

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 March 8, 2022 meeting will be conducted via telephone and/or videoconferencing.

March 8, 2022

10:02 a.m.

PRESENT via Videoconferencing:	President:	Cynthia M. Ruiz
	Vice President:	Sung Won Sohn
	Commissioners:	Annie Chao 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.

II

APPROVAL OF MINUTES FOR THE MEETING OF FEBRUARY 8, 2022, AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval, seconded by Vice President Sohn, with an amendment by Commissioner Elizabeth Lee to correct a typographical error on Item VI-A, 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 recognized International Women's Day and all the women who have served on the LACERS Board since 1937. Commissioners Chao, Elizabeth Lee, Sandra Lee, and Serrano also shared their thoughts on the special day recognizing women.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Russian invasion of Ukraine
 - Federal sanctions and divestment actions by some public pension plans
 - Cybersecurity
 - LA Times Complex Control Access System
 - LACERS Offices Re-opening
 - Diversity, Equity and Inclusion (DEI) Initiative
 - Challenging Member Interactions
 - Health Plan Renewals for 2023
 - Status of transition to the Anthem Medicare Preferred PPO Plan
 - Member Services statistics
 - LACERS YouTube channel update
 - Upcoming events: Seminars & Demos
 - Upcoming Wellness events: Mom’s Computer Technology Class, Fitness Made Simple Exercise Class, Brain Health Class, and LACERS *Well* Purposeful Campaign
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Actuarial Risk Assessment and Review of Funded Status of the Retirement and Health Plans as of June 30, 2021
 - Preliminary Proposed Budget, Personnel and Annual Resolutions for FY 2022-23
- C. 2022 STRATEGIC PLAN UPDATE REPORT – Kristen Szanto, Management Analyst, presented this item to the Board.
- D. RECOGNITION OF SERVICE FOR DENISE MALOSH – President Ruiz, Neil M. Guglielmo, General Manager, Karen Freire, Chief Benefits Analyst, and Jamie Roberts, Benefits Specialist recognized Denise Malosh, Administrative Clerk, for her service to the City and LACERS. Ms. Malosh also shared her future plans in retirement.

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 MICHAEL R. WILKINSON EDUCATION EVALUATION ON NCPERS-2021 PUBLIC RETIREMENT SYSTEMS STUDY & ITS DASHBOARD; VIRTUAL; FEBRUARY 15, 2022 – This report was received by the Board and filed.

- D. COMMISSIONER MICHAEL R. WILKINSON EDUCATION EVALUATION ON MSCI/PREA U.S. QUARTERLY PROPERTY FUND INDEX Q4, 2021; VIRTUAL; FEBRUARY 17, 2022 – This report was received by the Board and filed.

Item I taken out of order

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 was no response.

VI

BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 22, 2022 – Commissioner Wilkinson stated the Committee received a verbal update on the Anthem transition and discussed the Benefits Administration resource needs for fiscal year 2022-2023.

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 220308-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 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 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.

B. 977 N. BROADWAY PROJECT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2021 AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**AUTHORIZATION TO TRANSFER FUNDS
FROM THE HQ PROJECT'S CAPITAL BUDGET ACCOUNT
TO THE ADMINISTRATIVE BUDGET ACCOUNT**

RESOLUTION 220308-B

WHEREAS, on October 23, 2019, LACERS closed escrow on the purchase of an office building at 977 North Broadway ("Broadway Building"), Los Angeles California at the price of \$33,750,000; the property is a real estate asset held in a separate account in the LACERS Trust Fund, and the LACERS Board of Administration has sole and exclusive plenary authority over the assets of the trust fund;

WHEREAS, the Broadway Building goals for Fiscal Year 2021-22 (FY22) include LACERS' full occupancy in 2022, and completion of necessary improvements prior to move-in;

WHEREAS, LACERS Board of Administration (Board) previously approved \$19,577,987 for the Capital Budget, including \$2,700,000 for the Owner Technology portion line item within the Capital Budget;

WHEREAS, the funds for the purchase of technology was originally approved by the Board as part of the Capital Budget Account;

WHEREAS, \$628,583.44 in funds from the Administrative Budget Account were used to commence the establishment of the Broadway Building's network infrastructure, and \$48,953.64 to procure

asset-tracking technologies;

WHEREAS, both Networking and Asset-Tracking expenditures leverage the City's contract and discount prices with Dell Technologies;

WHEREAS, the purchase of both Networking and Asset Tracking equipment would require a transfer of \$677,537.08 from the Capital Budget Account to the Administration Budget Account; and

WHEREAS, pursuant to the City Charter, the Board has full control of LACERS' budget,

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

1. Approve the reallocation of \$677,537.08 from HQ Project in the Capital Budget to the Administrative budget by increasing Appropriation 167300 – Furniture, Office, and Technical Equipment by \$677,537.08; and
2. Authorize the General Manager to correct any clerical or typographical errors in this document.

Which motion was 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.

C. SEMI-ANNUAL REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING DECEMBER 31, 2021 – Chhintana Kurimoto, Management Analyst, provided a brief overview to the Board. The report was received by the Board and filed.

VIII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION BY NEPC, LLC ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$22.15 billion as of March 7, 2022. Mr. June discussed the following items:

- Private Equity allocation is at 16.6% actual weighting, which is above the policy target of 16%; staff and consultant will monitor
- Staff will update the Private Equity, Credit Opportunities, Real Assets, and Public Real Assets benchmark references in the Investment Policy Manual on the LACERS website
- Sonic restaurant update: Tips are in addition to the hourly wage and servers are given the full benefit of the tip
- Trustees are invited to two conferences on March 24, 2022: ALTSLA and NASP

Rod June, Chief Investment Officer, and Carolyn Smith, Partner with NEPC, LLC, presented information on the Russian/Ukraine conflict and its impact on the LACERS investment portfolio. After discussion with the Board, Mr. June stated that staff will continue to follow developments on this crisis and return to the Board with more information at future meetings.

President Ruiz recessed the Regular Meeting at 12:00 p.m., to convene in Closed Session discussions.

IX

LEGAL/LITIGATION

- A. **CLOSED SESSION PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTIONS 54956.9(a) AND (d)(4) TO CONFER WITH LEGAL COUNSEL REGARDING THE INITIATION OF LITIGATION (ONE CASE) AND POSSIBLE BOARD ACTION**
- B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (A) AND (D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING THE INITIATION OF LITIGATION (ONE CASE) AND POSSIBLE BOARD ACTION**
- C. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) AND (d)(1) TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED HUBBARD v. LACERS (Case no. 21STCPO02219) AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 12:50 p.m.

X

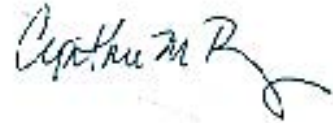
OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 22, 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.

XII

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 12:51 p.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary