

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 October 11, 2022 meeting will be conducted via telephone and/or videoconferencing.

October 11, 2022

10:00 a.m.

PRESENT via Videoconferencing:	President:	Nilza R. Serrano
	Vice President:	Elizabeth Lee
	Commissioners:	Annie Chao
		Thuy Huynh
		(left at 10:27 a.m.) Janna Sidley
		Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioner:	Sung Won Sohn

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 two responses. Callers ending in -135 and -233, made comments pertaining to President Serrano making comments regarding Mayoral candidate Karen Bass and the Avance Democratic Club's endorsement of her rival, candidate Rick Caruso.

II

BOARD PRESIDENT VERBAL REPORT – Nothing to report.

III

GENERAL MANAGER VERBAL REPORT

Item III-C taken out of order.

- C. RECOGNITION OF SERVICE FOR JAMES NAPIER – Neil M. Guglielmo, General Manager, recognized Mr. Napier’s service to the City of Los Angeles and LACERS. Anya Freedman, Assistant City Attorney, Commissioner Wilkinson, Vice President Lee, and President Serrano, all congratulated and expressed their appreciation for Mr. Napier’s service and contributions to LACERS.

Commissioner Sidley left the Regular Meeting at 10:27 a.m.

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

- ERIP Quarterly Update
- Earthquake Drill
- Award from Box.com
- IRS Tax Withholdings Forms Change
- LACERS Safety Committee & Updated Health Guidelines
- Customer Service Week
- LACERS HQ Update
- Retirement Services Division Updates
- Health Benefits Administration Updates
- Member Services Updates

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

- October 25, 2022 Board Meeting: Legislative Update
- October 25, 2022 Board Meeting: 977 Parking

IV

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 SERRANO BOARD EDUCATION EVALUATION ON INVESTMENT DIVERSITY ADVISORY COUNCIL NATIONAL SUMMIT, ATLANTA, GA; SEPTEMBER 14, 2022 – This report was received by the Board and filed.

- D. GASB 68 AND GASB 75 VALUATIONS BASED ON JUNE 30, 2021 MEASUREMENT DATE FOR EMPLOYER REPORTING AS OF JUNE 30, 2022 – Neil M. Guglielmo, General Manager, provided a correction to the report related to this item. Under Recommendations in the Board Report, it should be GASB 68 and GASB 75, not GASB 68 and GASB 78. JoAnn Peralta, Chief Accountant, and Andy Yeung, Actuary with Segal Consulting, presented and discussed this report with the Board. This report was received by the Board and filed.

Vice President Lee left the Regular Meeting at 10:44 a.m.

V

CONSENT AGENDA

Commissioner Chao moved approval of Consent Agenda Items V-A and V-B, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Wilkinson, and President Serrano -4; Nays, None.

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF AUGUST 9, 2022 AND POSSIBLE BOARD ACTION
- B. 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 221011-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 or 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.

Vice President Lee rejoined the Regular Meeting at 10:48 a.m.

VI

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 \$19.99 billion as of October 10, 2022. Mr. June discussed the following items:

- Staff continues to work on replacing the contractual key person left vacant by David Fann's departure. Upon completing a thorough due diligence of Aksia's proposed key person, staff plans to bring the key person replacement to the Board for a presentation. Heidi Poon and Jeffrey Goldberger continue to serve as key persons on the LACERS relationship.
- CIO will be attending the GCM Small and Emerging Manager Conference this week.
- Future Agenda Items: Finalist Firm of the Private Credit Consultant Search, Education on Infrastructure Investments, Securities Lending Program Modifications, and Contract with Aksia and Key Person

Mr. June shared that as of October 10, 2022, Russian exposure for LACERS is 3.0 basis points. The Russian debt exposure of Wellington is \$4,322,115. Prudential continues to hold Russian debt in the amount of \$1,178,712; and DFA continues to hold Emerging Markets Equity Exposure in the amount of \$430,905.

VII

DISABILITY RETIREMENT APPLICATION(S)

A. CONSIDERATION TO CONTINUE DISABILITY RETIREMENT BENEFIT FOR CECIL DU BOISE AND POSSIBLE BOARD ACTION – Carol Rembert, Benefits Analyst, presented this item to the Board. Vice President Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Wilkinson, Vice President Lee and President Serrano -5; Nays, None.

President Serrano recessed the Regular Meeting at 10:55 a.m. to convene in Closed Session discussion.

VIII

LEGAL/LITIGATION

- A. **CLOSED SESSION TO CONFER WITH AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING A SIGNIFICANT EXPOSURE TO LITIGATION, PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A), (D)(2), AND (E)(1) (ONE CASE): MEREDITH V. TALCOTT RESOLUTION ANNUITY SERVICE (Case no. 21STLC04707), AND POSSIBLE BOARD ACTION**

President Serrano reconvened the Regular Meeting at 11:05 a.m.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 25, 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.

XI

ADJOURNMENT – There being no further business before the Board, President Serrano adjourned the Meeting at 11:06 a.m.



Nilza R. Serrano
President



Neil M. Guglielmo
Manager-Secretary