

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 22, 2019

10:02 a.m.

Agenda of: <u>Nov. 12, 2019</u>
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Item No: <u>II</u>

PRESENT:	President:	Cynthia M. Ruiz
	Vice President:	Michael R. Wilkinson
	Commissioners:	Annie Chao Elizabeth Lee (arrived at 10:04 a.m.) Sandra Lee Nilza R. Serrano Sung Won Sohn
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghokassian
	Legal Counsel:	Anya Freedman

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 8, 2019 AND POSSIBLE BOARD ACTION – A motion to approve the Regular Board Meeting minutes of October 8, 2019 was moved by Commissioner Chao, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -6; Nays, None.

Commissioner Sandra Lee arrived at the Regular Meeting at 10:04 a.m.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz stated that Commissioner Serrano was presented with the "Leader of the Year" award from the Los Angeles Democratic Party.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, discussed the following items:
- Public Pension Coordinating Council Award 2019
 - Great Shake-Out Drill
 - LACERA Site Visit
 - Gwen Poindexter’s last LACERS Meeting
- B. UPCOMING AGENDA ITEMS – Mr. Guglielmo stated the following items will be on an upcoming Board agenda:
- October 31, 2019 – Special Board Meeting
 - November 12, 2019 – Segal to present annual valuations
 - CEM Benchmarking presentation

V

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR SEPTEMBER 2019

VI

Deputy City Attorney James Napier was present during Items VI-A, VI-B, VII-A, and VII-B.

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDER THE DISABILITY RETIREMENT APPLICATION OF AZAR NEJAD AND POSSIBLE BOARD ACTION (HEARING) – Estella Priebe, Management Analyst with Retirement Services Division and Former Member Azar Nejad discussed this item with the Board. Commissioner Serrano moved approval of the staff recommendation to deny the application, 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.

President Ruiz recessed the Regular Meeting at 10:58 a.m. to convene in Closed Session.

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

VII

INVESTMENTS

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO LBA LOGISTICS VALUE FUND VII, L.P. AND POSSIBLE BOARD ACTION**
- B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO NREP NORDIC STRATEGIES FUND IV, L.P. SCSP AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 11:09 a.m. and announced that the Board unanimously approved the Disability Retirement Application of Nicole Lawrence.

- C. **CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$18.3 Billion as of October 21, 2019. Mr. June discussed the following items:**
 - Mr. June attended the Pacific Center for Asset Management
 - Future Board Agenda items: Presentation by CEM Benchmarking, PRI Action Plan, Private Equity Portfolio Performance Reporting, Finalist Interviews for the Asset Manager RFQ, and Principles for Responsible Investing ballot measures and board election.
- D. **PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2019 – Jennifer Stevens, Partner and Felix Fells, Associate with Townsend presented this item to the Board.**

VIII

COMMITTEE REPORT(S)

- A. **INVESTMENT COMMITTEE VERBAL REPORT ON THE MEETING OF OCTOBER 8, 2019 – Commissioner Sohn stated the Committee was presented a closed session real estate item, the Private Equity Program 2020 Strategic Plan, and the Brokerage Activity Report for Period July 1, 2018 to June 30, 2018.**

IX

BOARD/DEPARTMENT ADMINISTRATION

- A. **BUDGET APPROPRIATION FOR THE HUMAN RESOURCES AND PAYROLL PROJECT AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:**

**BUDGET APPROPRIATION
FOR HUMAN RESOURCES AND PAYROLL PROJECT**

RESOLUTION 191022-E

WHEREAS, the City of Los Angeles is replacing its current payroll system, PaySR, with the Human Resources and Payroll (HRP) system;

WHEREAS, LACERS utilizes the City's payroll system to perform personnel, accounting, retirement, and active member account related work, contributing to the accurate and timely delivery of Member benefits;

WHEREAS, the City requests user departments to subsidize the cost of replacing the new system;

WHEREAS, the calculated cost is proportional, based on the staff count of each participating department;

WHEREAS, LACERS' share of the first-year costs to replace the PaySR system is \$31,332;

WHEREAS, LACERS' FYE 2020 budget does not include an appropriation for this expense because the amount was unknown at the time of the budget process;

NOW, THEREFORE, BE IT RESOLVED, that the Board:

1. Approve a FYE 2020 budget expenditure to be funded from savings in the Office and Administration Expense appropriation (Account No. 166010) to cover LACERS' portion of the first-year costs related to the HRP project in the amount of \$31,332; and,
2. Delegate authority to the Chief Accounting Employee to increase the budget appropriation by \$31,332 if the surplus in the Office and Administration Expense appropriation is insufficient through June 30, 2020.

Which motion was seconded by Commissioner Elizabeth Lee, 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. LEGISLATIVE UPDATE OF OCTOBER 2019 – Chhintana Kurimoto, Management Analyst with the Administration Division, presented this item to the Board.
- C. DESIGNATION OF EXECUTIVE OFFICER PURSUANT TO CHARTER SECTION 512 AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution:

DESIGNATION OF EXECUTIVE OFFICER TO CARRY OUT ALL DUTIES OF GENERAL MANAGER DURING GENERAL MANAGER'S TEMPORARY ABSENCE

RESOLUTION 191022-F

WHEREAS, the LACERS Board of Administration (the Board) is the appointing authority for the LACERS General Manager under Los Angeles City Charter (LACC) Section 1108(b); and

WHEREAS, the General Manager is authorized under LACC Section 509 to administer the affairs of the department as its Chief Administrative Officer; and

WHEREAS, the General Manager shall be temporarily absent and unable to act from from November 4, 2019 through the estimated return date of May 4, 2020; and

WHEREAS, in consideration of the best interests of the department, the General Manager has requested that the Board, pursuant to its authority under LACC Section 512, designate a qualified employee to act with the full authority of the General Manager during this temporary absence; and

WHEREAS, the Board has determined that the Executive Officer has demonstrated the experience and ability to carry out these duties.

NOW, THEREFORE, BE IT RESOLVED that the Board, hereby designates the Executive Officer to act with all the authority of the General Manager during the General Manager's temporary absence from November 4, 2019 through the earlier of the General Manager's return to full time service with LACERS or May 4, 2020.

Which motion was 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

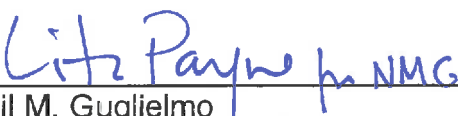
OTHER BUSINESS – Commissioner Serrano stated she wants to look into including staff demographics for Asset Managers and vendors for data collection purposes only.

XI

NEXT MEETING – The next Regular meeting of the Board is scheduled for Tuesday, November 12, 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 12:20 p.m.



Neil M. Guglielmo
Manager-Secretary



Cynthia M. Ruiz
President