

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 22, 2022 meeting will be conducted via telephone and/or videoconferencing.

February 22, 2022

10:05 a.m.

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

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 were no responses.

II

APPROVAL OF MINUTES FOR THE MEETING OF JANUARY 25, 2022 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -5; Abstain, Commissioner Elizabeth Lee -1.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz recognized the turning point in this date and time.

IV

GENERAL MANAGER VERBAL REPORT

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

- Onni/Building Access
- Regulation-4 Fire Life Safety testing at Onni Times Square property
- Diversity, Equity and Inclusion (DEI) Initiative
- Strategic Planning Workshop
- LACERS Symposium
- 977 Broadway Building Construction updates
- Health and Welfare Consultant RFP
- Member Communication Statistics
- Top 5 Member inquiries
- Website Statistics for February 2-15, 2022
- LACERS YouTube channel update
- Upcoming events: Seminars & Demos, Aging Mastery Program
- Upcoming March Wellness events: Mom’s Computer Technology Class, Fitness Made Simple Exercise Class, Brain Health Class

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

- March Benefits Administration Committee – Open Enrollment Closeout Report

V

RECEIVE AND FILE ITEMS

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

VI

COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE MEETING VERBAL REPORT FOR THE MEETING ON FEBRUARY 8, 2022 – Commissioner Serrano stated the Committee heard a presentation by Copeland Capital Management, LLC and approved the Investment manager contract with MFS Institutional Advisors, Inc., Real Estate Consulting Services contract with Townsend Holdings

LLC, and the semi-finalists of the Passive U.S., Non-U.S., and Global Index Strategies Request for Proposal.

- B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 22, 2022 – This item was deferred to the next Board Meeting.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. UPDATE TO GENERAL MANAGER DESIGNEE SIGNATURE AUTHORITY AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**SIGNATURE AUTHORITY
FOR GENERAL MANAGER DESIGNEES**

RESOLUTION 220222-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 service purchase contracts, certifications of service, and related transactions, and 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 delegate to the Senior Benefits Analysts I and II in the Health, Wellness, and Buyback Division’s the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS. 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.
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 delegate to the Senior Benefits Analyst IIs in the Retirement Services Division’s the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS.
5. Information Systems Manager – for the approval of expenditures within the authorized Systems Division budget.
6. 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.
7. Member Services Manager – for the approval of expenditures within the authorized Member Services Section budget.
8. Departmental Personnel Director – for the approval of expenditures within the authorized Human Resources budget.
9. Departmental Audit Manager – for the approval of expenditures within the authorized Internal Audit budget.
10. Active Member Accounts & Member Stewardship Unit Manager (AMA-MSU) – for the approval of expenditures within the authorized AMA-MSU budget and the Actuarial program budget.
11. Systems Operations Support Manager (SOS) – for the approval of expenditures within the authorized SOS budget.

Endorsed:

Todd Bouey
Assistant General Manager

Endorsed:

Dale Wong-Nguyen
Assistant General Manager

Endorsed:

Isaias Cantú
Chief Management Analyst of Administration Division

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

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

Endorsed: _____
Rodney June
Chief Investment Officer

Endorsed: _____
Thomas Ma
Information System Manager II

Endorsed: _____
Bryan Fujita
Investment Officer III

Endorsed: _____
Wilkin Ly
Investment Officer III

Endorsed: _____
John Koontz
Senior Management Analyst II

Endorsed: _____
Edeliza Fang
Senior Benefits Analyst II

Endorsed: _____
Ann Seales
Senior Benefits Analyst II

Endorsed: _____
Delia Hernandez
Senior Benefits Analyst II

Endorsed: _____
Taneda Larios
Senior Benefits Analyst II

Endorsed: _____
Lin Lin
Departmental Personnel Director

Endorsed: _____
Melanie Rejuso
Departmental Audit Manager

Endorsed: _____
Edwin Avanesian
Senior Benefits Analyst II

Endorsed: _____
Lauren McCall
Senior Benefits Analyst II

Endorsed: _____
Heather Ramirez
Senior Benefits Analyst I

Endorsed: _____
Horacio Arroyo
Senior Management Analyst I

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

- B. COST-OF-LIVING ADJUSTMENT FOR JULY 2022 AND POSSIBLE BOARD ACTION – Rahoof “Wally” Oyewole, Department Chief Accountant IV, presented and discussed this item with the Board for 10 minutes. Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.

VIII

LEGAL/LITIGATION

- A. APPROVAL OF ONE-YEAR EXTENSIONS TO OUTSIDE COUNSEL CONTRACTS WITH POLSINELLI LLP AND FOLE & LARDNER LLP FOR HEALTH LAW, DATA PRIVACY, AND CYBERSECURITY AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.

IX

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$22.97 billion as of February 21, 2022. Mr. June discussed the following items:

- Private Equity actual target has risen to the policy target of 16% because of the drop in total fund value; staff will monitor this situation
- Sonic update: As of November, 58% of the Sonic restaurants have added the tip functionality
- Securities and Exchange Commission is proposing rules to provide improved transparency and accountability of private fund advisers
- Upcoming Agenda Items: Notification of a real estate opportunity

B. INVESTMENT MANAGER CONTRACT WITH MFS INSTITUTIONAL ADVISORS, INC. REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS GROWTH PORTFOLIO AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval of the following Resolution:

**CONTRACT RENEWAL
MFS INSTITUTIONAL ADVISORS, INC.
ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS GROWTH
PORTFOLIO MANAGEMENT**

RESOLUTION 220222-B

WHEREAS, LACERS’ current three-year contract term with MFS Institutional Advisors, Inc. (MFS) for active non-U.S. equities developed markets growth portfolio management expires on September 30, 2022; and,

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

WHEREAS, a three-year contract renewal with MFS will allow the fund to maintain a diversified exposure to the non-U.S. equities developed markets; and,

WHEREAS, on February 22, 2022, the Board approved the Investment Committee’s recommendation to approve a three-year contract renewal.

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>	MFS Institutional Advisors, Inc.
<u>Service Provided:</u>	Active Non-U.S. Equities Developed Markets Growth Portfolio Management
<u>Effective Dates:</u>	October 1, 2022 through September 30, 2025
<u>Duration:</u>	Three years
<u>Benchmark:</u>	MSCI World ex-U.S. Growth Index
<u>Allocation as of February 1, 2022:</u>	\$590 million

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

- C. REAL ESTATE CONSULTING CONTRACT WITH TOWNSEND HOLDINGS LLC AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**CONTRACT EXTENSION
TOWNSEND HOLDINGS LLC
REAL ESTATE CONSULTING SERVICES**

RESOLUTION 220222-C

WHEREAS, LACERS’ current five-year contract with Townsend Holdings LLC (Townsend) for real estate consulting services expires on March 31, 2022; and,

WHEREAS, on August 24, 2021, the Board authorized a request for proposal (RFP) for real estate consulting services in order to test the marketplace; and,

WHEREAS, a one-year contract extension with Townsend will allow for continued consultant oversight of LACERS’ real estate portfolio during the RFP process; and,

WHEREAS, on February 22, 2022, the Board approved the Investment Committee’s recommendation for a one-year contract extension with Townsend.

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>	Townsend Holdings LLC
<u>Services Provided:</u>	Real Estate Consulting Services
<u>Effective Dates:</u>	April 1, 2022 through March 31, 2023
<u>Duration:</u>	One year
<u>Fee:</u>	\$215,000

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

- D. NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN BIOSPRING PARTNERS FUND, L.P. – This report was received by the Board and filed.

- E. NOTIFICATION OF COMMITMENT OF UP TO \$13 MILLION IN GENERAL CATALYST GROUP XI - CREATION, L.P. – This report was received by the Board and filed.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$18 MILLION IN GENERAL CATALYST GROUP XI - IGNITION, L.P. – This report was received by the Board and filed.
- G. NOTIFICATION OF COMMITMENT OF UP TO \$44 MILLION IN GENERAL CATALYST GROUP XI - ENDURANCE, L.P. – This report was received by the Board and filed.
- H. NOTIFICATION OF COMMITMENT OF UP TO \$16.660 MILLION IN SPARK CAPITAL VII, L.P. – This report was received by the Board and filed.
- I. NOTIFICATION OF COMMITMENT OF UP TO \$33.340 MILLION IN SPARK CAPITAL GROWTH FUND IV, L.P. – This report was received by the Board and filed.
- J. NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN DEFY PARTNERS III, L.P. – This report was received by the Board and filed.
- K. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN HARVEST PARTNERS IX, L.P. – This report was received by the Board and filed.
- L. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN REVERENCE CAPITAL PARTNERS OPPORTUNITIES FUND V (PE FUND III), L.P. – This report was received by the Board and filed.
- M. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN ARSENAL CAPITAL PARTNERS VI LP – This report was received by the Board and filed.
- N. NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN NEW ENTERPRISE ASSOCIATES 18, L.P. – This report was received by the Board and filed.
- O. NOTIFICATION OF COMMITMENT OF UP TO \$35 MILLION IN NEA 18 VENTURE GROWTH EQUITY, L.P. – This report was received by the Board and filed.

President Ruiz recessed the Regular Meeting at 10:54 a.m. to convene in Closed Session.

P. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO TPG REAL ESTATE PARTNERS IV, L.P. AND POSSIBLE BOARD ACTION

President Ruiz reconvened the Regular Meeting at 11:03 a.m.

X

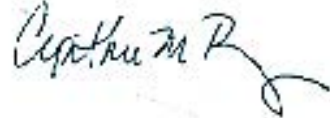
OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 8, 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.

XII

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:04 a.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary