14, 2020 BOARD MEETING

**ACTIVE RFPs AND RFQs**

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
7	Private Credit Mandate Search	<p><b>RFP Release Date:</b> December 10, 2018</p> <p><b>Submission Deadline:</b> January 18, 2019</p> <p><b>Status:</b> On July 23, 2019, Board awarded contracts to Alcentra Limited, Benefit Street Partners L.L.C., Crescent Capital Group LP, and Monroe Capital LLC.</p> <p>On May 26, 2020, the Board rescinded the contract award to Alcentra Limited.</p> <p>Negotiations in progress.</p> <p><b>List of Respondents:</b> Alcentra Limited, Barings LLC, MB Global Partners, LLC, Backcast Partners Management LLC, BlackRock, Inc., CLSA Capital Partners (HK) Limited, Cross Ocean Adviser LLP, Clearwater Capital Partners (Fiera Capital Corporation), Guggenheim Partners, LLC, Goldman Sachs Asset Management, L.P., Pemberton Capital Advisors LLP, Kayne Anderson Capital Advisors, L.P., Maranon Capital, L.P., Bain Capital Credit, LP, Breakwater Management LP, Carlyle Global Credit Investment Management L.L.C., Crescent Capital Group LP, MV Credit Partners LLP, New Mountain Capital, LLC, Park Square Capital USA LLC, Tor Investment Management (Hong Kong) Limited, AlbaCore Capital LLP, Muzinich &amp; Co., Inc., Kartesia Management S.A., Medalist Partners, LP, NXT Capital Investment Advisers, LLC, Owl Rock Capital Partners, PennantPark Investment Advisers, PIMCO Investments LLC, Deerpath Capital Management, LP, Brightwood Capital Advisors, Magnetar Capital LLC, MC Credit Partners LP, Oaktree Capital Management, L.P., THL Credit Advisors LLC, White Oak Global Advisors, LLC, Benefit Street Partners L.L.C., EntrustPermal / Blue Ocean GP LLC, Willow Tree Credit Partners LP, Monroe Capital LLC, Runway Growth Capital LLC, Stellus Capital Management, LLC</p>

**\*RESTRICTED PERIOD FOR REQUEST FOR PROPOSAL OR REQUEST FOR QUALIFICATIONS:**

**Start Date** - The restricted period commences on the day the Request for Proposal is released.

**End Date** - The restricted period ends on the day the contract is executed.

**BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B**

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

**SERVICE RETIREMENTS**

<u>Member Name</u>	<u>Service</u>	<u>Department</u>	<u>Classification</u>
Afrooz, Jafar S	8	Dept. of Bldg. & Safety	Safety Engr Elevatrs
Barnard, John	1	Library Dept.	Messenger Clerk
Bolotsky, Larisa L	21	Dept. of Transportation	Transp Engrg Assc
Calzada, Silvia F	10	Library Dept.	Librarian
Carrasco, Fernando H	28	Dept. of Airports	Maint & Constr Helper
Casillas, Bertha Alicia	0.7	Dept. of Rec. & Parks	Special Prog Asst
Chow, Larry	39	Personnel Dept.	Sr Systems Analyst
Cohen, Stephen C	21	City Attorney's Office	Deputy City Atty
Cordeta, Encarmina	25	Police Dept. - Civilian	Management Analyst
Craven, Cathy	31	Dept. of Airports	Airport Engineer
Cullen, William C	42	City Attorney's Office	Deputy City Atty
Deleske, Darryl	26	Dept. of Rec. & Parks	Aquarist
Dobson, Lawanna	30	Dept. of Airports	Sr Commun Operator
Edwards, Gaynelle Marie	31	Dept. of Transportation	Traf Officer
Gardere Jr, Francois L	30	Police Dept. - Civilian	Police Admin
Gerio, Arthur Crispino	25	Police Dept. - Civilian	Forensic Prnt Spec
Giles, Keith Graham	32	Personnel Dept.	Sr Systems Analyst
Godinez, Raul	12	PW - Engineering	Civil Eng Associate
Hanks, Robert Lowery	34	LA Housing Dpt.	Management Analyst
Hartranft, William M	19	Dept. of Airports	Airports Mtce Supvr
Herrera, Joe	13	City Attorney's Office	City Atty Investgtr
Hill, Roger B	30	Fire Dept. - Civilian	Systems Analyst
Horton, Mary Evelyn	25	City Attorney's Office	Witness Service Coordinator
Jackson, James Avery	12	Police Dept. - Civilian	Security Officer
Johnson, Kevin Lamont	16	Harbor Dept.	Security Officer
Kimbell, Harold K	30	GSD - Materials Mgmt.	Pr Storekeeper
Lai Ly, Linda G	29	Police Dept. - Civilian	Administrative Clerk
Lainez, Jose Fabio	23	Police Dept. - Civilian	Forensic Prnt Spec
Lavado, Maria Luz	17	Dept. of Airports	Custodian Airport
Lopez, Rosalyn P	19	Police Dept. - Civilian	Sr Administrative Clerk
Maland, Todd E	14	Dept. of Bldg. & Safety	Build Mech Inspector
Mckenzie Fraser, Angus	7	Harbor Dept.	Sr Mgmt Analyst
Mendoza, Marciano A	15	Dept. of Rec. & Parks	Gardener Caretaker
Montes, Pablo Meza	12	GSD - Bldg. Fac Mgmt.	Custodian

Moore, Sharon A	13	Dept. of Rec. & Parks	Graphics Designer
Ortiz, Guillermo Alvarez	33	PW - Resurf & Reconstr Div.	Heavy Duty Truck Oper
Patton, Gerald W	39	PW - Sanitation	Ref Coll Truck Oper
Peterson, Gail D	30	City Attorney's Office	Deputy City Atty
Robertson, Dennis W	18	PW - ACCOUNTING	Administrative Clerk
Sabath, Richard	32	PW - Sanitation	Bld Mech Engr
Schreiner, Kathryn K	10	CDD	Sr Grants Mgmt Specialist
Sarpy, Lawrence	18	PW - Sanitation	Ref Coll Truck Oper
Torres, Irma G	9	Dept. of Rec. & Parks	Special Prog Asst
Torres, Norma Judith	17	Police Dept. - Civilian	Police Service Rep
Torres, Silvia Delao	33	Police Dept. - Civilian	Secretary
Workman, Rowena M	31	EWDD	Exec Admin Asst

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

**TIER 1**

Bernard, Christoph J

Brittany S Bernard for the payment of the  
Accrued But Unpaid Disability Retirement Allowance  
Burial Allowance  
Unused Contributions

Biessels, Maria H

Angelique Catherine Street for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Bogar, Leroy E

Regina Bogar for the payment of the  
Accrued But Unpaid Vested Retirement Allowance  
Burial Allowance

Chapman, Caroline K

Lucile C Fernstrom for the payment of the  
Accrued But Unpaid Survivorship (Retirement) Allowance

Christian, Carolyn J

Mark E Christian for the payment of the  
Accrued But Unpaid Continuance Allowance

Croft, David W	Gay A Croft for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Culling, Keith A W	Gregory Nevin Culling for the payment of the Burial Allowance
Daniel, Antonio H	Ernest Anthony Baca for the payment of the Burial Allowance
Deal, Glenn F	Terry L Kekahuna for the payment of the Accrued But Unpaid Service Retirement Allowance
Denham, Janet E	Robert C Denham for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Fabela, Lourdes M	Laury Lee Caballero for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Figueroa, Jose L	Jerry A Figueroa for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Glasgow, Lou Ann M	Cynthia Susan Glasgow for the payment of the Accrued But Unpaid Continuance Allowance

Gordon, Willie R	Audrey Gordon for the payment of the Burial Allowance
Harris, Matthew D	Albert Earl Harris for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Brenda Faye Harris for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Michael Anthony Harris for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hinson, Jeffrey Scott	Joel Patrick Hinson for the payment of the Burial Allowance
Hughes, Duncan	Delcine Lavonne Hughes for the payment of the Burial Allowance
Kidd, Felcie Leon	Stephanie C Kidd for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Langston, Drue E	Loyce E Langston for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lincoln, Helen L	Veronica Mckissick for the payment of the Accrued But Unpaid Continuance Allowance

Mc Kenna, Dixon N	Marcia Maria Mc Kenna Patten for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mcintyre, Robert	Delia J Williams for the payment of the Accrued But Unpaid Service Retirement Allowance
Montavon, Dorothy M	Richard Lauren Beckman for the payment of the Accrued But Unpaid Continuance Allowance
Morales, Hortensia G	Patricia Arlene Morales for the payment of the Accrued But Unpaid Continuance Allowance  Yvonne Alarcon for the payment of the Accrued But Unpaid Continuance Allowance
Ortiz, Joel D	Margaret Ortiz for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Palmetier, Audrey J	Rhonda Lynn Bohannan for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

Reed, Jeanne E	<p>Ardis Mitsuko Nishikawa for the payment of the          Accrued But Unpaid Continuance Allowance          Accrued But Unpaid Service Retirement Allowance          Burial Allowance</p> <p>Karen M Shiba for the payment of the          Accrued But Unpaid Continuance Allowance          Accrued But Unpaid Service Retirement Allowance          Burial Allowance</p>
Reynolds, Mary Lillian	<p>Joseph Lee Broussard for the payment of the          Accrued But Unpaid Service Retirement Allowance          Burial Allowance          Unused Contributions</p>
Rhee, Changsil	<p>Lois Rhee Ledesma for the payment of the          Accrued But Unpaid Continuance Allowance</p>
Rodriguez, Guillermina	<p>Joshua Rodriguez for the payment of the          Burial Allowance</p>
Rogers, Sylvia Denise	<p>Gip B Rogers for the payment of the          Accrued But Unpaid Service Retirement Allowance          Burial Allowance</p>
Roney, Marjorie N	<p>Rose Marie Hocker for the payment of the          Accrued But Unpaid Continuance Allowance</p>

Sandhu, Debra Denise	<p>Amrisha M Sandhu for the payment of the          Accrued But Unpaid Service Retirement Allowance          Burial Allowance          Unused Contributions</p> <p>Anastasha M Sandhu for the payment of the          Accrued But Unpaid Service Retirement Allowance          Burial Allowance          Unused Contributions</p>
Santiso, P E	<p>Lili Marlene Carroll for the payment of the          Accrued But Unpaid Vested Retirement Allowance          Burial Allowance</p> <p>Michael Shayne Carroll for the payment of the          Accrued But Unpaid Vested Retirement Allowance          Burial Allowance</p>
Schartau, Martin R	<p>Shelly Renee Schartau for the payment of the          Burial Allowance</p>
Shon, Helen L	<p>Marshall Young Lyou for the payment of the          Accrued But Unpaid Continuance Allowance</p>
Sies, Patricia L	<p>Jennifer Stacie Nelson for the payment of the          Accrued But Unpaid Service Retirement Allowance          Burial Allowance</p>
Smith, Paul R	<p>Sallye J Smith for the payment of the          Accrued But Unpaid Service Retirement Allowance          Burial Allowance</p>

Sugar, Vincent	Diane Marie Aguilar for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Takahashi, Elma A	Gail A Takahashi for the payment of the Burial Allowance  Lawrence S Takahashi for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Testa, Barbara	Catherine Sue Schaller for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Tracy, Mary J	Mary C Orvis for the payment of the Accrued But Unpaid Survivorship (Disability) Allowance  Richard Allen Tracy for the payment of the Accrued But Unpaid Survivorship (Disability) Allowance  Robert Tracy for the payment of the Accrued But Unpaid Survivorship (Disability) Allowance
Trejo, Ricardo	Ana A Trejo for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance  Ricardo F Trejo for the payment of the Burial Allowance
Vara, Joseph	Joelle Deanna Vara for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions

Wall, Carl J	Dennis L Wall for the payment of the Accrued But Unpaid Service Retirement Allowance
	Wall Living Trust for the payment of the Burial Allowance
Walton, Nancy J	Idalis Dawn Walton for the payment of the Accrued But Unpaid Service Retirement Allowance
	Jeffrey Michael Walton for the payment of the Burial Allowance
	Joshua Michael Walton for the payment of the Accrued But Unpaid Service Retirement Allowance
Williams, Keith L	Danielle Marie Williams for the payment of the Burial Allowance
	Kerry Allen Williams for the payment of the Burial Allowance
Wolfberg, George S	Diane Wolfberg for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wong, Quock How	June Wong Gibson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Yoshino, Helen S	Gail Yuriko Gee for the payment of the Accrued But Unpaid Continuance Allowance

**TIER 3**  
**NONE**



**REPORT TO BOARD OF ADMINISTRATION**

**From: Neil M. Guglielmo, General Manager**

**MEETING: JULY 14, 2020**

**ITEM: VII – A**

*Neil M. Guglielmo*

**SUBJECT: CITY SEPARATION INCENTIVE PROGRAM AND PRELIMINARY SUPPLEMENTAL BUDGET AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

- 1) Approve a Fiscal Year 2020-21 (FY21) supplemental budget of \$2,408,000 for preliminary expenses related to preparations for the City's Separation Incentive Program (CSIP);
- 2) Approve a contract with Box, Inc. to provide a Retirement Application Portal, and authorize the General Manager to negotiate and execute the contract; and,
- 3) Approve the transfer of \$109,400 budgeted for Member electronic document processing from the Office and Administrative account to the Contractual Services account for implementation of a Retirement Application Portal.

**Executive Summary**

On June 30, 2020 the City Council approved implementation of a City Separation Incentive Program (CSIP) in hopes of retiring approximately 1,300 LACERS Members within a short period of time. This alternative to mandatory furloughs, and strategy to help balance the City's budget, offers eligible retirees a cash incentive, unlike the 2010 Early Retirement Incentive Program which offered enhanced benefits. Absent proposed retirement benefit changes, there is no requirement for an actuarial cost study or City ordinance change; allowing the City to implement the CSIP quickly. The CSIP application period began July 6, 2020 and closes August 3, 2020. A seven day application rescission period ends on August 10, 2020, and if the minimum threshold of 1,300 participating employees is met, CSIP will be implemented.

LACERS recognizes the difficult financial situation of the City and the significance of LACERS processing this large volume of retirement applications as expeditiously as possible. In order to meet this need, advanced positioning of resources such as facilities, equipment, and hiring and training of temporary staff is necessary. The uncertain yet significant nature of the CSIP will likely require iterative and evolving budgetary requests to meet these needs. This initial request will be followed by an

additional budget request if CSIP proceeds. This report discusses LACERS' preparation for CSIP and preliminary funding needs.

The total supplemental budget request is \$2,408,000. If this supplemental budget is approved by the Board, LACERS will move forward with hiring and procurement. Staff will only expend the funds necessary to prepare for the CSIP processing and all such expenditures will be tracked. If the CSIP does not move forward, some part-time staff may be retained to assist with closeout and clearing of any backlogs, with all other temporary staff to be released. As with other administrative expenditures, the funds expended pursuant to this supplemental budget will be paid from LACERS' assets.

## **Discussion**

Coming at a time of disruption and uncertainty with the ongoing pandemic crisis, the City's Separation Incentive Program (CSIP) is anticipated to create a significant spike in retirements, not seen since the 2010 Early Retirement Incentive Program (ERIP). Internal discussions of CSIP began in late May, and by mid-June CSIP planning had taken precedence over other key departmental priorities. This report reflects a preparation plan based on what is known to date, which will continue to be expanded and refined as the final number of CSIP applicants is known after August 10, 2020. LACERS' statutory obligation to retire Members in a timely and accurate manner, and the gravity of the City's financial predicament, necessitates advance preparations, regardless of whether CSIP moves forward. It will require significant lead time (approximately three months on a condensed schedule) to hire, train, house, and equip additional personnel before getting the first group of CSIP retirees on the retiree payroll.

Retirement processing rates drive the resource requirements for staffing, space, and information technology. Each of these areas is impacted, complicated, and made more costly by the COVID-19 environment. The current capacity for service retirement processing is 100 cases each month. An agreement with the Los Angeles World Airport (LAWA) reserves 50 of 100 service retirement slots to assist with the LAWA Separation Incentive Program ("LAWA SIP"). The plan to expedite completion of the 328 total LAWA SIP retirements no later than October 2020, and concurrently ramp up resources, hopes to yield the first 50 CSIP retirements in November 2020 ramping up to a target of 230 or more CSIP monthly cases. Up to 40 additional managed retirements, prioritized first for non-CSIP retirement applicants, will augment the number of cases processed. Under this plan, 1,300 CSIP retirees will be added to the retiree payroll through May 2021. Additional CSIP cases, in excess of the 1,300 target, may extend this period beyond May. It is important to note that meeting this plan relies on success in obtaining adequate and timely resources with minimal work disruptions and high levels of productivity. These are all challenges, all the more so in the current environment. The key components of the preliminary support plans are summarized below.

### **Preliminary Staffing Plan (\$2,193,000)**

The key success factor to increasing retirement processing rates is additional trained staff. Due to the necessity to fill vacancies as soon as possible, a full year's salary is needed for all authorized positions. The FY21 salary savings rate of 9% contemplated utilizing attrition and holding vacancies to offset

obligatory salary increases. This cannot be achieved this year. Additionally, temporary staff will be brought on board to meet the temporary need. Part-timers, former LACERS staff both retired and active, and staff borrowed from other departments will join LACERS to meet this important project for the City.

Several preliminary actions are already underway:

- LACERS has submitted a request to the Mayor's Office for the temporary transfer of 23 former LACERS' employees under City Charter Section 233, which allows the Mayor to transfer employees between departments for up to 120-days to meet temporary demands.
- LACERS has submitted a request to the Mayor's Office to allow LACERS to hire up to five retired former LACERS employees. Retirees may work up to 120-days in a fiscal year.
- LACERS is beginning hiring processes for currently authorized positions in the FY21 budget.
- LACERS is beginning to outreach to establish a part-time staff candidate pool to further augment staffing needs anticipated to total twenty part-timers.
- LACERS will also employ extensive overtime to assist in meeting CSIP and LAWA SIP milestones.
- Finally, LACERS is developing plans to consider additional temporary full-time staff for more complex business functions beyond the scope of what part-time staff may be able to assist with.

While plans are still being developed, in anticipation of hiring to a full level of authorized staffing and fully leveraging staff with assistance from temporary workers in meeting this significant work program, the following salary account increases are requested of the Board at this time:

- Elimination of the adopted 9% salary savings rate, increasing Salaries General account by \$1.5 million, with corresponding benefit costs increase of \$175,000.
- Increase Overtime account by \$100,000 for support of LAWA SIP (reimbursable to LACERS and needed to better expedite LAWA SIP to reduce overlap with CSIP).
- Increase As-Needed Salaries account by \$400,000, with corresponding benefit costs increase of \$18,000.

While equipment is adequately budgeted for existing LACERS' position authorities, which will free up some equipment that can be repurposed for temporary staff, additional equipment needs to support temporary staff may be identified at a later date. As the disposition of the CSIP program and further planning are realized, LACERS' staff will return to the Board for additional updates and resource needs. LACERS will track CSIP costs against additional budget granted and if for any reason CSIP does not proceed, LACERS will stand down on the additional spending.

#### Preliminary Facilities Plan (\$215,000)

While options were explored to utilize other City space including Piper Tech or LACERS' own 977 Broadway building, ultimately the most cost effective and time efficient solution involves recapturing and reassigning desks within LACERS' offices at the Times building where the existing network

infrastructure can readily support increased staffing and with now unused community space available for reset as work spaces.

The Facilities Plan is expandable in two major tranches, one of up to 46 additional work spaces recapturing vacant space. And a second tranche expandable to 49 additional work spaces, which recaptures and reassigns desks of employees who can work productively from home.

In-office interactions allow for increased teamwork and support for new staff that is particularly important to meet critical timelines. Experienced benefits administration staff will work alongside new staff to provide training and guidance as CSIP is implemented. At the forefront of consideration for working in the office is continuance of preventative measures, inclusive of properly distanced work spaces and staggering shifts. Telecommuting will continue to be utilized for the majority of existing LACERS' staff. LACERS will provide and encourage use of personal protective equipment, cleaning supplies, hand sanitizers, and continuing education promoting protective practices. In addition to the space, additional parking will also be required as post-COVID polling of staff indicates an increase in staff requiring parking as well as the need to accommodate increased staffing levels.

Preparing adequate space is tantamount to hiring and as such also needs to begin immediately. The following budget increases are requested of the Board based on preliminary cost estimates for repurposing existing space and providing parking for staff:

- Increase Furniture & Equipment account by \$75,000 to clear, procure and install workspace furniture for the additional positions identified in the Preliminary Staffing Plan.
- Increase Office Lease account by \$140,000 to meet anticipated increased staff parking demand for both new and existing employees.

As indicated throughout this report, as implementation dictates, LACERS will return to the Board for any additional facility and parking funding needed to effectuate CSIP.

### Retirement Application Portal

With applicability beyond CSIP, this is a timely effort in mitigating the impacts of the pandemic while positioning LACERS for the future of retirement processing. LACERS is seeking to implement a wholly digital Retirement Application Intake Portal ("Portal") accessible through the LACERS' website to allow for significant reduction of paper based applications, enhance the member experience, and ease staff demands on paper mail processing. Mail services have been especially impacted during the current pandemic and is a less efficient and more time consuming means of processing applications regardless. The Portal will leverage the proprietary document exchange solution of the internet company, Box, Inc. (Box), built for use atop the Box document management system, which is currently licensed and in use at LACERS, and which provides all of the requisite data security components related to securing personally identifiable information (PII). Funding for this project is already included in the FY21 Adopted Budget.

Engagement with the fee-for-service development arm of Box, is being sought to configure, customize and implement their commercial-off-the-shelf document exchange product into the LACERS' business environment in an accelerated time frame, in order to meet upcoming demands related to COVID-19 and the CSIP. The ability to do so will eliminate the time and cost constraints associated with bidding out for a net-new third-party build which would require familiarization with retirement business processes, Box development requirements, Cosmos Database and Microsoft Azure configurations, and test and deployment timelines for bugs naturally occurring in wholly custom builds. Box has developed a similar portal for the New York City Employees Retirement System and other financial firms.

Staff is requesting the Board find that competitive bidding is "undesirable and impractical" for these services as the selection of Box as the service provider will result in the following benefits:

- Ability to meet LACERS' accelerated timeframe in preparedness for CSIP and further implementation of cloud content management objectives in a post-COVID environment
- Minimize time for development by another vendor – estimated 80% off the COTS (Commercial off the Shelf Product)
- Minimize time for staff to be trained on learning a new product who are already utilizing Box
- Minimize the potential issues with integration with another product
- Minimize the cost for the development because it would be a one-time, non-recurring fee, ongoing usage of which is included in the purchase of the Box Business Suite licenses already owned by LACERS
- Meets LACERS' security standards within the existing Box environment

#### Impact on Other Department Priorities

Due to the reallocation of personnel resources to CSIP, the projects slated for the FY21 work plan may be delayed such as the Headquarters Project or continued functionality enhancements to the Pension Administration System. Cost impacts of the deferral will be calculated when more is known about when the projects can resume. Certain other projects cannot be deferred, such as annual Health Open Enrollment or participation in the City's Human Resources and Payroll (HRP) project which may slow CSIP processing. Further analysis of impacts will be reported to the Board in August.

#### Strategic Plan Impact Statement

Board approval of this action contributes to LACERS' ability to meet the Benefits Goal to delivery timely and accurate benefits.

Prepared By: Dale Wong-Nguyen, Chief Benefits Analyst

NG/TB/DWN

Attachments: 1) Proposed Supplemental Budget Resolution  
2) Proposed contract award to Box.com

**SUPPLEMENTAL BUDGET IN PREPARATION FOR THE  
CITY'S SEPARATION INCENTIVE PROGRAM**

**PROPOSED RESOLUTION**

WHEREAS, on June 30, 2020 the City Council approved implementation of a Separation Incentive Program (CSIP) in hopes of retiring at least 1,300 LACERS members within a relatively short period of time as an alternative to mandatory furloughs and strategy to balance the City budget;

WHEREAS, the City Administrative Office will accept CSIP applications between July 6, 2020 and August 3, 2020; and applicants have a seven day application rescission period ending on August 10, 2020 and if the minimum threshold of 1,300 eligible employees is met, SIP will be implemented;

WHEREAS, LACERS recognizes the difficult financial situation of the City and the importance to the City of LACERS processing this large volume of retirement applications as expeditiously as possible. In order to meet this need, advanced positioning of resources such as hiring and training temporary staff is necessary;

WHEREAS, pursuant to the City Charter the Board has full control of LACERS budget,

NOW, THEREFORE, BE IT RESOLVED, that the Board

1. Authorize a transfer of \$109,400 from the Office and Administrative Account to the Contractual Services Account to fund the Retirement Application Portal
2. Approve a Supplemental Appropriation of \$2,408,000, to Fund 800, LACERS Administrative Budget, which follows; and,
3. Authorize the General Manager to correct any clerical or typographical errors in this document.

FISCAL YEAR 2020-21 – SUPPLEMENTAL BUDGET APPROPRIATION FOR PREPARATIONS FOR THE SEPARATION INCENTIVE PROGRAM

**LACERS FUND 800**

	<b>Supplemental Budget Appropriation</b>	
	<b>2020-21</b>	
<b>SALARIES</b>		
General	\$	1,500,000
As Needed		400,000
Overtime		100,000
Total Salaries	\$	<u>2,000,000</u>
<b>EXPENSE</b>		
Contractual Services	\$	249,400
Employee Benefits		193,000
Office and Administrative		(109,400)
Total Expense	\$	<u>333,000</u>
<b>EQUIPMENT</b>		
Furniture, Office and Technical Equipment	\$	75,000
Total Equipment	\$	<u>75,000</u>
<b>Total Administrative Expense</b>	<b>\$</b>	<b><u>2,408,000</u></b>

July 14, 2020

**CONTRACT WITH BOX, INC.  
FOR CUSTOM CONSULTING SERVICES  
TO PROVIDE A RETIREMENT APPLICATION PORTAL**

**PROPOSED RESOLUTION**

WHEREAS, LACERS is in the midst of implementing a Separation Incentive Program for the Los Angeles World Airports, which will retire 340 applicants between August and December 2020; and will soon be engage in processing at least 1,300 retirements under the City Separation Incentive Program (CSIP);

WHEREAS, the current pandemic environment, limits in-person interaction with Members, and digital transformation of business functions have become a necessity;

WHEREAS, LACERS desires to engage the services of Box Consulting (“Box”) to deliver a custom portal accessible through the LACERS’ website to collect documents and retirement data from applicants. Box will configure, customize and implement their commercial-off-the-shelf document exchange product into the LACERS’ business environment in an accelerated time frame, in order to meet upcoming demands of CSIP.

NOW, THEREFORE BE IT RESOLVED, that the Board:

1. Find that competitive bidding is "undesirable and impractical" for these services as the selection of Box as the service provider will result in the following benefits:
  - Ability to meet LACERS’ accelerated timeframe in preparedness for CSIP and further implementation of cloud content management objectives in a post-COVID environment
  - Minimize time for development by another vendor
  - Minimize time for staff to be trained on learning a new product as LACERS is already utilizing Box
  - Minimize the potential issues with integration with another product
  - Minimize the cost for the development because it would be a one-time, non-recurring fee, ongoing usage of which is included in the purchase of Box Business Suite licenses already owned by LACERS
  - Meets LACERS’ security standards within the existing Box environment
2. Authorize the General Manager to execute the necessary documents, within the following terms, subject to City Attorney review:

FIRM: BOX, INC. also known as BOX Consulting  
TERM: Not to exceed 12-months  
AMOUNT: Not to exceed \$95,975 fix fee plus 10% for contingency for out-of-scope work

July 14, 2020