

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
March 9, 2021, meeting was conducted
via telephone and/or videoconferencing.

Agenda of: Apr. 13, 2021

Item No: II

March 9, 2021

10:00 a.m.

PRESENT via Videoconferencing: President	Cynthia M. Ruiz
Vice President:	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

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 FEBRUARY 9, 2021 AND POSSIBLE BOARD ACTION – Commissioner Serrano 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; Abstain, Commissioner Sandra Lee -1.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz stated that Ken Chenault’s presentation for this meeting has been rescheduled to a future Board Meeting.

IV

GENERAL MANAGER VERBAL REPORT

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

- Federal Stimulus
- SIP Update
- Retirement – Ancillary Case Processing
- Delay in Service Purchases
- COVID Deaths
- Health Plan Administration
- LACERS *Well* Events
- Member Services Center Stats
- Retirement Application Portal
- Governmental Side A Insurance Policy Renewal

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

- Presentation of the Preliminary Budget for Fiscal Year 2021-22
- 115 Trust Financial Statements for FY 2020-21

V

RECEIVE AND FILE ITEMS

A. MARKETING CESSATION 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. LEGISLATIVE UPDATE OF MARCH 2021 – This report was received by the Board and filed.

VI

BOARD/DEPARTMENT ADMINISTRATION

A. ACTUARIAL RISK ASSESSMENT AND REVIEW OF FUNDED STATUS OF THE RETIREMENT AND HEALTH PLANS AS OF JUNE 30, 2020 – Todd Bouey, Assistant General

Manager, Paul Angelo and Andy Yeung, Actuaries with Segal, presented and discussed this item with the Board for 55 minutes. The report was received by the Board and filed.

- B. 977 N. BROADWAY PROJECT REPORT FOR THE QUARTER ENDING DECEMBER 31, 2020 AND POSSIBLE BOARD ACTION – Isaias Cantu, Senior Management Analyst II, notified the Board of an amendment to the Staff Report and Resolution for this item. Commissioner Elizabeth Lee moved approval of the following amended Resolution:

**DELEGATION OF AUTHORITY TO THE GENERAL MANAGER
TO BIND INSURANCE POLICIES FOR
977 NORTH BROADWAY**

RESOLUTION 210309-A

WHEREAS, in October 2019, the LACERS Board of Administration authorized and completed the purchase of 977 N. Broadway, Los Angeles, CA 90012;

WHEREAS, the Board has directed LACERS to prepare the building for occupancy as the new headquarters for LACERS and allotted a budget for these purposes;

WHEREAS, 977 N. Broadway is transitioning to a new property management model as the headquarters project prepares to enter the construction phase and LACERS Asset Manager Invesco has advised that the present policies for property damage and earthquake insurance will terminate on March 30, 2021;

WHEREAS, LACERS has requested insurance broker Alliant Insurance Services to recommend insurance coverage and solicit insurance quotes for property damage and earthquake policies; concurrently LACERS has enlisted the advice and assistance of the City Risk Manager, who is also soliciting insurance proposals through the City's insurance broker;

WHEREAS, time is of the essence and to ensure that insurance policies do not lapse, the Board desires to assign the General Manager to select insurance coverage for 977 North Broadway;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the General Manager to select, negotiate, and execute the necessary documents to purchase a property damage policy, a general liability policy, and an earthquake insurance policy subject to satisfactory business and legal terms, and make any necessary clerical, typographical, or technical corrections to this document. Further the General Manager is requested to provide a verbal report of key policy terms after binding the policy.

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.

- C. COST-OF-LIVING ADJUSTMENT FOR JULY 2021 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.

- D. REQUEST FOR PROPOSAL (RFP) FOR PRINTING, MAILING, AND GRAPHIC DESIGN SERVICES 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.

VII

RETIREMENT SERVICES

- A. PRESENTATION ON THE SURVIVOR BENEFIT PROCESS – Ferralyn Sneed, Senior Benefits Analyst II, Marina Castaneda and James Kawashima, Benefits Analysts, presented and discussed this item with the Board for 15 minutes.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$21.01 billion as of March 8, 2021. Mr. June discussed the following items:
- Lazard Asset Management LLC and Oberweis Asset Management, Inc. removed from investment manager watchlist
 - Upcoming agenda items: Presentation by Mr. Ken Chenault of General Catalyst rescheduled to the May 11, 2021 Board Meeting
- B. CONSENT OF ASSIGNMENT OF SEGALL BRYANT & HAMILL, LLC CONTRACT AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval of the following Resolution:

CONSENT TO ASSIGN CONTRACT WITH SEGALL BRYANT & HAMILL, LLC

RESOLUTION 210309-B

WHEREAS, LACERS has an existing contract with Segall Bryant & Hamill, LLC (SBH) for management of an active U.S. small cap value equities portfolio; and,

WHEREAS, SBH has entered into an acquisition agreement with CI Financial Corp. (CI Financial), a Canadian publicly traded global asset and wealth management advisory services company; and,

WHEREAS, SBH will become a wholly owned subsidiary of CI Financial; and,

WHEREAS, under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with SBH, the change in control of SBH 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 SBH.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the assignment of LACERS' existing contract with SBH to CI Financial; 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.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 23, 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.

XI

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:48 a.m.



Neil M. Guglielmo
Manager-Secretary



Cynthia M. Ruiz
President