

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

May 8, 2018

10:03 a.m.

Agenda of: MAY 22, 2018

Item No: III

PRESENT:	President:	Cynthia M. Ruiz
	Vice President	Michael R. Wilkinson
	Commissioners:	Annie Chao Sung Won Sohn Vacant Position
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
	Legal Counsel:	Anya Freedman
TELECONFERENCE:	Commissioner:	Nilza R. Serrano
		Harvard Medical School Joseph B. Martin Conf. Center/Bray Room 77 Ave Louis Pasteur Boston, MA 02115
ABSENT:	Commissioner:	Elizabeth L. Greenwood

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 one comment card was received.

Mr. Michael Perez, member of Retired Los Angeles City Employees' Inc. (RLACEI), made a comment about the Proposed Budget for Fiscal Year 2018-19 going before the Board today and technology training for retirees.

II

CONSENT AGENDA

- A. APPROVAL OF MINUTES FOR BOARD MEETING OF APRIL 24, 2018 AND POSSIBLE BOARD ACTION – A Motion to approve the minutes of April 24, 2018 was moved by Vice President Wilkinson, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Sohn, Vice President Wilkinson, and President Ruiz –5; Nays, None.
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- C. MARKETING CESSATION NOTIFICATION – This report was received by the Board and filed.
- D. RECEIVE AND FILE – VICE PRESIDENT WILKINSON BOARD EDUCATION EVALUATION ON THE LOS ANGELES FIRE AND POLICE PENSION OFFSITE, APRIL 5, 2018 – This report was received by the Board and filed.
- E. RECEIVE AND FILE – COMMISSIONER SERRANO BOARD EDUCATION EVALUATION ON THE NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS DAY OF EDUCATION, APRIL 23, 2018 – This report was received by the Board and filed.

III

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil Guglielmo, General Manager, reported the following items:
 - LACERS 2018-19 budget presentation made to the Budget & Finance Committee on May 3, 2018.
 - Planning of the 2018 Guiding Principles Award luncheon. All Commissioners are welcome to participate.
 - Testing of the call-out system on May 2, 2018.
 - Fiduciary Liability Insurance – Annual Waiver of Recourse payments are due.
 - In March 2018 Kaiser and Anthem Blue Cross had not processed some enrollments, issue was addressed and some enrollments were delayed in March but now are up to date.
 - Great success with Benefits Specialists exam prep and results at LACERS.
 - The Retiree Wellness Program has been very successful and they will continue with more events.
 - Wellness Extravaganzas being held three times this year.
- B. UPCOMING AGENDA ITEMS – Neil Guglielmo, General Manager, stated the Printing, Graphics Design, and Fulfillment vendor RFP recommendation will be on the Agenda for the May 22, 2018

Board Meeting and an Anthem prescription drug presentation and the Health Plan Renewal Update Discussions will be on the Agenda for the May 22, 2018 Benefits Administration Committee Meeting.

IV

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.06 Billion as of May 7, 2018. He stated staff will be attending the NEPC Client Conference and the SACRS Conference next week. The Investment Committee will hear the Private Equity Investment Consultant Interviews today. Upcoming agenda items are Investment Manager Contracts and continued discussion of the Asset Allocation, specifically the Asset Class Reviews and Implementation.

V

BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2018-19 AND POSSIBLE BOARD ACTION – Dale Wong-Nguyen, Chief Benefits Analyst, discussed this item. A motion to approve was moved by Commissioner Chao:

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
PERSONNEL RESOLUTION
FISCAL YEAR 2018-19**

RESOLUTION 180508-A

WHEREAS, the Board of Administration of the Los Angeles City Employees' Retirement System has the responsibility and authority to establish the number and types of positions to be utilized by the Los Angeles City Employees' Retirement System;

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. Effective July 1, 2018, the positions listed in the attached schedule of Positions and Salaries are hereby authorized within the Los Angeles City Employees' Retirement System. The class code numbers, classifications and salaries as set forth herein are hereby determined to be appropriate in accordance with existing City laws and ordinances, and applicable Memoranda of Understandings, as appropriate. Further, the employment of the designated number of persons in each code and classification as set forth herein is hereby authorized.
2. Memoranda of Understanding approved by the City Council shall be considered to be incorporated into this Resolution where appropriate. Salaries established under approved Memoranda of Understanding shall apply to all classes of employees therein noted. The provisions of each of the Memoranda of Understanding shall take precedence over any conflicting provision contained in this Resolution, but only for those employees in classes to which the Memoranda of Understanding apply.

3. Upon approval of the General Manager, substitute authority positions may be filled using any class approved and established by the Board of Civil Service Commissioners. This approval shall specify the period during which the position shall be filled.
4. Upon approval of the General Manager, persons may be employed in any class approved and established by the Board of Civil Service Commissioners in lieu of a vacant position if the in lieu employment is consistent with City policies and procedures for such employment.
5. The General Manager shall have the authority to correct any clerical or typographical errors in this document.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
AUTHORIZATION FOR DEPARTMENTAL EXEMPLARY STAFF RECOGNITION PROGRAM
FISCAL YEAR 2018-19**

RESOLUTION 180508-B

WHEREAS, on March 11, 2003, the Board established a departmental Exemplary Staff Recognition Program to provide a framework for team building and recognition throughout the Department;

WHEREAS, the Board endeavors to continue the program in order to recognize employees for their efforts, and to identify role models who communicate the standards established through our guiding principles;

WHEREAS, funds for program-related expenditures during the 2018-19 Fiscal Year have been included in the 2018-19 Departmental budget in order to continue the program; and

WHEREAS, the Controller's Office requires an annual Board Resolution confirming the establishment of the program in order to process future payments of related expenses;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby confirms the permanent establishment of the LACERS Exemplary Staff Recognition Program, and authorizes program-related expenditures for Fiscal Year 2018-19 not to exceed \$4,000.

Which motions were seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -5; Nays, None.

VI

BENEFITS ADMINISTRATION

- A. BOARD RULES RELATED TO MEMBER AND BENEFITS ADMINISTRATION AND POSSIBLE BOARD ACTION – Ferralyn Sneed, Senior Management Analyst II, discussed this item. A motion to approve was moved by Vice President Wilkinson:

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
PROPOSED BOARD RULES RELATED TO THE**

ADMINISTRATION OF BENEFITS

RESOLUTION 180508-C

WHEREAS, the proposed Board Rules serve to codify LACERS' administrative practices and provide necessary guidance for effective and efficient Plan administration;

WHEREAS, the Board has determined certain rules pertaining to reciprocity and overlapping service conflict with the Administrative Code;

WHEREAS, the Los Angeles Charter Section 1106(f) authorizes the Board of Administration to adopt rules governing the administration of benefits for the Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the proposed Board Rules as presented; and,

BE IT FURTHER RESOLVED, that the Board hereby rescinds the following provisions which were adopted by the Board on April 11, 2000, and revised on June 14, 2016:

- R1: Two payroll periods of overlapping coverage of both employment dates and service credits will not disqualify a member from eligibility for reciprocity.
- R2: Any overlapping service credit beyond two payroll periods will be deducted and the corresponding contributions will be refunded.
- R3: For purposes of reciprocity, overlapping service between the Los Angeles City Employees' Retirement System and a reciprocal agency will not disqualify a member from reciprocity as long as the member did not physically work for both agencies at the same time.

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

- B. **BOARD RULES RELATED TO TIER 1 ENHANCED BENEFITS AND POSSIBLE BOARD ACTION** – Lita Payne, Assistant General Manager, discussed this item. Vice President Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Sohn, Vice President Wilkinson, and President Ruiz –5; Nays, None.

President Ruiz adjourned the regular meeting at 10:48 a.m. to convene in Closed Session.

VII

DISABILITY RETIREMENT APPLICATION(S)

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

- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ROLAND MC CLENDON AND POSSIBLE BOARD ACTION**

VIII

LEGAL/LITIGATION

- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) TO CONFER WITH COUNSEL REGARDING PENDING LITIGATION IN TWO CASES AND POSSIBLE BOARD ACTION:**
- 1. IN RE: TRIBUNE COMPANY FRAUDULENT CONVEYANCE LITIGATION: DEUTSCHE BANK TRUST COMPANY AMERICAS, ET. AL., PLAINTIFFS V. FIRST REPUBLIC BANK, ET. AL., DEFENDANTS [UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK, CONSOLIDATED MULTIDISTRICT ACTION 11 MD 2296 (WHP)]**
 - 2. OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TRIBUNE COMPANY, PLAINTIFF, V. DENNIS FITZSIMMONS, ET AL., DEFENDANTS [UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK, CIVIL ACTION NO. 12-CV-02652 (WHP)]**
- C. CLOSED SESSION PURSUANT TO SUBDIVISION (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION, AND POSSIBLE BOARD ACTION. CASE: AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, ET AL. v. CITY OF LOS ANGELES, ET AL. (SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES CASE NO. BS166535)**

President Ruiz reconvened the Regular Meeting at 10:58 a.m. and announced that during Closed Session the Board unanimously approved the Disability Retirement Applications of Johnny Harmon and Roland McClendon.

Item VIII-A taken out of order.

VIII

- A. CONSENT TO ASSIGNMENT OF CONTRACT FOR OUTSIDE TAX COUNSEL SERVICES AND POSSIBLE BOARD ACTION – Assistant City Attorney Anya Freedman discussed this item. Vice President Wilkinson moved approval, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Sohn, Vice President Wilkinson, and President Ruiz –5; Nays, None.**

IX

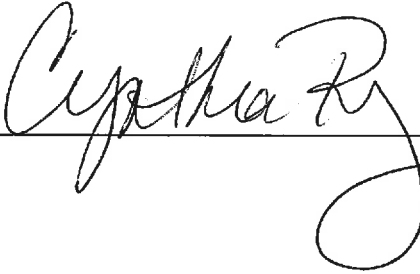
OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular Meeting of the Board is scheduled for Tuesday, May 22, 2018, at 10:00 a.m., in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XI

ADJOURNMENT – There being no further discussion before the Board, President Ruiz adjourned the meeting at 11:08 a.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary