

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 14, 2019

10:00 a.m.

Agenda of: May 28, 2019

Item No: II

PRESENT:	President:	Cynthia M. Ruiz
	Vice President:	(arrived at 10:06 a.m.) 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:	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 were four public comment cards received from the following persons who addressed the Board: Ana Ramos an UBER driver, translated by Michael Ring, Michael Ring with SEIU, Carrie Sloan with Action Center on Race and the Economy (ACRE), and Quinn Williams with Action Center on Race and the Economy (ACRE).

II

APPROVAL OF MINUTES FOR REGULAR BOARD MEETING OF APRIL 23, 2019 AND POSSIBLE BOARD ACTION – A motion to approve the Regular Board Meeting minutes of April 23, 2019 was moved by Commissioner Wilkinson, 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.

III

BOARD PRESIDENT VERBAL REPORT – There was no report.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, discussed the following items:
- LACERS FY 19/20 budget presented to the Budget & Finance Committee on May 6, 2019.
 - Actuarial and Actuarial Audit Service RFP closed on May 8, 2019.
 - LACERS Newsletter for Active and Retired members sent out.
 - LACERS has published 15 years of key financial data within City's Online Data Repository.
 - LACERS *Well* on-line Feel Like a Million game launched on April 28, 2019, Champion-led bike event held on April 25, 2019, Champion-led Descanso Gardens visit scheduled for May 21, 2019.
 - Parking update for LA Times building/2nd Street Corporate Parking Garage.
 - Guiding Principles revised definitions.
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, stated the following future agenda items:
- May 28, 2019 - Annual report on Board Training/Travel Plan

V

RECEIVE AND FILE ITEMS

- 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.

VI

COMMITTEE REPORT(S)

- A. AUDIT COMMITTEE VERBAL REPORT ON THE MEETING OF MAY 14, 2019 – Commissioner Elizabeth Lee stated that the Audit Committee approved the contractor disclosure policy and received and filed the excess benefits program-independent accountant's report on applying agreed-upon procedures.

VII

CONSENT AGENDA

- A. TRAVEL AUTHORITY – COMMISSIONER ELIZABETH LEE; INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS CERTIFICATE OF ACHIEVEMENT IN PUBLIC PLAN

POLICY PENSIONS PART I AND II; JUNE 18-21, 2019 AND POSSIBLE BOARD ACTION – Vice President Greenwood moved approval of the following Resolution:

**TRAVEL AUTHORITY
INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS
CERTIFICATE OF ACHIEVEMENT IN PUBLIC PLAN POLICY
PENSIONS PART I AND II
JUNE 18-21, 2019
BOSTON, MASSACHUSETTS**

RESOLUTION 190514-A

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

WHEREAS, International Foundation of Employee Benefit Plans (IFEBP) Certificate of Achievement in Public Plan Policy (CAPPP) Pensions Part I and II in Boston, Massachusetts 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 IFEBP CAPPP on June 18-21, 2019, in Boston, Massachusetts;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$6,500.00 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.

VIII

BENEFITS ADMINISTRATION

- A. BOARD EDUCATION: ANTHEM OVERVIEW – Alex Rabrenovich, Chief Benefits Analyst with Health Benefits Administration & Communications Division and the following Anthem representatives presented this education to the Board: Michele Guilford, Account Management Executive, David Pryor, MD, Regional Vice President, Michael Kaplan, Pharmacist Program Manager, Ron Harrison, Vice President IngenioRx, Sylvia Loftis, RN, Senior Clinical Account Director, and Maggie Foster, Service Account Representative.

IX

BOARD/DEPARTMENT ADMINISTRATION

- A. NOTIFICATION OF CERTIFIED RESULTS OF THE EMPLOYEE MEMBER OF THE BOARD OF ADMINISTRATION ELECTION FOR THE FIVE-YEAR TERM ENDING JUNE 30, 2024 – The report was received by the Board and filed.
- B. CONSIDERATION OF GOVERNMENTAL SIDE-A FIDUCIARY LIABILITY INSURANCE AND POSSIBLE BOARD ACTION – Edeliza Fang, Senior Management Analyst II with Administrative Services presented this item to the Board. Commissioner Elizabeth Lee 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.
- C. LACERS' TECHNOLOGY STRATEGY ALIGNMENT – The report was received by the Board and filed.
- D. 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. After discussion, 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.
- E. APPROVAL OF A CONTRACT AMENDMENT WITH THE SEGAL COMPANY FOR ACTUARIAL CONSULTING SERVICES AND POSSIBLE BOARD ACTION –Dale Wong-Nguyen, Chief Benefits Analyst with Administrative Services Division presented this item to the Board. Commissioner Serrano moved approval of the following Resolution:

**CONTRACT EXTENSION WITH THE SEGAL COMPANY
FOR ACTUARIAL CONSULTING SERVICES**

RESOLUTION 190514-C

WHEREAS, In June 2012, the Board awarded a three-year contract, Contract No. 4093, to The Segal Company (Segal) following a competitive bidding process to provide actuarial consulting services. In October 2014, the contract was amended by Amendment No. 1 to reflect Segal's name change; and in July 2015, the contract was further amended by Amendment No. 2 to extend the contract term for an additional three years from August 1, 2015 to July 31, 2018. In January 2018, Amendment No. 3 extended the contract term for an additional year from August 1, 2018 to July 31, 2019;

WHEREAS, the contract ceiling under Amendment No. 3 has been reached, and it is LACERS' desire to retain Segal to continue to completion several projects currently in-process;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the proposed Contract Amendment No. 4 with Segal, and authorizes the General Manager to execute the necessary documents, within the following terms, and subject to City Attorney review:

CONSULTANT	The Segal Company, aka The Segal Group
TERM	August 1, 2018 to July 31, 2019

AMOUNT \$80,000 added to the contract for a total of \$380,000 for the current term

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.

X

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT - Rod June, Chief Investment Officer, reported on the portfolio value, \$17.18 Billion as of May 13, 2019. Mr. June discussed the following items:
- Mr. June will check on LACERS exposure in the UBER IPO.
 - Mr. June reported that LACERS is a limited partner with Platinum Equity and does not recommend exiting at this time.
 - 111 responses received for the Small Cap Equity Search.
 - 38 responses received for the Bank Loan/High Yield Search.
 - Managers on watch as of May 13: Barrow Hanley, Axiom, and AQR.
 - Managers already on watch: AJO, Aegon, Panagora, and LM Capital.
 - Future agenda items: NEPC Total Fund Performance, Torrey Cove Performance on Private Equity, six Private Equity Notifications, and real estate opportunity.

Mr. June announced that the new intern from Girls Who Invest is Citlalli Vivar. Her internship is from July 1 – August 9, 2019.

Alejandra Zuniga, intern with LACERS Investments Division, shared her appreciation for the opportunity to work in Investments and announced that she will next be interning with LACERS Retirement Services Division.

XI

DIVISION SPOTLIGHT

- A. SURVIVOR BENEFITS UNIT – Karen Freire, Chief Benefits Analyst, Ferralyn Sneed, Senior Management Analyst II, and James Kawashima, Management Analyst with Retirement Services Division presented this spotlight to the Board.

President Ruiz recessed the Regular Meeting at 12:09 p.m. for a break. President Ruiz reconvened the Regular Meeting at 12:19 p.m. and convened in Closed Session at 12:20 p.m.

XII

LEGAL/LITIGATION

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTIONS 54956.9 (a) and (d)(1) IN ORDER TO CONFER WITH LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE FOLLOWING CASES: IN RE CORTLANDT STREET RECOVERY CORP. V. CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM, et al., 2:11-cv-10571-RGK (SHx) AND CORTLANDT STREET RECOVERY CORP. V. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM, et al., 2:22-cv-10573-RVK (SHx) (In the United States District Court for the Central District of California) AND POSSIBLE BOARD ACTION**

XIII

DISABILITY RETIREMENT APPLICATION(S)

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF JIM GRIMES AND POSSIBLE BOARD ACTION**
- B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF CLAUDIA PEREZ AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 12:25 p.m. and announced that the Board approved the City Attorney's recommendation and unanimously approved the Disability Retirement Applications of Jim Grimes and Claudia Perez.

XIV

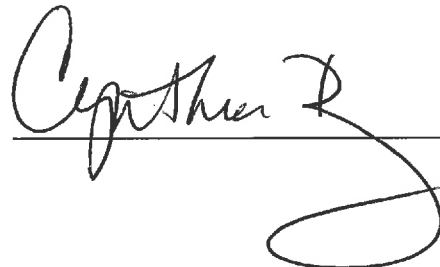
OTHER BUSINESS – Vice President Greenwood discussed the processing of Worker's Compensation cases. President Ruiz stated this issue would be introduced on a future Board Meeting Agenda.

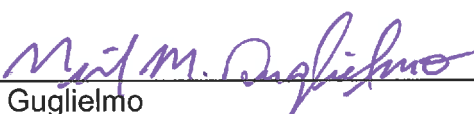
XV

NEXT MEETING – The next Regular meeting of the Board is scheduled for Tuesday, May 28, 2019 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XVI

ADJOURNMENT – There being no further discussion before the Board, President Ruiz adjourned the meeting at 12:35 p.m.


Cynthia M. Ruiz
President


Neil M. Guglielmo
Manager-Secretary