

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

November 14, 2023

10:03 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Sung Won Sohn
	Commissioners:	Thuy Huynh Elizabeth Lee Janna Sidley
	Legal Counselor:	Joshua Geller
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Commissioners:	Gaylord "Rusty" Roten 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 five public comment cards received. Henry Porter, member of the public, shared his experience and issues with Delta Dental. The following members of the public made comments with respect to LACERS investment in Advent International and in support of restaurant/hotel workers: Susan Minato, Cecilia Alvarado, Raul Macias, and Mayra.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- 10 Freeway Fire and Transit Impacts
 - Discretionary COLA Update
 - City Human Resources Payroll Project
 - 977 N. Broadway HQ Update
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- ERIP Liability Payments
- Health Benefit Administration updates
- Communications and Stakeholder Relations updates
- Upcoming Events

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

- Governance Committee on 11/28/23 – Triennial Review of Policies

C. STRATEGIC PLANNING ENGAGEMENT WITH ERNST & YOUNG, LLP – Neil M. Guglielmo, General Manager, provided the Board with an overview of this item.

Item I reopened and taken out of order.

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 reopened public comment and Norelis Vargas, made an additional comment regarding Advent International and in support of restaurant/hotel workers.

III

RECEIVE AND FILE ITEMS

- A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- B. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.

IV

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

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF NOVEMBER 14, 2023 AND POSSIBLE BOARD ACTION
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF RICKY CHAPIN AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR RICKY CHAPIN**

RESOLUTION 231114-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 Ricky Chapin is unable to perform his usual and customary duties as a Gardener Caretaker with the City of Los Angeles;

NOTWITHSTANDING, Physician 3 examined and concluded Ricky Chapin is able to perform his usual and customary duties as a Gardener Caretaker 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 Ricky Chapin is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing his duties as a Gardener Caretaker;

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 Ricky Chapin based upon his claimed disabling condition.

C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CONRAD GARCIA AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR CONRAD GARCIA**

RESOLUTION 231114-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 Conrad Garcia is unable to perform his usual and customary duties as a Garage Attendant 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 Conrad Garcia is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing his duties as a Garage Attendant;

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 Conrad Garcia based upon his claimed disabling condition.

BOARD/DEPARTMENT ADMINISTRATION

- A. PRESENTATION BY SEGAL CONSULTING OF THE ACTUARIAL VALUATIONS AS OF JUNE 30, 2023 AND PROPOSED CITY CONTRIBUTION RATES FOR FISCAL YEAR 2024-25 AND POSSIBLE BOARD ACTION – Paul Angelo and Andy Yeung, Actuaries with Segal, presented and discussed this item with the Board for one hour. After discussion, Vice President Sohn moved approval, seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Sidley, Vice President Sohn, and President Chao -5; Nays, None.

- B. CONSIDERATION FOR APPROVAL OF CONTRACTS WITH FOUNDATION FOR SENIOR SERVICES, PERSONAL WELLNESS CORPORATION, AND MOM’S COMPUTER; DETERMINATION THAT COMPETITIVE BIDDING WOULD BE IMPRACTICABLE, UNDESIRABLE, AND/OR DISADVANTAGEOUS AND POSSIBLE BOARD ACTION – Commissioner Sidley moved approval of the following Resolution:

CONSIDERATION FOR APPROVAL OF CONTRACTS WITH FOUNDATION FOR SENIOR SERVICES, PERSONAL WELLNESS CORPORATION, AND MOM'S COMPUTER; DETERMINATION THAT COMPETITIVE BIDDING WOULD BE IMPRACTICABLE, UNDESIRABLE, AND/OR DISADVANTAGEOUS AND POSSIBLE BOARD ACTION

RESOLUTION 231114-C

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

WHEREAS, LACERS Well has contracted with vendors to provide services and activities to help Retired Members better manage their health while minimizing long-term healthcare costs;

WHEREAS, the Foundation for Senior Services, Mom’s Computer, and Personal Wellness Corporation provide these services geared toward the Retired Member population in a social setting;

WHEREAS, the Los Angeles City Charter Section 1106 provides the LACERS’ Board of Administration the sole and exclusive responsibility to administer the system for the exclusive purpose of providing benefits to system participants and their beneficiaries;

WHEREAS, the Los Angeles City Charter Section 371(e)(2) and Los Angeles City Administrative Code Section 10.15(a)(10) enable the contracting authority to make a finding that a new competitive process would be impracticable, undesirable, and/or disadvantageous;

WHEREAS, the Los Angeles City Administrative Code Section 10.5(b)(2) exempts contract renewals where the total term is in excess of three years if the dollar amount is less than \$187,496 and no competitive bidding process is required;

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

- 1. Approve a one-year contract with the Foundation for Senior Services for a period beginning January 1, 2024, and ending December 31, 2024;

2. Approve a one-year contract with Personal Wellness Corporation for a period beginning January 1, 2024, and ending December 31, 2024;
3. Adopt a finding that conducting a competitive bidding process for virtual support services would be impracticable, undesirable, and/or disadvantageous;
4. Approve a one-year contract with the Mom's Computer for a period beginning January 1, 2024, and ending December 31, 2024; and,
5. Authorize the General Manager to negotiate and execute the one-year contracts.

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

- C. CONTRACT WITH BOX, INC. TO CONDUCT AN ELECTRONIC SYSTEM OF RECORD DUE DILIGENCE STUDY AND POSSIBLE BOARD ACTION – Vikram Jadhav, Development & Marketing Director, presented and discussed this item with the Board for five minutes.

**CONTRACT WITH BOX, INC. TO CONDUCT AN ELECTRONIC SYSTEM OF RECORD
DUE DILIGENCE STUDY**

RESOLUTION 231114-D

WHEREAS, the Board has appropriated sufficient funds of \$45,000 to engage Box, Inc. to perform a rigorous and thorough due diligence study on the buildout of an enhanced system of record inside the Box.com platform and the migration requirements of content existing within the current document management system;

WHEREAS, Box, Inc. understands the LACERS vision for content management due to their involvement with the development of the Retirement Application Portal and as the provider of the current LACERS document management system for organizational file management and internal workflows;

WHEREAS, it is beneficial for LACERS to continue its partnership with Box, Inc. to engage in a due diligence study as Box, Inc. is uniquely qualified to build an enhanced system of record within LACERS' Box environment due to the proprietary nature of the Box, Inc. platform; and,

WHEREAS, Charter Section 371(e)(2) and 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(2) and (a)(10) provide exemption from the competitive bidding process for contracts where the contracting authority determines that the desired service is of a proprietary nature and where the competitive bidding process would be "undesirable, impractical or impossible."

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

1. Find that, pursuant to City Charter Sections 371(e)(2) and (e)(10), and Los Angeles Administrative Code Section 10.15(a)(2) and (a)(10), competitive bidding for conducting a study to evaluate migrating LACERS' current document management system into Box.com. would not be desirable, practicable, or advantageous; and,
2. Authorize the General Manager to negotiate and execute a contract with Box, Inc., for a term of one year and not to exceed the previously appropriated amount of \$45,000, to perform a rigorous and thorough due diligence study on the buildout of an enhanced system of record inside the

Box.com platform and the migration requirements of content existing within the current document management system.

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

VI

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$21.507 billion as of November 13, 2023. Mr. June discussed the following items:

- VIX at 14.11
- Custodial Search Deadline is November 28, 2023
- Russia Exposure at \$991,391 / 46 bps
- China Tech Exposure at \$24.8 million / 12 bps; Total China Exposure at \$246 million / 114 bps
- Israel Exposure at \$134 million / 62 bps
- No unusual trading activity among LACERS investment managers given the market landscape
- Future Agenda items: Private Equity Portfolio Performance as of June 30, 2023, Private Equity Program 2024 Strategic Plan, Private Equity Notification, Private Credit Policy, Investment Manager Contract, and Real Estate Opportunity

B. PRI BOARD ELECTIONS AND BALLOT MEASURES AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer III, presented and discussed this item with the Board. Commissioner Lee moved approval, seconded by Commissioner Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Sidley, Vice President Sohn, and President Chao -5; Nays, None.

VII

OTHER BUSINESS – There was no other business.

VIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 28, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

IX

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:03 p.m.

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary

Annie Chao

Annie Chao
President