

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

September 24, 2024

10:05 a.m.

PRESENT:	President:	Annie Chao
	Vice President	Janna Sidley
	Commissioners:	Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Sung Won Sohn
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Erin Knight
ABSENT:	Commissioner:	Michael R. Wilkinson

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 no public comment cards received.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Social Security Farness Act
 - Human Resources Payroll (HRP) Update
 - Investments Return for FY 23/24
 - Benefit Operations Update
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
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- Board Meeting on October 8, 2024, and Benefits Administration Committee: 2023 Anthem Blue Cross Medical, Blue View Vision, and Delta Dental PPO Year End Accounting
- Anthem and Carelon representatives to present

III

RECEIVE AND FILE ITEMS

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

IV

Commissioner Roten moved approval of Consent Agenda Item IV-A, and seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Vice President Sidley, and President Chao -6. Nays; None.

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF AUGUST 27, 2024 AND POSSIBLE BOARD ACTION

V

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON SEPTEMBER 10, 2024 – Commissioner Lee stated the Committee discussed the Proxy Voting Activity Report for the Period July 1, 2023 to June 30, 2024.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. ASSUMPTIONS FOR THE JUNE 30, 2024 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION – Andy Yeung, Vice President and Actuary with Segal, and Mehdi Riazi, Vice President & Consulting Actuary with Segal, presented and discussed this item with the Board for 20 minutes. Commissioner Lee moved approval, seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Vice President Sidley, and President Chao -6. Nays; None.

VII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.79 billion as of September 23, 2024; and Volatility Index at 15.95. Rod June discussed the following items:

INDUSTRY

- a. Fed cuts rates by 50 bps last week with further cuts in 2025 and 2026

POLICY

- a. Adjustments to the Responsible Investment Policy are under review
- b. Adjustments to the Investment Policy are under review

GLOBAL ISSUES

- a. Russia exposure is at \$470,215 down from \$622,715 as of September 9, 2024
- b. No material changes in valuation for Ukraine, China/Tech, Israel

FUTURE AGENDA ITEMS

- a. Notification of a private market opportunity
- b. Private Credit Notifications

ANNOUNCEMENTS

- a. CIO attending the Investment Diversity Advisory Council Summit this week

- B. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner, and Kevin Novak, Principal with NEPC, LLC, presented and discussed the item with the Board for 1 hour and 40 minutes. After discussion, the Board took no action.
- C. NOTIFICATION OF COMMITMENT OF UP TO \$150 MILLION IN HARBOURVEST BROADWAY CO-INVESTMENT L.P. – This report was received by the Board and filed.
- D. NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN KLC FUND II LP – This report was received by the Board and filed.
- E. NOTIFICATION OF COMMITMENT OF UP TO \$60 MILLION IN THOMA BRAVO DISCOVER FUND V, L.P. AND THOMA BRAVO DISCOVER FUND V-P, L.P. – This report was received by the Board and filed.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$65 MILLION IN THOMA BRAVO FUND XVI, L.P. AND THOMA BRAVO FUND XVI-P, L.P. – This report was received by the Board and filed.

President Chao recessed the Regular meeting at 12:43 p.m. to convene in closed session.

- G. **CLOSED SESSION IN PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT IN PRINCIPAL DATA CENTER GROWTH & INCOME FUND, L.P. AND POSSIBLE BOARD ACTION**

President Chao reconvened the Regular meeting at 12:45 p.m.

VIII

President Chao recessed the Regular meeting at 12:46 p.m. to convene in closed session.

LEGAL/LITIGATION

- A. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE**

**CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,
LOCAL 18 V. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE
NO. 24STCP02171)**

Vice President Sidley left the meeting at 2:01 p.m.

President Chao reconvened the Regular meeting at 2:05 p.m.

IX

OTHER BUSINESS – Commissioner Sohn asked for a brief update on the meeting of President Chao, Vice President Sidley, LACERS HR Staff and Mayor’s Chief of Staff to discuss General Manager Salary rating. President Chao stated that the meeting occurred and Mayor’s staff received the information provided but there was no action taken at this time.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 8, 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 2:07 p.m.

Annie Chao

Annie Chao
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary