

MINUTES OF THE REGULAR MEETING
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

June 13, 2023

10:07 a.m.

PRESENT:	President:	Vacant
	Vice President:	Elizabeth Lee
	Commissioners:	(left at 11:45 a.m.) Annie Chao Thuy Huynh Janna Sidley Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Anya Freedman Joshua Geller
	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 – Vice President Lee asked if any persons wanted to make a general public comment to which there was one public comment card submitted from Ruth Perry, member of the public and President of Retired Los Angeles City Employees, Inc (RLACEI). Ms. Perry stated RLACEI's support of the LACERS and Segal Consulting's recommendation for the Income-Related Monthly Adjustment Amount (IRMAA).

II

ELECTION TO FILL UNEXPIRED TERM OF THE VACANT OFFICE OF THE BOARD PRESIDENT PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager, advised that the nominations for Board President were being considered. Commissioner Sohn nominated Commissioner Chao and Commissioner Sidley nominated Vice President Lee. Mr. Guglielmo called for the vote on the nomination of Commissioner Chao as President: Ayes, Commissioners Chao, Sohn, and Wilkinson -3; Nays, Commissioners Huynh, Sidley, and Vice President Lee -3. Commissioner Chao did not receive the majority vote. Mr. Guglielmo called for the vote on the nomination of Vice President Lee as President: Ayes, Commissioners Huynh, Sidley, and Vice President Lee -3; Nays, Commissioners Chao, Sohn, and Commissioner Wilkinson -3. Vice

President Lee did not receive the majority vote. The Board Officer election will be continued to the next Board meeting.

III

IF VACANCY CREATED IN OFFICE OF THE VICE PRESIDENT BY BOARD ACTION ON AGENDA ITEM II, ELECTION TO FILL UNEXPIRED TERM OF BOARD VICE PRESIDENT, PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION – No action was taken on this item and it will be continued to the next Board meeting.

Vice President Lee recessed the Regular Meeting at 10:15 a.m. to convene in Closed Session discussion.

IV

DISABILITY RETIREMENT APPLICATION(S)

- A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF LORETTA SHAH AND POSSIBLE BOARD ACTION (HEARING)**
- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF DAVID HUBBARD AND POSSIBLE BOARD ACTION**
- C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF KERISHA JACKSON AND POSSIBLE BOARD ACTION**

Vice President Lee reconvened the Regular Meeting at 10:33 a.m. and announced that the Board unanimously approved the Disability Retirement Applications of Loretta Shah, David Hubbard, and Kerisha Jackson.

V

BOARD PRESIDENT VERBAL REPORT – There was no report.

VI

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:**
 - Juneteenth Holiday
 - Discretionary COLA
 - HQ updates
 - Health Benefits Administration updates
 - Communications and Stakeholder Relations updates

- Upcoming events

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

- July 11th: Benefits Administration Committee – Health Management Dashboard and Wellness Update
- July 27th: Board – Experience Study, Governance Committee – Continuation of the Triennial Board Policy Review, and Benefits Administration Committee – Medical Plan RFP Evaluations and the Dental and Vision Contracts Renewal

VII

RECEIVE AND FILE ITEMS

- A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- B. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING MARCH 31, 2023 – This report was received by the Board and filed.

VIII

COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 13, 2023 – Commissioner Wilkinson stated the Committee were presented with the Health Plan Financial Dashboards and provided with a verbal update on the 2024 Dental and Vision Plan Renewals.

IX

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

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF MAY 9, 2023 AND POSSIBLE BOARD ACTION
- B. ADOPTION OF FINDINGS OF FACTS FOR JESSE RODRIGUEZ AND POSSIBLE BOARD ACTION

X

BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS AND TRAINING AND TRAVEL PROGRAM FOR FISCAL YEAR 2023-24 AND POSSIBLE BOARD ACTION – Ani Ghoukassian, Commission Executive Assistant II, presented this item to the Board. Commissioner Sohn requested the Harvard Business School – Behavioral Economics course, be added to the list for fiscal year 2023-24. Commissioner Sohn moved approval, seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, and Vice President Lee -6; Nays, None.
- B. PRESENTATION OF THE COST OF MEDICARE PART B PREMIUM REIMBURSEMENT AND INCOME-RELATED ADJUSTMENT AMOUNTS (IRMAA) AND POSSIBLE BOARD ACTION – Andy Yeun, Actuary with Segal, Dale Wong-Nguyen, Assistant General Manager, Karen Freire, Chief Benefits Analyst, and Glen Malabuyoc, Senior Benefits Analyst, presented and discussed this item with the Board for 25 minutes. Commissioner Sidley moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, and Vice President Lee -6; Nays, None.

XI

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 \$21.478 billion as of June 12, 2023. Mr. June discussed the following items:
- Volatility Index at 14.6
 - Discussion of next steps to implementing the Private Credit Program under 5.75% policy target
 - LACERS exercised its right to vote for five new Institutional Limited Partners Association (ILPA) Board of Directors at the meeting of June 6, 2023
 - Report of the Emerging Managers Networking Forum (EMNF) at LACERS on June 8, 2023
 - Future Agenda Items: Bank Custodian RFP, two investment manager contracts, and Private Equity Consultant Contract

Mr. June shared that Russian exposure for LACERS stands at \$3.386 million.

Commissioner Chao left the meeting at 11:45 a.m.

Items XI-C and XI-D were taken out of order

- C. TRAVEL AUTHORITY – ELLEN CHEN, INVESTMENT OFFICER II; PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI) INTERNATIONAL CONFERENCE, TOKYO, JAPAN; OCTOBER 2-6, 2023; AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer II, presented this item to the Board. Commissioner Sohn moved to include the cost of up to an additional \$200.00 for a seat selection for Ms. Chen’s travel to Tokyo, Japan. The following two resolutions were proposed and approved by the Board.

TRAVEL AUTHORITY

**ATTENDANCE TO PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI) INTERNATIONAL
CONFERENCE
OCTOBER 2-6, 2023
TOKYO, JAPAN**

Commissioner Sidley moved approval of the following Resolution:

RESOLUTION 230613-D

WHEREAS, Board approval is required for all international travel requests; and,

WHEREAS, the attendance to Principles for Responsible Investment (PRI) in Person International Conference requires international travel to Tokyo, Japan, and therefore requires approval; and,

WHEREAS, the request to attend the conference conforms to the LACERS Strategic Plan Board Governance Goal of upholding good governance practices which affirm transparency, accountability, and fiduciary duty.

NOW, THEREFORE, BE IT RESOLVED, that Ellen Chen, ESG Risk Officer, Investment Officer II is hereby authorized to travel to Tokyo, Japan to attend the PRI in Person International Conference, on October 3-5, 2023 (travel dates October 2-6, 2023).

BE IT FURTHER RESOLVED, that the reimbursement of up to \$4,000 for Ellen Chen, ESG Risk Officer, Investment Officer II is hereby authorized for reasonable expenses in connection with participation and will be applied to the 2023-24 Fiscal Year budget.

Which motion was seconded by Commissioner Huynh, and adopted by the following vote:
Ayes, Commissioners Huynh, Sidley, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

**TRAVEL AUTHORITY
ATTENDANCE TO PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI) INTERNATIONAL
CONFERENCE
OCTOBER 2-6, 2023
TOKYO, JAPAN**

Commissioner Sohn moved approval of the following Resolution:

RESOLUTION 230613-D

WHEREAS, Board approval is required for all international travel requests; and,

WHEREAS, the attendance to Principles for Responsible Investment (PRI) in Person International Conference requires international travel to Tokyo, Japan, and therefore requires approval; and,

WHEREAS, Board approved a request for a one-time exception approval to allow for up to \$200 airfare seat assignment in consideration of the length of the flight; and,

WHEREAS, the request to attend the conference conforms to the LACERS Strategic Plan Board Governance Goal of upholding good governance practices which affirm transparency, accountability, and fiduciary duty.

NOW, THEREFORE, BE IT RESOLVED, that Ellen Chen, ESG Risk Officer, Investment Officer II is hereby authorized to travel to Tokyo, Japan to attend the PRI in Person International Conference, on October 3-5, 2023 (travel dates October 2-6, 2023).

BE IT FURTHER RESOLVED, that the additional reimbursement of up to \$200 for airfare seat assignment for Ellen Chen, ESG Risk Officer, Investment Officer II is hereby authorized for reasonable expenses in connection with participation bringing the total reimbursement up to \$4,200, and will be applied to the 2023-24 Fiscal Year budget.

Which motion was seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Sidley, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

D. TRAVEL AUTHORITY – RODNEY JUNE, CHIEF INVESTMENT OFFICER; GOVERNMENT EMPLOYEES PENSION FUND (SOUTH AFRICA); THOUGHT LEADERSHIP CONFERENCE, CAPE TOWN, SOUTH AFRICA; OCTOBER 2-8, 2023; AND POSSIBLE BOARD ACTION – Commissioner Sohn moved approval of the following Resolution:

**TRAVEL AUTHORITY
ATTENDANCE TO THOUGHT LEADERSHIP CONFERENCE
OCTOBER 2-8, 2023
CAPE TOWN, SOUTH AFRICA**

RESOLUTION 230613-E

WHEREAS, Board approval is required for all international travel requests; and,

WHEREAS, the attendance to Thought Leadership Conference requires international travel to Cape Town, South Africa, and therefore requires approval; and,

WHEREAS, the request to attend the conference conforms to the LACERS Strategic Plan Board Governance Goal of upholding good governance practices which affirm transparency, accountability, and fiduciary duty.

NOW, THEREFORE, BE IT RESOLVED, that Rodney June, Chief Investment Officer, is hereby authorized to travel to Cape Town, South Africa to attend the Thought Leadership Conference, on October 4-6, 2023 (travel dates October 2-8, 2023).

BE IT FURTHER RESOLVED, that the reimbursement of up to \$950.00 for Rodney June, Chief Investment Officer, is hereby authorized for reasonable expenses in connection with participation and will be applied to the 2023-24 Fiscal Year budget.

Which motion was seconded by Commissioner Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Sidley, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

Anya Freedman, Assistant City Attorney, left the meeting at 12:42 p.m. and Joshua Geller, Deputy City Attorney, provided legal support for the remainder of the Board meeting.

- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING MARCH 31, 2023 – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board for 45 minutes.
- E. INVESTMENT COMMITTEE CHARTER REVIEW AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, presented this item to the Board. Commissioner Wilkinson moved approval, seconded Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Sidley, Sohn, Wilkinson, and Vice President Lee -5; Nays, None.

XII

OTHER BUSINESS – There was no other business.

XIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 27, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XIV

ADJOURNMENT – There being no further business before the Board, Vice President Lee adjourned the Meeting at 12:50 p.m.



Elizabeth Lee
Vice-President



Neil M. Guglielmo
Manager-Secretary