

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

January 14, 2020

10:02 a.m.

Agenda of: Jan. 28, 2020

Item No: II

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:	Lita Payne
	Executive Assistant:	Ani Ghoukassian
	Legal Counsel:	Anya Freedman

Arrived at 10:05 a.m.

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 DECEMBER 10, 2019 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Vice President Wilkinson, and President Ruiz -6; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz wished everyone a Happy New Year.

IV

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Lita Payne, Executive Officer, discussed the following items:

- FY 2020 Budget
- Emergency Program
- HQ Update
- Anthem Premium Stabilization Reserve (PSR)
- Anthem’s switch from ExpressScripts to Ingenio RX
- Anthem medical ID cards

Commissioner Sohn arrived at the Regular Meeting at 10:05 a.m.

B. UPCOMING AGENDA ITEMS – Ms. Payne stated the following items will be on an upcoming Board agenda:

- January 21, 2020 – Special Investment Committee Meeting
- January 28, 2020 Board Meeting – 2019 Comprehensive Annual Financial Report
- January 28, 2020 Board Meeting – 115 Trust Financial Statements
- January 28, 2020 Benefits Administration Committee Meeting – 2021 Retiree Health Plan Year
- January 28, 2020 Benefits Administration Committee Meeting – Annual Retiree Wellness Report

V

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR NOVEMBER 2019 – This report was received by the Board and filed.
- B. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR DECEMBER 2019 – This report was received by the Board and filed.
- C. MARKETING CESSATION NOTIFICATION – This report was received by the Board and filed.
- D. BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.

VI

CONSENT AGENDA

- A. ADOPTION OF 2020 RETIRED MEMBER OF THE BOARD ELECTION CALENDAR AND POSSIBLE BOARD ACTION – Ani Ghoukassian, Commission Executive Assistant, presented this item to the Board. Vice President Wilkinson moved approval, 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.

VII

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT ON THE REGULAR MEETING OF DECEMBER 10, 2019 – Commissioner Sohn stated that Northern Trust presented to the Committee regarding the Securities Lending Activity Report.
- B. GOVERNANCE COMMITTEE REPORT – CONSIDERATION OF BOARD AGENDA TITLE FOR REAL ESTATE INVESTMENT ITEMS AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer and Eduardo Park, Investment Officer II, and Jennifer Stevens, Principal with Townsend Holdings presented this item to the Board. After 29 minutes of discussion, Commissioner Serrano moved approval of option 2 in the report, seconded by Commissioner Sandra Lee, and adopted by the following vote: Ayes, Commissioners Elizabeth Lee, Sandra Lee, Serrano, Sohn, Vice President Wilkinson, and President Ruiz -6; Nays, Commissioner Chao -1.
- C. GOVERNANCE COMMITTEE REPORT – PROPOSED REVISION TO THE BOARD EDUCATION AND TRAVEL POLICY AND POSSIBLE BOARD ACTION – Edeliza Fang, Senior Management Analyst II with the Administration Division, presented this item to the Board. After three minutes of discussion, Commissioner Elizabeth Lee moved approval, 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.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$18.99 Billion as of January 13, 2020. Mr. June discussed the following items:
- TorreyCove is being acquired by Aksia
 - Rhumblin names Denise D'Entremont to President
 - Future Board Items: Four investment manager contracts coming out of Investment Committee and finalists of the Active US Small Cap Equities Manager Search
 - Paygrade advancement of Eduardo Park to Investment Officer II
 - Saira Gandhi, Management Analyst, promoted to Senior Management Analyst with Street Services
- B. PRESENTATION BY THE CARLYLE GROUP REGARDING PRIVATE EQUITY INVESTING – Wilkin Ly, Investment Officer III, introduced Mr. David Rubenstein, Co-Founder & Co-Executive Chairman of The Carlyle Group. Mr. Rubenstein discussed his personal history and philanthropy work with the Board for 50 minutes.

President Ruiz recessed the Regular Meeting at 11:46 a.m. for a break and reconvened the Regular Meeting at 11:51 a.m.

- C. CONTINUED DISCUSSION OF PRIVATE EQUITY INVESTMENT MANAGEMENT – Rod June, Chief Investment Officer, David Fann, President and Jeff Goldberger, Senior Vice President with TorreyCove presented this item to the Board for 15 minutes.

- D. NOTIFICATION OF COMMITMENT OF UP TO \$35 MILLION IN NREP NORDIC STRATEGIES FUND IV, LP SCSP – This report was received by the Board and filed.

IX

DIVISION SPOTLIGHT

- A. HEALTH ACCOUNT RECONCILIATION – Glen Malabuyoc, Management Analyst with Health Benefits Administration & Communications Division, presented this division spotlight to the Board for 15 minutes.

X

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDER THE DISABILITY APPLICATION OF EUGENE MONTGOMERY AND POSSIBLE BOARD ACTION – Vice President Wilkinson moved approval of staff recommendation, 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.

Commissioner Chao left the Regular Meeting at 12:54 p.m.

President Ruiz recessed the Regular Meeting at 12:55 p.m. to convene in Closed Session. James Napier, Deputy City Attorney, was present during the Closed Session items.

- B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ROY MAYES AND POSSIBLE BOARD ACTION**
- C. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ANTHONY URIBE AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 12:58 p.m. and announced that the Board unanimously approved the Disability Retirement Applications of Roy Mayes and Anthony Uribe.

Commissioner Chao returned to the Regular Meeting at 12:58 p.m.

XI

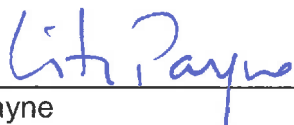
OTHER BUSINESS – Commissioner Serrano congratulated former LACERS Commissioner Elizabeth Greenwood for her appointment to the LACERA Board of Investments.

XII

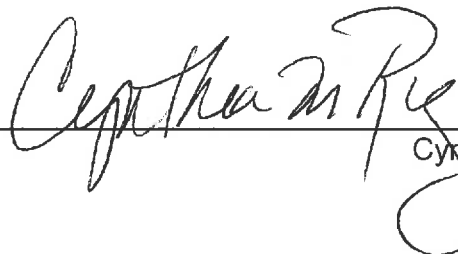
NEXT MEETING – The next Regular meeting of the Board is scheduled for Tuesday, January 28, 2020 at 10:00 a.m. in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XIII

ADJOURNMENT – There being no further discussion before the Board, President Ruiz adjourned the meeting at 12:59 p.m.



Lita Payne
Manager-Secretary



Cynthia M. Ruiz
President