

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 26, 2021 meeting will be conducted via telephone and/or videoconferencing.

October 26, 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 Office:	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 SEPTEMBER 28, 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, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz thanked all the participants and staff involved with the first LACERS Emerging Manager Symposium held virtually on October 20, 2021.

IV

GENERAL MANAGER VERBAL REPORT

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

- Two audits in process: 5-year audit and IT Security audit
- New IRS Tax Withholding W-4P forms for 2022
- Update on 977 Broadway building
- Open Enrollment began on October 15, 2021
- Member Services update
- Member Communications statistics
- LACERS 1st in-person webinar since pandemic held on October 21, 2021
- Upcoming Wellness Events

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

- 977 N. Broadway Project Quarterly Report
- Actuarial Valuations as of June 30, 2021

C. INTRODUCTION OF NEW DEPUTY CITY ATTORNEYS TO PUBLIC PENSIONS GENERAL COUNSEL DIVISION – Neil M. Guglielmo, General Manager and Anya Freedman, Assistant City Attorney, introduced the two newest Deputy City Attorney's in the Public Pensions General Counsel Division. Gina DiDomenico and Sheri Cheung briefly introduced themselves to the Board.

V

RECEIVE AND FILE ITEMS

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

VI

COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE MEETING VERBAL REPORT FOR THE MEETING ON OCTOBER 12, 2021 – Vice President Sohn reported that the Committee listened to a presentation by Blackrock Institutional Trust Company. The Committee approved the private

credit pacing implementation plan, the investment manager contract with Axiom Investors, LLC, and the Tactical Asset Allocation Policy. The Committee also considered a commitment to LBA Logistics Value Fund IX, L.P.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. 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, POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval of the following Resolution:

CONTINUE HOLDING LACERS BOARD AND COMMITTEE MEETINGS VIA TELECONFERENCE AND/OR VIDEOCONFERENCE

RESOLUTION 211026-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 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.

Which motion was seconded by Commissioner Wilkinson, 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. APPROVAL OF REQUEST FOR PROPOSALS FOR OUTSIDE TAX COUNSEL AND POSSIBLE BOARD ACTION – Miguel Bahamon, Deputy City Attorney, presented this item to the Board. After discussion, 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.

X

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$23.91 billion as of October 25, 2021. Mr. June discussed the following items:
- ILPA letter has 39 signatories and contained several amendments to align with requirements under California’s AB2833 transparency law
 - Pacific Center for Asset Management to be held on January 20, 2022. A maximum of three LACERS trustees can attend this event.
 - Future Agenda Items: Private Real Estate Performance Review of the period ending June 30, 2021, presentation by NEPC, Aksia, and Townsend on their Emerging Manager efforts, Private Credit Consultant RFP, Responsible Investment Policy, PRI Board Election and Ballot Measures, Real Estate notification, and Private Equity notifications.
- B. PRIVATE CREDIT PACING IMPLEMENTATION PLAN AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, Robert King, Investment Officer I, Carolyn Smith, Partner, and Colton Lavin, Senior Research Analyst, with NEPC, presented and discussed this item with the Board for 20 minutes. After discussion, 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.
- C. INVESTMENT MANAGER CONTRACT WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Bryan Fujita, Investment Officer III, provided the Board with an update to the report that did not have any effect on staff’s recommendation. After a brief discussion, Commissioner Serrano moved approval of the following Resolution:

**CONTRACT EXTENSION
AXIOM INVESTORS, LLC
ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES**

PORTFOLIO MANAGEMENT

RESOLUTION 211026-C

WHEREAS, LACERS' current one-year contract extension with Axiom Investors, LLC (Axiom) for active non-U.S. emerging markets growth equities portfolio management expires on December 31, 2021; and,

WHEREAS, Axiom is currently "On Watch" for a benchmark change and organizational changes pursuant to the LACERS Manager Monitoring Policy; and,

WHEREAS, a one-year contract extension will provide the necessary time to evaluate Axiom's performance with its stated growth strategy relative to its benchmark as well as evaluate the organizational structure of the firm; and,

WHEREAS, on October 26, 2021, the Board approved the Investment Committee's recommendation to approve a one-year contract extension.

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>	Axiom Investors, LLC
<u>Service Provided:</u>	Active Non-U.S. Emerging Markets Growth Equities Portfolio Management
<u>Effective Dates:</u>	January 1, 2022 through December 31, 2022
<u>Duration:</u>	One year
<u>Benchmark:</u>	MSCI Emerging Markets Index
<u>Allocation as of September 30, 2021:</u>	\$401 million

Which motion was seconded by Vice President Sohn, 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. TACTICAL ASSET ALLOCATION POLICY AND POSSIBLE BOARD ACTION – Vice President Sohn 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.
- E. CONTRACT WITH CEM BENCHMARKING INC. AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**CONTRACT FOR
CEM BENCHMARKING INC.
INVESTMENT BENCHMARKING SERVICES**

RESOLUTION 211026-D

WHEREAS, the CEM Benchmarking Inc. (CEM) study will provide LACERS with an objective analysis of investment management and administration services costs and investment performance and risk covering the five year period ending December 31, 2021;

WHEREAS, LACERS staff lacks the expertise necessary to perform this work;

WHEREAS, CEM has expertise in this area that is unique and such comparable services cannot be acquired from any other provider;

WHEREAS, the one-time fee of \$40,000 covers the cost of the benchmarking study;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves payment of a one-time fee of \$40,000 to CEM to perform an objective investment cost and performance benchmarking analysis of the LACERS portfolio; and, authorizes the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

<u>Company Name:</u>	CEM Benchmarking Inc.
<u>Service Provided:</u>	Investment Benchmarking
<u>Duration:</u>	One-time occurrence

Which motion was seconded by Commissioner Chao, 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 11:15 a.m. to convene in Closed Session discussion.

Item VIII-A taken out of order.

VIII

CLOSED SESSION

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8

PROPERTY: 977 N. BROADWAY, LOS ANGELES, CA 90012

AGENCY NEGOTIATOR: LACERS GENERAL MANAGER NEIL M. GUGLIELMO AND MICHAEL PRAHBU OF TWENTY ONE 11 VENTURES LLC

NEGOTIATING PARTIES: RICHARD KLEIN, ON BEHALF OF TENANT ALLIES FOR EVERY CHILD

UNDER NEGOTIATION: RENEGOTIATION OF LEASE

X

INVESTMENTS

F. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ALICIA GARIBAY AND POSSIBLE BOARD ACTION

XI

DISABILITY RETIREMENT APPLICATION(S)

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

President Ruiz reconvened the Regular Meeting at 11:41 a.m. and announced that the Board unanimously approved the Disability Retirement Application of Alicia Garibay.

XII

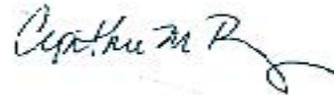
OTHER BUSINESS – There was no other business.

XIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 9, 2021, 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.

XIV

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:42 a.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary