

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

LACERS Ken Spiker Boardroom  
202 West First Street, Fifth Floor  
Los Angeles, California

March 26, 2019

10:04 a.m.

Agenda of: Apr. 9, 2019

Item No: II

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PRESENT:	President:	Cynthia M. Ruiz
	Vice President:	Elizabeth L. Greenwood
	Commissioners:	Elizabeth Lee Nilza R. Serrano Sung Won Sohn Michael R. Wilkinson
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
	Legal Counsel:	Anya Freedman
ABSENT:	Commissioner:	Sandra Lee

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*The Items in the Minutes are numbered to correspond with the Agenda.*

I

PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION – President Ruiz asked if there were any persons who wished to speak on matters within the Board's jurisdiction, to which there was no response and no public comment cards were received.

II

APPROVAL OF MINUTES FOR REGULAR BOARD MEETING OF MARCH 12, 2019 AND POSSIBLE BOARD ACTION – A motion to approve the Regular Board Meeting minutes of March 12, 2019 was moved by Vice President Greenwood, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Serrano, Sohn, Wilkinson, Vice President Greenwood, and President Ruiz -6; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz encouraged staff keep up the good work.

IV

## GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager discussed the following items:
- Overview of C40 Divest-Invest Workshop.
  - Preliminary budget being presented to the Board.
  - Cultural Competency training for all LACERS staff.
  - LACERS providing Transparent California with requested reports.
  - Request from CAO regarding Neighborhood Council Budget Advocates for calendar year 2016.
  - Controller's Office audit on excess benefits provided to LACERS with recommendations.
  - LACERS Wellness Extravaganza at California Endowment on March 28, 2019.
  - Recognized Karen Freire, Ferralyn Sneed, Ann Seales, and Taneda Larios for leading the efforts to prepare staff; including coordinating mock interviews for the Management Analyst exam.
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, stated the following future agenda items:
- April 9, 2019 Board – Board training on retiree health program on Kaiser health plans.

V

## RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR FEBRUARY 2019 – The report was received by the Board and filed.

VI

Vice President Greenwood left the Regular Meeting at 11:01 a.m.

## BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2019-20 AND POSSIBLE BOARD ACTION – Dale Wong-Nguyen, Chief Benefits Analyst with Administrative Services, presented this item to the Board. Commissioner Serrano moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Serrano, Sohn, Wilkinson, and President Ruiz -5; Nays, None.

VII

## CONSENT AGENDA

- A. TRAVEL AUTHORITY – RODNEY JUNE, CHIEF INVESTMENT OFFICER; CEM INVESTMENT BENCHMARKING CLIENT WORKSHOP, TORONTO, CANADA; APRIL 3 – 4, 2019, AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:

**TRAVEL AUTHORITY  
CEM BENCHMARKING CLIENT WORKSHOP  
APRIL 3-4, 2019  
TORONTO, CANADA**

**RESOLUTION 190326-A**

WHEREAS, Board approval is required for all international travel requests;

WHEREAS, the CEM Benchmarking Client Workshop in Toronto, Canada is international travel, and therefore requires approval;

WHEREAS, the request to attend the CEM Benchmarking Client Workshop, a professional and educational conference which requires international travel, conforms to the LACERS Strategic Plan Board Governance Goal of upholding good governance practices which affirm transparency, accountability, and fiduciary duty;

THEREFORE, BE IT RESOLVED, that Rodney June, Chief Investment Officer is hereby authorized to attend the CEM Benchmarking Client Workshop on April 3-4, 2019, in Toronto, Canada;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$2,000 for Rodney June, Chief Investment Officer is hereby authorized for reasonable expenses in connection with participation and will be applied to the 2018-19 Fiscal Year budget.

Which motion was seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Serrano, Sohn, Wilkinson, and President Ruiz -5; Nays, None.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.254 Billion as of March 25, 2019. Mr. June discussed the following items:
- Investment Committee looked at Private Credit RFP finalists at the March 12, 2019 Investment Committee Meeting. Staff will conduct due diligence as next step.
  - Active Small Cap Equities and Bank Loans High Yield Searches are due April 12, 2019.
  - Emerging Market Debt, Emerging Manager Small Cap, and Core Fixed Income Searches are upcoming.
  - Two core fixed income managers are on the watch list due to underperformance.
  - Staff attending Emerging Manager Conference sponsored by National Association of Securities Professionals on March 28, 2019 in Downtown, Los Angeles.
  - Investment Division held an Open House on March 19, 2019 for all LACERS staff to attend.
  - Investment Officer II Wilkin Ly promoted to Investment Officer III.

President Ruiz adjourned the Regular Meeting at 11:30 a.m. for a break and reconvened the Regular Meeting at 11:37 a.m.

- B. PRESENTATION BY CII REGARDING ESG INVESTING – Ken Bertch with CII presented this item to the Board.
- C. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW REPORT FOR THE QUARTER ENDING DECEMBER 31, 2018 – Carolyn Smith, Partner with NEPC, presented this item to the Board.
- D. REAL ESTATE FISCAL YEAR 2019-20 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Eduardo Park, Investment Officer I with Investments Division, Jennifer Young-Stevens, Partner and Felix Fels, Investment Associate with Townsend Group presented this item to the Board. Commissioner Serrano moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Serrano, Sohn, Wilkinson, and President Ruiz -5; Nays, None.

*Items XI-A, XI-B, and XII taken out of order.*

XI

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT ON THE MEETING OF MARCH 12, 2019 – Commissioner Sohn reported that the Committee was presented with the Semi-Finalists of the Private Credit Investment Manager Search, Real Estate Strategic Plan, and a Closed Session item.
- B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT ON THE MEETING OF MARCH 26, 2019 – Commissioner Wilkinson reported that the Committee was presented with the 2020 Health Plan Contract Renewal Timeline and Health Plan Financial Dashboards.

XII

OTHER BUSINESS – Commissioner Serrano stated that she has received emails and phone calls regarding the LACERS Active Member Election campaign.

President Ruiz adjourned the Regular Meeting at 12:52 p.m. to convene in Closed Session.

VIII

- E. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE SALE OF ONE PARTICULAR, SPECIFIC PENSION FUND INVESTMENT AND POSSIBLE BOARD ACTION**

IX

DISABILITY RETIREMENT APPLICATION(S)

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ELAINE BUTLER AND POSSIBLE BOARD ACTION**

X

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 TO CONFER WITH REAL PROPERTY NEGOTIATOR AND POSSIBLE BOARD ACTION**

**PROPERTY: 202 WEST FIRST STREET, LOS ANGELES, CA 90012; AGENCY NEGOTIATORS: JAMES N. TRAVERS, DENNIS SMITH NEGOTIATING PARTIES: LACERS, ONNI TIMES SQUARE UNDER NEGOTIATION: PRICE AND TERMS OF PAYMENT FOR PROPOSED LEASE**

- B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING INITIATION OF LITIGATION (ONE CASE) AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 1:46 p.m. and announced that the Board unanimously approved the Disability Retirement Application of Elaine Butler and met with the real property negotiator.

XIII

**NEXT MEETING** – The next Regular meeting of the Board is scheduled for Tuesday, April 9, 2019 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XIV

**ADJOURNMENT** – There being no further discussion before the Board, President Ruiz adjourned the meeting at 1:47 p.m.

  
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Cynthia M. Ruiz  
President

  
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Neil M. Guglielmo  
Manager-Secretary

