

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

May 9, 2023

10:01 a.m.

---

PRESENT:	President:	Vacant
	Vice President:	Elizabeth Lee
	Commissioners:	Annie Chao Thuy Huynh Janna Sidley Sung Won Sohn
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioner:	Michael R. Wilkinson

---

*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 submitted.

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, advised that the nominations for Board President were being considered. Commissioner Sohn nominated Commissioner Chao and Commissioner Huynh nominated Vice President Lee. Mr. Guglielmo called for the vote on the nomination of Commissioner Chao as President: Ayes, Commissioners Chao and Sohn -2; Nays, Commissioners Huynh, Sidley, and Vice President Lee -3. Commissioner Chao did not receive the majority vote. Mr. Guglielmo called for the vote on the nomination of Vice President Lee as President: Ayes, Commissioners Huynh, Sidley, and Vice President Lee -3; Nays, Commissioners Chao and Sohn -2. Vice President Lee did not receive the majority vote. The Board Officer election will be continued to the next Board meeting.

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 – No action was taken on this item and it will be continued to the next Board meeting.

Vice President Lee recessed the Regular Meeting at 10:09 a.m. to convene in Closed Session discussion.

IV

DISABILITY RETIREMENT APPLICATION(S)

**A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF WILLIAM HANDLEY AND POSSIBLE BOARD ACTION (HEARING)**

Vice President Lee reconvened the Regular Meeting at 10:15 a.m. and announced that the Board unanimously approved the Disability Retirement Application of William Handley.

V

BOARD PRESIDENT VERBAL REPORT – There was no report.

VI

GENERAL MANAGER VERBAL REPORT

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

- Budget Hearing on May 2, 2023
- Floor warden training
- HQ updates
- Health Benefits Administration updates
- Communications and Stakeholder Relations updates
- Upcoming events

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

- Final Proposed Budget for FY 24 – Board Meeting 05/23/23
- Continuation of the Triennial Board Policy Review – Governance Committee Meeting 05/23/23
- Experience Study – Board Meeting 06/27/23

VII

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. 977 N. BROADWAY PROJECT REPORT FOR QUARTER ENDING MARCH 31, 2023 – This report was received by the Board and filed.
- D. NOTIFICATION OF CERTIFIED RESULTS OF THE EMPLOYEE-MEMBER OF THE BOARD OF ADMINISTRATION ELECTION FOR THE FIVE-YEAR TERM ENDING JUNE 30, 2028 – This report was received by the Board and filed.

VIII

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

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF APRIL 11, 2023 AND POSSIBLE BOARD ACTION

IX

BOARD/DEPARTMENT ADMINISTRATION

- A. APPROVAL OF ONE-YEAR CONTRACT EXTENSION WITH PENSIONX FOR WEBSITE MAINTENANCE AND SUPPORT SERVICES POSSIBLE BOARD ACTION – Jason Leung, Senior Systems Analyst II, presented and discussed this item with the Board. After a discussion, Commissioner Sidley moved approval of the following Resolution:

**CONTRACT AMENDMENT WITH PENSIONX  
FOR WEBSITE DESIGN AND SUPPORT SERVICES**

**RESOLUTION 230509-B**

WHEREAS, on March 12, 2019, the Board approved contracting with PENSIONX (formerly DIGITAL DEPLOYMENT INC.) for website design and support services for the contract term beginning April 1, 2019, through April 30, 2022, not to exceed \$188,750;

WHEREAS, PensionX completed the website redesign in July 2019, and is the exclusive provider of website maintenance and support services to the websites it designs;

WHEREAS, on April 26, 2022, the contract between LACERS and PENSIONX was amended to increase the contract amount not-to-exceed \$232,750;

WHEREAS, it is LACERS' desire to continue providing ease of access to information and resources to its members, and as such, ongoing website maintenance and support services are required;

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.

<u>Company Name:</u>	PENSIONX (Formerly DIGITAL DEPLOYMENT INC.)
<u>Service Provided:</u>	Website Design Website Maintenance and Support
<u>Term Dates:</u>	April 1, 2019, through April 30, 2024
<u>Total Expenditure Authority:</u>	\$256,750

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

## IX

### 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 \$21.38 billion as of May 8, 2023. Mr. June discussed the following items:

- Volatility Index at 17.5
- Process for report handouts to the Board
- Investment Committee is reviewing the Investment Committee Charter at meeting on May 9, 2023
- Emerging Manager Networking Forum at 977 N. Broadway on June 8, 2023
- Future Agenda Items: Northern Trust Custodial Presentation, Townsend Group – Real Estate Strategic Plan for FY 23-24, Investment Manager Contracts, Private Equity Notifications, Investment Committee Charter

Mr. June shared that Russian exposure for LACERS stands at \$3,393,468.

B. APPROVAL OF 3-YEAR CONTRACT WITH WASATCH ADVISORS, INC. D/B/A WASATCH GLOBAL INVESTORS REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKETS SMALL CAP EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer II, and Carolyn Smith, Partner with NEPC, presented and discussed this item with the Board. After discussion, Commissioner Sidley moved approval of the following Resolution:

**CONTRACT RENEWAL  
WASATCH ADVISORS INC. D/B/A WASATCH GLOBAL INVESTORS  
ACTIVE EMERGING MARKETS SMALL CAP EQUITIES**

## PORTFOLIO MANAGEMENT

### RESOLUTION 230509-C

WHEREAS, LACERS' current three-year contract with Wasatch Advisors Inc. d/b/a Wasatch Global Investors (Wasatch) for active emerging markets small cap equities portfolio management expires on September 30, 2023; and,

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

WHEREAS, a contract renewal with Wasatch will allow the LACERS total portfolio to maintain a diversified exposure to emerging markets small cap equities; and,

WHEREAS, on May 9, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Wasatch.

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>	Wasatch Advisors Inc. d/b/a Wasatch Global Investors
<u>Service Provided:</u>	Active Emerging Markets Small Cap Equities Portfolio Management
<u>Effective Dates:</u>	October 1, 2023 through September 30, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	MSCI Emerging Markets Small Cap Net Index
<u>Allocation as of March 31, 2023:</u>	\$280 million

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

XI

OTHER BUSINESS – There was no other business.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, May 23, 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 11:08 a.m.

*Elizabeth Lee*

---

Elizabeth Lee  
Vice-President

*Neil M. Guglielmo*

---

Neil M. Guglielmo  
Manager-Secretary