

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

September 11, 2018

10:02 a.m.

Agenda of: Sept. 25, 2018

Item No: II

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

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 BOARD MEETING OF AUGUST 28, 2018 AND POSSIBLE BOARD ACTION – A motion to approve the minutes of August 28, 2018 was moved by Commissioner Serrano, seconded by Vice President Greenwood, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Greenwood and President Ruiz -6; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz stated that she will be attending the largest Environmental, Social, Governance (ESG) Conference, PRI in Person 2018, being held in San Francisco from September 12-14, 2018. Commissioner Serrano reminded all attendees of the September 11, 2001 terrorist attacks and recognized the lives lost.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil Guglielmo, General Manager, discussed the following items:
- Draft year-end financials submitted to auditors on time.
 - Staff is working with the Controller’s Office on automating employer pick-up captures.
 - Technology tips for staff regarding email phishing.
 - LACERS new office hours: 7:00 a.m. to 4:00 p.m.
 - Thanked Public Works for the new trash and recycle containers delivered to the LACERS office.
 - For sustainability purposes, glass cups and carafes now being used for water during Board Meetings.
- B. UPCOMING AGENDA ITEMS – Neil Guglielmo, General Manager, stated there will be training for the Board on the Airport Peace Officers Tier 1 Enhanced Benefits. Additional future agenda items will include the contract with Cortex Consulting Services, Actuarial Other Post Employment Benefits (OPEB) Program, and CEM Benchmarking.

V

CONSENT AGENDA

- A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – The report was received by the Board and filed.
- B. MARKETING CESSATION NOTIFICATION – The report was received by the Board and filed.
- C. RECEIVE AND FILE – EDUCATION AND TRAVEL EXPENDITURE REPORT FOR FISCAL YEAR 2017-18 – The report was received by the Board and filed.
- D. TRAVEL AUTHORITY – COMMISSIONER ELIZABETH LEE; FIDUCIARY INVESTORS SYMPOSIUM, STANFORD, CALIFORNIA; SEPTEMBER 30 – OCTOBER 2, 2018 AND POSSIBLE BOARD ACTION – Vice President Greenwood moved approval of the following Resolution:

**TRAVEL AUTHORITY
FIDUCIARY INVESTORS SYMPOSIUM
SEPTEMBER 30 - OCTOBER 2, 2018
STANFORD, CALIFORNIA**

RESOLUTION 180911-A

WHEREAS, Board approval is required for all international travel requests and travel not included in the Approved List of Educational Seminars;

WHEREAS, the Fiduciary Investors Symposium in Stanford, California is not included in the Approved List of Educational Seminars authorized by the Board Education and Travel Policy for Fiscal Year 2018-19, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Elizabeth Lee is hereby authorized to attend the Fiduciary Investors Symposium on September 30 - October 2, 2018, in Stanford, California;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$2,038 for Commissioner Elizabeth Lee is hereby authorized for reasonable expenses in connection with participation.

Which motion was seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Greenwood, and President Ruiz -6; Nays, None.

- E. TRAVEL AUTHORITY – COMMISSIONER ELIZABETH L. GREENWOOD; 2018 PUBLIC PENSION TRUSTEES FIDUCIARY CONFERENCE, NEW YORK, NEW YORK; OCTOBER 2-3, 2018 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:

**TRAVEL AUTHORITY
2018 PUBLIC PENSION TRUSTEES FIDUCIARY CONFERENCE
OCTOBER 2 - 3, 2018
NEW YORK, NEW YORK**

RESOLUTION 180911-B

WHEREAS, Board approval is required for all international travel requests and travel not included in the Approved List of Educational Seminars;

WHEREAS, the 2018 Public Pension Trustees Fiduciary Conference in New York, New York is not included in the Approved List of Educational Seminars authorized by the Board Education and Travel Policy for Fiscal Year 2018-19, and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

THEREFORE, BE IT RESOLVED, that Commissioner Elizabeth L. Greenwood is hereby authorized to attend the 2018 Public Pension Trustees Fiduciary Conference on October 2 - 3, 2018, in New York, New York;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$1,925.50 for Commissioner Greenwood is hereby authorized for reasonable expenses in connection with participation.

Which motion was seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Greenwood, and President Ruiz -6; Nays, None.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. TRIENNIAL BOARD POLICY REVIEW: THE BOARD PROCEDURES, GUIDANCE FOR BOARD MEMBERS, CONTRACT ADMINISTRATION AND POSSIBLE BOARD ACTION – John Koontz, Senior Management Analyst with Administrative Services, discussed this item. Commissioner Serrano moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Greenwood, and President Ruiz -6; Nays, None.
- B. LARGER ANNUITY PROGRAM REVIEW AND POSSIBLE BOARD ACTION – Todd Bouey, Assistant General Manager, presented this item and requested approval from the Board to allow staff time to review the Larger Annuity Program and come back to the Board with their findings and recommendations. President Ruiz directed a report back within six months. Commissioner Serrano moved approval, seconded by Vice President Greenwood, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Greenwood, and President Ruiz -6; Nays, None.

VII

COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT ON THE MEETING OF SEPTEMBER 11, 2018 – Commissioner Wilkinson stated that the Committee approved the Ratings Schedule for Enhanced Disability Retirement Benefits.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.62 Billion as of September 10, 2018. Mr. June stated that he will be attending the Principles for Responsible Investment (PRI) in Person 2018 Conference in San Francisco, CA from September 12-14, 2018. Mr. June also stated that LACERS becoming a signatory with PRI was approved by the Board in 2007, however, no action was taken. At a future meeting this Board will discuss LACERS becoming a signatory.
- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW REPORT FOR THE QUARTER ENDING JUNE 30, 2018 – Carolyn Smith, Partner and Kevin Novak, Consultant at NEPC presented this item to the Board.

IX

President Ruiz adjourned the Regular Meeting at 10:55 a.m. to convene in Closed Session.

DISABILITY RETIREMENT APPLICATION(S)

Item IX-B taken out of order

B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION FOR MARCELO VALERIO AND POSSIBLE BOARD ACTION

President Ruiz reconvened the Regular Meeting at 11:07 a.m. and announced that during Closed Session the Board unanimously approved the the Disability Retirement Application of Marcelo Valerio.

- A. ADOPTION OF FINDINGS OF FACT FOR MICHAEL KARATSONYI AND POSSIBLE BOARD ACTION – Anna Ingram, Management Analyst, presented this item to the Board. Commissioner Serrano moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and President Ruiz -5; Nays, Vice President Greenwood -1.

X

LEGAL/LITIGATION

- A. CONSIDERATION OF OUTSIDE TAX COUNSEL FOR THREE YEAR CONTRACT(S) EFFECTIVE SEPTEMBER 21, 2018 AND POSSIBLE BOARD ACTION – James Napier, Deputy City Attorney, presented this item to the Board. Vice President Greenwood moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Greenwood, and President Ruiz -6; Nays, None.

XI

OTHER BUSINESS – There was no other business.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, September 25, 2018 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XIII

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



Cynthia M. Ruiz
President

Neil M. Guglielmo

Neil M. Guglielmo
Manager-Secretary