

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 December 13, 2022 meeting will be conducted via telephone and/or videoconferencing.

December 13, 2022

10:00 a.m.

| | | |
|--------------------------------|----------------------|---|
| PRESENT via Videoconferencing: | President: | Nilza R. Serrano |
| | Vice President: | Elizabeth Lee |
| | Commissioners: | Annie Chao Thuy Huynh Janna Sidley Sung Won Sohn Michael R. Wilkinson |
| | Legal Counselor: | Anya Freedman |
| | Manager-Secretary: | Neil M. Guglielmo |
| | 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 Serrano asked if any persons wanted to make a general public comment to which there was one response. Valentina, with Private Equity Stakeholder Project and member of the public, made a comment about CIM Group and practices they have been using in an apartment complex in Virginia. Valentina provided an update on the status of this issue.

II

BOARD PRESIDENT VERBAL REPORT – President Serrano stated with COVID on the rise, to please wear a mask and check on seniors during this cold weather.

III

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Loss of power to former LA Times Building
 - New W-4P Federal Tax Withholding Form
 - COVID cases continue to rise
 - Transition of Elected Officials
 - LACERS HQ Update
 - Retirement Services Division update
 - Health Benefits Administration update
 - Member Services update
- B. UPCOMING AGENDA ITEMS – There were no items discussed.

IV

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDERATION OF RETURN TO WORK REQUEST FOR DISABILITY RETIREMENT RETIREE HAGOP TCHAKERIAN AND POSSIBLE BOARD ACTION – Member Hagop Tchakerian was virtually present and sworn in by Shelby Maaske, Court Reporter. Carol Rembert, Benefits Analyst, presented this item to the Board. After a 10 minute discussion, Commissioner Wilkinson moved approval, seconded by Vice President Lee, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

V

RECEIVE AND FILE ITEMS

- A. ETHICAL CONTRACT COMPLIANCE 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. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2022 – This report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON DECEMBER 13, 2022 – Commissioner Sidley reported that the Committee approved the proposed revisions to the LACERS Board Governance and Administrative Policies Section 2.0 Governing Statutes.

VII

CONSENT ITEM(S)

Vice President Lee moved approval of Consent Items VII-A and VII-B, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF NOVEMBER 8, 2022 AND POSSIBLE BOARD ACTION
- B. 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 AND POSSIBLE BOARD ACTION

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

RESOLUTION 221213-B

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 substantial or high 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.

VIII

BOARD/DEPARTMENT ADMINISTRATION

- A. PRESENTATION OF LACERS' AUDITED FINANCIAL STATEMENTS AS OF JUNE 30, 2022 – Melani Rejuso, Departmental Audit Manager, Kory Hogan, Engagement Partner, and Aaron Hamilton, Senior Manager, with Moss Adams LLP, presented and discussed this item with the Board for 30 minutes.

IX

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$21.19 billion as of December 12, 2022. Mr. June discussed the following items:
- ESG update: The Department of Labor issued the final rule on Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights. Staff and consultant will determine if there is any impact on LACERS' ESG Risk Framework and Responsible Investment Policy; and staff will consult with City Attorney
 - Announcement: Introduction of Stephanie Silva, Administrative Clerk for Investment Division
 - Future Agenda Items: Aksia's presentation of the Portfolio Performance Review for the period ending June 30, 2022, contract with Institutional Shareholder Services, and Private Real Estate Opportunity

Mr. June shared that the current Russian exposure for LACERS is 1.4 basis points.

- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING SEPTEMBER 30, 2022 – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board for 1 hour and 10 minutes.
- C. PRESENTATION BY CEM BENCHMARKING INC. OF INVESTMENT BENCHMARKING RESULTS FOR PERIOD ENDING DECEMBER 31, 2021 – Mike Heale, Principal with CEM Benchmarking Inc., presented and discussed this item with the Board for 30 minutes.
- D. DISCLOSURE OF FEES, EXPENSES, AND CARRIED INTEREST OF ALTERNATIVE INVESTMENT VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 2022 PURSUANT TO

GOVERNMENT CODE SECTION 7514.7 - Eduardo Park, Investment Officer II, presented this item to the Board and the report was received by the Board and filed.

X

OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, January 10, 2023, 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.

XII

ADJOURNMENT – There being no further business before the Board, President Serrano adjourned the Meeting at 1:01 p.m.



Nilza R. Serrano
President



Neil M. Guglielmo
Manager-Secretary