

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 January 24, 2023 meeting will be conducted via telephone and/or videoconferencing.

January 24, 2023

10:01 a.m.

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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

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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** – President Serrano asked if any persons wanted to make a general public comment to which there was no response.

II

BOARD PRESIDENT VERBAL REPORT – President Serrano welcomed everyone to the meeting.

III

GENERAL MANAGER VERBAL REPORT

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

- Executive Directive 35
- LACERS Pension Symposium scheduled for February 22, 2023
- New Employee Engagement, Communication, and Training Tools
- LA Times Building Flooding
- LACERS HQ Updates
- Health Benefits Administration updates
- Member Services updates
- Upcoming events

B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following item:

- Review of Safety Standards for a Return to In Person Meetings and Services
- Benefits Administration Committee: Board Rule Revisions and Benefits Administration Resource Needs

#### IV

#### RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2022 – This report was received by the Board and filed.

B. ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND POPULAR ANNUAL FINANCIAL REPORT (PAFR) FOR FISCAL YEAR ENDED JUNE 30, 2022 – This report was received by the Board and filed.

#### V

#### COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON JANUARY 10, 2023 – Vice President Lee stated the Committee listened to a presentation by EAM Investors, LLC regarding the management of an Active U.S. Small Cap Growth Equities Portfolio and approved investment manager contracts with Principal Global Investors, LLC and Dimensional Fund Advisors LP.

B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JANUARY 24, 2023 – Commissioner Wilkinson stated the Committee were provided with verbal updates on health, wellness, and buyback and public safety officer, enhanced benefits.

#### VI

#### CONSENT ITEM(S)

Commissioner Chao moved approval of Consent Agenda Items VI-A, 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.

- 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

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

**RESOLUTION 230124-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 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.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. TRAVEL AUTHORITY – COMMISSIONER SUNG WON SOHN; 95<sup>TH</sup> INTERNATIONAL ATLANTIC ECONOMIC CONFERENCE, ROME, ITALY; MARCH 22-25, 2023 AND POSSIBLE BOARD ACTION – After a 10 minute discussion, Commissioner Sidley moved approval of the following Resolution:

**TRAVEL AUTHORITY  
95<sup>th</sup> INTERNATIONAL ATLANTIC ECONOMIC SOCIETY CONFERENCE  
MARCH 22-25, 2023  
ROME, ITALY**

**RESOLUTION 230124-B**

WHEREAS, Board approval is required for all international travel requests and travel not included in the Approved List of Educational Seminars;

WHEREAS, the International Atlantic Economic Society (IAES) 95<sup>th</sup> International Atlantic Economic Conference in Rome, Italy is an international travel request and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

WHEREAS, the Board Policy states that Trustees shall not exceed \$10,000 per fiscal year for conference fees and travel expenses. Commissioner Sohn's remaining educational travel budget for the fiscal year is \$4,750, therefore the Board's approval will allow for a slight increase of \$250 to Commissioner Sohn's annual education travel allotment;

THEREFORE, BE IT RESOLVED, that Commissioner Sohn is hereby authorized to attend the IAES 95<sup>th</sup> International Atlantic Economic Conference from March 22-25, 2023 in Rome, Italy;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$5,000 is hereby authorized for reasonable expenses in connection with participation.

Which motion was seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, and President Serrano -5; Nays, Commissioner Wilkinson and Vice President Lee -2.

- B. ADOPTION OF 2023 EMPLOYEE MEMBER OF THE BOARD ELECTION CALENDAR AND POSSIBLE BOARD ACTION – Ani Ghoukassian, Commission Executive Assistant II, provided the Board with a brief report. Vice President Lee moved approval, 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. APPROVAL OF A ONE-YEAR CONTRACT TO EXPERIENCE INSTITUTE, LLC FOR MIXED MEDIA DEI FELLOWSHIP PROGRAM CONSULTING SERVICES AND POSSIBLE BOARD ACTION – Vikram Jadhav, Development and Marketing Director, presented this item to the Board. After a brief discussion, Vice President Lee moved approval of the following Resolution:

**CONTRACT AWARD TO EXPERIENCE INSTITUTE, LLC  
FOR MIXED MEDIA DEI FELLOWSHIP PROGRAM CONSULTING SERVICES**

**RESOLUTION 230124-C**

WHEREAS, on October 27, 2022 LACERS released the Mixed Media Diversity, Equity and Inclusion (DEI) Fellowship Program Consulting Services Request for Proposal (RFP) for a contract with a learning studio to design and administer a mixed-media Fellowship program;

WHEREAS, on December 2, 2022, four firms submitted proposals, three of which were deemed to be complete;

WHEREAS, selected LACERS Human Resources and DEI Committee participants served as reviewers and analyzed and evaluated each firm's proposal with the criteria set forth in the RFP;

WHEREAS, the result of the review concluded that Experience Institute demonstrated understanding of LACERS needs and goals, has the requisite breadth and depth of experience to consult and address challenges facing LACERS; 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; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves a contract with Experience Institute, LLC for the LACERS' Mixed Media DEI Fellowship Program Consulting Services, and authorize the General Manager to negotiate and execute the necessary documents, within the following terms, subject to City Attorney review:

CONSULTANT:	Experience Institute, LLC
TERM:	One Year
AMOUNT:	Not to exceed \$75,000

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.

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 \$21.58 billion as of January 23, 2023. Mr. June discussed the following items:
- Staff continues to research the appropriateness of including a graduation provision in the Emerging Investment Manager Policy.
  - Contract status was provided for recent searches: Index Managers, Private Equity Consultant, and Transition Managers
  - Future Agenda Items: Annual Review of PRI Transparency and Assessment Report

Mr. June shared that as of January 24, 2023, Russian exposure for LACERS was 1.4 basis points and there were no material changes since January 10, 2023.

- B. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2022 – Felix Fels, Associate Partner, and Chae Hong, Partner, with The Townsend Group, presented and discussed this item with the Board for 20 minutes.
- C. INVESTMENT MANAGER CONTRACT WITH PRINCIPAL GLOBAL INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. MID CAP CORE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Barbara Sandoval, Investment Officer II, presented this item to the Board. Commissioner Chao moved approval of the following Resolution:

**CONTRACT RENEWAL  
PRINCIPAL GLOBAL INVESTORS, LLC  
ACTIVE U.S. MID CAP CORE EQUITIES  
PORTFOLIO MANAGEMENT**

**RESOLUTION 230124-D**

WHEREAS, LACERS' current three-year contract with Principal Global Investors, LLC (Principal) for active U.S. mid cap core equities portfolio management expires on June 30, 2023; and,

WHEREAS, Principal is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract renewal with Principal will allow the LACERS total portfolio to maintain a diversified exposure to U.S. mid cap core equities; and,

WHEREAS, on January 24, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Principal.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	Principal Global Investors, LLC (Principal)
<u>Service Provided:</u>	Active U.S. Mid Cap Core Equities Portfolio Management
<u>Effective Dates:</u>	July 1, 2023 through June 30, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	Russell Midcap Index
<u>Allocation as of</u>	

November 30, 2022: \$293 million

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. INVESTMENT MANAGER CONTRACT WITH DIMENSIONAL FUND ADVISORS LP REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS VALUE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer II, presented this item to the Board. Vice President Lee moved approval of the following Resolution:

**CONTRACT RENEWAL  
DIMENSIONAL FUND ADVISORS LP  
ACTIVE NON-U.S. EMERGING MARKETS VALUE EQUITIES  
PORTFOLIO MANAGEMENT**

**RESOLUTION 230124-E**

WHEREAS, LACERS' current three-year contract with Dimensional Fund Advisors LP (DFA) for active non-U.S. emerging markets value equities portfolio management expires on June 30, 2023; and,

WHEREAS, DFA is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract renewal with DFA will allow the LACERS total portfolio to maintain a diversified exposure to non-U.S. emerging markets equities; and,

WHEREAS, on January 24, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with DFA.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	Dimensional Fund Advisors LP
<u>Service Provided:</u>	Active Non-U.S. Emerging Markets Value Equities Portfolio Management
<u>Effective Dates:</u>	July 1, 2023 through June 30, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	MSCI Emerging Markets Value Index
<u>Allocation as of November 30, 2022:</u>	\$471 million

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.

IX

DISABILITY RETIREMENT APPLICATION(S)

A. CONSIDERATION OF DISABILITY RETIREMENT APPLICATION FOR TIP WHITING AND POSSIBLE BOARD ACTION – Susan Hernandez, Benefits Analyst, presented this item to the Board. Vice President Lee moved approval, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -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, February 14, 2023, 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, President Serrano adjourned the Meeting at 11:22 a.m.



Nilza R. Serrano  
President



Neil M. Guglielmo  
Manager-Secretary