

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

October 22, 2024

10:02 a.m.

PRESENT:	President:	Annie Chao
	Vice President	Janna Sidley
	Commissioners:	Thuy Huynh Gaylord "Rusty" Roten Michael R. Wilkinson
	Legal Counselor:	Joshua Geller
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioners:	Elizabeth Lee Sung Won Sohn

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:
- Emergency Preparedness
 - HRP Technology Update
 - HRP Excess Benefits
 - LACERA v. Los Angeles County
 - Benefit Operations Update

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

- Board Meeting on November 12, 2024: Actuarial Valuations and Asset Allocation

III

RECEIVE AND FILE ITEMS

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

IV

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON OCTOBER 8, 2024 – Commissioner Roten stated the Committee was provided with a presentation by Northern Trust and conferred in Closed Session.
- B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON OCTOBER 22, 2024 – Commissioner Wilkinson stated the Committee approved the Triennial Board Policy Review: Article I, Section 1.4, Article II, Section 5.2, Article I, Section 4.1, and Article II, Section 2.1.

President Chao took Item VI-A out of order to take it under consideration with the Consent Item(s), Item V.

President Chao asked if there were any public comments pertaining to Item VI-A and there were none.

Commissioner Wilkinson moved approval of Consent Agenda Item V-A and Item VI-A, and seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Roten, Wilkinson, Vice President Sidley, and President Chao -5. Nays; None.

V

CONSENT ITEM(S)

A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 24, 2024 AND POSSIBLE BOARD ACTION

VI

A. TRAVEL AUTHORITY – COMMISSIONER JANNA SIDLEY; TITAN INVESTORS – THE SAN FRANCISCO INSTITUTIONAL EXCHANGE, SAN FRANCISCO, CA; NOVEMBER 20, 2024 AND POSSIBLE BOARD ACTION

TRAVEL AUTHORITY

TITAN INVESTORS - THE SAN FRANCISCO INSTITUTIONAL EXCHANGE
NOVEMBER 20, 2024
SAN FRANCISCO, CA

RESOLUTION 241022-A

WHEREAS, Board approval is required for all travel not included in the Approved List of Educational Seminars;

WHEREAS, the Titan Investors, San Francisco Institutional Exchange, in San Francisco, CA is not included in the Approved List of Educational Seminars, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Sidley is hereby authorized to attend the Titan Investors – The San Francisco Institutional Exchange, on November 20, 2024, in San Francisco, CA;

THEREFORE, BE IT RESOLVED, that Titan Investors will reimburse LACERS the costs associated with attendance including flight, lodging, transportation costs (taxi/Uber), and any applicable costs.

BE IT FURTHER RESOLVED, that the reimbursement of up to \$946.50 for Commissioner Sidley is hereby authorized for reasonable expenses in connection with participation.

Which motion was seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Roten, Wilkinson, Vice President Sidley, and President Chao -5; Nays, None.

VII

DIVISION SPOTLIGHT

- A. PERFORMANCE UPDATE – A FIVE YEAR LOOKBACK – COMMUNICATIONS AND STAKEHOLDER RELATIONS DIVISION (CSRD) – Taneda Larios, Chief Benefits Analyst, and Heather Ramirez, Senior Benefits Analyst II, presented and discussed this item with the Board for eighteen minutes.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Investment Officer III, reported on the portfolio value of \$24.7 billion as of October 21, 2024; and Volatility Index at 18.9. Wilkin Ly discussed the following items:
- Update on the markets.
 - Investments in Israel, Russia, Ukraine, and China did not have any material market value changes. (Russia \$470k, Ukraine \$7.5M, China \$271M, China tech \$20M, Israel \$157M)
 - Hightower Holding, a Chicago-based wealth management firm, has agreed to acquire a majority stake in NEPC.

- Enayet Malwa has left Northern Trust and will now be replaced by Todd Wandell on the relationship management side. Brad Peterson is still on the account on the trading side.
 - Future board agenda items are discussion of the asset allocation with NEPC at the next board meeting, real estate performance review as of Q2 2024, consent items for NEPC and Monroe Capital, and key person replacement with NEPC.
- B. CONTRACT WITH CEM BENCHMARKING INC. AND POSSIBLE BOARD ACTION – Wilkin Ly, Investment Officer III, Ricky Mulawin, Management Analyst, presented and discussed this item with the Board for 8 minutes. Vice President Sidley moved approval of the following Resolution:

**CONTRACT FOR
CEM BENCHMARKING INC.
INVESTMENT BENCHMARKING SERVICES**

RESOLUTION 241022-B

WHEREAS, the CEM Benchmarking Inc. (CEM) study will provide LACERS with an objective analysis of investment management and administration services costs and investment performance and risk covering the five-year period ending December 31, 2024;

WHEREAS, LACERS staff lacks the expertise necessary to perform this work;

WHEREAS, CEM has expertise in this area that is unique and such comparable services cannot be acquired from any other provider;

WHEREAS, the one-time fee of \$45,000 covers the cost of the benchmarking study;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves payment of a one-time fee of \$45,000 to CEM to perform an objective investment cost and performance benchmarking analysis of the LACERS portfolio; and, authorizes the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Company Name: CEM Benchmarking Inc.

Service Provided: Investment Benchmarking

Duration: One-time occurrence

Which motion was seconded by Commissioner Huynh, and adopted by the following vote:
Ayes, Commissioners Huynh, Roten, Wilkinson, Vice President Sidley, and President Chao -5;
Nays, None

- C. NOTIFICATION OF COMMITMENT OF UP TO \$100 MILLION IN AG DIRECT LENDING FUND V, L.P. – This report was received by the Board and filed.
- D. NOTIFICATION OF COMMITMENT OF UP TO \$100 MILLION IN HPS SPECIALTY LOAN FUND VI-L, SCSP – This report was received by the Board and filed.

IX

President Chao recessed the Regular meeting at 10:46 a.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)**
- B. **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: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)**

President Chao reconvened the Regular meeting at 12:24 p.m.

- C. APPROVAL OF CONTRACTS WITH COHEN MILSTEIN LLP, FAEGRE DRINKER BIDDLE & REATH LLP, FOLEY & LARDNER LLP, KUTAK ROCK LLP, AND NOSSAMAN LLP FOR OUTSIDE FIDUCIARY COUNSEL AND/OR OUTSIDE REAL ESTATE AND INVESTMENT COUNSEL; AND POSSIBLE BOARD ACTION – Julie Reiser, Cohen Milstein LLP, Tiffany Reeves, Faegre Drinker Biddle & Reath LLP, Marc Lieberman, Kutak Rock LLP, Michael Calabrese, Foley & Lardner LLP, Yuliya Oryol, Nossaman LLP, and Ashley Dunning, Nossaman LLP, each gave an introduction. Commissioner Wilkinson moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Roten, Wilkinson, Vice President Sidley, and President Chao -5; Nays, None.

X

OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 12, 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XII

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:38 p.m.

Annie Chao

Annie Chao
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary