

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

October 23, 2018

10:04 a.m.

Agenda of: Nov. 13, 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:	Anya Freedman
ABSENT:	Commissioners:	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 REGULAR BOARD MEETING OF OCTOBER 9, 2018 AND POSSIBLE BOARD ACTION – A motion to approve the Regular Board Meeting minutes of October 9, 2018 was moved by Commissioner Elizabeth Lee, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and President Ruiz -5; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz thanked all the attendees and participants of the Strategic Planning Off-Site Meeting held at the Los Angeles Zoo on October 16, 2018. She also thanked the Los Angeles Zoo for the use of their facility for the Strategic Planning Meeting.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, discussed the following items:
- Board Off-Site Meeting was very productive and both the Board and staff were engaged.
 - LACERS awarded the Public Pension Standards Award for Funding and Administration by the Public Pension Coordinating Council for meeting professional standards for planned funding and administration and meeting requirements in five key areas: comprehensive benefit program, actuarial, audit, investments, and communications.
 - LACERS staff provided requested documents to Commission on Revenue Generation.
 - LACERS Customer Service Satisfaction at 97% based on the 2018 3rd Quarter Customer Service Surveys Report.
 - More Open Enrollment session events coming up. A service at the events called Mom's Computer helps members use computers and electronic devices.
 - Open Enrollment materials distributed to the Board.
 - Alex Software is live and has been used by 306 users to date.
 - Slight increase in Airport Peace Officers signing up for enhanced benefits.
 - LACERS Holiday Party will be held in Pasadena on December 13, 2018.
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, stated there will be a Cyber Security Ad Hoc Committee meeting in November.
- C. GENERAL MANAGER RESPONSE TO BOARD ON QUESTION REGARDING PROPOSITION 8 – Three public comment cards were submitted to the Commission Executive Assistant. President Ruiz announced that she received the three public comment cards regarding Item IV-C. The public comment cards were submitted by Kim Berzie with SEIU-UHW, Magellan, a Dialysis Nurse, and Myran Cotton, City of Los Angeles retiree and member of SEIU 721. Neil M. Guglielmo, General Manager, discussed this item with the Board. The Report was received by the Board and filed. The Board took no action as the item was not agendized for Board action.

V

CONSENT AGENDA

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR SEPTEMBER 2018 – The report was received by the Board and filed.
- B. RECEIVE AND FILE – COMMISSIONER ELIZABETH LEE BOARD EDUCATION EVALUATION ON THE FIDUCIARY INVESTORS SYMPOSIUM, STANFORD, CALIFORNIA, SEPTEMBER 30 – OCTOBER 2, 2018 – The report was received by the Board and filed.

VI

COMMITTEE REPORTS(S)

- A. **AUDIT COMMITTEE VERBAL REPORT ON THE MEETING OF OCTOBER 23, 2018 –** Commissioner Elizabeth Lee stated that since the Brown Armstrong representative was absent, Rahoof “Wally” Oyewole, LACERS Departmental Audit Manager, discussed the 2018 Financial Statement Audit. Mr. Oyewole also discussed the Internal Audit and Audit Committee Charter Updates with the Committee. In addition, the Update on 2014 Management Audit was received by the Committee and filed.

VII

INVESTMENTS

- A. **CHIEF INVESTMENT OFFICER VERBAL REPORT –** Bryan Fujita, Chief Operating Officer, reported on the portfolio value, \$17.06 Billion as of October 22, 2018. Mr. Fujita stated that Robert Miranda will be leaving Townsend Group. He also stated there will be Board education at a future meeting regarding Environmental, Social and Governance (ESG).
- B. **INVESTMENT MANAGER SEARCHES FOR MULTIPLE ASSET CLASS MANDATES AND POSSIBLE BOARD ACTION –** Bryan Fujita, Chief Operating Officer, Barbara Sandoval, Investment Officer II, and Jimmy Wang, Investment Officer I, presented this item to the Board. Vice President Greenwood moved approval, 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.
- C. **PRIVATE EQUITY PROGRAM 2019 STRATEGIC PLAN AND POSSIBLE BOARD ACTION –** David Fann, President, Heidi Poon, Senior Vice President and Jeff Goldberger, Senior Vice President with TorreyCove Capital Partners presented this item to the Board. Commissioner Elizabeth Lee 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.

President Ruiz adjourned the Regular Meeting at 11:51 a.m. to convene in Closed Session. James Napier, Deputy City Attorney, was present for the Closed Session items for Disability Retirement Applications and Anya Freedman, Assistant City Attorney, was present for Closed Session items VII-D and IX-A.

- D. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF ONE (1) PARTICULAR, SPECIFIC REAL ESTATE INVESTMENT AND POSSIBLE BOARD ACTION**

VIII

DISABILITY RETIREMENT APPLICATION(S)

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

B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ELAINE GOOD AND POSSIBLE BOARD ACTION

IX

LEGAL/LITIGATION

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

President Ruiz reconvened the Regular Meeting at 12:31 p.m. and announced that during Closed Session the Board unanimously approved the Real Estate Investment and the Disability Retirement Applications of Christopher Bernard and Elaine Good. She also announced that the Board conferred with and received legal advice from counsel.

X

OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 13, 2018 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XII

ADJOURNMENT – There being no further discussion before the Board, President Ruiz adjourned the meeting at 12:31 p.m.



Cynthia M. Ruiz
President



Neil M. Guglielmo
Manager-Secretary