

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

May 28, 2024

10:10 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:	Todd Bouey
	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 three public comment cards received. The following members of the public made public comments with respect to LACERS' investment in Advent International and Oaktree Capital Management and in support of restaurant/hotel workers: Jordan Fein, Edward Diaz, and Lourdes Acosta.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Executive Officer, advised the Board of the following items:
- Emergency Preparedness
 - City Human Resources & Payroll System Update
 - Benefits Operations Update
- B. UPCOMING AGENDA ITEMS – Todd Bouey, Executive Officer, advised the Board of the following items:
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- Board Meeting on June 11, 2024:
- Recommendations for contract awards for Printing, Mailing, Website, Graphic Design, and Videography Services
- LACERS 2024 Strategic Plan
- Benefits Administration Committee in June
- Health Management Dashboard

III

RECEIVE AND FILE ITEMS

- MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR APRIL 2024 – This report was received by the Board and filed.
- COMMISSIONER THUY HUYNH EDUCATION EVALUATION ON INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEFP) WHARTON SCHOOL PORTFOLIO CONCEPTS AND MANAGEMENT COURSE; MAY 6-9, 2024; PHILADELPHIA, PA – This report was received by the Board and filed.
- COMMISSIONER JANNA SIDLEY EDUCATION EVALUATION ON INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEFP) WHARTON SCHOOL PORTFOLIO CONCEPTS AND MANAGEMENT COURSE; MAY 6-9, 2024; PHILADELPHIA, PA – This report was received by the Board and filed.
- COMMISSIONER SUNG WON SOHN EDUCATION EVALUATION ON STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS) SPRING CONFERENCE; MAY 7-10, 2024; SANTA BARBARA, CA – This report was received by the Board and filed.
- ANNUAL CONTRACTOR DISCLOSURE COMPLIANCE REPORT FOR THE YEAR ENDED DECEMBER 31, 2023 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

- INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 14, 2024 – Commissioner Lee stated the Committee approved the Real Estate Fiscal Year 2024-25 Plan and Adaptive Asset Allocation Policy and Status Report.
- BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 28, 2024 – Commissioner Wilkinson stated the Committee was presented with Health Plan Financial Dashboards and Healthcare Trends. The report was received by the Committee and filed.

V

Commissioner Sidley moved approval of Consent Agenda Items V-A and V-B, seconded by Commissioner Wilkinson, 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 DISABILITY RETIREMENT APPLICATION OF AMY CASE AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR AMY CASE**

RESOLUTION 240528-A

WHEREAS, the General Manager presented certain medical reports and other evidence and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1 and 2 examined and concluded Amy Case is unable to perform her usual and customary duties as a Police Service Representative with the City of Los Angeles;

WHEREAS, notwithstanding, Physician 3 examined and concluded Amy Case can perform her usual and customary duties as a Police Service Representative with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Amy Case is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing her duties as a Police Service Representative;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Amy Case based upon her claimed disabling condition.

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CHONGSUP LEE AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR CHONGSUP LEE**

RESOLUTION 240528-B

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1 and 2 examined and concluded Chongsup Lee is unable to perform his usual and customary duties as a Wastewater Collection Worker II with the City of Los Angeles;

WHEREAS, notwithstanding, Physician 3 examined and concluded Chongsup Lee is able to perform his usual and customary duties as a Wastewater Collection Worker II with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Chongsup Lee is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing his duties as a Wastewater Collection Worker II;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Chongsup Lee based upon his claimed disabling condition.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2024-25 AND POSSIBLE BOARD ACTION – Todd Bouey, Executive Officer, Edwin Avanesian, Chief Management Analyst, and Lisa Li, Management Analyst, presented and discussed this item with the Board for 35 minutes. Edwin Avanesian stated that staff is requesting an amendment for an additional \$600,000 for the Human Resources and Payroll (HRP) Post Go-Live Costs. Commissioner Sidley moved approval, 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.

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 \$23.13 billion as of May 27, 2024; and Volatility Index at 12.51. Rod June discussed the following items:
- OPERATIONAL
 - a. T+1 Settlement, Effective May 28, 2024 - Staff reached out to the LACERS Investment Managers in advance to exercise caution around the new settlement requirements.
 - b. Staff is working on an allocation plan to deploy the increased City contribution now at \$850 million.
 - GLOBAL ISSUES - No material changes in valuation for Russia, Ukraine, China/China Tech, and Israel.
 - ESG, DEI, EM - CIO notified Board that LACERS' proxy voting agent voted for the entire slate of ExxonMobil board directors. Staff will conduct a review of the proxy ballot results of the board election and return to the Governance Committee with its findings and any recommendations regarding LACERS proxy voting and engagement processes.
 - FUTURE AGENDA ITEMS:
 - a. Total Fund Portfolio Performance Review for period ending March 31, 2024
 - b. Townsend Holdings LLC Consent of Contract

- B. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2023 – Jessica Chumak, Investment Officer I, Chae Hong, Partner, and Haya Dawai, Investment Associate, with The Townsend Group, presented and discussed this item with the Board for 10 minutes. After discussion, the report was received by the Board and filed.
- C. REAL ESTATE FISCAL YEAR 2024-25 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Jessica Chumak, Investment Officer I, Chae Hong, Partner, and Haya Dawai, Investment Associate, with The Townsend Group, presented and discussed this item with the Board for 10 minutes. Commissioner Lee moved approval, 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.
- D. ADAPTIVE ASSET ALLOCATION POLICY AND STATUS REPORT AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, and James Wang, Investment Officer I, presented and discussed this item with the Board for 8 minutes. Commissioner Lee moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

VIII

OTHER BUSINESS – There was no other business.

IX


NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 11, 2024, 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 11:55 a.m.

Annie Chao

Annie Chao
President



Todd Bouey
Manager-Secretary