

# APPROVED

## MINUTES OF A REGULAR MEETING OF THE BOARD OF INVESTMENTS

### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, NOVEMBER 8, 2023

*This meeting was conducted by the Board of Investments both in person and by teleconference under California Government Code Section 54953 (b), (f).*

*Teleconference Location for Trustees and the Public  
under California Government Code Section 54953(b)  
Omni Rancho Las Palmas Resort & Spa - 41000 Bob Hope Drive  
Rancho Mirage, CA 92270*

#### TRUSTEES PRESENT

Gina Sanchez, Chair

Herman Santos, Vice Chair

Joseph Kelly, Secretary

David Green

Jason Green

Onyx Jones

Patrick Jones (Teleconference under Section 54953(b))

Keith Knox

David Ryu

#### STAFF, ADVISORS, PARTICIPANTS:

Jonathan Gabel, Chief Investment Officer

Jude Perez, Deputy Chief Investment Officer

Steven P. Rice, Chief Counsel

STAFF, ADVISORS, PARTICIPANTS (Continued)

Luis Lugo, Deputy Chief Executive Officer

James Rice, Principal Investment Officer

Scott Zdrazil, Principal Investment Officer

Ted Granger, Interim Chief Financial Officer

Richard P. Bendall, Chief Audit Executive

Kristina Sun, Senior Internal Auditor

Kathryn Ton, Senior Investment Analyst

Dale Johnson, Investment Officer

Cheryl Lu, Investment Officer

Quoc Nguyen, Investment Officer

Mike Romero, Senior Investment Analyst

Cindy Rivera, Investment Officer

Pushpam Jain, Investment Officer

Mel Tsao, Senior Investment Analyst

Inga Tadevosyan, Investment Analyst

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

Aysun Kilic, Managing Principal

Zach Stevens, Senior Vice President

STAFF, ADVISORS, PARTICIPANTS (Continued)

Albourne

Mark White, Partner

Nossaman LLP

Ashley K. Dunning, Fiduciary Counsel

StepStone Group LP (Private Equity Consultants)

Natalie Walker, Partner

Jose Fernandez, Partner

StepStone Group LP (Real Assets Consultants)

Margaret McKnight, Partner

Milliman

Craig Glyde, Consulting Actuary

I. CALL TO ORDER

The meeting was called to order by Chair Sanchez at 9:00 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee D. Green led the Trustees and staff in reciting the Pledge of Allegiance.

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

There was nothing to report. No trustees participated under Section 54953(f).

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of October 11, 2023

IV. APPROVAL OF MINUTES (Continued)

A motion was made by Trustee D. Green, seconded by Trustee Kelly, to approve the minutes of the Board of Investments meetings of October 11, 2023. The motion passed by following roll call vote:

Yes: Knox, O. Jones, Santos, P. Jones, D. Green, Ryu, Kelly, Sanchez, J. Green

No: None

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE

A. Chief Investment Officer's Report

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report and answered questions from the Board.

B. Member Spotlight

Mr. Lugo recognized LACERA member, Tyrone Brown.

C. Chief Executive Officer's Report

Mr. Lugo provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board.

VII. NON-CONSENT ITEMS

A. **Actuarial Consulting and Actuarial Auditing Services Request for Proposal**

Recommendation as submitted by Jude Pérez, Deputy Chief Investment Officer, Ted Granger, Interim Chief Financial Officer, Richard P. Bendall, Chief Audit Executive, Kristina Sun, Senior Internal Auditor and Kathryn Ton, Senior Investment Analyst: That the

VII. NON-CONSENT ITEMS (Continued)

Board approve the proposed search criteria for an actuarial consulting and actuarial auditing services Request for Proposal.  
(Presentation) (Memo dated October 24, 2023)

A motion was made by Trustee Kelly, seconded by Trustee D. Green, to approve staff's recommendation. The motion passed by the following roll call vote: The motion passed by following roll call vote:

Yes: Knox, O. Jones, Santos, P. Jones, D. Green, Ryu, Kelly, Sanchez, J. Green

No: None

**B. Board Approval of Appointment to a Special Step Placement for the CEO's Proposed Appointee for Senior Staff Counsel, LACERA (Benefits) – Jean J. Kim**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board approve the appointment to a Special Step Placement for the Chief Executive Officer's proposed appointee for the position of Senior Staff Counsel, LACERA (Benefits) – Jean J. Kim LS 16 (Step 18, \$274,297.32/annual).  
(Memo dated October 25, 2023)

A motion was made by Trustee Santos, seconded by Trustee D. Green, to approve staff's recommendation. The motion passed by the following roll call vote: The motion passed by following roll call vote:

Yes: Knox, O. Jones, Santos, P. Jones, D. Green, Ryu, Kelly, Sanchez, J. Green

No: None

VIII. REPORTS

**A. Governance Review and Delegated Authority Framework**

Jonathan Grabel, Chief Investment Officer  
Jude Pérez, Deputy Chief Investment Officer  
Scott Zdrazil, Principal Investment Officer

VIII. REPORTS (Continued)

Tim Filla, Managing Partner, Meketa Investment Group  
Cheryl Lu, Investment Officer  
Quoc Nguyen, Investment Officer  
Cindy Rivera, Investment Officer  
(Presentation) (Memo dated October 31, 2023)

Mr. Zdrazil, Ms. Dunning of Nossaman and Mr. Filla of Meketa

Investment Group provided a presentation and answered questions from the Board.

A motion was made by Trustee Santos, seconded by Trustee J. Green, (1.) to approve the draft revised Investment Policy Statement, with two modifications to reference the Chief Investment Officer's role to make any appropriate recommendations and to oversee an annual self-evaluation for internal investment committees, and (2.) to eliminate the existing *Power Reserved and Delegated Authorities* and *Powers Reserved Defined* policies. The motion passed by the following roll call vote:

Yes: Knox, O. Jones, Santos, P. Jones, D. Green, Ryu, Kelly, Sanchez, J. Green

No: None

**B. Climate-Aware Strategic Asset Allocation**

Scott Zdrazil, Principal Investment Officer  
Dale Johnson, Investment Officer  
Tim Filla, Managing Principal, Meketa Investment Group  
Zach Stevens, Senior Vice President, Meketa Investment Group  
(Presentation) (Memo dated October 27, 2023)

Messrs. Zdrazil, Johnson and Messrs. Filla, Stevens of Meketa

Investment Group provided a presentation and answered questions from the Board. This item was received and filed.

VIII. REPORTS (Continued)

C. **Responsible Contractor Policy Annual Report**

Scott Zdrazil, Principal Investment Officer  
James Rice, Principal Investment Officer  
Mike Romero, Senior Investment Analyst  
(Presentation) (Memo dated October 20, 2023)

Messrs. Zdrazil, Rice and Romero provided a presentation and answered questions from the Board. This item was received and filed.

D. **PEPRA Impact**

Santos H. Kreimann, Chief Executive Officer  
Ted Granger, Interim Chief Financial Officer  
Nick Collier, Consulting Actuary, Milliman  
Craig Glyde, Consulting Actuary, Milliman  
(For Information Only) (Memo dated October 23, 2023)

This item was received and filed.

E. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Office  
(For Information Only) (Memo dated October 18, 2023)

This item was received and filed.

F. **Legal Projects**

Christine Roseland, Senior Staff Counsel  
(For Information Only) (Memo dated October 30, 2023)

This item was received and filed.

G. **Tier I Merit Salary Adjustment and Tier II Step Advancement**

Santos H. Kreimann, Chief Executive Officer  
(For Information Only) (Memo dated October 25, 2023)

This item was received and filed.

VIII. REPORTS (Continued)

H. **Semi-Annual Interest Crediting for Reserves as of June 30, 2023 (AUDITED)**

Ted Granger, Interim Chief Financial Officer  
(For Information Only) (Memo dated October 24, 2023)

This item was received and filed.

I. **Monthly Trustee Travel & Education Reports – September 2023**

Ted Granger, Interim Chief Financial Officer  
(Public memo dated October 19, 2023)  
(Confidential memo dated October 19, 2023 - Includes Pending Travel)

This item was received and filed.

J. **October 2023 Fiduciary Counsel Contract and Billing Report**

Steven P. Rice, Chief Counsel  
(For Information Only) (Memo dated October 23, 2023)  
(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

This item was received and filed.

IX. ITEMS FOR STAFF REVIEW

There were no items to report.

X. ITEMS FOR FUTURE AGENDAS

Trustee Santos request for staff to agendize a discussion at the next Joint Organizational Governance Committee meeting regarding revising he County Ordinance on to eliminate the limitation on the Chief Executive Officer's salary delegation authority by which approval of both Board must be obtained for new external MAPP hires above Level 12.

XI. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.



## XII. EXECUTIVE SESSION

- A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments (Pursuant to California Government Code Section 54956.81)

1. **Real Assets Emerging Manager Program**

James Rice, Principal Investment Officer

Pushpam Jain, Investment Officer

Cindy Rivera, Investment Officer

Mel Tsao, Senior Investment Analyst

Inga Tadevosyan, Investment Analyst

(Presentation) (Memo dated October 20, 2023)

This item was pulled from the agenda and will be presented at a future meeting.

2. **Real Estate Portfolio**

James Rice, Principal Investment Officer

Amit Aggarwal, Investment Officer

Mike Romero, Senior Investment Analyst

(For Information Only) (Memo dated October 24, 2023)

There is nothing to report.

- B. Potential Threats to Public Services or Facilities (Pursuant to Subdivision (a) of California Government Code Section 54957) (Confidential Memo dated October 31, 2023)

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, Assistant Executive Officers JJ Popowich and Laura Guglielmo, Information Security Officer Chaitanya Errande, Chief, Information Technology Kathy Delino, and Other LACERA Staff.

There is nothing to report.

- C. Public Employee Performance Evaluation (Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

Title: Chief Counsel

There is nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:20 p.m.

*Signature on File*

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HERMAN SANTOS, SECRETARY

*Signature on File*

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PATRICK JONES, CHAIR

