

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

June 11, 2024

10:08 a.m.

PRESENT:	President:	Annie Chao
	Commissioners:	(arrived at 11:26 a.m.) Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Vice President:	Sung Won Sohn
	Commissioner:	Janna Sidley

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 four 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: Natasha Wong, Eddie Diaz, Lourdes Acosta, and Nicole Pompilus.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Human Resources and Payroll (HRP) update
 - City Budget
 - Annual Evaluation for General Manager
 - Benefit Operations Update

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

- Board Meeting on June 25, 2024:
- Discussion on Policy Regarding Temporary Presiding Officers for Board Meetings
- Benefits Administration Committee Meeting on June 25, 2024: Health Management Dashboard

III

RECEIVE AND FILE ITEMS

- A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- C. COMMISSIONER GAYLORD “RUSTY” ROTEN EDUCATION EVALUATION ON NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS) TRUSTEE EDUCATIONAL SEMINARS; MAY 18-19, 2024; SEATTLE, WA – This report was received by the Board and filed.
- D. COMMISSIONER ANNIE CHAO EDUCATION EVALUATION ON NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS) ANNUAL CONFERENCE AND EXHIBITION; MAY 19-22, 2024; SEATTLE, WA – This report was received by the Board and filed.
- E. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING MARCH 31, 2024 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 28, 2024 – Commissioner Wilkinson stated the Committee discussed the Governance Policy regarding temporary presiding officers for Board meetings. The Committee recommended two choices for the Board to consider.

V

Commissioner Wilkinson moved approval of Consent Agenda Item V-A, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Lee, Roten, Wilkinson, and President Chao -4. Nays, None.

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF MAY 14, 2024 AND POSSIBLE BOARD ACTION

BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS AND TRAINING AND TRAVEL PROGRAM FOR FISCAL YEAR 2024-25 AND POSSIBLE BOARD ACTION – Ani Ghoukassian, Commission Executive Assistant II, presented and discussed this item with the Board for 7 minutes. President Chao recommended adding language to the Board education list that states that any international travel and/or if costs exceed the \$10,000 per Commissioner rate must be presented to the Board for approval even if on the Pre-Approved list. Commissioner Wilkinson moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Lee, Roten, Wilkinson, and President Chao -4; Nays, None.
- B. PROPOSED LACERS 2024 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Neil Guglielmo, General Manager, Todd Bouey, Executive Officer, Diane Lee, Emile Galatas, and Martin Rogulja, Consultants, with Ernst & Young LLP, presented and discussed this item with the Board for 25 minutes. Board Members provided direction to staff and requested this item be brought back to the Board for consideration.
- C. PRINTING, MAILING, WEBSITE, GRAPHIC DESIGN, AND VIDEOGRAPHY CONTRACT AWARDS AND POSSIBLE BOARD ACTION – Carlos Jovel Jr., Benefit Analyst, and Tiffany Obembe, Senior Benefits Analyst I, presented and discussed this item with the Board for five minutes. Commissioner Lee moved approval of the following resolution:

**AUTHORIZATION TO CONTRACT WITH FOREFRONT GROUP CORP.,
KES MAIL, INC., SHOWREEL INTERNATIONAL, STRAW TO GOLD, BC
DESIGN HAUS, AND GRAPHIC TALENT, INC. FOR PRINTING,
MAILING, WEBSITE, GRAPHIC DESIGN, AND/OR VIDEOGRAPHY
SERVICES**

RESOLUTION 240611-A

WHEREAS, on February 26, 2024, the Board authorized the issuance of a Request for Proposal to identify qualified outside Printing, Mailing, Website, and Graphic Design services providers;

WHEREAS, on April 12, 2024, twenty-one firms responded to the Printing, Mailing, Website, Graphic Design, and Videography Request for Proposal;

WHEREAS, on June 11, 2024, based on the staff's recommendation, after evaluating the submitted written proposals, the Board approved contracts with each of the following vendors on an as-needed basis and a not to exceed amount for three-year terms: Forefront Group Corp., KES Mail, Inc., Showreel International, Straw to Gold, BC Design Haus, and Graphic Talent, Inc., to provide Printing, Mailing, Website, Graphic Design, and/or Videography;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the General Manager to negotiate and execute three-year contracts with Forefront Group Corp., KES Mail, Inc., Showreel International, Straw to Gold, BC Design Haus, and Graphic Talent, Inc. for Printing, Mailing, Website, Graphic Design, and Videography.

Company Name: Graphic Talent, Inc.
Service Provided: Graphic Design, as needed
Effective Dates: July 1, 2024, through June 30, 2027
Duration: Three Years
Total Amount: \$150,000

Company Name: BC Design Haus, Inc.
Service Provided: Graphic Design & Website, as needed
Effective Dates: July 1, 2024, through June 30, 2027
Duration: Three Years
Total Amount: \$150,000

Company Name: Straw to Gold
Service Provided: Graphic Design, Website, & Videography, as needed
Effective Dates: July 1, 2024, through June 30, 2027
Duration: Three Years
Total Amount: \$150,000

Company Name: KES Mail, Inc.
Service Provided: Printing & Mailing, as needed
Effective Dates: July 1, 2024, through June 30, 2027
Duration: Three Years
Total Amount: \$180,000

Company Name: Forefront Group, Corp.
Service Provided: Videography, as needed
Effective Dates: July 1, 2024, through June 30, 2027
Duration: Three Years
Total Amount: \$45,000

Company Name: Showreel International
Service Provided: Videography, as needed
Effective Dates: July 1, 2024, through June 30, 2027
Duration: Three Years
Total Amount: \$45,000

Which motion was seconded by Commissioner Wilkinson and adopted by the following vote: Ayes, Commissioners Lee, Roten, Wilkinson, and President Chao -4; Nays, None.

VII

Commissioner Huynh arrived at 11:26 a.m.

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 \$23.06 billion as of June 10, 2024; and Volatility Index at 13.24. Rod June discussed the following items:

- INDUSTRY
 - a. U.S. Fifth Circuit Court of Appeals vacated the Private Fund Advisers Rule on June 5, 2024
 - b. T+1 and Securities Lending Update; no issues have surfaced within the LACERS portfolio
- POLICY
 - Investment Governance Processes Update
- OPERATIONAL
 - a. EAM – US Small Cap Growth Equities – On watch as of end of May 2024 for performance reasons
 - b. LAZARD – Non-US Developed Markets Equities – On watch as of May 2024 for performance reasons
 - c. Staff voted for the slate of five ILPA Board Directors on behalf of the Board; all five directors were elected to the ILPA Board
- GLOBAL ISSUES
 - a. Changes in Valuation for Russia, Ukraine, China/Tech, Israel - No material valuation changes
 - b. Possible Russian seizure of foreign assets to pay for war damage in Russia – LACERS has \$606K current exposure to Russia; staff will monitor
- FUTURE AGENDA ITEMS
 - a. Investment Manager Contract Renewal
 - b. Private Equity Performance Review for the period ending Dec 31, 2023
 - c. Private Equity Fund Notifications
 - d. Real Estate Opportunity

- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING MARCH 31, 2024 – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board for 25 minutes.
- C. CONSENT OF ASSIGNMENT OF TOWNSEND HOLDINGS LLC CONTRACT AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, Jessica Chumak, Investment Officer I, presented and discussed this item with the Board for five minutes. Commissioner Lee moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, and President Chao -5; Nays, None.

President Chao recessed the meeting for a break from 12:06 p.m. to 12:11 p.m.

VIII

President Chao reconvened the Regular meeting at 12:11 p.m. to convene in closed session.

LEGAL/LITIGATION

A. ANNUAL LITIGATION REPORT

1. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a), (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE FOLLOWING TWO (2) CASES, AND POSSIBLE BOARD ACTION:

a. American Federation of State, County, and Municipal Employees et al. v. City of Los Angeles et al. (LASC, Case No. BS 166535);

b. Crawley v. Los Angeles City Employees' Retirement System, City of Los Angeles (U.S.D.C. C.D. Cal. Case No. 24-CV-00638); and

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION ONE (1) CASE AND POSSIBLE BOARD ACTION

President Chao reconvened the Regular meeting at 12:28 p.m.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 25, 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XI

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:28 p.m.

Annie Chao

Annie Chao
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary