

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 8, 2019

10:09 a.m.

**Agenda of: Oct. 22, 2019**

**Item No: II**

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PRESENT:	President:	Cynthia M. Ruiz
	Vice President:	Michael R. Wilkinson
	Commissioners:	Annie Chao Elizabeth Lee Sandra Lee Nilza R. Serrano Sung Won Sohn
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian
	Legal Counsel:	Anya Freedman

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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 no response and no public comment cards were received.

II

**APPROVAL OF MINUTES FOR REGULAR BOARD MEETING OF SEPTEMBER 24, 2019 AND POSSIBLE BOARD ACTION** – A motion to approve the Regular Board Meeting minutes of September 24, 2019 was moved by Commissioner Serrano, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

III

**BOARD PRESIDENT VERBAL REPORT** – President Ruiz stated that she along with General Manager Neil M. Guglielmo and Assistant General Manager Lita Payne attended the Mayor's Annual Women Move LA Conference.

IV

## GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, discussed the following items:
- LACERS Employee Training and Development
  - Open Enrollment
  - Partnership with LA Department of Aging
  - LACERS *Well* Program
- B. UPCOMING AGENDA ITEMS – Mr. Guglielmo stated the following items will be on an upcoming Board agenda:
- October 22, 2019 Board – Appropriation for Human Resources and Payroll Project
  - October 22, 2019 Board – Legislative update

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
- C. COMMISSIONER RUIZ BOARD EDUCATION EVALUATION ON UN PRI IN PERSON 2019 CONFERENCE, PARIS, FRANCE; SEPTEMBER 10-12, 2019 – The report was received by the Board and filed.
- D. COMMISSIONER CHAO BOARD EDUCATION EVALUATION ON NCPERS PUBLIC PENSION FUNDING FORUM, NEW YORK, NY; SEPTEMBER 11-13, 2019 – The report was received by the Board and filed.

VI

## COMMITTEE REPORT(S)

- A. AUDIT COMMITTEE REPORT – CONTRACT AWARD TO CHEIRON, INC. FOR ACTUARIAL AUDIT ENGAGEMENT AND POSSIBLE BOARD ACTION – Wally Oyewole, Departmental Audit Manager, presented this item to the Board. Commissioner Elizabeth Lee moved approval of the following Resolution:

**CONTRACT WITH CHEIRON INC.  
FOR ACTUARIAL AUDIT SERVICES**

**RESOLUTION 191008-A**

WHEREAS, consistent with actuarial best practice, LACERS desires to engage an actuarial firm to conduct an independent actuarial audit of LACERS incumbent Consulting Actuary, to include the following: (a) full replication audit of LACERS Retirement and Health Plan valuations; (b) a review of LACERS' most recent Experience Study for reasonableness and internal consistency; and, (c) a reconciliation and presentation of any identified significant discrepancies to the Board;

WHEREAS, on March 15, 2019, LACERS issued a Request for Proposal for actuarial consulting as well as actuarial audit services, and received audit actuary proposals from Milliman, Cheiron Inc., and Gabriel, Roeder, Smith & Company;

WHEREAS, Cheiron and Milliman ranked first and second respectively, and were presented to the Audit Committee (Committee) for interview;

WHEREAS, on September 24, 2019, the Committee interviewed Milliman and Cheiron, and selected Cheiron for audit actuary contract award;

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

- FIRM: Cheiron Inc.
- TERM: One-time contract to conduct actuarial audit
- AMOUNT: A fixed fee of \$75,000

Which motion was seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT ON THE MEETING OF OCTOBER 8, 2019 – Vice President Wilkinson stated the Committee was presented with a presentation on the Health Management Dashboards and a report from Anthem on an enrollment issue.

VII

BENEFITS ADMINISTRATION

A. WEBSITE DESIGN PREVIEW – Alex Lombardo, Management Assistant, presented the Board with an overview of the new LACERS mobile friendly website design.

President Ruiz recessed the Regular Meeting at 10:47 a.m. to convene in Closed Session.

VIII

- A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF EDMOND KHAJKIAN AND POSSIBLE BOARD ACTION**
- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF LUZMILA LOPEZ AND POSSIBLE BOARD ACTION**
- C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF JESSICA VALLES AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 11:03 a.m. and announced that the Board unanimously approved the Disability Retirement Applications of Edmond Khajkian, Luzmila Lopez, and Jessica Valles.

## IX

### INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT –** Rod June, Chief Investment Officer, reported on the portfolio value, \$18.03 Billion as of October 7, 2019. Mr. June discussed the following items:
  - Staff is finishing up due diligence on the Small Cap Equities Search
  - Future Board Agenda items: Several real estate opportunities and Private Equity Program 2020 Strategic Plan

President Ruiz recessed the Regular Meeting at 11:08 a.m. to convene in Closed Session.

- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF TWO (2) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 12:20 p.m.

- C. ASSET MANAGEMENT REAL ESTATE SERVICES RFQ AND POSSIBLE BOARD ACTION –** Wilkin Ly, Investment Manager III, Jennifer Stevens and Felix Fells with Townsend presented this item to the Board. Commissioner Chao moved approval, seconded by Vice President Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -7; Nays, None.

## X

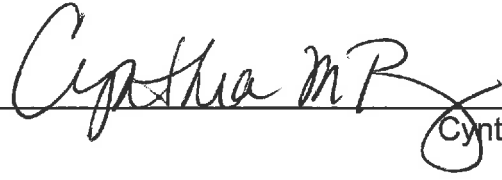
**OTHER BUSINESS –** Commissioner Serrano requested a Governance Committee Meeting be scheduled to discuss wording of Board Agenda items.


## XI

NEXT MEETING – The next Regular meeting of the Board is scheduled for Tuesday, October 22, 2019 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 12:25 p.m.

  
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Cynthia M. Ruiz  
President

  
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Neil M. Guglielmo  
Manager-Secretary