

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

August 12, 2025

10:06 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Janna Sidley
	Commissioners:	Thuy Huynh Gaylord "Rusty" Roten Sung Won Sohn
	Legal Counselor:	Joshua Geller
	Manager-Secretary:	Todd Bouey
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioner:	Thomas Moutes

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – President Chao asked if any persons wanted to make a general public comment, to which there were no public comment cards received.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Interim General Manager, advised the Board of the following items:
- LACERS' Lunch and Learn (July 29th)
 - ACFR Award
 - Benefits Operations Update Health, Wellness, And Buyback Update
 - Layoff Coordination
 - Technology Workshop Presented by Mom's Computer

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

Board – August 26th

- Fiscal year-end report of business plan initiatives for the period ending June 30, 2025
- Presentation on LACERS information and technology strategy 2025-2030
- Charter change opportunities for consideration of the city of Los Angeles charter reform

Governance – August 26th

- Board education and travel policy rewrite
- Contract renewal policy codification

III

RECEIVE AND FILE ITEMS

- A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- B. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.

IV

Commissioner Roten moved approval of Consent Agenda Items IV-A and IV-B, and seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Roten, Sohn, Vice President Sidley, and President Chao -5; Nays, None.

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF JULY 8, 2025 AND POSSIBLE BOARD ACTION
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF RODNEY SPILLERS AND POSSIBLE BOARD ACTION

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR RODNEY SPILLERS

RESOLUTION 250812-A

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

WHEREAS, Physicians 1, 2, and 3 examined and concluded Rodney Spillers is unable to perform his usual and customary duties as a Refuse Collection Truck Operator II with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Rodney Spillers is incapacitated pursuant to the definition in Los

Angeles Administrative Code §4.1008(b) and not capable of performing his duties as a Refuse Collection Truck Operator II;

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

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Rodney Spillers based upon his claimed disabling condition.

V

COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON AUGUST 12, 2025 – Commissioner Sohn stated the Committee discussed the LACERS 2024 Anthem Blue Cross Medical, Blue View Vision And Delta Dental PPO Year-End Accounting, the 2026 Health Plan Contract Renewals, and the 2026 Maximum Subsidy And Reimbursement Amount, moving the three items to Board for consideration.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. LACERS 2024 ANTHEM BLUE CROSS MEDICAL, BLUE VIEW VISION, AND DELTA DENTAL PPO YEAR-END ACCOUNTING AND POSSIBLE BOARD ACTION – Bordan Darm, Lead Consultant with Keenan Associates, and James Kawashima, Senior Benefits Analyst II, presented and discussed this item with the board. Commissioner Sohn moved approval of the following Resolution:

LACERS 2024 ANTHEM BLUE CROSS MEDICAL, BLUE VIEW VISION, AND DELTA DENTAL PPO YEAR-END ACCOUNTING

RESOLUTION 250812-B

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 2024 Anthem year-end accounting shows an adjusted premium deficit of \$629,999;

WHEREAS the 2024 premium deficit of \$629,999 will be subtracted from the interest amount of \$71,985 earned in 2024, the remaining \$558,013 was subtracted from the Claims Stabilization Fund for 2024, and no excess premiums were returned to LACERS; and,

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

1. Select Anthem renewal option 1 to reduce the rate increase to 9.0% plus a 3% Retro-funding arrangement plus a minimum \$1,700,000 Claims Stabilization Fund (CSF) balance for 2026;
2. Provide \$523,428 from the 115 Trust to the CSF for a balance of \$1,700,000;
3. Approve the 2024 Year-End Accounting for the Anthem Blue Cross (Anthem) medical plan;
4. Approve the 2024 Year-End Accounting for the self-funded Anthem Blue View Vision (Blue View Vision) plan; and,
5. Approve the 2024 Year-End Accounting for the self-funded Delta Dental PPO plan.

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

B. 2026 HEALTH PLAN CONTRACT RENEWALS AND POSSIBLE BOARD ACTION – Margaret Drenk, Senior Benefits Analyst II, and Tenah Johnson-Taylor, Senior Benefits Analyst I, presented and discussed this item with the Board. Commissioner Sohn moved approval of the following Resolution:

2026 HEALTH PLAN CONTRACT RENEWALS

RESOLUTION 250812-C

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

WHEREAS, during the annual health plan renewal process, LACERS staff and health plan consultant received the preliminary medical premium rates from the carriers and after thorough reviews and negotiations, recommends the Board accept the plan year 2026 medical, dental, and vision premium rates commencing on January 1, 2026, through December 31, 2026;

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

1. Approve the 9% Anthem Blue Cross PPO premium increase, with a 3% retro-funding arrangement;
2. Approve the proposed 2026 contract premium renewals for LACERS medical, dental, and vision plans, allowing for minor premium adjustments;

3. Authorize the General Manager to negotiate and approve the final UnitedHealthcare (UHC) carrier premium changes and to utilize the 115 Trust to smooth the UHC Member premium increase; and,
4. 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.

2026 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)
Single-Party Plan – Retiree Only					
U	\$1,865.38	\$1,865.38	\$1,161.91	\$1,487.85	\$1,487.85
M	\$623.94	\$430.99	\$263.98	\$417.97	\$217.79
Two-Party Plan – Retiree and One Dependent					
UU	\$3,730.76	\$3,730.76	\$2,323.82	\$2,975.70	\$2,975.70
UM	\$2,489.32	\$2,296.37	\$1,425.89	\$1,905.82	\$1,705.64
MU	\$2,498.32	\$2,296.37	\$1,425.89	\$1,905.82	\$1,705.64
MM	\$1,247.88	\$861.98	\$527.96	\$835.94	\$435.58
Family Plan – Retiree and Family					
UUU	\$4,383.65	\$4,383.65	\$3,020.96	\$3,868.41	\$3,868.41
UMU	\$3,142.21	\$2,949.26	\$2,123.03	\$2,798.53	\$2,598.35
MUU	\$3,142.21	\$2,949.26	\$2,123.03	\$2,798.53	\$2,598.35
MMU	\$1,900.77	\$1,514.87	\$1,225.10	\$1,728.65	\$1,328.29
MMM	\$1,871.82	\$1,292.97	\$791.94	\$1,253.91	\$653.37

2026 UNITED HEALTHCARE MEDICARE ADVANTAGE HMO NON-CALIFORNIA PREMIUM RATES		
Medicare Status	Arizona	Nevada
Single-Party Plan – Retiree Only		
U	N/A	N/A
M	\$417.94	\$328.26
Two-Party Plan – Retiree and One Dependent		
UU	N/A	N/A
UM	N/A	N/A
MU	N/A	N/A
MM	\$835.88	\$656.52
Family Plan – Retiree and Family		
UUU	N/A	N/A
UMU	N/A	N/A
MUU	N/A	N/A
MMU	N/A	N/A
MMM	\$1,253.82	\$984.78

2026 DENTAL PLAN PREMIUM RATES		
Dental Tiers	Delta Dental PPO Self-Funded	DeltaCare USA HMO
Retiree	\$52.52	\$15.70
Retiree + 1 Dependent	\$104.16	\$29.31
Retiree + Family	\$150.47	\$33.89

2026 VISION PLAN PREMIUM RATES	
Tiers	Anthem Blue View Vision Self-Funded
Retiree	\$9.14
Retiree + 1 Dependent	\$13.25
Retiree + Family	\$23.67

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

Commissioner Sohn left the room at 10:37 AM

- C. 2026 MAXIMUM SUBSIDY AND REIMBURSEMENT AMOUNTS AND POSSIBLE BOARD ACTION – Karen Freire, Chief Benefits Analyst, James Kawashima, Senior Benefits Analyst II, and Rainbow Sun, Senior Benefits Analyst I, presented and discussed this item with the Board. Commissioner Roten moved approval of the following Resolution:

**MAXIMUM HEALTH PLAN SUBSIDIES AND REIMBURSEMENT AMOUNTS
FOR PLAN YEAR 2026**

RESOLUTION 250812-D

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 Los Angeles Administrative Code (LAAC) § 4.1111(b) 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, the LAAC § 4.1111(c) 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 LAAC § 4.1003(c), 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 Parts A and B premium;

WHEREAS, the LAAC § 4.1112(b) and 4.1112(d) provides that by resolution, the Board of Administration may increase the monthly reimbursement maximum of eligible retirees participating in the Medical Premium Reimbursement Program;

WHEREAS, the LAAC § 4.1112(a) 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 12, 2025, the 2026 health benefit subsidies and reimbursements were presented to the Benefits Administration Committee;

WHEREAS, on August 12, 2025, the Board of Administration approved the 2026 health benefit subsidies and reimbursements;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration hereby adopts the following 2026 health benefit subsidies and reimbursements; and authorizes 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 the report:

Benefit Type	Tier 1, Retired Before July 1, 2011, “Discretionary”	Tier 1, Retired On or After July 1, 2011, “Vested”	Tier 3
Retiree Medical Subsidy, <65/Medicare Part B	\$2,407.84	\$2,407.84	\$2,323.82
Retiree MPRP Reimbursement, <65/Medicare Part B	\$2,407.84	\$2,407.84	\$2,323.82
Retiree MPRP Reimbursement, Medicare Parts A and B	\$633.08	\$633.08	\$633.08
Retiree Dental Subsidy	\$42.93	\$42.93	\$42.93

Which motion was seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Roten, Vice President Sidley, and President Chao -4; Nays, None.

Commissioner Sohn returned to the meeting at 10:39 a.m.

D. LACERS GENERAL MANAGER SEARCH VERBAL UPDATE – Kim Bradney, with CBIZ, and Kevin Hirose, Senior Personnel Analyst II, presented and discussed this item with the Board.

VII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$26.23 billion as of August 11, 2025, and the Volatility Index at 16.09. Rod June discussed the following items:
- **INDUSTRY COMMENTARY**
Trump Executive Order: Democratizing Access to Alternative Assets for 401(k) investors, effective Aug 7, 2025. Staff will explore the impact of this Executive Order on the LACERS investment program.
 - **GLOBAL ISSUES** – No material change in LACERS' non-US market valuations.
 - **POLICY**
Staff is reviewing the Proxy Voting Policy. Any proposed changes for 2025 will be directed to the Governance Committee for their review and consideration.
 - **EMERGING MANAGERS**
Emerging Manager Symposium will be recorded and take place in early Fall 2025
Emerging Manager Networking Forum is a live event and will take place in late Fall 2025.
 - **ANNOUNCEMENTS** – Ms. Addison Cha, Girls Who Invest intern, presented an account of her experience as a summer intern.
- B. PRESENTATION BY NEPC, LLC, REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION IMPLEMENTATION AND POSSIBLE BOARD ACTION – Rose Dean, Partner, and DeAnna Jones, Senior Consultant, with NEPC LLC, presented and discussed this item with the Board. No action was taken by the Board.
- C. PRI ACTION PLAN AND ESG RISK FRAMEWORK STATUS AND UPDATES AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer III, presented and discussed this item with the Board. Commissioner Roten motioned approval, seconded by Commissioner Huynh, and adopted by the following vote: Ayes: Commissioners Huynh, Roten, Sohn, Vice President Sidley, and President Chao -5; Nays: None.
- D. NOTIFICATION OF COMMITMENT OF UP TO €43.4 MILLION (APPROXIMATELY \$50 MILLION) IN EQT EXETER EUROPE LOGISTICS VALUE FUND V (NO. 2) SCSP – This report was received by the Board and filed.

President Chao recessed the Regular meeting at 11:30 a.m. to convene in closed session, with nothing to report.

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: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES'**

RETIREMENT SYSTEM ET AL. (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)

- 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: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)**

President Chao reconvened the Regular meeting at 12:39 p.m.

- C. AMENDMENT TO CONTRACT WITH KUTAK ROCK, LLP FOR LEGAL REPRESENTATION IN CASE NO. STCP02171 AND POSSIBLE BOARD ACTION –** Joshua Geller, Deputy City Attorney, presented and discussed this item with the Board. Vice President Sidley motioned to continue this item, seconded by Commissioner Roten, and adopted by the following vote: Ayes: Commissioners Huynh, Roten, Sohn, Vice President Sidley, and President Chao -5; Nays: None.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, August 26, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012.

XI

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the meeting at 12:42 p.m.

Annie Chao

Annie Chao
President



Todd Bouey
Manager-Secretary