

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
February 23, 2021, meeting was conducted
via telephone and/or videoconferencing.

Agenda of: Mar. 23, 2021

Item No: II

February 23, 2021

10:00 a.m.

PRESENT via Videoconferencing:	President Vice President:	Cynthia M. Ruiz Sung Won Sohn
	Commissioners:	Annie Chao Elizabeth Lee Nilza R. Serrano Michael R. Wilkinson
		(left at 12:30 p.m.)
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Anya Freedman
ABSENT:	Commissioner	Sandra Lee
PRESENT at LACERS offices:	Executive Assistant:	Ani Ghoukassian

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 JANUARY 26, 2021 AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz acknowledged the 500,000 Americans who have lost their lives to Covid-19.

IV

GENERAL MANAGER VERBAL REPORT

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

- Business Initiatives
- MSC Stats
- City Council Agenda Monitoring
- You Tube Channel Update – 2/3/21 to 2/16/21
- Website Statistics – 2/3/21 to 2/16/21
- SIP Update
- Coronavirus and Vaccine Webinar
- Retired Member Tech Event
- Social Engagement Celebration
- Retiree Health Care

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

- Authority to release RFP for Printing and Graphics to Board
- Actuarial Risk Assessment and Review of Funded Status of the Retirement and Health Plans as of June 30, 2020
- Legislative Update
- 977 N. Broadway Project Report for the Quarter Ending December 31, 2020
- Cost of Living Adjustment for July 2020

V

RECEIVE AND FILE ITEMS

A. MONTHLY REPORTS ON SEMINARS AND CONFERENCES FOR JANUARY 2021 – This report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 9, 2021 – Commissioner Serrano stated the Committee approved the investment manager contract with Dimensional Fund Advisors LP regarding the management of a U.S. Treasury Inflation Protected Securities Portfolio and also discussed and approved a change to the private equity portfolio benchmark.
- B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 23, 2021 – Commissioner Serrano stated the Committee provided input and approved the amendment to the Emerging Investment Manager Policy.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. SEMI-ANNUAL REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING DECEMBER 31, 2020 – Chhintana Kurimoto, Management Analyst, Horacio Arroyo, Senior Management Analyst I, Kristen Szanto, Management Assistant, Thomas Ma, Information Systems Manager II, Vanessa Lopez, Benefits Analyst, Karen Freire, Chief Benefits Analyst, Ferralyn Sneed, Senior Benefits Analyst II, and Bruce Bernal, Senior Benefits Analyst II, presented and discussed this item with the Board for 1 hour, 10 minutes. The report was received by the Board and filed.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$21.39 billion as of February 22, 2021. Mr. June discussed the following items:
- Emerging Investment Manager Policy is undergoing review for possible changes
 - Rod June, Chief Investment Officer, presenting at the Pension Bridge ESG conference this week
 - Future Agenda Items: Consent of assignment of an investment manager contract and a fireside chat with Ken Chenault, Chairman and Managing Director of General Catalyst, discussion on leadership, diversity, inclusion, and the pandemic.

Commissioner Serrano left the Regular Meeting at 12:30 p.m.

- B. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner, and Lynda Dennen Costello, Partner, with NEPC, LLC, presented and discussed this item with the Board for one hour. The Board took no action on this item.
- C. INVESTMENT MANAGER CONTRACT WITH DIMENSIONAL FUND ADVISORS LP REGARDING THE MANAGEMENT OF A U.S. TREASURY INFLATION PROTECTED SECURITIES (TIPS) PORTFOLIO AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution:

CONTRACT RENEWAL

**DIMENSIONAL FUND ADVISORS LP
ACTIVE U.S. TREASURY INFLATION PROTECTED SECURITIES (TIPS)
PORTFOLIO MANAGEMENT**

RESOLUTION 210223-A

WHEREAS, LACERS' current one-year contract extension with Dimensional Fund Advisors LP (DFA) for active U.S. TIPS portfolio management expires on June 30, 2021; and,

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

WHEREAS, a three-year contract renewal with DFA will allow the fund to maintain a diversified exposure to the public real assets market; and,

WHEREAS, on February 23, 2021, 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 U.S. TIPS Portfolio Management
<u>Effective Dates:</u>	July 1, 2021 through June 30, 2024
<u>Duration:</u>	Three years
<u>Benchmark:</u>	Bloomberg Barclays U.S. TIPS Index
<u>Allocation as of January 31, 2021:</u>	\$852 million

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

- D. NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN TCV XI, L.P. – This report was received by the Board and filed.
- E. NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN GTCR FUND XIII/A LP AND GTCR FUND XIII/B LP – This report was received by the Board and filed.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$16 MILLION IN GGV CAPITAL VIII L.P. – This report was received by the Board and filed.
- G. NOTIFICATION OF COMMITMENT OF UP TO \$4 MILLION IN GGV CAPITAL VIII PLUS L.P. – This report was received by the Board and filed.

- H. NOTIFICATION OF COMMITMENT OF UP TO \$10 MILLION IN BUILDERS VC FUND II, L.P. – This report was received by the Board and filed.
- I. UPDATED DISCLOSURE REPORT OF FEES, EXPENSES, AND CARRIED INTEREST OF ALTERNATIVE INVESTMENT VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 2020 PURSUANT TO GOVERNMENT CODE SECTION 7514.7 – This report was received by the Board and filed.

IX

LEGAL/LITIGATION

- A. VERBAL UPDATE FROM THE CITY ATTORNEY REGARDING RECENT CHANGES TO THE RALPH M. BROWN ACT RELATING TO THE USE OF SOCIAL MEDIA – Anya Freedman, Assistant City Attorney, updated the Board on a Brown Act amendment made effective January 1, 2021. The amendment prohibits any one Commissioner from providing any response or reaction to social media posts made by another Commissioner in regard to issues that are before the Board or may go before the Board that they serve.

X

DISABILITY RETIREMENT APPLICATION(S)

President Ruiz recessed the Regular Meeting at 12:56 p.m. to convene in Closed Session discussion.

- A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(B) TO CONSIDER THE CONTINUED DISABILITY RETIREMENT APPLICATION OF ANDRES AVALOS AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 12:59 p.m. and announced that the Board unanimously approved the Disability Retirement Application of Andres Avalos.

XI

OTHER BUSINESS – There was no other business.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 9, 2021, 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 1:00 p.m.

Cynthia M Ruiz

Cynthia M. Ruiz
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary