

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

September 10, 2024

10:01 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Janna Sidley
	Commissioners:	(arrived at 11:01 a.m.) Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian

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:
- Government Finance Officers Association (GFOA) Popular Annual Financial Reporting (PAFR) Award to LACERS
 - Human Resources Payroll (HRP) Status Update
 - Benefit Operations Update
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Board Meeting on September 24, 2024: Assumptions for the June 30, 2024 Retiree Health Actuarial Valuation
- Board and Benefits Administration Committee Meeting on October 8, 2024: 2023 Anthem Blue Cross Medical, Blue View Vision, and Delta Dental PPO Year End Accounting

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.
- C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING JUNE 30, 2024 – This report was received by the Board and filed.

IV

Commissioner Wilkinson moved approval of Consent Agenda Item IV-A, and seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -6. Nays; None.

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF AUGUST 13, 2024 AND POSSIBLE BOARD ACTION

V

President Chao recessed the Regular meeting at 10:30 a.m. to convene in closed session.

Commissioner Huynh arrived at the meeting at 11:01 a.m.

CLOSED SESSION

- A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1): GENERAL MANAGER 2023-24 PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION**

President Chao reconvened the Regular meeting at 11:55 a.m.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. CONSIDERATION OF 2024 GENERAL MANAGER'S MERIT PAY AND POSSIBLE BOARD ACTION – Commissioner Sidley moved approval of the following resolution:

**SALARY COMPENSATION FOR
GENERAL MANAGER NEIL M. GUGLIELMO**

RESOLUTION 240910 - A

WHEREAS, the Board of Administration has authorization to set the salary for the position of General Manager-LACERS; and

WHEREAS, the salary is consistent with the range allowable and set by City Council;

BE IT RESOLVED, that the Board of Administration approves a yearly salary at 5% higher than the current salary for Neil M. Guglielmo, General Manager, to be effective on July 1, 2024, pursuant to Charter Section 1108(c).

Which motion was seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.

- B. PRESENTATION OF REQUIRED AUDIT COMMUNICATIONS FOR FISCAL YEAR ENDED JUNE 30, 2024 BY EXTERNAL AUDITORS, MOSS ADAMS LLP – Colin Tran, Internal Auditor III, Aaron Hamilton, CPA, Audit Senior Manager, and Kory Hoggan, CPA, Engagement Partner, with Moss Adams LLP, presented and discussed this item with the Board for 10 minutes. This report was received by the Board and filed.

VII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.345 billion as of September 9, 2024; and Volatility Index at 19.15. Rod June discussed the following items:

Operational

1. Managers on Watch List effective Aug 30, 2024
 - a. Loomis Sayles – High Yield Bonds
 - b. Oberweis – Non-US Small Cap Equities
 - c. Segall Bryan Hamill – U.S. Small Cap Value Equities
 - d. DFA – TIPS
 - e. SSgA – Emerging Markets Index

Global Issues

1. No material change in the valuation of Russia, Ukraine, Israel
2. China exposure is down approximately 4%; current market value of \$205 million (~83 bps) since Aug 23, 2024
3. China tech down approximately 6%; current market value of \$20.4 million (~8.3 bps) since Aug 23, 2024

Future Agenda Items

1. Continued discussion of the asset allocation mixes
2. Private Equity Commitment Notifications

3. Real Estate Opportunity
Announcements

1. Carolyn Smith, Partner and primary consultant on the LACERS account, is retiring from NEPC at end of the calendar year;
2. Kevin Novak, currently the NEPC secondary consultant, is proposed as the primary consultant; Rose Dean, currently the back-up consultant, is proposed as the secondary consultant;
3. Staff described the selection process to fill the back-up consultant to include staff's interviews of at least three proposed candidates and a recommendation for Board consideration and approval.

- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING JUNE 30, 2024 – Carolyn Smith, Partner, with NEPC, LLC, presented and discussed this item with the Board for 45 minutes.

VIII

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, September 24, 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 12:47 p.m.

Annie Chao

Annie Chao
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary