

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

January 28, 2025

10:02 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Janna Sidley
	Commissioners:	Elizabeth Lee Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Todd Bouey
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioners:	Thuy Huynh 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 – Todd Bouey, Acting General Manager, advised the Board of the following items:
 - Wellness-Check Calls for Members in Wildfire Affected Area
 - Disaster Service Worker Activation
 - 1099-R
 - Benefit Operations Update
- B. UPCOMING AGENDA ITEMS – There were no items discussed.

C. RECOGNITION OF SERVICE FOR MARIA MELANI REJUSO, LACERS DEPARTMENTAL AUDIT MANAGER – Todd Bouey, Acting General Manager, and the Commissioners recognized Maria Melani Rejuso for her service to LACERS and the City of Los Angeles.

III

RECEIVE AND FILE ITEMS

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

B. LEGISLATIVE UPDATE FOR JANUARY 2025 – This report was received by the Board and filed.

C. ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND POPULAR ANNUAL FINANCIAL REPORT (PAFR) FOR FISCAL YEAR ENDED JUNE 30, 2024 – Todd Bouey, Acting General Manager, recognized LACERS Fiscal Division on preparing this report. This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON JANUARY 14, 2025 – Commissioner Lee stated the Committee approved the Private Credit Program 2025 Strategic Plan. The Committee was also presented with the Real Estate Investment Policy Amendments.

B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON JANUARY 28, 2025 – Commissioner Wilkinson stated the Committee approved the Triennial Board Policy Review: Presiding Officers Amendments to Article Section 3.4 and Triennial Board Policy Review: Article II, Section 4.2 Member Solicitation and Distribution Policy.

Vice President Sidley moved approval of Consent Agenda Items V-A and V-B and seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Lee, Sohn, Wilkinson, Vice President Sidley, and President Chao -5; Nays, None.

V

CONSENT ITEM(S)

A. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF ALLEN ANDERSON AND POSSIBLE BOARD ACTION

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR ALLEN ANDERSON

RESOLUTION 250128-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 and 2 examined and concluded Allen Anderson is unable to perform his usual and customary duties as a Security Officer with the City of Los Angeles;

WHEREAS, notwithstanding, Physician 3 examined and concluded Allen Anderson is able to perform his usual and customary duties as a Security Officer 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 Allen Anderson is incapacitated pursuant to the definition in Los Angeles Administrative Code §4.1008(b) and not capable of performing his duties as a Security Officer;

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 Allen Anderson based upon his claimed disabling condition.

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF TIMOTHY GRIFFIN AND POSSIBLE BOARD ACTION

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR TIMOTHY GRIFFIN

RESOLUTION 250128-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 Timothy Griffin is unable to perform his usual and customary duties as a Roofer 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 Timothy Griffin is incapacitated pursuant to the definition in Los Angeles Administrative Code §4.1008(b) and not capable of performing his duties as a Roofer;

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 Timothy Griffin based upon his claimed disabling conditions.

VI

BOARD/DEPARTMENT ADMINISTRATION

A. CITY HUMAN RESOURCES PAYROLL SYSTEM POST-IMPLEMENTATION SUPPORT SUPPLEMENTAL BUDGET REQUEST AND POSSIBLE BOARD ACTION – Sevan Simonian,

Senior Benefits Analyst, presented and discussed this item with the Board for 26 minutes. Vice President Sidley moved approval of the following Resolution:

HUMAN RESOURCES PROJECT SUPPLEMENTAL BUDGET REQUEST

RESOLUTION 250128-C

WHEREAS, the Board approved the Fiscal Year 2024-2025 Budget which included a \$600,000 appropriation for Human Resources Payroll (HRP) Contractual Support Services;

WHEREAS, the Board approved an additional \$145,000 on November 12, 2024 for extending the HRP Contractual Support Services through January 31, 2025;

WHEREAS, LACERS is requesting an additional \$116,000 as part of this request, and with this the Board will have authorized a total of \$861,000 in HRP contractual support services for this fiscal year through March 31, 2025 via piggybacking off the Information Technology Agency's Workday contract authority;

WHEREAS, these costs and the delivery of payroll information to LACERS are ultimately the responsibility of the City as employer;

WHEREAS, LACERS has worked with the Accenture contractor to fix issues since July, there are still outstanding issues that need to be resolved;

WHEREAS, LACERS has programmed the compensation plans in Workday into the pension administration system, the City is activating, depreciating, and changing compensation plans in Workday regularly requiring programmatic adjustments to the integration file to ensure all data is captured accurately; and,

WHEREAS, while LACERS has decreased the number of exceptions from over 2,000 to less than 200, there is a need to shift the record type from account adjustment to pay period adjustment on the integration file to automate some work;

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

1. Approve the appropriation increase of \$116,000 for HRP Contractual Support by increasing Appropriation 163040 – Contractual Service 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 Lee, Sohn, Wilkinson, Vice President Sidley, and President Chao -5; Nays, None.

B. GENERAL MANAGER RECRUITMENT PROCESS AND POSSIBLE BOARD ACTION – Lin Lin, Personnel Director, and Kevin Hirose, Senior Personnel Analyst II, presented and discussed this item with the Board for 34 minutes. Vice President Sidley moved approval of staff's recommendations and delegated authority to select the executive search firm to the Ad Hoc Committee, seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Lee, Sohn, Wilkinson, Vice President Sidley, and President Chao -5; Nays, None.

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.434 billion as of January 25, 2025; and Volatility Index at 16.8 as of January 28, 2025. Rod June discussed the following items:

INDUSTRY:

- a. Strong sell-off of technology on January 27, 2025
- b. Nvidia declined 17% on January 27, 2025; LACERS holds approximately \$210 million of Nvidia in a passively managed account as of close of January 27, 2025

OPERATIONAL:

- a. No reported losses due to any exposure LACERS may have had in the local L.A. burn areas

GLOBAL ISSUES:

- a. No Material Changes in valuations of China, China Tech, Ukraine, and Israel

MISCELLANEOUS:

- a. LACERS is a member of the Advisory Board of the Kroner Center for Financial Research (KCFR)
- b. CIO attended the annual January KCFR meeting held at UC San Diego on January 24, 2025
- c. Current Research Topics: 1. ESG Benchmarks; 2. Private Market Fund Risk-Adjusted Returns; and 3. Risk within Public Pensions Plans

FUTURE AGENDA ITEMS:

- a. Key Person Assignment and amendment to the NEPC and Aksia Private Equity Contracts
- b. Asset Allocation Implementation and Risk Budgeting
- c. Private Market Fund Notifications

ANNOUNCEMENTS:

- a. Introduction of Alex Becerra, LACERS Intern

B. PRESENTATION BY AKSIA LLC OF THE PRIVATE CREDIT PROGRAM 2025 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer III, Trevor Jackson, Managing Director, and Mike Krems, Partner, with Aksia LLC, presented and discussed this item with the Board for 43 minutes. Commissioner Lee moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Lee, Sohn, Wilkinson, Vice President Sidley, and President Chao -5; Nays, None.

President Chao recessed the meeting at 12:34 p.m. for a break and readjourned the meeting at 12:40 p.m. to convene in Closed Session.

- 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 12:56 p.m.

X

OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, February 11, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012.

XII

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:59 p.m. and Commissioners Lee, Sohn, and President Chao recognized the Lunar New Year.

Annie Chao

Annie Chao
President


Todd Bouey
Manager-Secretary