

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

July 11, 2023

10:00 a.m.

PRESENT:	President:	Vacant
	Vice President:	Elizabeth Lee
	Commissioners:	Annie Chao Thuy Huynh Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Joshua Geller
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioners:	Gaylord "Rusty" Roten Janna Sidley

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 – Vice President Lee asked if any persons wanted to make a general public comment to which there were no public comment cards received.

II

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 – Neil M. Guglielmo, General Manager, proposed to table Agenda Items II and III since the yearly election of officers is scheduled for the July 25th Board meeting. Commissioner Chao moved to table Agenda Items II and III, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

III

IF VACANCY CREATED IN OFFICE OF THE VICE PRESIDENT BY BOARD ACTION ON AGENDA ITEM II, ELECTION TO FILL UNEXPIRED TERM OF BOARD VICE PRESIDENT, PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION

IV

BOARD PRESIDENT VERBAL REPORT – Vice President Lee welcomed everyone to the first meeting for Fiscal Year 23-24.

V

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Bryan Fujita promotion to CIO at LAFPP
 - First Aid training this year
 - Ordinance enhancing benefits for Sworn employees and Park Rangers
 - HQ updates
 - Health Benefits Administration updates
 - Retirement Services Division updates
 - Communications and Stakeholder Relations updates
 - Upcoming events
- B. UPCOMING AGENDA ITEMS – There were no items discussed.
- C. INTRODUCTION OF CITY ATTORNEY SUMMER LAW CLERKS – This item was deferred to the next Board meeting.

VI

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.
- C. HEALTH MANAGEMENT DATA REPORT – This report was received by the Board and filed.
- D. LACERS WELL 2022 ANNUAL PRESENTATION – Stephanie Smith, Senior Project Coordinator, presented and discussed this item with the Board. This report was received by the Board and filed.

VII

COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 27, 2023 – Commissioner Wilkinson stated the Committee were presented with and approved the triennial board review for Article I, Section 4.0 Board Procedures, and Article II, Section 1.0 Guidance for Board Members. He also shared that staff was directed to add the travel policy as it pertains to flight seat assignments on a future Governance Committee agenda.
- B. AUDIT COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 27, 2023 – Commissioner Chao stated that the Committee were presented with and approved the implementation plan to address recommendations contained in Grant Thornton’s 2022 Audit of LACERS’ Retirement Benefit System Application (PGOLDV3).

VIII

Commissioner Wilkinson moved approval of Consent Agenda Item VIII-A, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF JUNE 13, 2023 AND POSSIBLE BOARD ACTION

IX

BOARD/DEPARTMENT ADMINISTRATION

- A. CONSIDERATION OF BOARD GOVERNANCE CONSULTING SERVICES REQUEST FOR QUALIFICATIONS FINALISTS AND POSSIBLE BOARD ACTION – Chhintana Kurimoto, Management Analyst, presented this item to the Board. Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.
- B. TRIENNIAL BOARD POLICY REVIEW: ARTICLE I, SECTION 4.0 BOARD PROCEDURES, AND ARTICLE II, SECTION 1.0 GUIDANCE FOR BOARD MEMBERS AND POSSIBLE BOARD ACTION – John Koontz, Senior Management Analyst, presented and discussed this item with the Board. Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.
- C. IMPLEMENTATION PLAN TO ADDRESS RECOMMENDATIONS CONTAINED IN GRANT THORNTON’S 2022 AUDIT OF LACERS’ RETIREMENT BENEFIT SYSTEM APPLICATION (PGOLDV3) AND POSSIBLE BOARD ACTION - Commissioner Wilkinson moved approval, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.
- D. 2024 DENTAL AND VISION CONTRACT RENEWALS AND POSSIBLE BOARD ACTION –Glen Malabuyoc, Senior Benefits Analyst, presented this item to the Board. Commissioner Wilkinson moved approval of the following Resolution:

2024 LACERS DENTAL AND VISION PLAN PREMIUMS

RESOLUTION 230711-A

WHEREAS, under the Los Angeles Administrative Code (LAAC) Division 4, Chapter 11, 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 dental and vision premium rates from the carriers and after thorough reviews and negotiations, recommends the Board accept the plan year 2024 dental and vision premium rates commencing on January 1, 2024, through December 31, 2024;

NOW, THEREFORE, BE IT RESOLVED, that the Board approve the plan year 2024 dental and vision premium rates below; and authorize the General Manager to make any necessary adjustments not to exceed \$5.00 per plan premium to reflect updated data and execute a one-year contract with the carriers, subject to satisfactory legal review by the City Attorney.

2024 DENTAL PLAN PREMIUM RATES		
Dental Tiers	Delta Dental PPO Self-Funded	DeltaCare USA HMO
Retiree	\$51.16	\$15.10
Retiree + 1 Dependent	\$101.45	\$28.19
Retiree + Family	\$146.56	\$32.59

2024 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 Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

E. MEDICAL PLANS REQUEST FOR PROPOSAL RECOMMENDATION AND POSSIBLE BOARD ACTION – Karen Freire, Chief Benefits Analyst, James Kawashima, Senior Benefits Analyst, Rainbow Sun, Benefits Analyst, and Bordan Darn, Lead Consultant with Keenan Associates, presented and discussed this item with the Board. Commissioner Wilkinson moved approval of the following Resolution:

**FINAL MEDICAL CARRIERS FOR
LACERS MEDICAL PLANS
FOR PLAN YEAR 2024**

RESOLUTION 230711-B

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

WHEREAS, on March 10, 2023, LACERS issued a Request for Proposal (RFP) for medical plans;

WHEREAS, on June 27, 2023, the Benefits Administration Committee considered a staff report on recommended finalists to the RFP;

WHEREAS, on June 27, 2023, the Benefits Administration Committee approved forwarding a recommendation to the Board to continue with the current medical plan carriers, with an additional Medicare Supplement plan with Anthem Blue Cross;

WHEREAS, on June 27, 2023, the Benefits Administration Committee approved forwarding to the Board a recommendation to contract with Anthem Blue Cross, Kaiser Permanente, SCAN Health plan, and UnitedHealthcare for medical coverage of LACERS non-Medicare and Medicare-eligible retirees;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration hereby approves the 2024 health carriers and delegates to the General Manager the authority to negotiate and execute these contracts, subject to City Attorney review:

Anthem Blue Cross
Kaiser Permanente
SCAN Health Plan
UnitedHealthcare

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

F. VIDEOGRAPHY AND PHOTOGRAPHY SERVICES CONTRACT AMENDMENT WITH FOREFRONT GROUP CORP AND POSSIBLE BOARD ACTION – Tiffany Obembe, Senior Benefits Analyst, presented this item to the Board. Commissioner Sohn moved approval of the following Resolution:

**CONTRACT AMENDMENT
WITH FOREFRONT GROUP CORP.
FOR VIDEOGRAPHY AND PHOTOGRAPHY SERVICES**

RESOLUTION 230711-C

WHEREAS, on September 20, 2022, Contract No. 4251 commenced between the Los Angeles City Employees' Retirement System and ForeFront Group Corp. for videography and photography services for the contract term beginning September 20, 2022, through June 30, 2023, not to exceed \$10,000;

WHEREAS, it is desired to continue creating high-quality photography and video production resources for Members with an efficient and reliable vendor;

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to negotiate and execute a contract amendment subject to satisfactory business and legal terms; and to make any necessary clerical, typographical, or technical corrections to this document.

Company Name: ForeFront Group Corp.
Service Provided: Videography and Photography Services
Term Dates: September 20, 2022, through June 30, 2024
Total Expenditure Authority: \$23,000

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

- G. LACERS PAYMENT AUTHORITY FOR MEMBER PARKING AND POSSIBLE BOARD ACTION – Heather Ramirez, Senior Benefits Analyst II, presented this item to the Board. Commissioner Chao moved approval of the following Resolution:

**LACERS PAYMENT AUTHORITY FOR
MEMBER PARKING**

RESOLUTION 220711-D

WHEREAS, in May 2023, LACERS began hosting Planning for Retirement events at the new 977 N. Broadway building and Members experience difficulties in accessing adequate parking;

WHEREAS, LACERS' involvement in obtaining parking for our Members is necessary so they may attend LACERS' seminars and events;

WHEREAS, the LACERS Board has authority over its administrative budget and finds it prudent to provide complimentary parking for Members to facilitate their attendance to LACERS educational seminars and outreach events;

NOW, THEREFORE, BE IT RESOLVED, THAT THE BOARD FIND THAT:

- a. The costs incurred for hosting of the event are reasonable, prudent, and reasonably further the best interest of the City;
- b. The hosting of the events is reasonably necessary to further the business purpose of the meeting;
- c. The focus of the business discussions planned for the event is consistent with the Department mission and goals;
- d. Benefits to be derived from the event have been identified;
- e. Alternatives have been considered and the event has been deemed a necessary and appropriate use of public funds;

AND AUTHORIZE THE GENERAL MANAGER TO:

- f. establish a specific line-item budget appropriation for Member parking, and reallocate excess funds within the current authorized budget to the line-item to fund on-site or off-site parking for Members attending LACERS events at 977 N. Broadway, Los Angeles, CA 90012;
- g. negotiate contracts with local parking vendors, to meet the parking needs for select on-site Member events not to exceed the General Manager's contracting authority of \$20,000;
- h. reallocate funds within identified fiscal year 2023-23 budgetary savings, to provide necessary and customary building support personnel, security, HVAC, lights, and insurance to meet

LACERS customer service mandate should they determine it to be feasible, cost effective, or efficient to host Member parking in our building; and

- i. reallocate funds within identified fiscal year 2023-23 budgetary savings, to host our seminar at an off-site location should they determine it to be feasible, cost effective, or efficient.

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

X

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 \$21.44 billion as of July 10, 2023. Mr. June discussed the following items:

- Volatility Index at 14.87
- City Contribution of \$800 million to be received in several tranches between July 11 to July 14, 2023
- Remarks regarding Bryan Fujita’s promotion to CIO at LAFPP
- Introduction of Girls Who Invest Intern, Salaidh Perez
- Future Agenda Items: ESG Education, Investment Manager Contract, Bank Custodian RFP, and Private Real Estate Opportunity

Mr. June shared that Russian exposure for LACERS stands at \$3.330 million.

B. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2022 – Chae Hong, Partner, and Felix Fels, Associate Partner, with The Townsend Group, presented and discussed this item with the Board for 25 minutes. This report was received by the Board and filed.

C. PRESENTATION BY AKSIA CA LLC OF THE PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIODS ENDING SEPTEMBER 30, 2022 AND DECEMBER 31, 2022 – Trevor Jackson, Managing Director, and Jeff Goldberger, Managing Director, with Aksia CA LLC, presented and discussed this item with the Board for 30 minutes. This report was received by the Board and filed.

D. LACERS EXPOSURE TO REGIONAL BANKS AND BANKING INDUSTRY – James Wang, Investment Officer I, presented this item to the Board. This report was received by the Board and filed.

XI

OTHER BUSINESS – There was no other business.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 25, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XIII

ADJOURNMENT – There being no further business before the Board, Vice President Lee adjourned the Meeting at 12:17 p.m.



Elizabeth Lee
Vice-President



Neil M. Guglielmo
Manager-Secretary