

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 10, 2018

10:25 a.m.

Agenda of: APR. 24, 2018

Item No: II-A

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

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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 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.

President Lee recognized Assistant General Manager Li Hsi for his 30-year career with the City of Los Angeles. She thanked him for his exceptional work and presented him with a recognition award for his retirement. Lita Payne, Assistant General Manager, Tom Moutes, retired General Manager, and Neil Guglielmo, General Manager also spoke fondly about Mr. Hsi and many LACERS staff were in attendance during the presentation.

Neil Guglielmo, General Manager recognized President Lee for her service to the LACERS Board and her appointment to the Board of Harbor Commission. He shared all that has been accomplished during President Lee's tenure as Board President and presented her with a recognition award. Commissioners Chao, Greenwood, and Sohn also shared their thoughts on President Lee and wished her well.

CONSENT AGENDA

- A. APPROVAL OF MINUTES FOR BOARD MEETING OF MARCH 27, 2018 AND POSSIBLE BOARD ACTION – A Motion to approve the minutes of March 27, 2018 was moved by Commissioner Chao, seconded by Commissioner Greenwood, and adopted by the following vote: Ayes, Commissioners Chao, Greenwood, Sohn, and President Lee –4; Nays, None.
- B. RECEIVE AND FILE – BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- C. RECEIVE AND FILE – MARKETING CESSATION NOTIFICATION – This report was received by the Board and filed.
- D. TRAVEL AUTHORITY – COMMISSIONER SUNG WON SOHN; MASSACHUSETTS INSTITUTE OF TECHNOLOGY (MIT) PROFESSIONAL CERTIFICATE PROGRAM IN REAL ESTATE FINANCE AND DEVELOPMENT, CAMBRIDGE, MASSACHUSETTS; JUNE 11-15, 2018 AND POSSIBLE BOARD ACTION – Approval was moved by Commissioner Chao:

**TRAVEL AUTHORITY  
MASSACHUSETTS INSTITUTE OF TECHNOLOGY PROFESSIONAL CERTIFICATE PROGRAM  
IN REAL ESTATE FINANCE AND DEVELOPMENT  
JUNE 11-15, 2018  
BOSTON, MASSACHUSETTS**

**RESOLUTION 180410-A**

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

WHEREAS, the Massachusetts Institute of Technology (MIT) Professional Certificate Program in Real Estate Finance and Development in Cambridge, Massachusetts is not included in the Approved List of Educational Seminars authorized by the Board Education and Travel Policy for Fiscal Year 2017-18, 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 MIT Professional Certificate Program in Real Estate Finance and Development on June 11-15, 2018, in Cambridge, Massachusetts;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$12,000 for Commissioner Sohn is hereby authorized for reasonable expenses in connection with participation and will be applied to the 2017-2018 Fiscal Year budget.

Which motion was seconded by Commissioner Greenwood, and adopted by the following vote: Ayes, Commissioners Chao, Greenwood, Sohn, and President Lee -4; Nays, None.

III

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, recognized President Lee for her service. Mr. June reported on the portfolio value, \$16.98 Billion as of April 9, 2018. He stated future Board Agenda items are private equity notifications, investment manager contracts, and continued discussion on the Asset Allocation.
  
- B. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner and Kevin Novak, Consultant at NEPC presented this item to the Board. After discussion, approval of mix “J” while moving forward with the liability study at the next Board Meeting was moved by Commissioner Chao, seconded by Commissioner Greenwood, and adopted by the following vote: Ayes, Commissioners Chao, Greenwood, Sohn, and President Lee -4; Nays, None.

IV

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ALEX LOAIZA (DECEASED) AND POSSIBLE BOARD ACTION – Approval was moved by Commissioner Greenwood:

**APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR ALEX LOAIZA**

Commissioner Greenwood moved approval of the following Resolution:

**RESOLUTION 180410-B**

WHEREAS, the Applicant applied for a disability retirement benefit on September 28, 2017, within one year of his last day on active payroll, in compliance with Los Angeles Administrative Code § 4.1008(a);

WHEREAS, on February 20, 2018, the Applicant's spouse notified LACERS that the Applicant died on February 3, 2018, while he was waiting for his application to be processed and prior to reports of examination being obtained from three or more physicians selected by the Board;

WHEREAS, staff obtained the Los Angeles County Death Certificate and received medical records from the Applicant's private physician confirming the Applicant's diagnoses which contributed to his death;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that the applicant was physically incapacitated since the discontinuance of service and incapable of performing the duties of his position; and that the disabling condition(s) and death of the applicant were not due to the applicant's intemperance or willful misconduct; and

WHEREAS, the Office of the City Attorney has advised the Board that it has the discretionary authority to accept the disability application in substantial compliance with the requirements of the Los Angeles Administrative Code;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the disability retirement benefit for Alex Loaiza based upon his claimed disabling condition in accordance with the provisions of Los Angeles Administrative Code (LAAC) Section 4.1008(d) and Board Rule (DR) 02.

Which motion was seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Greenwood, Sohn, and President Lee -4; Nays, None.

President Lee adjourned the regular meeting at 11:56 a.m. to convene in Closed Session. Deputy City Attorneys James Napier and Anya Freedman were present for Closed Session discussions.

- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF MARCELINO VALLE AND POSSIBLE BOARD ACTION**
- C. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF MICHAEL MOERING AND POSSIBLE BOARD ACTION**

V

#### LEGAL/LITIGATION

- A. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) AND (d)(4) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION, AND POSSIBLE BOARD ACTION. CASE: JOSEPH GIUGNO V. BRISTOL-MYERS SQUIBB CO. ET AL., 18-CV-0878 (N.D. CAL.)**

President Lee reconvened the Regular Meeting at 1:09 p.m. and announced that during Closed Session the Board unanimously approved the Disability Retirement Applications of Marcelino Valle and Michael Moering. President Lee stated the Board conferred with legal counsel regarding pending litigation.

VI

#### MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil Guglielmo, General Manager, discussed an isolated error processed through the Pension Administration System on the March 2018, direct deposits/checks to members. A small percentage of members received statements with a print error in the tax withholding table with no impact on the actual withholdings or the total benefit paid. A notice has been sent to members explaining the error and staff have been doing substantial testing to prevent this type of error from occurring again. Mr. Guglielmo also discussed the March 22, 2018, ransomware attack on the City of Atlanta. He stated that Cybersecurity is very important at LACERS and they are monitoring these types of attacks and making every effort to protect member information. Mr. Guglielmo attended the LAFPP Off-site Education on April 5, 2018, and found it very informative. He stated Vice President Wilkinson and Commissioner Chao were also in attendance of the LAFPP Education.**

B. UPCOMING AGENDA ITEMS – There were no items discussed.

VII


OTHER BUSINESS – There was no other business.

VIII


NEXT MEETING: The next Regular Meeting of the Board is scheduled for Tuesday, April 24, 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, President Lee adjourned the meeting at 1:16 p.m.

  
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Jaime L. Lee  
President

Michael R. Wilkinson  
V. President

  
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Neil M. Guglielmo  
Manager-Secretary