

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 December 14, 2021 meeting will be conducted via telephone and/or videoconferencing.

December 14, 2021

10:00 a.m.

PRESENT via Videoconferencing:	President:	Cynthia M. Ruiz
	Vice President:	Sung Won Sohn
	Commissioners:	Annie Chao
	(joined at 10:04 a.m.)	Elizabeth Lee
		Sandra Lee
		Nilza R. Serrano
		Michael R. Wilkinson
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Anya Freedman
	Executive Assistant:	Ani Ghoukassian

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

Commissioner Elizabeth Lee joined the Regular Meeting at 10:04 a.m.

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 were two responses. The first public comment was from Dr. Kevin Jablonsky, LACERS member, and he stated that he would like an option for members who live out of the country to receive their direct deposit in another form such as "Pay Pal, Bitcoin" or other options. Neil M. Guglielmo, General Manager, asked Dr. Jablonsky to email LACERS with his contact information and staff will reach out to him directly. The second public comment was from Ms. Suzanne Humme, Founder of Clean Air 4 Kids, and she asked that LACERS divest from fossil fuels.

II

APPROVAL OF MINUTES FOR THE REGULAR MEETINGS OF OCTOBER 26, 2021 AND NOVEMBER 9, 2021 AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz thanked LACERS staff and Trustees for all the work they have done through this year and wished all Happy Holidays. President Ruiz also reminded everyone that the December 28th Board Meeting is canceled.

IV

GENERAL MANAGER VERBAL REPORT

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

- LACERS received notice of GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for the June 30, 2020 PAFR
- On October 26th, in closed session, the Board authorized the General Manager to negotiate an early lease termination agreement with Allies for Every Child at 977 N. Broadway. It is being reported here that negotiations have concluded within the framework established by the Board and that the tenant has vacated the premises
- The Board Meeting for December 28th is canceled
- LACERS has begun coordinating the installation of the scaffolding required to work on the exterior of 977 N. Broadway.
- 14 members were inconvenienced by the Retirement Application Portal downtime between November 1-8, 2021
- Open Enrollment ended on November 15, 2021
- Medicare Part B Premium Survey
- Update on Member Services
- Uptick on call volume due to Open Enrollment
- Top 5 Member inquiries
- Update on LACERS YouTube channel
- Upcoming Webinars

B. UPCOMING AGENDA ITEMS – There were no items discussed.

C. RECOGNITION OF SERVICE FOR ALEX RABRENOVICH – Neil M. Guglielmo, General Manager, Dale Wong-Nguyen, Assistant General Manager, and the Commissioners recognized Alex Rabrenovich for his service to LACERS and Los Angeles City.

- D. RECOGNITION OF SERVICE FOR VINCENT KOELLER – Dale Wong-Nguyen, Assistant General Manager, and President Ruiz recognized Vincent Koeller for his service to LACERS, as his entire City career was with LACERS.

V

RECEIVE AND FILE ITEMS

- A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- C. COMMISSIONER RUIZ EDUCATION EVALUATION ON 50/50 WOMEN ON BOARDS CONVERSATIONS ON BOARD DIVERSITY; VIRTUAL; NOVEMBER 3 & 5, 2021 – This report was received by the Board and filed.
- D. COMMISSIONER SERRANO EDUCATION EVALUATION ON 50/50 WOMEN ON BOARDS CONVERSATIONS ON BOARD DIVERSITY; VIRTUAL; NOVEMBER 3 & 5, 2021 – This report was received by the Board and filed.
- E. COMMISSIONER ELIZABETH LEE EDUCATION EVALUATION ON STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS) FALL CONFERENCE; HOLLYWOOD, CA; NOVEMBER 9-12, 2021 – This report was received by the Board and filed.
- F. LEGISLATIVE UPDATE OF DECEMBER 2021 – This report was received by the Board and filed.
- G. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2021 – This report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE MEETING VERBAL REPORT FOR THE MEETING ON NOVEMBER 9, 2021 – Vice President Sohn stated the Committee listened to a presentation by Oberweis Asset Management, Inc. and the Committee approved the Private Equity Program 2022 Strategic Plan.

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 Elizabeth Lee moved approval of the following Resolution:

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

RESOLUTION 211214-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 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 Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

- B. CONTRACT EXTENSION WITH ALLIANT INSURANCE SERVICES, INC. (ALLIANT) FOR INSURANCE BROKERAGE SERVICES, AND POSSIBLE BOARD ACTION – After a brief discussion, Commissioner Elizabeth Lee moved approval of the following Resolution:

**CONTRACT EXTENSION WITH ALLIANT INSURANCE SERVICES, INC. (ALLIANT)
FOR INSURANCE BROKERAGE SERVICES**

RESOLUTION 211214-B

WHEREAS, LACERS has a one-year contract from January 1, 2021 to December 31, 2021 with Alliant to recommend insurance coverage and solicit insurance quotes for commercial property, liability, environmental, Directors & Officers Side A, and Cyber Liability insurance policies;

WHEREAS, LACERS implemented a competitive bidding process about a year ago that resulted in the selection of Alliant to provide insurance brokerage services;

WHEREAS, Alliant solicited and secured insurance policies for LACERS for all of the aforementioned liabilities at a reasonable price and in a timely manner;

WHEREAS, LACERS continues to require an experienced insurance broker, acting in a fiduciary capacity to LACERS, to educate, consult, and advise on insurance products;

WHEREAS, Charter Section 371(e)(10) provides exemption from the competitive bidding process for contracts that are “undesirable, impractical or impossible”;

WHEREAS, LACERS and Alliant Insurance Services, Inc. are both amenable to the extension of the current contract and existing terms for an additional two years; and

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

1. Make a determination that a competitive bidding process for insurance brokerage services would not be advantageous pursuant to City Charter Section 371(e)(10);
2. Approves a two-year extension to LACERS’ contract with Alliant Insurance Services, Inc. for insurance brokerage services, for the period beginning January 1, 2022, and ending December 31, 2023;
3. Authorize the General Manager to approve and execute the necessary contract amendment documents with Alliant Insurance Services, Inc., subject to the approval of the City Attorney as to form and make any necessary clerical, typographical, or technical corrections to this document.

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

- C. LOS ANGELES CITY EMPLOYEES’ RETIREMENT SYSTEM COVID-19 BOARD MEETING SAFETY STANDARDS, AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:

LOS ANGELES CITY EMPLOYEES’ RETIREMENT SYSTEM COVID-19 BOARD MEETING SAFETY STANDARDS

RESOLUTION 211214-C

WHEREAS, the COVID-19 pandemic remains a significant challenge in the City of Los Angeles as COVID-19 daily cases and community transmission remain high and, according to health experts, are likely to increase during the coming months because respiratory viruses spread more easily in the fall

and winter months; and,

WHEREAS, on October 6, 2021, City Council adopted Ordinance No. 187219 requiring proof of vaccination with a COVID-19 vaccine to enter certain indoor public locations, large events, and City buildings to promote the health, safety, and welfare of its workers, contractors, and the public and to encourage vaccination, by requiring proof of full vaccination with a COVID-19 vaccine; and,

WHEREAS, implementation of a vaccination requirement is critical to protect the City's employees, contractors, residents, visitors, and businesses, while also attempting to avoid future shutdowns and maintain the City's economic recovery; and,

WHEREAS, recent emergence of the Omicron variant further emphasizes the importance of vaccination, boosters, and general prevention strategies needed to protect against COVID-19; and,

WHEREAS, it is not clear when the Governor's Executive Order N-08-21 waiving portions of the Brown Act that require the physical presence of the Board Members at Board and Committee meetings and allowing for public meetings entirely via teleconferencing, could expire; and,

WHEREAS, LACERS is preparing for the return to in-person Board and Committee meetings,

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

1. Adopt the Los Angeles City Employees' Retirement System (LACERS) COVID-19 Board Meeting Safety Standards; and,
2. Authorize LACERS General Manager to make necessary updates, subject to City Attorney review, to the LACERS COVID-19 Board Meeting Safety Standards based on changes in federal, state, and local regulatory mandates, including City ordinances.

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

D. LACERS *WELL* UPDATE – VERBAL REPORT – Stephanie Smith, Senior Project Coordinator, provided the Board with an update on the LACERS *Well* program. After the update, Ms. Smith introduced two of LACERS' Champions, Ben Gaetus and Nancy Castles. The LACERS' Champions shared their experiences and activities that they have led and participated in with other LACERS retirees.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$23.83 billion as of December 13, 2021. Mr. June discussed the following items:
- Contract with Monroe Capital was recently executed
 - DDJ, a high yield/bank loans manager, is being acquired by Polen Capital

- Pacific Center for Asset Management meeting convenes on January 20, 2022
 - Future Agenda Items: Investment Manager consent, RFP for transition management services, general fund consultant contract, private equity benchmark, and LACERS exposure to Facebook and Ben & Jerry's
- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING SEPTEMBER 30, 2021 – Carolyn Smith, Partner, and Kevin Novak, Senior Consultant, with NEPC, presented and discussed this item with the Board for 45 minutes.
 - C. PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2021 – David Fann, Vice Chairman, Trevor Jackson, Senior Portfolio Advisor, and Jeff Golderger, Managing Director, with Aksia TorreyCove Partners LLC, presented and discussed this item with the Board for 40 minutes.
 - D. PRIVATE EQUITY PROGRAM 2022 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Vice President Sohn moved approval, seconded by Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.
 - E. PRIVATE CREDIT CONSULTANT RFP AND POSSIBLE BOARD ACTION – Vice President Sohn moved approval, seconded by Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.
 - F. CONTINUED DISCUSSION OF THE RESPONSIBLE INVESTMENT POLICY AND POSSIBLE BOARD ACTION – This item was deferred.
 - G. UPDATE ON TRANSITION FROM LIBOR TO SECURED OVERNIGHT FINANCING RATE – This item was deferred.
 - H. DISCLOSURE OF FEES, EXPENSES, AND CARRIED INTEREST OF ALTERNATIVE INVESTMENT VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 2021 PURSUANT TO GOVERNMENT CODE SECTION 7514.7 – This report was received by the Board and filed.

IX

LEGAL/LITIGATION

- A. BOARD EDUCATION: FIDUCIARY LEADERSHIP IN INVESTMENT CONTRACTING (PART 2) – This item was deferred.
- B. APPROVAL OF ONE-YEAR EXTENSION TO CONTRACTS WITH SECURITIES MONITORING COUNSEL; REQUEST FOR PROPOSALS FOR OUTSIDE SECURITIES MONITORING COUNSEL AND LITIGATION COUNSEL TO BE PUBLISHED IN 2022, AND POSSIBLE BOARD ACTION – Gina DiDomenico, Deputy City Attorney, presented and discussed this item with the Board for nine minutes. After discussion and a request from Commissioner Serrano to allow more time for responses to this RFP, Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

X

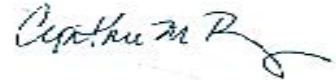
OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, December 28, 2021, 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.

XII

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 1:03 p.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary