

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 February 28, 2023 meeting will be conducted via telephone and/or videoconferencing.

February 28, 2023

10:01 a.m.

PRESENT via Videoconferencing:	President:	Nilza R. Serrano
	Vice President:	Elizabeth Lee
	Commissioners:	Annie Chao Thuy Huynh Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioner:	Janna Sidley

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 Serrano asked if any persons wanted to make a general public comment to which there was no response.

II

BOARD PRESIDENT VERBAL REPORT – President Serrano shared that she hopes that everyone is safe during the cold weather.

III

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Pension Symposium on February 22, 2023
 - LACERS Open for Service on April 3, 2023
 - LACERS HQ Updates
 - Retirement Services updates
 - Health Benefits Administration updates
 - Communications and Stakeholder Relations
 - Member Services updates
 - Upcoming events
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Benefits Administration Committee – Health Board Rules
 - Education and Travel Expenditure Report for the Quarter ending December 31, 2022

IV

RECEIVE AND FILE ITEMS

- A. 2022 ANNUAL REPORT ON LACERS ORGANIZATION DIVERSITY SURVEY – Isaias Cantu, Senior Benefits Analyst II, provided the Board with an overview of this report and this report was received by the Board and filed.
- B. SEMI-ANNUAL REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING DECEMBER 31, 2022 – Todd Bouey, Executive Officer, provided the Board with an overview of this report and the report was received by the Board and filed.
- C. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR JANUARY 2023 – This report was received by the Board and filed.
- D. BOARD MEETING PROCEDURES PURSUANT TO ASSEMBLY BILL 2449 – This report was received by the Board and filed.

V

Commissioner Chao moved approval of Consent Agenda Items V-A and V-B, seconded by Vice President Lee, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, Vice President Lee, and President Serrano -6; Nays, None.

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF JANUARY 24, 2023 AND POSSIBLE BOARD ACTION

B. UPDATE TO GENERAL MANAGER DESIGNEE SIGNATURE AUTHORITY AND POSSIBLE BOARD ACTION

**SIGNATURE AUTHORITY
FOR GENERAL MANAGER DESIGNEES**

RESOLUTION 230228-A

WHEREAS, the Board may delegate authority to the necessary deputies, assistants, and employees of the department and define their duties under Los Angeles City Charter (LACC) Section 511(a); and

WHEREAS, the General Manager is authorized under LACC Section 509 to administer the affairs of the department as its Chief Administrative Officer; and,

WHEREAS, the General Manager determines it is in the best interest of the department to ensure department business is transacted expeditiously on occasions when they are absent or unable to act through the assignment of signature authorities over specific areas of expertise;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the signature authority resolution for the General Manager designees. If practicable, designees shall seek verbal concurrence from the General Manager. Authority is assigned to the position, rather than the individual. This resolution shall be endorsed by the designees, and should there be a change in personnel, a new endorsement certificate may be made and kept on file in the Board office; filed with any other necessary office of City government; or any agencies involved in processing LACERS' investment transactions and custodial responsibilities for the securities of LACERS. The proposed resolution will supersede any previously adopted resolutions related to General Manager Designee signature authority and is effective upon adoption.

1. Assistant General Manager(s) – for the approval of contracts in compliance with the contracting limitations established in the LACC; approval of expenditures; and approval of benefit payments and related transactions;
2. Chief Management Analyst of Administration Division (AD) – for the approval of contracts in compliance with the contracting limitations established in the LACC; for the approval of expenditures within the authorized AD budget and Performance Management Office. The Chief Management Analyst may delegate to the Senior Management Analysts I and II in the Administrative Services Office the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS.
3. Chief Benefits Analyst of Health, Wellness, and Buyback Division (HWABD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized HWABD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the HWABD the approval of expenditures within the authorized HWABD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the Service

Purchase Section the approval and execution of service purchase contracts, certifications of service, and related transactions; and delegate to the Senior Benefits Analysts I and II in the Health Benefits Administration the approval of retiree health benefits and related transactions.

4. Chief Benefits Analyst of Retirement Services Division (RSD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized RSD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the Retirement Services Division the approval of expenditures within the authorized RSD budget.
5. Chief Benefits Analyst of Communications and Stakeholder Relations Division (CSRD) – for the approval of expenditures within the authorized CSRD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I, II and the Development and Marketing Director in the CSRD the approval of expenditures within the established CSRD budget.
6. Information Systems Manager – for the approval of expenditures within the authorized Systems Division budget.
7. Chief Investment Officer or Investment Officer III – for the approval of investment transactions required within the scope of the contracts approved by the Board; and approval of expenditures within the authorized Investment Division budget.
8. Personnel Director or Senior Personnel Analyst II – for the approval of expenditures within the authorized Human Resources budget. The Personnel Director or Senior Personnel Analyst II may delegate to the Senior Personnel Analyst I in Human Resources Unit the approval of expenditures within the established Human Resources budget.
9. Departmental Audit Manager – for the approval of expenditures within the authorized Internal Audit budget.
10. Member Stewardship Section Manager or Senior Benefits Analyst II – comprised of Active Member Accounts (AMA) and the Member Processing Unit (MPU) – for the approval of expenditures within the authorized budget and the Actuarial program budget.
11. Systems Operations Support Manager (SOS) or Senior Benefits Analyst II – for the approval of expenditures within the authorized SOS budget. The SOS Manager or Senior Benefits Analyst II may delegate to the Senior Benefits Analyst I in the SOS section the approval of expenditures within the established SOS budget.

Endorsed: _____
Todd Bouey
Assistant General Manager

Endorsed: _____
Dale Wong-Nguyen
Assistant General Manager

Endorsed: _____
Ferralyn Sneed
Chief Benefits Analyst of Retirement Services Division

Endorsed: _____
Karen Freire
Chief Benefits Analyst of Health, Wellness, and Buyback Division

Endorsed: _____
Taneda Larios
Chief Benefits Analyst of Communications and Stakeholder Relations Division

Endorsed: _____
Rodney June
Chief Investment Officer

Endorsed: _____
Edwin Avanesian
Chief Management Analyst of Administration Division

Endorsed: _____
Melani Rejuso
Departmental Audit Manager

Endorsed: _____
Vikram Jadhav
Development and Marketing Director

Endorsed: _____
Thomas Ma
Information System Manager II

Endorsed: _____
Bryan Fujita
Investment Officer III

Endorsed: _____
Wilkin Ly
Investment Officer III

Endorsed: _____
Delia Hernandez
Senior Benefits Analyst II

Endorsed: _____
Audrey Dymally
Senior Benefits Analyst II

Endorsed: _____

Edeliza Fang
Senior Benefits Analyst II

Endorsed: _____
Margaret Drenk
Senior Benefits Analyst II

Endorsed: _____
Heather Ramirez
Senior Benefits Analyst II

Endorsed: _____
Lauren McCall
Senior Benefits Analyst II

Endorsed: _____
Isaias Cantú
Senior Management Analyst II

Endorsed: _____
Lin Lin
Senior Personnel Analyst II

Endorsed: _____
Brittany Cotton
Senior Benefits Analyst I

Endorsed: _____
Ada Lok
Senior Benefits Analyst I

Endorsed: _____
Glen Malabuyoc
Senior Benefits Analyst I

Endorsed: _____
James Kawashima
Senior Benefits Analyst I

Endorsed: _____
Lourdes Quintos
Senior Benefits Analyst I

Endorsed: _____
Maricel Martin
Senior Benefits Analyst I

Endorsed: _____
Tiffany Obembe
Senior Benefits Analyst I

Endorsed: _____
Brian Cha
Senior Benefits Analyst I

Endorsed: _____
Horacio Arroyo
Senior Management Analyst I

Endorsed: _____
John Koontz
Senior Management Analyst I

Endorsed: _____
Charlena Freeman
Senior Personnel Analyst I

VI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 14, 2023 – Vice President Lee stated presentations by Wasatch Advisors, Inc. and Wellington Management Company LLP were made during the meeting. She also shared that the Committee approved the investment manager contracts with Segall Bryant & Hamill and Copeland Capital Management, LLC.
- B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 28, 2023 – Commissioner Wilkinson stated the Committee were presented the Benefits Administration resource needs for Fiscal Year 2023-24.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. DESIGNATION OF LOCATION FOR REGULAR LACERS BOARD AND COMMITTEE MEETINGS EFFECTIVE MARCH 14, 2023: 977 N. BROADWAY, LOS ANGELES, CALIFORNIA 90012, AND POSSIBLE BOARD ACTION – Vice President Lee moved approval of the following Resolution:

**DESIGNATION OF LOCATION FOR REGULAR LACERS BOARD AND COMMITTEE MEETINGS
EFFECTIVE MARCH 14, 2023: 977 N. BROADWAY, LOS ANGELES, CALIFORNIA 90012
AND POSSIBLE BOARD ACTION**

RESOLUTION 230228-B

WHEREAS, the proposed designation of regular meeting location will aid LACERS in conducting business and provide effective and efficient Plan administration;

WHEREAS, the Ralph M. Brown Act, specifically Government Code Section 54954, subsection (a); states Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the proposed Regular Meeting Location of 977 N. Broadway, Los Angeles, California 90012 effective March 14, 2023, providing the Board of Administration and Committees a Regular Meeting Location.

Which motion was seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners, Chao, Huynh, Sohn, Wilkinson, Vice President Lee, and President Serrano -6; Nays, None.

VIII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Bryan Fujita, Investment Officer III, reported on the portfolio value of \$21.25 billion as of February 27, 2023. Mr. Fujita discussed the following items:

- Polen Capital Credit was removed from watch effective February 15, 2023
- Future Agenda Items: Total Fund Portfolio Performance Review as of December 31, 2022 and Annual Adaptive Asset Allocation Policy Status Report

Mr. Fujita shared that Russian exposure for LACERS was 1.4 basis points and there were no material changes since February 14, 2023.

B. INVESTMENT MANAGER CONTRACT WITH SEGALL BRYANT & HAMILL REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP VALUE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Barbara Sandoval, Investment Officer II, presented this item to the Board. Commissioner Wilkinson moved approval of the following Resolution:

**CONTRACT RENEWAL
SEGALL BRYANT & HAMILL
ACTIVE U.S. SMALL CAP VALUE EQUITIES
PORTFOLIO MANAGEMENT**

RESOLUTION 230228-C

WHEREAS, LACERS' current three-year contract with Segall Bryant & Hamill (SBH) for active U.S. small cap value equities portfolio management expires on July 31, 2023; and,

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

WHEREAS, a contract renewal with SBH will allow the LACERS total portfolio to maintain a diversified exposure to U.S. small cap value equities; and,

WHEREAS, on February 28, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with SBH.

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>	Segall Bryant & Hamill
<u>Service Provided:</u>	Active U.S. Small Cap Value Equities Portfolio Management
<u>Effective Dates:</u>	August 1, 2023 through July 31, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	Russell 2000 Value Index
<u>Allocation as of December 31, 2022:</u>	\$107 million

Which motion was seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, Vice President Lee, and President Serrano -6; Nays, None.

C. INVESTMENT MANAGER CONTRACT WITH COPELAND CAPITAL MANAGEMENT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP CORE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Barbara Sandoval, Investment Officer II, presented this item to the Board. Vice President Lee moved approval of the following Resolution:

**CONTRACT RENEWAL
COPELAND CAPITAL MANAGEMENT, LLC
ACTIVE U.S. SMALL CAP CORE EQUITIES
PORTFOLIO MANAGEMENT**

RESOLUTION 230314-D

WHEREAS, LACERS' current three-year contract with Copeland Capital Management, LLC (Copeland) for active U.S. small cap core equities portfolio management expires on July 31, 2023; and,

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

WHEREAS, a contract renewal with Copeland will allow the LACERS total portfolio to maintain a diversified exposure to U.S. small cap core equities; and,

WHEREAS, on February 28, 2023, the Board approved the Investment Committee’s recommendation to approve a three-year contract renewal with Copeland.

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>	Copeland Capital Management, LLC
<u>Service Provided:</u>	Active U.S. Small Cap Core Equities Portfolio Management
<u>Effective Dates:</u>	August 1, 2023 through July 31, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	Russell 2000 Index
<u>Allocation as of December 31, 2022:</u>	\$226 million

Which motion was seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sohn, Wilkinson, Vice President Sohn, and President Serrano -6; Nays, None.

- D. NOTIFICATION OF COMMITMENT OF UP TO €76.0 MILLION (APPROXIMATELY \$75.0 MILLION) IN VITRUVIAN INVESTMENT PARTNERSHIP V – This report was received by the Board and filed.
- E. NOTIFICATION OF COMMITMENT OF UP TO \$60 MILLION IN GTCR FUND XIV/A LP AND GTCR FUND XIV/B LP – This report was received by the Board and filed.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 14, 2023, at 10:00 a.m. The meeting location will be posted on the agenda for March 14, 2023 and the LACERS website.

XI

ADJOURNMENT – There being no further business before the Board, President Serrano adjourned the Meeting at 10:55 a.m.



Nilza R. Serrano
President



Neil M. Guglielmo
Manager-Secretary