

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

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's August 23, 2022 meeting will be conducted via telephone and/or videoconferencing.

August 23, 2022

10:00 a.m.

PRESENT via Videoconferencing:	President:	Nilza R. Serrano
	Vice President:	Elizabeth Lee
	Commissioners:	Annie Chao Thuy Huynh Janna Sidley Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* – **PRESS *9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Serrano asked if any persons wanted to make a general public comment to which there was one response. Ruth Perry, President of the Retired Los Angeles City Employees, Inc. (RLACEI) and member of the public, shared RLACEI's support of staff's recommendation on Agenda Item VII-D (IRMAA and Medicare Part B Only Reimbursement Consideration).

Vice President Lee and Commissioner Sidley stated their intent to abstain from the vote to approve the minutes because they were not present on July 26, 2022. Vice President Lee left the meeting at 10:05 a.m., and returned at 10:08 a.m. and was not present for the vote on Item II.

II

APPROVAL OF MINUTES FOR THE MEETING OF JULY 26, 2022 AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and President Serrano -5; Abstention, Commissioner Sidley and Vice President Lee -2.

III

BOARD PRESIDENT VERBAL REPORT – There was no report.

Item IV-C taken out of order.

IV

GENERAL MANAGER VERBAL REPORT

- C. RECOGNITION OF SERVICE FOR SANDRA LEE – Neil M. Guglielmo, General Manager and the Commissioners recognized Sandra Lee’s four years of service to LACERS as a Commissioner.
- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- 977 N. Broadway Insurance update
 - Move to 977 N. Broadway
 - Launch of Acronym Decoder
 - IRMAA Staff and Committee Reports
 - Update on LACERS HQ
 - Retirement Services update
 - Member Services update and upcoming events
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- September 2022 Benefits Administration Committee Meeting: Anthem Year-End Accounting

V

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR JULY 2022 – This report was received by the Board and filed.
- B. FISCAL YEAR-END REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING JUNE 30, 2022 – This report was received by the Board and filed.

- C. ANNUAL REPORT ON LACERS ORGANIZATION DIVERSITY SURVEY – Rod June, Chief Investment Officer and Isais Cantu, Chief Benefits Analyst, presented and discussed this report with the Board. This report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON AUGUST 9, 2022 – Commissioner Sohn stated that the Committee listened to a presentation by Barrow, Hanley, Mewhinney & Strauss, LLC and the Annual Report on LACERS Emerging Investment Manager Program.
- B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON AUGUST 23, 2022 – Commissioner Wilkinson stated the Committee approved the 2023 Maximum Subsidy and Reimbursement Amounts.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution:

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

RESOLUTION 220823-A

WHEREAS, LACERS is committed to preserving public access and participation in meetings of the Board of Administration; and

WHEREAS, all LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions; and

WHEREAS, the COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active; and

WHEREAS, on October 12, 2021, the Board met via teleconference and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board has reconsidered the circumstances of the State of Emergency; and

WHEREAS, COVID-19 remains a public health concern in Los Angeles, with substantial or high levels of community transmission;

NOW THEREFORE, BE IT RESOLVED that pursuant to Government Code Section 54953(e)(1)(B)-(C), the Board finds that holding Board and Committee meetings in person would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 54953(e)(3)(A) and (B)(i), the Board finds that the COVID-19 State of Emergency continues to directly impact the ability of Board and Committee members to meet safely in person.

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

B. GENERAL MANAGER DESIGNEE SIGNATURE AUTHORITY AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution:

**SIGNATURE AUTHORITY
FOR GENERAL MANAGER DESIGNEES**

RESOLUTION 220823-B

WHEREAS, the Board may delegate authority to the necessary deputies, assistants, and employees of the department and define their duties under Los Angeles City Charter (LACC) Section 511(a); and

WHEREAS, the General Manager is authorized under LACC Section 509 to administer the affairs of the department as its Chief Administrative Officer; and,

WHEREAS, the General Manager determines it is in the best interest of the department to ensure department business is transacted expeditiously on occasions when they are absent or unable to act through the assignment of signature authorities over specific areas of expertise;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the signature authority resolution for the General Manager designees. If practicable, designees shall provide notice to the General Manager. Authority is assigned to the position, rather than the individual. This resolution shall be endorsed by the designees, and should there be a change in personnel, a new endorsement certificate may be made and kept on file in the Board office; filed with any other necessary office of City government; or any agencies involved in processing LACERS' investment transactions and custodial responsibilities for the securities of LACERS. The proposed resolution will supersede any previously adopted resolutions related to General Manager Designee signature authority and is effective upon adoption.

1. Assistant General Manager(s) – for the approval of contracts in compliance with the contracting

limitations established in the LACC; approval of expenditures; and approval of benefit payments and related transactions;

2. Chief Management Analyst of Administration Division (AD) – for the approval of contracts in compliance with the contracting limitations established in the LACC; for the approval of service purchase contracts, certifications of service, and related transactions, and approval of expenditures within the authorized AD budget and Performance Management Office. The Chief Management Analyst may delegate to the Senior Management Analysts I and II in the Administrative Services Office the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS.
3. Chief Benefits Analyst of Health, Wellness, and Buyback Division (HWABD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized HWABD budget. The Chief Benefits Analyst may delegate to the Senior Benefits Analysts I and II in the HWABD the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the Service Purchase Section the approval and execution of service purchase contracts, certifications of service, and related transactions; and delegate to the Senior Benefits Analysts I and II in the Health Benefits Administration the approval of retiree health benefits and related transactions.
4. Chief Benefits Analyst of Retirement Services Division (RSD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized RSD budget. The Chief Benefits Analyst may delegate to the Senior Benefits Analysts I and II in the Retirement Services Division the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS.
5. Information Systems Manager – for the approval of expenditures within the authorized Systems Division budget.
6. Chief Investment Officer or Investment Officer III – for the approval of investment transactions required within the scope of the contracts approved by the Board; and approval of expenditures within the authorized Investment Division budget.
7. Member Services Manager – for the approval of expenditures within the authorized Member Services Section budget.
8. Personnel Director or Senior Personnel Analyst II – for the approval of expenditures within the authorized Human Resources budget. The Personnel Director or Senior Personnel Analyst II may delegate to the Senior Personnel Analyst I in Human Resources Unit the approval of expenditures within the established Human Resources budget.
9. Departmental Audit Manager – for the approval of expenditures within the authorized Internal Audit budget.
10. Member Stewardship Section Manager – comprised of Active Member Accounts (AMA) and the Member Processing Unit (MPU) – for the approval of expenditures within the authorized budget and the Actuarial program budget.

11. Systems Operations Support Manager (SOS) – for the approval of expenditures within the authorized SOS budget.

- Endorsed: _____ Todd Bouey
Assistant General Manager
- Endorsed: _____ Dale Wong-Nguyen
Assistant General Manager
- Endorsed: _____ Isaias Cantú
Chief Management Analyst of Administration Division
- Endorsed: _____ Ferralyn Sneed
Chief Benefits Analyst of Retirement Services Division
- Endorsed: _____ Karen Freire
Chief Benefits Analyst of Health, Wellness, and Buyback Division
- Endorsed: _____ Rodney June
Chief Investment Officer
- Endorsed: _____ Thomas Ma
Information System Manager II
- Endorsed: _____ Bryan Fujita
Investment Officer III
- Endorsed: _____ Wilkin Ly
Investment Officer III
- Endorsed: _____ Melani Rejuso
Departmental Audit Manager
- Endorsed: _____ John Koontz
Senior Management Analyst II (Acting)
- Endorsed: _____ Margaret Drenk
Senior Benefits Analyst II
- Endorsed: _____ Edeliza Fang
Senior Benefits Analyst II
- Endorsed: _____ Delia Hernandez
Senior Benefits Analyst II (Acting)
- Endorsed: _____ Taneda Larios
Senior Benefits Analyst II

Endorsed: _____ Lin Lin
Senior Personnel Analyst II

Endorsed: _____ Edwin Avanesian
Senior Benefits Analyst II

Endorsed: _____ Lauren McCall
Senior Benefits Analyst II

Endorsed: _____ Charlena Freeman
Senior Personnel Analyst I

Endorsed: _____ Heather Ramirez
Senior Benefits Analyst I

Endorsed: _____ Tiffany Obembe
Senior Benefits Analyst I

Endorsed: _____ Horacio Arroyo
Senior Management Analyst I

Endorsed: _____ Lourdes Quintos
Senior Benefits Analyst I

Endorsed: _____ Ada Lok
Senior Benefits Analyst I

Endorsed: _____ Audrey Dymally
Senior Benefits Analyst I

Endorsed: _____ Maricel Martin
Senior Benefits Analyst I

Endorsed: _____ James Kawashima
Senior Benefits Analyst I

Endorsed: _____ Glen Malabuyoc
Senior Benefits Analyst I

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

C. 2023 MAXIMUM SUBSIDY AND REIMBURSEMENT AMOUNTS AND POSSIBLE BOARD ACTION – Vice President Lee moved approval of the following Resolution:

**MAXIMUM HEALTH PLAN SUBSIDIES AND REIMBURSEMENT AMOUNTS
FOR PLAN YEAR 2023**

RESOLUTION 220823-C

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

WHEREAS, 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 23, 2022, the 2023 health benefit subsidies and reimbursements were presented to the Benefits Administration Committee;

WHEREAS, on August 23, 2022, the Board of Administration approved the 2023 health benefit subsidies and reimbursements;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration hereby adopts the following 2023 health benefit subsidies and reimbursements; and authorizes the General Manager to make any necessary subsidy or reimbursement adjustments within the parameters established in the Los Angeles Administrative Code to reflect updated data:

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	\$1,962.20	\$1,962.20	-
Retiree MPRP Reimbursement, <65/Medicare Part B	\$1,962.20	\$1,962.20	-

Retiree MPRP Reimbursement, Medicare Parts A and B	\$494.67	\$494.67	\$494.67
Retiree Dental Subsidy	\$43.81	\$43.81	\$43.81

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

D. INCOME-RELATED MONTHLY ADJUSTMENT AMOUNTS (IRMAA) AND MEDICARE PART B ONLY REIMBURSEMENT CONSIDERATION AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager, Karen Freire, Chief Benefits Analyst, and Ada Lok, Senior Benefits Analyst, presented and discussed this item with the Board for 30 minutes. After discussion, Vice President Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

VIII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$21.84 billion as of August 22, 2022. Mr. June discussed the following items:

- Fund performance update
- Fund exposure to Bed, Bath, and Beyond
- Rod June, Chief Investment Officer, attending the Investment Diversity Advisory Council (IDAC) on September 14, 2022, Bryan Fujita, Investment Officer III, will cover the Board Meeting in the CIO’s absence
- Three Investment staff will be attending the CalPERS “Pathways for Women” Conference on August 23, 2022.
- Kroner Center for Financial Research, previously known as the Pacific Center for Asset Management, will be holding their meeting on September 8, 2022. Board Members can provide the CIO with any research ideas.
- David Fann of Aksia, LLC stated his farewell to LACERS and both the Commissioners and staff shared their appreciation of Mr. Fann’s contributions to LACERS.

Mr. June shared that Russian exposure for LACERS is currently 9.2 basis points of the total plan, about \$21 million, bond holdings have increased in value by approximately \$2 million, and staff will keep the Board apprised of Russian holdings.

B. PRESENTATIONS BY NEPC, LLC; AKSIA CA LLC; AND TOWNSEND HOLDINGS, LLC REGARDING EMERGING MANAGER EFFORTS AND INITIATIVES – David Fann, Vice Chairman, and Jeff Goldberger, Managing Director, and Trevor Jackson, Managing Director, with Aksia CA LLC, Chae Hong, Partner, and Felix Fels, Associate Partner, with Townsend

Holdings, LLC, and Carolyn Smith, Partner, with NEPC, LLC presented and discussed this item with the Board for 30 minutes.

- C. NOTIFICATION OF COMMITMENT OF UP TO \$60 MILLION IN ADVENT INTERNATIONAL GPE X, L.P. – This report was received by the Board and filed.
- D. NOTIFICATION OF COMMITMENT OF UP TO €36 MILLION (APPROXIMATELY \$40 MILLION) IN HG GENESIS A L.P. – Rod June, Chief Investment Officer, provided a verbal correction to Item VIII-D's title. The correct name for the Fund is NOTIFICATION OF COMMITMENT OF UP TO €36.0 MILLION (APPROXIMATELY \$40.0 MILLION) IN HG GENESIS 10 A L.P.
- E. NOTIFICATION OF COMMITMENT OF UP TO €45.2 MILLION (APPROXIMATELY \$50 MILLION) IN NORDIC CAPITAL FUND XI, L.P. – This report was received by the Board and filed.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN OAK HC/FT PARTNERS V, L.P. – This report was received by the Board and filed.
- G. NOTIFICATION OF COMMITMENT OF UP TO \$25 MILLION IN BESSEMER VENTURE PARTNERS XII INSTITUTIONAL L.P. – This report was received by the Board and filed.
- H. NOTIFICATION OF COMMITMENT OF UP TO \$60 MILLION IN TCV XII, L.P. – This report was received by the Board and filed.
- I. NOTIFICATION OF COMMITMENT OF UP TO \$30 MILLION IN L2 POINT OPPORTUNITIES I, L.P. – This report was received by the Board and filed.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, September 13, 2022, at 10:00 a.m. at LACERS, 202 W. 1st Street, Suite 500, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

XI

ADJOURNMENT – There being no further business before the Board, President Serrano adjourned the Meeting at 12:15 p.m.



Nilza R. Serrano
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary