

**REGULAR MEETING OF THE BOARD OF ADMINISTRATION OF THE  
WATER AND POWER EMPLOYEES' RETIREMENT PLAN**

**MINUTES**

**March 25, 2015**

**Board Members Present:**

Javier Romero, President  
Barry Poole, Vice President  
LaTanya Bogin, Regular Member  
Timothy Hemming, Retiree Member

**Board Members Absent:**

Marcie L. Edwards, General Manager  
Mario Ignacio, Ch. Accounting Employee  
Mel Levine, LADWP Commissioner

**Staff Present:**

Linda P. Le, Retirement Plan Manager  
Monette Carranceja, Asst. Retirement Plan Manager  
Mary C. Higgins, Asst. Retirement Plan Manager  
Jeremy Wolfson, Chief Investment Officer  
Mary E. Alvarez, Utility Executive Secretary

**Others Present:**

Marie McTeague, Deputy City Attorney  
Jim Napier, Deputy City Attorney

Mr. Romero called the meeting to order at 9:06 a.m.

Ms. Le stated a quorum of the Board of Administration (Retirement Board) of the Water and Power Employees' Retirement Plan (Plan) was present.

**Public Comments**

Ms. McTeague introduced Deputy City Attorney Jim Napier, who will take over for her upon her retirement later this year. Mr. Napier will join Ms. McTeague at the next few meetings to observe.

Mr. Romero recognized and thanked the staff responsible for the successful implementation of direct deposit of disability checks, which went into effect on March 24, 2015. He stated that not only would this save the Department time, money, and resources, but it would greatly improve the service to the Plan's members. Mr. Romero also expressed his appreciation to Ms. Alvarez and Lori Lee for their efforts in completing the backlog of Retirement Board meeting minutes.

**1. Request for Approval of Minutes:**

- a) **October 8, 2014, Regular Meeting**
- b) **October 22, 2014, Regular Meeting**
- c) **November 12, 2014, Regular Meeting**
- d) **December 10, 2014, Regular Meeting**
- e) **March 11, 2015, Regular Meeting**

**2. Termination of Monthly Allowance from the March 2015 Retirement Roll**

*Mr. Hemming moved that the Board approve Items 1 and 2; seconded by Ms. Bogin.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

THE MOTION CARRIED.

3. **Report of Payment Authorizations for February 2015**
4. **Notice of Deaths for February 2015**
5. **Investment Reports for February 2015**
  - a) **Summary of Investment Returns as of February 28, 2015**
  - b) **Market Value of Investments by Fund and Month as of February 28, 2015**
  - c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of February 28, 2015**
  - d) **Summary of Contract Expirations**
6. **Report on Status of Insurance as of March 9, 2015**

*Mr. Hemming moved that the Board receive and file Items 3 through 6; seconded by Ms. Bogin.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

THE MOTION CARRIED.

**7. Discussion of Proposed Plan Amendments and Authorization to Procure Related Cost Studies**

Ms. Le stated a revised page was inserted for this item due to a lack of signature on the original agenda item.

*Mr. Hemming moved that the Board approve Resolution No. 15-57; seconded by Ms. Bogin.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

THE MOTION CARRIED.

**8. Annual Presentation by BlackRock Asset Management – Large Cap Core Manager**

Mr. Wolfson introduced Jeremy Watt and Corin Frost of BlackRock. Mr. Frost provided a brief overview of the performance of the Plan's investment in BlackRock's Russell 1000 Index Fund over the past year, indicating a positive performance. He also discussed the firm's management and investment philosophy

**9. Discussion of Courtland Partners 2015 Real Estate Strategic Plan**

Mr. Wolfson provided a brief overview of the annual presentation that would be made by Courtland Partners, Ltd. (Courtland), and introduced Michael Humphrey, Stanley Kim, and Robert Negrelli of Courtland.

Mr. Humphrey discussed the investment portfolio projections over the next five years, and stated that the 5% target allocation for real estate was on track. He stated that Courtland's focus was on income return, and discussed portfolio investment objectives.

Mr. Kim presented Courtland's 2015 Real Estate Strategic Plan. He stated that Courtland's investment recommendations for 2015 were as follows: \$60 million commitment to one core risk profile investment, \$60 million commitment to one value risk profile investment, and \$60 million commitment to one opportunistic risk profile investment. He discussed risk/return profiles, return and leverage components, and property type diversification targets.

Mr. Negrelli briefly summarized Courtland's 2015 Strategic Plan.

**10. CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF ONE PARTICULAR, SPECIFIC PENSION FUND INVESTMENT AND POSSIBLE BOARD ACTION**

This item was held to later in the meeting.

**11. Retirement Plan Manager's Comments**

Ms. Le reported on the following:

- At its regular meeting on December 10, 2014, the Retirement Board unanimously approved a commitment of \$30 million to Torchlight Debt Opportunity Fund V, L.P. The fund closed as of March 12, 2015, and the full \$30 million was subscribed.
- Elections for the active member representatives of the Retirement Board are ongoing. Ballots were mailed, and the deadline to submit them would be April 7, 2015. The votes would be tallied on April 9, 2015.

**12. Future Agenda Items**

Mr. Romero requested an update at the next board meeting on the inquiry from 2014 on the possibility of obtaining iPads for the Retirement Board members' use.

Mr. Poole inquired if staff was only considering iPads, or if other technology would be looked into as well.

Ms. Le stated that staff was researching the available technology, and that the Department was looking into tablets. She stated that staff would bring a report to the Retirement Board.

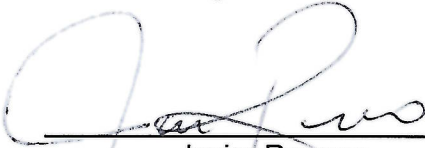
Mr. Poole stated his preference to receive paper reports and documents; however, he would work with a tablet, if necessary.

The Board met in Closed Session at 9:45 a.m. to discuss the following:

**10. CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF ONE PARTICULAR, SPECIFIC PENSION FUND INVESTMENT AND POSSIBLE BOARD ACTION**

The Board reconvened in Open Session at 10:06 a.m.

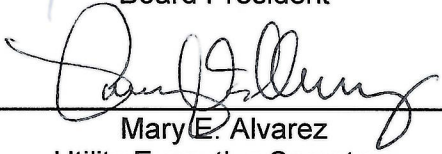
There being no further business, the meeting adjourned at 10:06 a.m.

  
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Javier Romero  
Board President

4/8/15  
Date

  
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Linda P. Le  
Retirement Plan Manager

4/8/15  
Date

  
\_\_\_\_\_  
Mary E. Alvarez  
Utility Executive Secretary

4/8/15  
Date