

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

September 23, 2025

10:00 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Janna Sidley
	Commissioners:	Thuy Huynh Thomas Moutes Gaylord "Rusty" Roten Sung Won Sohn
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Todd Bouey
	Executive Assistant:	Erin Knight

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 was one public comment received via email by Mark R. Logan, member of the public, who made a comment with respect to LACERS oversight of Anthem.

II

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Interim General Manager, advised the Board of the following items:

- Retirement Services: Layoff Coordination and Measure FF update
- Wellness Events: Financial & Estate Planning Workshop, Autry Museum Tour, Disaster Preparedness Workshop
- Service Purchases: The Buyback Team is currently managing a 30% increase in new service purchase applications.

B. UPCOMING AGENDA ITEMS – Todd Bouey, Interim General Manager, advised the Board of the following items:

Board Meeting on October 14, 2025:

- Charter change opportunities for Charter reform
- GASB 68 and GASB 75 valuations

Item VIII-A and VIII-B taken out of order.

VIII

President Chao recessed the Regular meeting at 10:05 a.m. to convene in closed session.

LEGAL/LITIGATION

- 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)**
- 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)**

President Chao reconvened the Regular meeting at 11:17 a.m. with nothing to report.

Commissioner Sohn left the room at 11:17 a.m.

III

RECEIVE AND FILE ITEMS

- MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR AUGUST 2025 – This report was received by the Board and filed.**
- COMMISSIONER HUYNH EDUCATION EVALUATION ON COUNCIL OF INSTITUTIONAL INVESTORS FALL CONFERENCE; SAN FRANCISCO, CA; SEPTEMBER 8-10, 2025 – This report was received by the Board and filed.**

IV

CONSENT ITEM(S)

- APPROVAL OF MINUTES FOR THE MEETING OF AUGUST 26, 2025 AND POSSIBLE BOARD ACTION – Vice President Sidley moved approval, seconded by Commissioner Roten,**

and adopted by the following vote: Ayes, Commissioners Huynh, Moutes, Roten, Vice President Sidley, and President Chao -5; Nays, None.

Commissioner Sohn returned to the meeting at 11:21 a.m.

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF TOMARSIA DAVIS AND POSSIBLE BOARD ACTION – Rachelle Ramiento, Benefits Specialist, presented and discussed this item with the Board for one minute. Vice President Sidley moved approval of the following Resolution:

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR TOMARSIA DAVIS

RESOLUTION 250923-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 Tomarsia Davis is unable to perform her usual and customary duties as a Transitional Worker with the City of Los Angeles;

NOTWITHSTANDING, Physician 3 examined and concluded Tomarsia Davis is able to perform her usual and customary duties as a Transitional Worker 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 Tomarsia Davis is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing her duties as a Transitional Worker;

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 Tomarsia Davis based upon her claimed disabling conditions.

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

C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF YURI NAGATA FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 36% AND POSSIBLE BOARD ACTION – Claudia Batres-Flores, Senior Benefits Analyst, presented and discussed this item with the Board for two minutes. Vice President Sidley moved approval of the following Resolution:

**APPROVAL OF SERVICE-CONNECTED DISABILITY RETIREMENT
BENEFIT FOR YURI NAGATA**

RESOLUTION 250923-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, Physician 1 examined and concluded Yuri Nagata is unable to perform her usual and customary duties as an Airport Police Officer II with the City of Los Angeles;

NOTWITHSTANDING, Physicians 2 and 3 examined and concluded Yuri Nagata is able to perform her usual and customary duties as an Airport Police Officer II 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 Yuri Nagata's duties as an Airport Police Officer II is the predominant cause of the incapacity pursuant to the definition in Los Angeles Administrative Code § 4.1008.1(b) and she is not capable of performing her duties as an Airport Police Officer II;

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 Yuri Nagata of 36% of her Final Average Compensation based upon her claimed disabling conditions.

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

D. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF ISAIAS BARBOSA AND POSSIBLE BOARD ACTION – Claudia Batres-Flores, Senior Benefits Analyst, presented and discussed this item with the Board for three minutes. Vice President Sidley moved approval of the following Resolution:

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR ISAIAS BARBOSA

RESOLUTION 250923-C

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 Isaias Barbosa is unable to perform his usual and customary duties as a Refuse Collection Truck Operator II 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 Isaias Barbosa is incapacitated pursuant to the definition in Los Angeles Administrative Code §4.1008(b) and not capable of performing his duties as a Refuse Collection Truck Operator II;

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 Isaias Barbosa based upon his claimed disabling conditions.

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

V

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON SEPTEMBER 9, 2025 – President Chao stated the Committee approved the Investment Manager Contract with Oberweis Asset Management, Inc. and discussed the Proxy Voting Activity Report for the period ending July 1, 2024 to June 30, 2025.
- B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON SEPTEMBER 23, 2025 – Vice President Sidley stated the Committee approved Board Policy Review: Budget Approval Policy and Board Policy Review: Compensation Policy.

VI

Vice President Sidley left the meeting at 12:02 p.m.

BOARD/DEPARTMENT ADMINISTRATION

- A. ASSUMPTIONS FOR THE JUNE 30, 2025 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION – James Kawashima, Senior Benefits Analyst II, Andy Yeung, Vice President & Actuary, and Mehdi Riazi, Vice President & Consulting Actuary, presented and discussed this item with the Board for 39 minutes. Commissioner Moutes moved approval, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Moutes, Roten, Sohn, and President Chao -5; Nays, None.
- B. AUTHORIZATION TO INCREASE APPROPRIATION IN FUND 800 FOR VEHICLE PURCHASE AND POSSIBLE BOARD ACTION – Alejandra Zuniga, Benefits Analyst, presented and discussed this item with the Board for two minutes. Commissioner Moutes moved approval of the following Resolution:

AUTHORIZATION TO INCREASE APPROPRIATION IN FUND 800 FOR VEHICLE PURCHASE

RESOLUTION 250923-D

WHEREAS, the Los Angeles City Employees' Retirement System (LACERS) developed the LACERS Well program to support and improve the health of Retired Members;

WHEREAS, the LACERS Well program hosts events and supports off-site activities;

WHEREAS, LACERS Well requires a vehicle for the transportation of staff, event supplies, and materials to the Member workshops, seminars, and other events;

WHEREAS, having a dedicated vehicle will ensure LACERS Well can meet its commitments without interruption;

WHEREAS, on March 11, 2025, the LACERS Board of Administration approved the use of \$80,000 from the wellness fund to purchase a vehicle;

WHEREAS, an increase in the Fiscal Year 2025-26 Fund 800, Appropriation 167300 (Furniture and Equipment), is required to purchase a vehicle through the General Services Department;

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

1. Authorize an increase in Retirement Fund 800, Appropriation 167300 (Furniture and Equipment), by \$80,000 for Fiscal Year 2025-26 for the purchase of a vehicle to be reimbursed from the LACERS Wellness Fund; and,
2. Delegate authority to the General Manager or designee to correct any clerical or typographical errors.

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

C. CONTRACT EXTENSION WITH FRASCO, INC. FOR INVESTIGATIVE SERVICES AND POSSIBLE BOARD ACTION – Audrey Dymally, Senior Benefits Analyst II, presented and discussed this item with the Board. Commissioner Sohn moved approval of the following Resolution:

**AMENDMENT NO. 2 TO CONTRACT 4236
THREE YEAR CONTRACT EXTENSION WITH FRASCO, INC.
TO PROVIDE INVESTIGATIVE SERVICES**

RESOLUTION 250923-E

WHEREAS, the LACERS Board approved a three-year contract extension to Contract 4236 with Frasco, Inc for the period from October 1, 2025, to September 30, 2028, for investigative services to aid in the administration of retirement benefits as part of LACERS proactive risk management strategy;

WHEREAS, LACERS Contract 4236 Amendment 1 expires September 30, 2025, and it is LACERS' desire to retain Frasco, Inc. to continue to provide investigative services;

WHEREAS, a contract extension with Frasco, Inc. will allow for uninterrupted services important in fraud protection and preventing financial losses to LACERS through the Alive and Well in-person checks, completion of the domestic Alive and Well audit, locating benefit recipients, fraud investigations, Sub Rosa surveillance, social media searches, and other related services;

WHEREAS, pursuant to the City Charter and consistent with Article XVI, Section 17 of the California Constitution, the LACERS Board has plenary authority over contracts which provide services integral to the administration of benefits, and the Board determines that the competitive bid process is impracticable at this time due to unforeseen externally driven projects;

NOW, THEREFORE BE IT RESOLVED, that the Board hereby approves the proposed Contract Amendment No. 2 with Frasco, Inc. and authorizes the General Manager to execute the necessary documents, within the following terms, and subject to City Attorney review:

COMPANY NAME:	Frasco, Inc.
SERVICE PROVIDED:	Investigative Services
TERM:	October 1, 2025, to September 30, 2028
TOTAL EXPENDITURE AUTHORITY:	\$210,000
	(\$30,000 per year of the contract)

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

D. CONTRACT EXTENSION WITH TRUVIEW BSI, LLC FOR INVESTIGATIVE SERVICES AND POSSIBLE BOARD ACTION – Audrey Dymally, Senior Benefits Analyst II, presented and discussed this item with the Board. Commissioner Sohn moved approval of the following Resolution:

**AMENDMENT NO. 2 TO CONTRACT 4241
THREE-YEAR CONTRACT EXTENSION WITH TRUVIEW BSI, LLC
TO PROVIDE INVESTIGATIVE SERVICES**

RESOLUTION 250923-F

WHEREAS, the LACERS Board approved a three-year contract extension to Contract 4241 with TruView BSI, LLC for the period from October 1, 2025, to September 30, 2028, for investigative services to aid in the administration of retirement benefits as part of LACERS' proactive risk management strategy;

WHEREAS, LACERS Contract 4241 Amendment 1 expires September 30, 2025, and it is LACERS' desire to retain TruView BSI, LLC to continue to provide investigative services;

WHEREAS, a contract extension with TruView BSI, LLC will allow for uninterrupted services important in fraud protection and preventing financial losses to LACERS through the Alive and Well in-person checks, completion of the domestic Alive and Well audit, locating benefit recipients, fraud investigations, Sub Rosa surveillance, social media searches, and other related services;

WHEREAS, pursuant to the City Charter and consistent with Article XVI, Section 17 of the California Constitution, the LACERS Board has plenary authority over contracts which provide services integral

to the administration of benefits, and the Board determines that the competitive bid process is impracticable at this time due to unforeseen externally driven projects;

NOW, THEREFORE BE IT RESOLVED, that the Board hereby approves the proposed Contract Amendment No. 2 with TruView BSI, LLC and authorizes the General Manager to execute the necessary documents, within the following terms, and subject to City Attorney review:

COMPANY NAME:	TruView BSI, LLC
SERVICE PROVIDED:	Investigative Services
TERM:	October 1, 2025, to September 30, 2028
TOTAL EXPENDITURE AUTHORITY:	\$210,000
	(\$30,000 per year of the contract)

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

E. LACERS HUMAN RESOURCES VERBAL REPORT ON GENERAL MANAGER INTERIM AND PERMANENT APPOINTMENT – Kevin Hirose, Senior Personnel Analyst, stated that the Interim General Manager position six month extension was approved by the Personnel and Hiring Committee and has been submitted to City Council for consideration. He also stated that the permanent General Manager appointment was continued by the Personnel and Hiring Committee. The request to increase the General Manager salary M-range was referred to the Executive Employee Relations Committee. On September 23, 2025, Mayor Bass submitted a letter to City Council indicating her approval to confirm Todd Bouey as the General Manager of LACERS.

VII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Investment Officer III, reported on the portfolio value of \$27.04 billion as of September 22, 2025; and Volatility Index at 16.2. Wilkin Ly discussed the following items:

INDUSTRY COMMENTARY:

- Federal Reserve decision to cut interest rate by 25 basis points; impact on LACERS portfolio and various asset classes.
- Possible change of reporting from quarterly to semiannual basis for public companies.

ANNOUNCEMENTS:

- Segall Bryant & Hamill extension of on-watch status for another year.

FUTURE AGENDA ITEMS:

- Securities lending activity report
- Education on private equity secondaries

- Continued discussion on Asset Allocation Implementation Plan

B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING JUNE 30, 2025 – DeAnna Jones, Senior Consultant, with NEPC, LLC, presented and discussed this item with the Board for 19 minutes.

C. APPROVAL OF 3-YEAR CONTRACT WITH OBERWEIS ASSET MANAGEMENT, INC. REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. SMALL CAP EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Barbra Sandoval, Investment Officer II, presented and discussed this item with the Board for two minutes. Commissioner Sohn moved approval of the following Resolution:

**CONTRACT RENEWAL
OBERWEIS ASSET MANAGEMENT, INC.
ACTIVE NON-U.S. SMALL CAP EQUITIES
PORTFOLIO MANAGEMENT**

RESOLUTION 250923-G

WHEREAS, LACERS' current three-year contract term with Oberweis Asset Management, Inc. (Oberweis) for active non-U.S. small cap equities portfolio management expires on December 31, 2025; and,

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

WHEREAS, a three-year contract renewal with Oberweis will allow the fund to maintain a diversified exposure to the non-U.S. small cap equities markets; and,

WHEREAS, on September 23, 2025, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Oberweis.

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

Company Name: Oberweis Asset Management, Inc.

Service Provided: Active Non-U.S. Small Cap Equities Portfolio Management

Effective Dates: January 1, 2026 through December 31, 2028

Duration: Three years

Benchmark: MSCI EAFE Small Cap Index

Allocation as of
August 31, 2025: \$461 million

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

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, October 14, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012.

XI

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the meeting at 12:54 p.m.

Annie Chao

Annie Chao
President


Todd Bouey
Manager-Secretary