

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

March 13, 2018

10:17 a.m.

Agenda of: MAR. 27, 2018

Item No: II-A

PRESENT:	President:	(left at 12:27 p.m.)	Jaime L. Lee
	Vice President:		Michael R. Wilkinson
	Commissioners:		Annie Chao Cynthia M. Ruiz Nilza R. Serrano (left at 1:35 p.m.) Sung Won Sohn
	Manager-Secretary:		Neil Guglielmo
	Executive Assistant:		Ani Ghoukassian
	Legal Counsel:		Alan Manning James Napier
ABSENT:	Commissioner:		Elizabeth L. Greenwood

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

President Lee welcomed Neil Guglielmo, the new General Manager of LACERS and stated he has served the City of Los Angeles for 27 years and most recently as the Chief Financial Officer at Los Angeles Department of Water and Power.

President Lee recognized City Attorney Alan Manning for his service to the City and his upcoming retirement.

I

PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION – President Lee 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 FEBRUARY 27, 2018 AND POSSIBLE BOARD ACTION – A Motion to approve the minutes of February 27, 2018 was moved by Commissioner Serrano, seconded by Commissioner Chao, and adopted by the following vote:

Ayes, Commissioners Chao, Ruiz, Serrano, Sohn, Vice President Wilkinson, and President Lee – 6; Nays, None.

- B. RECEIVE AND FILE – MARKETING CESSATION NOTIFICATION – This report was received by the Board and filed.
- C. RECEIVE AND FILE – BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- D. RECEIVE AND FILE – EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING DECEMBER 31, 2017 – This report was received by the Board and filed.

III

COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT ON THE MEETING OF FEBRUARY 27, 2018 – Commissioner Serrano stated the Committee removed Charter provisions that were related to the Investment Committee, clarified existing language in the Charter, and had a presentation on the Triennial Review of Board Governance Policies.

IV

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value, \$17.35 Billion as of March 12, 2018. He advised the Board that the Pullman Hotel in San Francisco that was referred to at the February 27, 2018 Board Meeting during Public Comment is in a fund that LACERS is not invested in. He stated staff is continuing due diligence for the Private Equity Consultant and future agenda items are investment manager contracts and continuing discussion on Asset Allocation. Mr. June introduced the new Investment Officer Ronald Aubert II. Mr. Aubert shared his investment experience before starting at the City.
- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW REPORT FOR THE QUARTER ENDING DECEMBER 31, 2017 – Carolyn Smith, Partner and Kevin Novak, Consultant with NEPC presented this item to the Board.
- C. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner and Kevin Novak, Consultant with NEPC presented this item to the Board. After discussion, the Board requested additional education and took no action on this item.

V

BOARD/DEPARTMENT ADMINISTRATION

- A. LACERS STRATEGIC PLAN ANNUAL REVIEW – Edeliza Fang, Senior Management Analyst with Administrative Services presented this item to the Board and introduced each Division Manager to present their specific goals.

President Lee left the meeting at 12:27 p.m.

- B. PROPOSED REVISIONS TO THE LACERS GOVERNANCE COMMITTEE CHARTER AND POSSIBLE BOARD ACTION – A motion to approve staff's recommendation was moved by Commissioner Serrano, seconded by Commissioner Ruiz, and adopted by the following vote: Ayes, Commissioners Chao, Ruiz, Serrano, Sohn, and Vice President Wilkinson -5, Nays, None.
- C. TRIENNIAL REVIEW OF THE BOARD GOVERNANCE AND ADMINISTRATIVE POLICIES AND POSSIBLE BOARD ACTION – A motion to approve staff's recommendation was moved by Commissioner Serrano, seconded by Commissioner Ruiz, and adopted by the following vote: Ayes, Commissioners Chao, Ruiz, Serrano, Sohn, and Vice President Wilkinson -5, Nays, None.

Vice President Wilkinson adjourned the Regular Meeting at 12:42 p.m. for a break. Vice President Wilkinson reconvened the Regular Meeting at 1:01 p.m.

Vice President Wilkinson adjourned the Regular Meeting at 1:04 p.m., to convene in Closed Session. James Napier, Deputy City Attorney, was present during the Closed Session items.

VI

DISABILITY RETIREMENT APPLICATION(S)

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF NORBERT STYLC AND POSSIBLE BOARD ACTION (HEARING)**

VII

LEGAL/LITIGATION

- A. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION, AND POSSIBLE BOARD ACTION. CASE: AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, ET AL. v. CITY OF LOS ANGELES, ET AL. (SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES CASE NO. BS166535)**

Vice President Wilkinson reconvened the Regular Meeting at 1:35 p.m. and announced that during Closed Session the Board unanimously denied the Disability Retirement Application of Norbert Stylc. Vice President Wilkinson stated there was no pending litigation update.

VIII

MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil Guglielmo, General Manager, thanked the Board and staff for welcoming and supporting him in his new position. He stated the Pension Administration System is progressing and the new system is now the system of record. He also stated the legislative tracking reporting to the Board will be restored which includes litigation items that may affect pensions.
- B. UPCOMING AGENDA ITEMS – Vice President Wilkinson stated he would like extending LACERS *Well* to include financial wellness as a future agenda item.

IX

OTHER BUSINESS – Commissioner Serrano stated the Investment Committee Meeting on March 13, 2018 had been cancelled

X


NEXT MEETING: The next Regular Meeting of the Board is scheduled for Tuesday, March 27, 2018, at 10:00 a.m., in the LACERS Ken Spiker Boardroom, 202 West First Street, Suite 500, Los Angeles, CA 90012-4401.

XI

ADJOURNMENT – There being no further discussion before the Board, Vice President Wilkinson adjourned the meeting at 1:42 p.m.



Jaime L. Lee
President



Neil Guglielmo
Manager-Secretary