

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

October 24, 2023

10:03 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Sung Won Sohn
	Commissioners:	Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Janna Sidley 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 – President Chao asked if any persons wanted to make a general public comment to which there were six public comment cards received. The following members of the public made comments with respect to LACERS investment in Advent International and in support of restaurant/hotel workers: Jordan Fein, Carlos Moreira, Ana Salinas, Maria Tinoco, Brian Woods, and Felipe Laceres.

II

GENERAL MANAGER VERBAL REPORT

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

- Communication with General Partner Advent International
- Discretionary COLA Update
- 977 N. Broadway HQ Update
- Internal Audit Survey
- Monthly Benefit Payroll

- Retirement Services Division updates
- Health Benefit Administration updates
- Open Enrollment Update
- Kaiser Mental Health Services
- Anthem Member Rebate
- Wellness Champion Program
- Communications and Stakeholder Relations
- Upcoming Events

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

- Board Meeting of 11/14 - Actuarial Valuation for period ending 6/30/2023

Item I taken out of order and reopened.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – Jordan Fein, member of the public, made an additional comment and requested a copy of the letter that LACERS sent to Advent International and any response from Advent International to the letter.

III

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2023 – This report was received by the Board and filed.
- B. COMMISSIONER HUYNH EDUCATION EVALUATION ON INSTITUTIONAL INVESTOR 2023 ROUNDTABLE FOR CONSULTANTS & INSTITUTIONAL INVESTORS; CHICAGO, IL; OCTOBER 3-5, 2023 – This report was received by the Board and filed.

IV

Commissioner Wilkinson moved approval of Consent Agenda Item IV-A, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

CONSENT ITEM(S)

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

President Chao recessed the Regular Meeting at 10:43 a.m. to convene in Closed Session discussion.

V

CLOSED SESSION

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 (b): GENERAL MANAGER 2022-23 PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

President Chao reconvened the Regular Meeting at 11:30 a.m.

VI

BOARD/DEPARTMENT ADMINISTRATION

A. CONSIDERATION OF 2023 GENERAL MANAGER'S MERIT PAY AND POSSIBLE BOARD ACTION – Commissioner Sidley moved approval of the following Resolution:

**SALARY COMPENSATION FOR
GENERAL MANAGER
NEIL M. GUGLIELMO**

RESOLUTION 231024-A

WHEREAS, the Board of Administration has authorization to set the salary for the position of General Manager-LACERS; and

WHEREAS, the salary is consistent with the range allowable and set by City Council;

BE IT RESOLVED, that the Board of Administration approves a yearly salary at 5% higher than the current salary for Neil M. Guglielmo, General Manager, to be effective on July 1, 2023, pursuant to Charter Section 1108(c).

In addition, BE IT RESOLVED, that the Board of Administration directs staff to request the Mayor and City Council designate the LACERS General Manager's salary range be set at M-11.

Which motion was seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

B. LACERS 2022 ANTHEM BLUE CROSS MEDICAL, BLUE VIEW VISION, AND DELTA DENTAL PPO YEAR-END ACCOUNTING AND POSSIBLE BOARD ACTION – Commissioner Lee moved approval of staff's recommendation, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

C. COMMUNICATIONS & STAKEHOLDER RELATIONS DIVISION YEAR-END OVERVIEW AND HIGHLIGHTS – Taneda Larios, Chief Benefits Analyst, and Gabriel Perez, Benefits Analyst, presented and discussed this item with the Board for 20 minutes.

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 \$21.187 billion as of October 23, 2023. Mr. June discussed the following items:

- Policy update – Investment governance process evaluation
- Israel Exposure \$133 million
- China Exposure \$240 million, approximately \$24 million in technology
- Russia Exposure \$1.26 million, 0.6 basis points
- Report of the Government Employees Pension Fund of South Africa Conference
- Future Agenda Items: PRI Board Election and Ballot Measures, Notification of Commitment to a Private Markets Investment, Responsible Investment Policy and LACERS ESG Engagement Process

Commissioner Sidley left the meeting at 12:22 p.m.

B. CONSENT OF ASSIGNMENT OF ENERGY CAPITAL PARTNERS CONTRACT AND POSSIBLE BOARD ACTION – Commissioner Lee moved approval of the following Resolution:

**CONSENT TO ASSIGN CONTRACT WITH
ENERGY CAPITAL PARTNERS MANAGEMENT, L.P.**

RESOLUTION 231024-B

WHEREAS, LACERS has a private equity investment in Energy Capital Partners III, L.P., which is managed by Energy Capital Partners Management, L.P. (ECP); and,

WHEREAS, ECP has entered into an agreement to be acquired by Bridgepoint Group plc (Bridgepoint), a United Kingdom-based private asset investor; and,

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

WHEREAS, staff has conducted appropriate due diligence on the acquisition of ECP.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the assignment of LACERS' existing contract with ECP to Bridgepoint; 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 Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sohn, and President Chao -6; Nays, None.

Commissioner Sidley returned to the meeting at 12:23 p.m. President Chao recessed the regular meeting at 12:23 p.m. for a break. President Chao reconvened the regular meeting at 12:30 p.m.

C. PRESENTATION BY NEPC, LLC REGARDING ASSET ALLOCATION EDUCATION – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC presented and discussed this item with the Board for 1.5 hours.

VIII

OTHER BUSINESS – Commissioner Wilkinson requested future discussion on Active vs. Passive investments. Commissioner Sidley stated that she now agreed that the letter from LACERS to Advent International must remain confidential.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 14, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

X

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 1:46 p.m.

Annie Chao

Annie Chao
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary