

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 May 10, 2022 meeting will be conducted via telephone and/or videoconferencing.

May 10, 2022

10:00 a.m.

PRESENT via Videoconferencing:	President:	Cynthia M. Ruiz
	Vice President:	Sung Won Sohn
	Commissioners:	Annie Chao
		Elizabeth Lee
		Arrived at 10:22 a.m. Sandra Lee
		Nilza R. Serrano
	Legal Counselor:	Anya Freedman
PRESENT at LACERS Office:	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioner:	Michael R. Wilkinson

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 MEETING OF APRIL 12, 2022, AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Vice President Sohn, and President Ruiz -5; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz stated that she completed Diligent Climate Certificate Leadership Program directed towards Board directors.

IV

GENERAL MANAGER VERBAL REPORT

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

- City Controller Galperin recently sent a letter to the Board Presidents of LACERS, LAFPP, and WPERP, requesting that the City’s three pension plans “immediately identify all current Russian investments and explore the possibility of divesting from them.”
- Third failed attempt of the Regulation-4 Fire Life Safety testing occurred on April 25, 2022 at the Times building
- HQ Updates
- Retirement Services stats
- Service Processing Section stats
- Health Benefits Administration updates
- Member Services stats including upcoming events and Wellness events

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

- Board: 977 N. Broadway Project Report for the Quarter Ending March 31, 2022
- Board: Proposed Budget, Personnel and Annual Resolutions for FY 2022-23
- Benefits Administration Committee: Keenan will present the Health Plan Financial Dashboard

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.

VI

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, AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:

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

RESOLUTION 220510-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 substantial or 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 Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Vice President Sohn, and President Ruiz -5; Nays, None.

B. TRAVEL AUTHORITY – COMMISSIONER CYNTHIA M. RUIZ; THE INVESTMENT DIVERSITY EXCHANGE (TIDE) SPARK 2022, DANA POINT, CA; JULY 6-7, 2022, AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval of the following Resolution:

**TRAVEL AUTHORITY
TIDE SPARK EVENT
JULY 6-7, 2022
Dana Point, CA**

RESOLUTION 220510-B

WHEREAS, Board approval is required for all international travel requests, travel not included in the Approved List of Educational Seminars, and travel that exceeds the annual education travel budget of \$10,000 for each Commissioner;

WHEREAS, The Investment Diversity Exchange (TIDE) SPARK event in Dana Point, CA is not included in the Approved List of Educational Seminars, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Ruiz is hereby authorized to attend the TIDE SPARK event from July 6-7, 2022, in Dana Point, CA;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$764.60 for Commissioner Ruiz is hereby authorized for reasonable expenses in connection with participation.

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

Commissioner Sandra Lee joined the Regular Meeting at 10:22 a.m.

VII

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 \$21.25 billion as of May 9, 2022. Mr. June discussed the following items:

- Discussion of market volatility
- Private Equity Program actual allocation versus policy target, and a commitment pacing of approximately \$1.1 billion for 2022 calendar year, slightly reduced from \$1.3 billion to recognize market conditions
- Future Agenda items: Real Estate Strategic Plan, two investment manager contract renewals, consideration of the Adaptive Asset Allocation Policy, and several private equity notifications

Mr. June shared that the current Russia exposure is three basis points, equivalent to about \$6.5 million; all remaining Global Depository Receipts were sold by the LACERS emerging markets small cap manager; Russia has made interest payments on its government debt obligations avoiding default status.

B. PRESENTATION BY LACERS STAFF, NEPC, LLC AND WELLINGTON MANAGEMENT COMPANY LLP ON ESG UPDATE AND INVESTMENT OPPORTUNITIES – Ellen Chen, Investment Officer II, discussed and introduced the presenters for this item. Carolyn Smith,

Partner, Michael Malchenko, Consultant, and Dulari Pancholi, Principal, with NEPC, presented this item to the Board for 35 minutes. Wendy Cromwell, Vice President with Wellington Management, presented and discussed this item with the Board for 20 minutes.

Item VII-D taken out of order.

- D. SECURITIES & EXCHANGE COMMISSION'S PROPOSED RULES ON CLIMATE-RELATED DISCLOSURES AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer II, presented and discussed this item with the Board for 10 minutes. Commissioner Serrano moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Vice President Sohn, and President Ruiz -6; Nays, None.
- C. CONSENT OF ASSIGNMENT OF RHUMLINE ADVISERS LIMITED PARTNERSHIP CONTRACT AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval of the following Resolution:

**CONSENT TO ASSIGN CONTRACT WITH
RHUMLINE ADVISERS LIMITED PARTNERSHIP**

RESOLUTION 220510-C

WHEREAS, LACERS has an existing contract with RhumbLine Advisers Limited Partnership (RhumbLine), for passive management of multiple U.S. equity index portfolios; and,

WHEREAS, Wayne Owen, former Chief Executive Officer, retired as of April 30, 2022 and transferred most of his equity interest in the firm to Denise D'Entremont, Chief Executive Officer.

WHEREAS, this transfer of ownership interest results in Denise D'Entremont becoming the majority interest holder of the firm and constitutes a change in control of the firm; and

WHEREAS, under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with RhumbLine, the change in control of RhumbLine is deemed to be a contract assignment that requires written consent of the Board; and,

WHEREAS, staff has conducted appropriate due diligence on this organizational change.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the assignment of LACERS' existing contract with RhumbLine; 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 Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Vice President Sohn, and President Ruiz -6; Nays, None.

- E. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN TPG REAL ESTATE PARTNERS IV, L.P. – This report was received by the Board and filed.

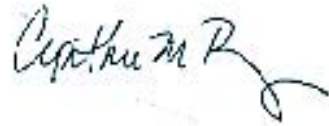
OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, May 24, 2022, 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.

X

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 12:04 p.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary