

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

April 24, 2018

10:08 a.m.

Agenda of: <u>MAY 8, 2018</u>

Item No: <u>II-A</u>

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

The Items in the Minutes are numbered to correspond with the Agenda.

I

PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION – Vice President Wilkinson asked if there were any persons who wished to speak on matters within the Board's jurisdiction, to which there was no response; no comment cards were received.

II

CONSENT AGENDA

- A. APPROVAL OF MINUTES FOR BOARD MEETING OF APRIL 10, 2018 AND POSSIBLE BOARD ACTION – A Motion to approve the minutes of April 10, 2018 was moved by Commissioner Serrano, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Ruiz, Serrano, and Vice President Wilkinson –4; Nays, None.
- B. RECEIVE AND FILE – MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MARCH 2018 – This report was received by the Board and filed.
- C. RECEIVE AND FILE – COMMISSIONER RUIZ BOARD EDUCATION EVALUATION ON THE PENSION BRIDGE ANNUAL CONFERENCE, APRIL 10-11, 2018 – This report was received by the Board and filed.

III

COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE MEETING VERBAL REPORT ON THE MEETING OF APRIL 10, 2018 – Commissioner Chao stated that many items from the Investment Committee Meeting Agenda were deferred to the May meeting.
- B. BENEFITS ADMINISTRATION COMMITTEE MEETING VERBAL REPORT ON THE MEETING OF APRIL 24, 2018 – Vice President Wilkinson stated the Committee was presented with the Health Plan Financial Dashboards and approved moving the Board Rules related to member benefits administration to the Board for adoption.

IV

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.13 Billion as of April 23, 2018. He stated today's Board Agenda items are private equity notifications and future Board Agenda items are investment manager contracts and continued discussion on the Asset Allocation regarding the implementation plan. He also shared that the student intern from Girls Who Invest will start in early July. The intern's name is Brenda Patel and she is a freshman at USC studying business. Mr. June stated she is very eager and enthusiastic about her internship.

Item VI-B taken out of order.

VI

- B. UPCOMING AGENDA ITEMS – Commissioner Chao requested an agenda item to discuss the finalists for the private equity consultant. Commissioner Ruiz requested a future agenda item for staff to discuss the concept of Environmental, Social, and Governance (ESG) as it pertains to investing. Neil Guglielmo, General Manager, stated a future agenda item is the printing, graphics design, and fulfillment vendor selection.

IV

- B. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner and Lynda Dennen, Senior Research Consultant at NEPC presented this item to the Board. The Board took no action on this item.
- C. RECEIVE AND FILE – NOTIFICATION OF COMMITMENT OF UP TO \$10 MILLION IN THOMA BRAVO DISCOVER FUND II, L.P. – Todd Hughes, Managing Director and Gregory Garrett, Managing Director at Portfolio Advisors presented this item and the report was received by the Board and filed.

- D. RECEIVE AND FILE – NOTIFICATION OF COMMITMENT OF UP TO \$10 MILLION IN MILL POINT CAPITAL PARTNERS, L.P. – Todd Hughes, Managing Director and Gregory Garrett, Managing Director at Portfolio Advisors presented this item and the report was received by the Board and filed.
- E. RECEIVE AND FILE – NOTIFICATION OF COMMITMENT OF UP TO \$10 MILLION IN 1315 CAPITAL II, L.P. – Todd Hughes, Managing Director and Gregory Garrett, Managing Director at Portfolio Advisors presented this item and the report was received by the Board and filed.
- F. RECEIVE AND FILE – NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN AMERICAN SECURITIES PARTNERS VIII, L.P. – Todd Hughes, Managing Director and Gregory Garrett, Managing Director at Portfolio Advisors presented this item and the report was received by the Board and filed.

V

BOARD/DEPARTMENT ADMINISTRATION

- A. RECEIVE AND FILE – LEGISLATIVE UPDATE – Neil Guglielmo, General Manager discussed this item and the report was received by the Board and filed.
- B. RECEIVE AND FILE – NOTIFICATION OF CERTIFIED RESULTS OF THE EMPLOYEE MEMBER OF THE BOARD OF ADMINISTRATION ELECTION – Ani Ghoukassian, Commission Executive Assistant discussed this item and the report was received by the Board and filed.
- C. RECEIVE AND FILE – REPORT FROM CITY ATTORNEY RE: OFFSETTING WORKERS COMPENSATION AWARDS AGAINST DISABILITY PENSIONS; AND POSSIBLE BOARD ACTION – The Board took no action and the report was received by the Board and filed.
- D. ELECTION TO FILL THE UNEXPIRED TERM OF THE VACANT OFFICE OF THE BOARD PRESIDENT PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION – Neil Guglielmo, General Manager called for nominations for the Office of President to fill the unexpired term. Vice President Wilkinson nominated Commissioner Ruiz for the Office of President, which was seconded by Commissioner Serrano. Mr. Guglielmo asked if there were any further nominations, to which there was no response. Upon closing of the nomination process, Mr. Guglielmo called for votes in favor of Commissioner Ruiz as President for the remainder of Fiscal Year 2017-18, to which responded: Ayes, Commissioners Chao, Ruiz, Serrano, and Vice President Wilkinson -4; Nays, None. Commissioner Ruiz was elected to the Office of President for the remainder of Fiscal Year 2017-18 until replaced or re-elected at the next Board Officer election.

VI

MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil Guglielmo, General Manager, stated the Girls Who Invest intern will be starting at LACERS in July and will be at LACERS for five weeks. Mr. Guglielmo stated LACERS Staff Appreciation Day was held on April 18, 2018 and staff was offered movies and snacks. LACERS is scheduled to go before the Budget and Finance Committee on May 3, 2018. The final budget for Fiscal Year 2018-19 will be presented to the Board in May. Mr. Guglielmo also reported that there were no errors in the retiree payroll run for April 2018.

VII

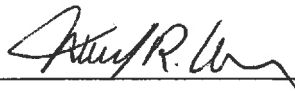
OTHER BUSINESS – There was no other business.

VIII

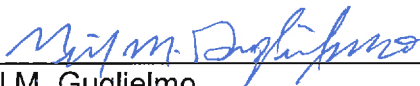
NEXT MEETING: The next Regular Meeting of the Board is scheduled for Tuesday, May 8, 2018, at 10:00 a.m., in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

IX

ADJOURNMENT – There being no further discussion before the Board, Vice President Wilkinson adjourned the meeting at 11:25 a.m.



Michael R. Wilkinson
Vice-President



Neil M. Guglielmo
Manager-Secretary