

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

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020)
and due to the concerns over COVID-19, the
LACERS Board of Administration's
May 12, 2020, meeting will be conducted
via telephone and/or videoconferencing.

Agenda of: <u>May 26, 2020</u>
Item No: <u>II</u>

May 12, 2020

10:01 a.m.

PRESENT via Zoom Meeting:	President:	Cynthia M. Ruiz
	Vice President:	Michael R. Wilkinson
	Commissioners:	Annie Chao Elizabeth Lee Sandra Lee Nilza R. Serrano Sung Won Sohn
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Anya Freedman
PRESENT at LACERS offices:	Executive Assistant:	Ani Ghoukassian

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

Item I was taken out of order.

II

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF APRIL 28, 2020 AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval of the minutes for the Regular Meeting of April 28, 2020, seconded by Commissioner Chao and was adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz thanked the Commissioners and staff for their support during these challenging times.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- LACERS COVID response: Wellness Champions Reaching Out, Remote Call Center, Vendor Pricing Reduction Request
 - E-Signatures
 - SPAM emails targeting LACERS Members
 - Mayor’s Proposed Budget and City Council budget process
 - Commission on Revenue Generation Report (May 8) to City Council
 - Los Angeles World Airports Separation Incentive Program (SIP)
 - Medicare Requirement video
 - Governmental Side-A Directors and Officers Policy Renewal in Process
 - LinkedIn Training
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board on the following upcoming agenda items:
- May 26, 2020 – FY 20/21 Budget – Final budget submission by staff for Board consideration
 - Health Renewals – Information due from the health insurance carriers on May 1st. The Benefits Administration Committee will hear preliminary information in late May or early June.

Item I was taken out of order.

I

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* – President Ruiz asked if any persons wished to speak on matters within the Board’s jurisdiction, to which there was no response and no public comment cards received.

V

RECEIVE AND FILE ITEMS

- A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- B. MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. NOTIFICATION OF CERTIFIED RESULTS OF THE BOARD OF ADMINISTRATION ELECTION FOR THE FIVE-YEAR TERM ENDING JUNE 30, 2025 AND OFFICIAL FINDINGS AND RECOMMENDATION OF CHALLENGE AND POSSIBLE BOARD ACTION – Vice President Wilkinson recused himself from discussion or action for this item. Neil M. Guglielmo, General Manager, Ani Ghoukassian, Commission Executive Assistant II, Amy Milo with the Office of the City Clerk presented this item to the Board. After discussion, Commissioner Chao moved approval, seconded by Commissioner Serrano and was adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, and President Ruiz -6; Nays, None. The Notification of Certified Results of the Board of Administration Election for the Five-Year Term Ending June 30, 2020 was received by the Board and filed.

VII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.142 billion as of May 11, 2020. Mr. June discussed the following items:
- Two managers on watch are being extended for additional year: Neuberger Berman and LM Capital
 - NEPC will be presenting on the evolving credit opportunities and the TALF investment program
 - Upcoming Agenda Items: Manager Contract, Real Estate fund, Private Equity Performance Review, Private Credit Update, and Private Equity Notifications
- B. POLICY DISCUSSION REGARDING TOTAL COMPOSITION OF WORKFORCE FORM AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager, Bryan Fujita, Chief Operating Officer, and Jeremiah Paras, Investment Officer I, presented this item to the Board. After a 1 hour, 4 minute discussion, the Board decided to table this item for further discussion at a future Board Meeting.
- C. PRESENTATION BY NEPC, LLC REGARDING EVOLVING CREDIT OPPORTUNITIES AND TERM ASSET-BACK SECURITIES LOAN FACILITY (TALF) – Carolyn Smith, Partner and Oliver Fadly, Research Consultant with NEPC presented and discussed this item with the Board for 45 minutes.

President Ruiz recessed the Regular Meeting at 1:03 p.m. to convene in Closed Session.

- D. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF PARTNERSHIP INTEREST IN A PARTICULAR, SPECIFIC TERM ASSET-BACKED SECURITIES LOAN FACILITY (TALF) INVESTMENT AND POSSIBLE BOARD ACTION**

VIII

DISABILITY RETIREMENT APPLICATION(S)

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF LISA JOHNSON AND POSSIBLE ACTION

President Ruiz reconvened the Regular Meeting at 1:23 p.m. and announced that the Board unanimously approved the Disability Retirement Application of Lisa Johnson.

IX

OTHER BUSINESS- Vice President Wilkinson asked that staff schedule his Swearing-in ceremony during a future Board Meeting date.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, May 26, 2020 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401 and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while public health concerns relating to the novel coronavirus continue.

XI

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 1:25 p.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary