

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  
September 22, 2020, meeting was conducted  
via telephone and/or videoconferencing.

**Agenda of: Oct. 27, 2020**

**Item No: II**

September 22, 2020

10:00 a.m.

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PRESENT via Zoom Meeting:	President: Vice President:	Cynthia M. Ruiz 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
PRESENT at LACERS offices:	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 Ruiz asked if any persons wanted to make a general public comment to which there was no response.

II

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF AUGUST 25, 2020 AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Elizabeth Lee, 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 expressed her appreciation to the Commissioners and staff for their patience 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:

- New Departmental Chief Accountant
- New HQ/977 Broadway Building
- Mail delays
- Open Enrollment
- The Aging Mastery Program (AMP)
- Service Center stats
- Retirement Abeyance/CSIP Virtual Live Q&A Session
- LAWA SIP Retirements
- City SIP
- COVID-19 and LACERS Members

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

- October: CSIP Supplemental Budget
- October: Cybersecurity Ad-Hoc Meeting
- October: Member Services year-end statistics report

### V

#### RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR AUGUST 2020 – This report was received by the Board and filed.

### VI

#### COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE VERBAL REPORT ON THE MEETING OF SEPTEMBER 8, 2020 – Vice President Sohn stated the Committee approved the contract with Barrow, Hanley, Mewhinney & Strauss, LLC, approved the semi-finalists of the Core Fixed Income Investment Manager search, and were presented with the Proxy Voting Activity Report for the period of July 1, 2019 to June 30, 2020.

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value at \$19.2 billion as of September 21, 2020. Mr. June discussed the following items:
- Term Asset-Backed Securities Loan Facility (TALF) Fund
  - Pacific Center for Asset Management (PCAM) Update
- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW REPORT FOR THE QUARTER ENDING JUNE 30, 2020 – Carolyn Smith, Partner and Kevin Novak, Consultant, with NEPC presented and discussed this item with the Board for 1 hour and 15 minutes.
- C. CONSENT OF ASSIGNMENT OF BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC CONTRACT AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer I, presented this item to Board. Commissioner Elizabeth Lee moved approval of the following Resolution:

**CONSENT TO ASSIGN CONTRACT WITH  
BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC**

**RESOLUTION 200922-A**

WHEREAS, LACERS has an existing contract with Barrow, Hanley, Mewhinney & Strauss, LLC (BHMS) for management of an active non-U.S. equities developed markets value portfolio; and,

WHEREAS, BHMS has entered into an acquisition agreement with Perpetual Limited (Perpetual), a publicly traded Australian financial services company; and

WHEREAS, Perpetual will acquire a 75.1% controlling equity stake in BHMS from BrightSphere Investment Group, the current majority owner of BHMS; and,

WHEREAS, under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with BHMS, the change in control of BHMS is deemed to be a contract assignment that requires written consent of the Board; and,

WHEREAS, staff has conducted appropriate due diligence on the acquisition of BHMS.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the assignment of LACERS' existing contract with BHMS to Perpetual; and, authorizes the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Which motion was seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

- D. NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN CERBERUS INSTITUTIONAL REAL ESTATE PARTNERS V, L.P. – This report was received by the Board and filed.

VIII

DISABILITY RETIREMENT APPLICATION(S)

- A. ADOPTION OF FINDINGS OF FACT FOR HAGOP TCHAKERIAN AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

President Ruiz recessed the Regular Meeting at 12:07 p.m. for a break and reconvened the Regular Meeting at 12:12 p.m.

*Item X-D taken out of order.*

X

BOARD/DEPARTMENT ADMINISTRATION

- D. ASSUMPTIONS FOR THE JUNE 30, 2020 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION – Paul Angelo, Actuary with Segal, presented and discussed this item with the Board for 15 minutes. Commissioner Serrano moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

IX

LEGAL/LITIGATION

- A. BOARD EDUCATION REGARDING REVISIONS TO FAIR POLITICAL PRACTICES COMMISSION PUBLIC DISCLOSURE RULES – Anya Freedman, Assistant City Attorney and Joshua Geller, Deputy City Attorney presented and discussed this Board Education with the Commissioners for 20 minutes.
- B. RESCISSION OF BOARD ACTION TO PUBLISH REQUEST FOR PROPOSALS FOR OUTSIDE SECURITIES MONITORING AND LITIGATION COUNSEL; APPROVAL OF ONE-YEAR EXTENSION OF SECURITIES MONITORING CONTRACTS WITH BERNSTEIN LITOWITZ BERGER & GROSSMAN LLP AND BLEICHMAR FONTI & AULD LLP, AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

X

BOARD/DEPARTMENT ADMINISTRATION

- A. LEGISLATIVE UPDATE OF SEPTEMBER 2020 AND POSSIBLE BOARD ACTION – Chhintana Kurimoto, Management Analyst with Administration Division, presented this item to the Board for 10 minutes. The Board took no action and the report was received by the Board and filed.
- B. PROPOSED REVISION TO THE LACERS TRAVEL POLICY AND POSSIBLE BOARD ACTION – Edeliza Fang, Senior Benefits Analyst II, with Administration Division presented this item to the Board. After a 35-minute discussion, Commissioner Serrano moved to approve staff’s recommended revisions with an amendment that Cal Travel Store is the preferred method to book flights but not exclusive, and if using another source to book the flight, that the cost would be equal to or less than Cal Travel Store, seconded by Commissioner Sandra Lee. Further discussion continued, and Commissioner Serrano withdrew her motion. President Ruiz stated this item will be sent back to staff for the revisions discussed and then presented to the Governance Committee.
- C. REVIEW OF BOARD PROCEDURES ON OFFICER ELECTIONS AND POSSIBLE BOARD ACTION – Chhintana Kurimoto, Management Analyst with Administration Division, presented this item to the Board. After discussion, Commissioner Chao made a motion to limit Officer terms to two years, seconded by Commissioner Wilkinson. The motion did not pass and the vote was as follows: Ayes, Commissioner Chao and Wilkinson -2; Nays, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Vice President Sohn, and President Ruiz -5.

XI

OTHER BUSINESS – No other business was discussed.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 13, 2020 at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, 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.

XIII

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 1:48 p.m. in the memory of all the retirees who have passed due to Covid-19.



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Neil M. Guglielmo  
Manager-Secretary



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Cynthia M. Ruiz  
President