

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

November 12, 2024

10:09 a.m.

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

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 & Safety Update
 - Mail Services
 - Early Retirement Incentive Program Cost Obligation Update
 - Benefit Operations Update
 - General Manager announcement on upcoming retirement

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

- Board Meeting on December 10, 2024:
- Wellness Vendor Contract Awards (Fitness Instruction, Technology Education and Support, Older Adult Education)
- Education and Travel Expenditure Report for Quarter Ending September 30, 2024
- Contract for Insurance Brokerage Services
- Continued Discussion and Deliberation on the Asset Allocation

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.

Commissioner Wilkinson moved approval of Consent Agenda Items IV-A, IV-B, and IV-C and seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Huynh, Sohn, Wilkinson, and President Chao -4. Nays; None

IV

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OCTOBER 8, 2024 AND POSSIBLE BOARD ACTION
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF ERIC GEIHM FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 71% AND POSSIBLE BOARD ACTION

APPROVAL OF SERVICE-CONNECTED DISABILITY RETIREMENT BENEFIT FOR ERIC GEIHM

RESOLUTION 241112-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 Eric Geihm is unable to perform his usual and customary duties as an Airport Police Officer III 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 the clear and convincing evidence demonstrates that the discharge of Eric Geihm's duties as an Airport Police Officer III is the predominant cause of the incapacity pursuant

to the definition in Los Angeles Administrative Code § 4.1008.1(b) and he is not capable of performing his duties as an Airport Police Officer III;

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 Officer's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Service-Connected disability retirement benefit for Eric Geihm of 71% of his Final Average Compensation based upon his claimed disabling conditions.

C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF JEANNE HOLM AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT
BENEFIT FOR JEANNE HOLM**

RESOLUTION 241112-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, one physician reviewed the medical records and concluded Jeanne Holm is unable to perform her usual and customary duties as a Deputy Mayor 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 Jeanne Holm is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing her duties as a Deputy Mayor;

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 Jeanne Holm based upon her claimed disabling condition.

V

BOARD/DEPARTMENT ADMINISTRATION

- A. PRESENTATION BY SEGAL CONSULTING OF THE ACTUARIAL VALUATIONS AS OF JUNE 30, 2024 AND PROPOSED CITY CONTRIBUTION RATES FOR FISCAL YEAR 2025-26 AND POSSIBLE BOARD ACTION – Andy Yeung, Vice President and Actuary, and Todd Tauzer, Senior Vice President and Actuary, with Segal Consulting, presented and discussed this item with the Board for one hour. Commissioner Sohn moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Sohn, Wilkinson, and President Chao -4. Nays; None.

- B. RESULTS OF THE 2024-2025 WORKPLAN AUDITS AND POSSIBLE BOARD ACTION – Melani Rejuso Departmental Audit Manager, Colin Tran, Internal Auditor III, and Mina Habib, Internal Auditor II, presented and discussed this item with the Board for 40 minutes. Commissioner Sohn moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Sohn, Wilkinson, and President Chao -4. Nays; None.

President Chao recessed the meeting for a break at 12:01 p.m. and reconvened the meeting at 12:09 p.m.

- C. TRIENNIAL BOARD POLICY REVIEW: ARTICLE I, SECTION 1.4 MISSION, VISION, GUIDING PRINCIPLES, STRATEGIC GOALS, AND ARTICLE II, SECTION 5.2 STRATEGIC PLANNING POLICY AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Sohn, Wilkinson, and President Chao -4. Nays; None.
- D. TRIENNIAL BOARD POLICY REVIEW: PRESIDING OFFICER AMENDMENTS TO ARTICLE I, SECTION 4.1 BOARD PROCEDURES AND POSSIBLE BOARD ACTION – Horacio Arroyo, Senior Management Analyst II, presented and discussed this item with the Board for 20 minutes. President Chao moved approval of recommendation number 1, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Sohn, Wilkinson, and President Chao -4. Nays; None. The Board directed that recommendation number 2 be brought back to the Governance Committee for further discussion.
- E. TRIENNIAL BOARD POLICY REVIEW: ARTICLE II, SECTION 2.1 ETHICAL CONTRACT COMPLIANCE AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Huynh, Sohn, Wilkinson, and President Chao -4; Nays, None.
- F. APPROVAL OF 3-YEAR CONTRACTS WITH BUSINESS CONTINGENCY GROUP, CHLOETA, CONSTANT ASSOCIATES, INC., LMG SECURITY, AND KUMA, LLC, FOR EMERGENCY TABLETOP EXERCISE SERVICES AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**AUTHORIZATION TO CONTRACT WITH BUSINESS CONTINGENCY
GROUP, CHLOETA, CONSTANT ASSOCIATES, INC., LMG SECURITY,
AND KUMA, LLC, FOR EMERGENCY TABLETOP EXERCISE
CONSULTING SERVICES**

RESOLUTION 241112-C

WHEREAS, on May 28, 2024, the Board adopted LACERS' proposed budget, personnel, and annual resolutions for Fiscal Year 2024-25 that authorized a budget of \$50,000 for emergency tabletop exercise services;

WHEREAS, on April 22, 2024, a Request for Qualifications was issued to identify qualified tabletop exercise consulting services providers;

WHEREAS, on May 24, 2024, eleven firms responded to the Tabletop Exercise Consulting Services Request for Qualifications; and,

WHEREAS, on November 12, 2024, based on the staff's recommendation, after evaluating the submitted written proposals, the Board approves contracting Business Contingency Group, Chloeta, Constant Associates, Inc., LMG Security, and Kuma, LLC, to form a contractor bench to provide Emergency Tabletop Exercise Consulting services;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the General Manager to negotiate and execute agreements with the Business Contingency Group, Chloeta, Constant Associates, Inc., LMG Security, and Kuma, LLC, for Emergency Tabletop Exercise Consulting Services for a term of three years from the date of execution, not to exceed \$75,000, subject to satisfactory legal review by the City Attorney.

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

- G. BUDGET REQUEST FOR INFORMATION TECHNOLOGY AGENCY CONTRACTED SERVICES WITH WORKDAY, INC. FOR THE CITY HUMAN RESOURCES PAYROLL SYSTEM POST-IMPLEMENTATION SUPPORT AND POSSIBLE BOARD ACTION – Sevan Simonian, Senior Benefits Analyst I, presented and discussed this item with the Board for three minutes. Neil M. Guglielmo, General Manager, announced that the Information Technology Agency advised him that the appropriation amount would need to be increased to \$145,000. Commissioner Huynh moved approval of the following Resolution as amended for \$145,000:

**BUDGET APPROPRIATION INCREASE FOR INFORMATION TECHNOLOGY AGENCY
CONTRACTED SERVICES WITH WORKDAY, INC. FOR THE CITY HUMAN RESOURCES
PAYROLL SYSTEM POST-IMPLEMENTATION SUPPORT**

RESOLUTION 241112-D

WHEREAS, the Board approved the Fiscal Year 2024-25 Budget which included a \$600,000 appropriation for the Human Resources Payroll (HRP) Contractual Support Services;

WHEREAS, LACERS has decreased the number of exceptions from over 2,000 to less than 300, there is a need to shift the record type from account adjustment to pay period adjustment on the integration file from HRP to LACERS' Pension Gold system;

WHEREAS, while LACERS has made drastic improvements on the integration file, the file is reaching a maximum run time limit allowed in the HRP system and will require more streamlining of the programming code; and,

WHEREAS, while LACERS worked with Accenture contractors through the Information Technology Agency's contract with Workday, Inc. to fix issues since July 2024, there are still outstanding issues that need to be resolved;

NOW, THEREFORE, BE IT RESOLVED, that the Board:

1. Approve the appropriation increase of \$145,000 for an additional three months of Human Resources Payroll contractual support by increasing Appropriation 163040 – Contractual Services for Fiscal Year 2024-25; and,
2. Authorize the General Manager to correct any clerical or typographical errors in this document.

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

VI

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.67 billion as of November 11, 2024; and Volatility Index at 15. Rod June discussed the following items:

GLOBAL ISSUES:

- a. No material changes in valuation for Russia, Israel, Ukraine, China
- b. China Tech valuation dropped by 41%; approximately \$11 million current valuation

EMERGING MANAGER NETWORKING FORUM (EMNF):

- a. EMNF will be held at the LACERS office on November 14, 2024
- b. Joint effort of LACERS and LAFPP pension plan staff
- c. 18 firms have been selected for dedicated meetings
- d. Approximately 50 firms attending the separate Meet & Greet session held concurrently during the time-slotted meetings
- e. Staff will report back to the Board on the results of the EMNF

FUTURE AGENDA ITEMS:

- a. Continued discussion of Asset Allocation led by NEPC
- b. Several consent of contract items
- c. Private Equity Performance Review for the period ending June 30, 2024
- d. Disclosure of Fees, Expenses, and Carried Interest for Private Market Investments for FY period ending June 30, 2024

- B. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2024 – Felix Fels, Associate Partner, and Haya Daawi, Investment Associate, with The Townsend Holdings LLC, presented and discussed this item with the Board for 25 minutes.
- C. PRI BOARD ELECTIONS AND BALLOT MEASURES AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer III, presented and discussed this item with the Board for seven minutes. Commissioner Sohn moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Sohn, Wilkinson, and President Chao -4. Nays; None.
- D. CONTRACT WITH NEPC, LLC REPLACEMENT OF KEY PERSON AND POSSIBLE BOARD ACTION – Barbara Sandoval, Investment Officer II, and Christian McCormick, CFA, with NEPC, LLC, presented and discussed this item with the Board for eight minutes. Commissioner Sohn

moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Sohn, Wilkinson, and President Chao -4. Nays; None.

President Chao recessed the Regular meeting at 1:10 p.m. to convene in closed session.

E. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT IN WCP NEWCOLD III, L.P. AND POSSIBLE BOARD ACTION

VII

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 1:56 p.m.

VIII

OTHER BUSINESS – President Chao requested staff to report on the next steps upon the General Manager's retirement.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, December 10, 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 1:58 p.m.

Annie Chao

Annie Chao
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary