

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 June 28, 2022 meeting will be conducted via telephone and/or videoconferencing.

June 28, 2022

10:02 a.m.

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PRESENT via Videoconferencing:	President:	Vacant
	Vice President:	Sung Won Sohn
	Commissioners:	Annie Chao Elizabeth Lee Michael R. Wilkinson
	Legal Counselor:	Joshua Geller
	Executive Assistant:	Ani Ghoukassian
PRESENT at LACERS Office:	Manager-Secretary:	Todd Bouey
ABSENT:	Commissioners:	Sandra Lee Nilza R. Serrano

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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** – Vice President Sohn asked if any persons wanted to make a general public comment to which there was one response. Sosseh Prom, member of the public and State Policy Manager at African Communities Together, stated that LACERS invests in CIM and since CIM acquired Southern Towers in Alexandria, VA, tenants have found they are living in slumlord conditions.

II

APPROVAL OF MINUTES FOR THE MEETING OF MAY 24, 2022 AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval, seconded by Vice President Sohn, and adopted by the

following vote: Ayes, Commissioners Chao, Elizabeth Lee, Wilkinson, and Vice President Sohn -4; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – There was no report.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Executive Officer, advised the Board of the following items:
- Update on Insurance: Directors and Officers Liability Insurance policy, Cyber Security Insurance policy, and Commercial Property Liability Insurance policy
  - Roe v. Wade Demonstrations
  - Update on LACERS HQ
  - Retirement Services Division update
  - Health Benefits Administration update
  - Member Services update
- B. UPCOMING AGENDA ITEMS – There were no items.

V

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MAY 2022 – This report was received by the Board and filed.
- B. COMMISSIONER SOHN EDUCATION EVALUATION ON SACRS SPRING CONFERENCE, RANCHO MIRAGE, CA; MAY 10-13, 2022 – This report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 14, 2022 – Vice President Sohn stated there was no quorum at the June 14<sup>th</sup> Investment Committee Meeting and therefore all the action items were directed to the June 28<sup>th</sup> Board Meeting agenda.
- B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 28, 2022 – Commissioner Wilkinson stated the Committee was presented with the Health Management Data Report and provided with a verbal update on the 2023 Health Plan Contract Renewals.

VII

BOARD/DEPARTMENT ADMINISTRATION

*Items VII-C and VII-D were taken out of order.*

- C. PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS FOR FISCAL YEAR 2022-23 AND POSSIBLE BOARD ACTION – Vice President Sohn requested that the Harvard Business School-Behavioral Economics-Virtual education be added to the list. Commissioner Elizabeth Lee requested that the IFEBP Advanced Trustees and Administrators Institute be added to the list. Commissioner Chao requested that the ILPA-Private Equity for the Trustee, in addition to any other education staff recommends be added to the list. Commissioner Elizabeth Lee moved approval to include the additional requests from Commissioners, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Wilkinson, and Vice President Sohn -4; Nays, None.
- D. CONTRACT AWARD TO AP KEENAN FOR HEALTH PLAN CONSULTING SERVICES AND POSSIBLE BOARD ACTION – Karen Freire, Chief Benefits Analyst, and Rainbow Sun, Benefits Analyst, presented and discussed this item with the Board. Commissioner Wilkinson moved approval of the following Resolution:

**AUTHORIZATION TO CONTRACT WITH  
AP KEENAN  
FOR HEALTH PLAN CONSULTING SERVICES**

**RESOLUTION 220628-A**

WHEREAS, on April 1, 2022, LACERS released a Request for Proposal (RFP) for a three-year contract for a health plan consultant and administrator and;

WHEREAS, on May 6, 2022, five health benefit consulting firms – Aon, AP Keenan, Mercer, Segal, and USI – responded to the RFP and;

WHEREAS, selected LACERS Health and Wellness staff and senior staff served as reviewers and analyzed and evaluated each firm’s proposals with the criteria set forth in the RFP and;

WHEREAS, the result of the multi-level review concluded that AP Keenan had the highest rating and demonstrated understanding of LACERS goals, values, culture, the population LACERS serves; has the requisite breadth and depth of experience to consult and address challenges facing LACERS health and wellness programs, including LACERS’ self-funded plans; has demonstrated and proven the quality and value of service in past and current services; and offers the best value of cost for their proposal;

NOW, THEREFORE, BE IT RESOLVED, that the Board: award AP Keenan the LACERS’ Health Plan Consulting Services contract for a term of three years, beginning January 1, 2023, in an amount not-to-exceed \$650,000 per year; and authorize the General Manager to negotiate and execute a three-year contract with AP Keenan, subject to satisfactory legal review by the City Attorney.

Which motion was seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Wilkinson, and Vice President Sohn -4; Nays, None.

- A. ELECTION TO FILL UNEXPIRED TERM OF THE VACANT OFFICE OF THE BOARD PRESIDENT PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND

POSSIBLE BOARD ACTION – Todd Bouey, Executive Officer, advised that the nominations for President were being considered and under advisement from Joshua Geller, Deputy City Attorney, since only four Commissioners are present, a unanimous vote is needed on any Board action, including election. Commissioner Chao nominated Vice President Sohn and Commissioner Elizabeth Lee nominated Commissioner Wilkinson. Mr. Bouey called for the vote on the nomination of Vice President Sohn as President: Ayes, Commissioners Chao, Wilkinson, and Vice President Sohn -3; Nays, Commissioner Elizabeth Lee. Mr. Bouey next called for the vote on the nomination of Commissioner Wilkinson as President: Ayes, Commissioners Elizabeth Lee and Wilkinson -2; Nays, Commissioner Chao and Vice President Sohn -2. There was no action on this item since no unanimous vote was taken.

- B. IF VACANCY CREATED IN OFFICE OF THE VICE PRESIDENT BY BOARD ACTION ON VII.A, ELECTION TO FILL UNEXPIRED TERM OF BOARD VICE PRESIDENT, PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION – No action was taken on this as there was no change to the Board Vice President.

## VIII

### DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDERATION OF DISABILITY RETIREMENT BENEFIT FOR DECEASED MEMBER WINFRED WHITE AND POSSIBLE BOARD ACTION – Susann Hernandez, Benefits Analyst, presented this item to the Board. Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Wilkinson, and Vice President Sohn -4; Nays, None.

## IX

### INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Bryan Fujita, Investment Officer III, reported on the portfolio value of \$20.95 billion as of June 27, 2022. Mr. Fujita discussed the following items:

- Steve Nelson has stepped down as Institutional Limited Partnership Association's (ILPA) CEO. Jennifer Choi, a long-tenured senior leader of ILPA, has been appointed Acting CEO.
- Camille Wright, LACERS new summer intern from Girls Who Invest, begins her first day at LACERS on July 5<sup>th</sup>.
- Future Agenda items: NEPC presentation on revised interim asset class policy targets and Real Estate notification

Mr. Fujita shared that Russian exposure is 4 bps or about \$9 million in market value. Based on recent discussion with LACERS investment managers, there is still no ability for US investors to transact in Russian securities due to market closures and trading halts. On June 27<sup>th</sup>, Russia was declared to be in default on its sovereign debt due to non-payment of interest. Staff will continue to keep the Board apprised of any new developments.

- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING MARCH 31, 2022 – Carolyn Smith, Partner with NEPC, LLC, presented and discussed this item with the Board for 45 minutes.
- C. SEMI-FINALISTS OF THE PRIVATE CREDIT CONSULTANT REQUEST FOR PROPOSAL AND POSSIBLE BOARD ACTION – Wilkin Ly, Investment Officer III, and Robert King, Investment Officer II, presented and discussed this item with the Board for 10 minutes. Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Wilkinson, and Vice President Sohn -4; Nays, None.

Vice President Sohn recessed the Regular Meeting at 11:35 a.m. to convene in Closed Session discussion.

**D. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO CORTLAND GROWTH AND INCOME, L.P. AND POSSIBLE BOARD ACTION**

X

LEGAL/LITIGATION

**A. ANNUAL LITIGATION REPORT**

- 1. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (a),(d)(1) OF GOVERNMENT CODE SECTION 54956.9, TO CONFER WITH AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE FOLLOWING SIX (6) CASES, AND POSSIBLE BOARD ACTION**
  - a. **American Fed. of State, County, and Municipal Employees et al. v. City of Los Angeles et al. (LASC, Case No. BS 166535);**
  - b. **Josephine Hubbard v. Los Angeles City Employees Retirement System (LASC, Case No. 21STCP02219);**
  - c. **In re ASHINC Corp et al. v. Yucaipa American Alliance Fund I, LLC, et al. (Bankr.D.Del., Case No. 12-11564);**
  - d. **Youngman v. Yucaipa American Alliance Fund I, LLC, et al. (LASC, Case No. 21STCV37137);**
  - e. **In re Tribune Company Fraudulent Conveyance Litigation, (U.S. Ct. App., 2d Cir., Case No. 19-CV-3049); and**
  - f. **Steinhoff International Holdings N.V. Global Settlement.**
- 2. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (a),(d)(4) OF GOVERNMENT CODE SECTION 54956.9, TO CONFER WITH AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING THE INITIATION OF LITIGATION IN ONE (1) CASE; AND POSSIBLE BOARD ACTION**

Vice President Sohn reconvened the Regular Meeting at 12:39 p.m.

XI

OTHER BUSINESS – Commissioner Elizabeth Lee asked Todd Bouey, Executive Officer, when the next Experience Study is for LACERS. Mr. Bouey indicated the Study would be conducted in late Spring/early Summer 2023.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 12, 2022, at 10:00 a.m. at LACERS, 202 W. 1<sup>st</sup> 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.

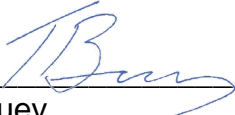
XII

ADJOURNMENT – There being no further business before the Board, Vice President Sohn adjourned the Meeting at 12:43 p.m.

*Sung Won Sohn*

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Sung Won Sohn  
Vice President



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Todd Bouey  
Manager-Secretary