

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

June 25, 2024

10:10 a.m.

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| PRESENT: | 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 |
| ABSENT: | President: | Annie Chao |

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 Sohn asked if any persons wanted to make a general public comment to which there were no public comment cards received.

II

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Executive Officer, advised the Board of the following items:

- Commissioner's New Terms – Commissioner Annie Chao and Commissioner Janna Sidley
- Human Resources and Payroll system update
- Insurance Renewals
- HQ
- Charter Amendment on the November 5, 2024 Ballot
- Benefit Operations Update

B. UPCOMING AGENDA ITEMS – Todd Bouey, Executive Officer, advised the Board of the following items:

- Board Meeting on July 23, 2024: General Manager Designee Signature Authority and Election of Board Officers for Fiscal Year 2024-25
- Board & Benefits Administration Committee – Dental and Vision RFP Reports

III

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MAY 2024 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 11, 2024 – Commissioner Lee stated the Committee approved the contract with Polen Capital Credit, LLC and Continued Discussion of Investment Governance and Review Processes Proposed Policy.
- B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 25, 2024 – Commissioner Wilkinson stated the Committee was presented with Verbal Update on 2025 Health Plan Contract Renewals and Health Management Data Report.

V

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

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF MAY 28, 2024 AND POSSIBLE BOARD ACTION
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF BRANDON GREEN AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR BRANDON GREEN**

RESOLUTION 240625-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, 2, and 3 examined and concluded Brandon Green is unable to perform his usual and customary duties as a Warehouse and Toolroom Worker I 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 Brandon Green is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing his duties as a Warehouse and Toolroom Worker I;

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 Brandon Green based upon his claimed disabling conditions.

C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF MARIZALINA MELLENDREZ
AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR MARIZALINA MELLENDREZ**

RESOLUTION 240625-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, 2, and 3 examined and concluded Marizalina Mellendrez is unable to perform her usual and customary duties as a Senior Management Analyst I 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 Marizalina Mellendrez is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing her duties as a Senior Management Analyst I;

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 Marizalina Mellendrez based upon her claimed disabling condition.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. DISCUSSION OF BOARD GOVERNANCE POLICY REGARDING TEMPORARY PRESIDING OFFICERS FOR BOARD MEETINGS AND POSSIBLE BOARD ACTION – Vice President Sohn stated this item will be tabled until President Chao returns.

- B. PROPOSED LACERS 2024 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Todd Bouey, Executive Officer, presented and discussed this item with the Board for 10 minutes. Commissioner Sidley moved approval, seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, and Vice President Sohn -6; 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 \$23.197 billion as of June 24, 2024; and Volatility Index at 13.37. Rod June discussed the following items:
- VALUATION
 - a. Preliminary fiscal year return through last week is 8.8%.
 - POLICY
 - a. Staff has conducted a thorough review of the Proxy Policy with LACERS proxy voting agent ISS; staff recommends no changes
 - OPERATIONAL
 - a. Update on real estate consultant's proposed key persons for LACERS account: staff plans to recommend to the Board one of three proposed key persons; have the Board meet the key person in person at a future Board meeting and approve staff's recommended key person; and seek the Board's formal approval in order to amend the contract to remove Chae Hong and add the approved key person.
 - GLOBAL ISSUES
 - a. Update on exposure to Russia, Ukraine, China/Tech, Israel – no material changes in valuation.
 - FUTURE AGENDA ITEMS
 - a. Travel Authority for Ellen Chen to attend PRI conference
 - b. Investment Governance Processes
 - c. Annual Emerging Manager Report
 - ANNOUNCEMENTS
 - a. Girls Who Investment Intern, Monae Gant, starts next week and will be with LACERS into August 2024. Jeremiah Paras, Investment Officer II, is her supervisor.

Item VII-C taken out of order

- C. PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2023 – Trevor Jackson, Managing Director, and Jeff Goldberger, Managing Director, with Aksia LLC presented and discussed this with the Board for 45 minutes.
- B. INVESTMENT MANAGER CONTRACT WITH POLEN CAPITAL CREDIT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO AND POSSIBLE BOARD ACTION – Commissioner Lee moved approval of the following resolution:

**CONTRACT EXTENSION
POLEN CAPITAL CREDIT, LLC
ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO
MANAGEMENT**

RESOLUTION 240625-C

WHEREAS, LACERS' current one-year contract extension with Polen Capital Credit, LLC (Polen Credit) for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio expires on August 31, 2024; and,

WHEREAS, Polen Credit is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract extension with Polen Credit will allow the LACERS total portfolio to maintain a diversified exposure to the active high yield fixed income and U.S. floating rate bank loan markets; and,

WHEREAS, on June 25, 2024, the Board approved the Investment Committee's recommendation to approve a two-year contract extension with Polen Credit.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

| | |
|---------------------------------------|---|
| <u>Company Name:</u> | Polen Capital Credit, LLC |
| <u>Service Provided:</u> | Active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Loan Portfolio Management |
| <u>Effective Dates:</u> | September 1, 2024 through August 31, 2026 |
| <u>Duration:</u> | Two years |
| <u>Benchmark:</u> | 50% of the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and 50% of the Credit Suisse Leveraged Loan Index |
| <u>Allocation as of May 31, 2024:</u> | \$265 million |

Which motion was seconded by Commissioner Roten and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, and Vice President Sohn -6; Nays, None.

- D. NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN BUILDERS VC FUND III, L.P.
– This report was received by the Board and filed.
- E. NOTIFICATION OF COMMITMENT OF UP TO \$33.34 MILLION IN SPARK CAPITAL GROWTH FUND V, L.P. – This report was received by the Board and filed.

- F. NOTIFICATION OF COMMITMENT OF UP TO \$16.66 MILLION IN SPARK CAPITAL VIII, L.P.
– This report was received by the Board and filed.
- G. NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN SK CAPITAL VI-A, L.P. – This
report was received by the Board and filed.

VIII


OTHER BUSINESS – There was no other business.

IX

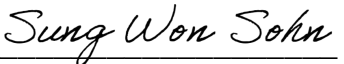
NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 9, 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

X

ADJOURNMENT – There being no further business before the Board, Vice President Sohn adjourned the Meeting at 11:29 a.m.



Todd Bouey
Manager-Secretary



Sung Won Sohn
Vice President