

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

July 9, 2019

10:08 a.m.

Agenda of: July 23, 2019

Item No: II

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PRESENT:	President:	Cynthia M. Ruiz
	Vice President:	Vacant
	Commissioners:	Annie Chao Elizabeth Lee Sandra Lee Nilza R. Serrano Michael R. Wilkinson
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
	Legal Counsel:	(left at 12:12 p.m.) Anya Freedman (arrived at 12:13 p.m.) James Napier
ABSENT:	Commissioner	Sung Won Sohn

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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 one public comment card received from Mr. Declan Walsh, member of the public with SEIU-UHW. Mr. Walsh discussed Agenda Item V-E – Legislative Update of July 2019.

II

APPROVAL OF MINUTES FOR REGULAR BOARD MEETING OF JUNE 25, 2019 AND POSSIBLE BOARD ACTION – A motion to approve the Regular Board Meeting minutes of June 25, 2019 was moved by Commissioner Serrano, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and President Ruiz -5; Abstention, Commissioner Chao -1; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz welcomed Commissioner Annie Chao to the LACERS Board of Administration. President Ruiz stated that she will be working on Commissioner Committee assignments for FY 20.

IV

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, discussed the following items:

- Welcomed Commissioner Annie Chao to the LACERS Board of Administration.
- Introduced the new head of Administrative Services Office, Isaias Cantu.
- Discussed new Trustee Handbooks for each Commissioner.
- Staff will provide Legislative Update at the Board Meeting.
- LACERS has recently provided a breakdown of prior year expenses to the Revenue Commission.
- Receipt of City Contributions is expected by July 15<sup>th</sup>.
- Member letter to the Board sent via email from David and Carol Ream.

B. UPCOMING AGENDA ITEMS – Mr. Guglielmo stated the following would be on an upcoming Board agenda:

- July 23, 2019 Board - Website Redesign project update.
- July 23, 2019 Board – Business Plan Initiatives for FY 2019-20.
- July 23, 2019 Board – Cybersecurity Insurance, Willis Towers Watson is scheduled to present.
- August Benefits Administration Committee and Board – 2020 Retiree Health Insurance Renewals and Subsidy/Reimbursement amounts.

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.
- C. COMMISSIONER SOHN BOARD EDUCATION EVALUATION ON MIT CERTIFICATE PROGRAM IN REAL ESTATE FINANCE AND DEVELOPMENT, CAMBRIDGE, MA; JUNE 17-21, 2019 – The report was received by the Board and filed.
- D. COMMISSIONER ELIZABETH LEE BOARD EDUCATION EVALUATION ON IFEBP CERTIFICATE OF ACHIEVEMENT IN PUBLIC PLAN POLICY PENSIONS PART I AND PART II, BOSTON, MA; JUNE 18-21, 2019 – The report was received by the Board and filed.

- E. LEGISLATIVE UPDATE OF JULY 2019 – Dale Wong-Nguyen, Chief Benefits Analyst and Chhintana Kurimoto, Management Analyst with Administrative Services Division presented this item to the Board. After discussion, the report was received by the Board and filed.

VI

CONSENT AGENDA

- A. TRAVEL AUTHORITY – COMMISSIONER CYNTHIA M. RUIZ; PRINCIPLES FOR RESPONSIBLE INVESTMENT IN PERSON 2019, PARIS, FRANCE; SEPTEMBER 10-12, 2019 AND POSSIBLE BOARD ACTION – Mr. Tom Moutes, retiree and LACERS member, discussed this item and asked the Board to deny this travel request. After discussion, Commissioner Serrano moved approval of the following Resolution:

**TRAVEL AUTHORITY  
PRINCIPLES FOR RESPONSIBLE INVESTMENT IN PERSON 2019  
SEPTEMBER 10-12, 2019  
PARIS, FRANCE**

**RESOLUTION 190709-A**

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

WHEREAS, the Principles for Responsible Investment (PRI) in Person 2019 in Paris, France is an international travel request, 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 Ruiz is hereby authorized to attend the PRI in Person 2019 from September 10-12, 2019 in Paris, France.

BE IT FURTHER RESOLVED, that the reimbursement of up to \$7,500 is hereby authorized for reasonable expenses in connection with participation.

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

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. CONTRACT AWARD TO SEGAL CONSULTING FOR ACTUARIAL SERVICES AND POSSIBLE BOARD ACTION – Dale Wong-Nguyen, Chief Benefits Analyst with Administrative

Services Division presented this item to the Board. Commissioner Chao moved approval of the following Resolution:

**CONTRACT WITH SEGAL CONSULTING  
FOR ACTUARIAL CONSULTING SERVICES**

**RESOLUTION 190709-B**

WHEREAS, LACERS desires to engage the services of a consulting actuary to provide expert technical actuarial services, included but not limited to: (1) Consulting and advising the Board as to those matters or questions of an actuarial nature, including educational sessions for the Board, recommendations to improve LACERS' funding, and reconciling LACERS' data file; (2) Annual valuations of the retirement benefits and health subsidy benefits; (3) an Experience Study; (4) Asset & Liability Study of the Family Death Benefit Program; (5) Annual financial reporting disclosures; and, (6) Other annual studies relating to the cost-of-living, and six-year illustrations requested by the City Administrative Officer. Also included are ad-hoc services such as cost studies, presentations, funding policy reviews, and benefit calculations;

WHEREAS, LACERS issued a Request for Proposal for Actuarial Services on March 15, 2019 and received three proposals for the consulting actuary engagement by the May 8, 2019 deadline;

WHEREAS, Segal Consulting was selected by a review panel as the best qualified firm to meet LACERS' needs;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves a contract with Segal, and authorizes the General Manager to execute the necessary documents, within the following terms, subject to City Attorney review:

CONSULANT	Segal Consulting
TERM	August 1, 2019 to July 31, 2022
AMOUNT	\$1,500,000

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

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, report on the portfolio value, \$17.728. Mr. June discussed the following items:
- 1-year unaudited return ending June 30, 2019 was 6.14% gross of fees and 5.95% net of fees.
  - Application for PRI Signatory has been submitted, waiting for response.
  - Future agenda items: Four Investment Manager Contracts, Private Credit Investment Manager Finalists Recommendations from Investment Committee.

Mr. June introduced the Investment Divisions new Intern, Ms. Citlalli Vivar, hired through the Girls Who Invest.

- B. PRESENTATION BY TORREYCOVE, LLC REGARDING PRIVATE EQUITY INVESTMENT MANAGEMENT – David Fann, President, Heidi Poon, Senior Vice President, and Jeff Goldberger, Senior Vice President, with TorreyCove presented this education to the Board.

President Ruiz recessed the Regular Meeting at 12:01 p.m. for a break. President Ruiz reconvened the Regular Meeting at 12:12 p.m. and convened in Closed Session at 12:13 p.m. James Napier, Deputy City Attorney, was present during the Disability Retirement Application discussion and remained for the duration of the Regular Board Meeting.

IX

DISABILITY RETIREMENT APPLICATION(S)

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

President Ruiz reconvened the Regular Meeting at 12:15 p.m. and announced that the Board unanimously approved the Disability Retirement Application of Linda Cheatham.

X


OTHER BUSINESS – There was no other business


XI

NEXT MEETING – The next Regular meeting of the Board is scheduled for Tuesday, July 23, 2019 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 12:16 p.m.

  
Cynthia M. Ruiz  
President

  
Neil M. Guglielmo  
Manager-Secretary

