

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

November 12, 2019

10:09 a.m.

Agenda of: Dec. 10, 2019

Item No: II

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

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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 OCTOBER 22, 2019 AND SPECIAL BOARD MEETING OF OCTOBER 31, 2019 AND POSSIBLE BOARD ACTION – Commissioner Chao amended the Board Meeting Minutes of October 22, 2019 and October 31, 2019 to correct the title on the signature block for the Board President. A motion to approve the Regular Board Meeting minutes of October 22, 2019 and Special Board Meeting Minutes of October 31, 2019, as amended, was moved by Commissioner Elizabeth Lee, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, and President Ruiz -6; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz stated her support for transfer of her Board education budget to cover any overage in Commissioner Elizabeth Lee’s travel budget to attend the IFEBP Wharton School in April 2019.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Lita Payne, Executive Officer, discussed the following items:
- Request for Commissioner follow-up questions and assignments for staff on non-agendized items during “Other Business” portion of Board Agenda
  - Wellness Program Manager status
  - Management Audit status
  - Status update on the City’s Revenue Generation Committee
  - LACERS 2019 Holiday Party
  - CAO Analyst change – Ms. Jennifer Lopez of the CAO, introduced herself to the Board as new CAO liaison to LACERS
- B. UPCOMING AGENDA ITEMS – Ms. Payne stated the following items will be on an upcoming Board agenda:
- Early part of 2020 calendar year, legal counsel staff will present Board fiduciary training

V

RECEIVE AND FILE ITEMS

- A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- B. MARKETING CESSATION NOTIFICATION – This report was received by the Board and filed.
- C. JANUARY – JUNE 2020 PRE-APPROVED LIST OF BOARD EDUCATIONAL OPPORTUNITIES – This report was received by the Board and filed.

VI

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

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDER THE RETURN TO WORK REQUEST OF RETIREE SHARON DOUGLAS AND POSSIBLE BOARD ACTION (HEARING) – Retiree Sharon Douglas, Anna Ingram, Management Analyst with Retirement Services Division, Keylaundra McClelland, Management Analyst with LAWA, and the Board discussed this item for 7 minutes. Commissioner Chao moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes,

Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, and President Ruiz -6; Nays, None.

President Ruiz recessed the Regular Meeting at 10:33 a.m. to convene in Closed Session.

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

President Ruiz reconvened the Regular Meeting at 10:37 a.m. and announced that the Board unanimously approved the Disability Retirement Application of Henry Cuaron.

VII

Commissioner Chao left the Regular Meeting at 10:38 a.m.

CONSENT AGENDA

- A. TRAVEL AUTHORITY – COMMISSIONER SUNG WON SOHN; 89<sup>TH</sup> INTERNATIONAL ATLANTIC ECONOMIC CONFERENCE, ROME, ITALY; MARCH 25-28, 2020 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:

**TRAVEL AUTHORITY  
INTERNATIONAL ATLANTIC ECONOMIC SOCIETY  
89<sup>TH</sup> INTERNATIONAL ATLANTIC SOCIETY CONFERENCE  
MARCH 25-28, 2020  
ROME, ITALY**

**RESOLUTION 191112-C**

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

WHEREAS, the International Atlantic Economic Society (IAES) 89<sup>th</sup> International Atlantic Economic Conference in Rome, Italy 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 Sohn is hereby authorized to attend the IAES 89<sup>th</sup> International Atlantic Economic Conference from March 25-28, 2020 in Rome, Italy;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$4,500 is hereby authorized for reasonable expenses in connection with participation.

Which motion was seconded by Commissioner Sandra Lee, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Sohn, and President Ruiz -5; Nays, None.

Commissioner Chao returned to the Regular Meeting at 10:44 a.m.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$18.38 Billion as of November 8, 2019. Mr. June discussed the following items:
- Staff is rebalancing the portfolio pursuant to the Rebalancing Policy.
  - Mr. June and Robert King, Investment Officer I attending GCM Grosvenor Small and Emerging Manager Conference on November 14-15, 2019.
  - Mr. June speaking on CIO panel at the Toigo Foundation.
  - Three new Investment Officer I's starting on November 25, 2019.
  - Future Board Items: December 10, 2019 – Total Fund Portfolio Performance Review, Private Equity 2020 Strategic Plan, Private Equity Notifications, Disclosure Report of Fees, Expenses, Carried Interest of Alternative Investment Vehicles, and presentation by one of the General Partners from LACERS Private Equity Program.
- B. PRI ACTION PLAN – Rod June, Chief Investment Officer and Saira Gandhi, Management Analyst presented this report included in the packet. After a 43-minute discussion, the report was received by the Board and filed.
- C. PRI BALLOT MEASURES AND BOARD ELECTION AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer and Saira Gandhi, Management Analyst presented this report included in the packet. For Item 1 on the recommendation, Commissioner Chao moved to accept staff's recommendation, seconded by Commissioner Elizabeth Lee, by the following vote, Ayes, Commissioners Chao and Elizabeth Lee -2, Nays, Commissioners Sandra Lee, Serrano, Sohn, and President Ruiz -4. This motion did not pass. Commissioner Serrano moved to vote for Eva Halvarsson and Rafael Soares Rebeiro de Castro, seconded by Commissioner Sandra Lee, and adopted by the following vote: Ayes, Commissioners Sandra Lee, Serrano, Sohn, and President Ruiz -4; Nays, Commissioners Chao and Elizabeth Lee. This motion passed. Commissioner Chao moved approval of Items 2 & 3 on the recommendation, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, and President Ruiz -6; Nays, None.

Commissioner Elizabeth Lee left the Regular Meeting at 11:40 a.m.

- D. REVISION TO RESOLUTION FOR QUANTITATIVE MANAGEMENT ASSOCIATES, LLC AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution that rescinds Resolution 191022-C:

**CONTRACT EXTENSION  
QUANTITATIVE MANAGEMENT ASSOCIATES, LLC  
ACTIVE EMERGING MARKETS CORE EQUITIES  
PORTFOLIO MANAGEMENT**

**RESOLUTION 191112-D**

WHEREAS, LACERS current three-year contract with Quantitative Management Associates, LLC (QMA) for active emerging markets core equities portfolio management expires on December 31, 2019; and,

WHEREAS, on July 29, 2019, QMA was placed on "On Watch" status pursuant to the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract extension with QMA will allow the fund to maintain a diversified exposure to non-U.S. equities emerging markets; and,

WHEREAS, on August 27, 2019, the Board approved the Investment Committee's recommendation to approve a one-year contract extension with QMA; and,

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

Company Name:	Quantitative Management Associates, LLC
Service Provided:	Active Emerging Markets Core Equities Portfolio Management
Effective Dates:	January 1, 2020 through December 31, 2020
Duration:	One year
Benchmark:	MSCI Emerging Markets Index

Allocation as of July 31, 2019: \$436 million

Which motion was seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Sandra Lee, Serrano, Sohn, and President Ruiz -5; Nays, None.

Commissioner Elizabeth Lee returned to the Regular Meeting at 11:41 a.m.

E. NOTIFICATION OF COMMITMENT OF UP TO \$35 MILLION IN LBA LOGISTICS VALUE FUND VII, L.P. – There was no discussion on this item and the report was received by the Board and filed.

President Ruiz recessed the Regular Meeting at 11:41 a.m. for a break and reconvened the Regular Meeting at 11:47 a.m.

IX

BOARD/DEPARTMENT ADMINISTRATION

- A. PRESENTATION BY CEM BENCHMARKING INC. OF INVESTMENT BENCHMARKING FOR THE FIVE-YEAR PERIOD ENDING DECEMBER 31, 2018 AND PENSION ADMINISTRATION BENCHMARKING FOR THE FISCAL YEAR ENDING JUNE 30, 2018 – Todd Bouey, Assistant General Manager, Kam Mangat, Vice President with CEM Benchmarking, Inc, Carolyn Smith, Partner with NEPC, and Rod June, Chief Investment Officer, presented this report to the Board included in the packet. Members of the Board asked questions of the consultant and staff. After 1 hour and 17 minutes of discussion, the report was received by the Board and filed.
- B. ACTUARIAL VALUATIONS AS OF JUNE 30, 2019 INCLUDING PROPOSED CITY CONTRIBUTION RATES FOR FISCAL YEAR 2020-21 AND POSSIBLE BOARD ACTION – Todd Bouey, Assistant General Manager and Paul Angelo, Actuary with Segal Consulting presented and discussed this report with the Board. After 28 minutes of discussion, Commissioner Chao moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Sohn, and President Ruiz -6; Nays, None.

X


OTHER BUSINESS – There was no other business.

XI

NEXT MEETING – The next Regular meeting of the Board is scheduled for Tuesday, November 26, 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 1:35 p.m.

  
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Lita Payne  
Manager-Secretary

  
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Cynthia M. Ruiz  
President