

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

**MINUTES**

**June 24, 2015**

**Board Members Present:**

Javier Romero, President  
Barry Poole, Vice President  
LaTanya Bogin, Regular Member  
Timothy Hemming, Retiree Member  
Mario Ignacio, Chief Accounting Employee

**Board Members Absent:**

Marcie L. Edwards, General Manager  
Mel Levine, LADWP Commissioner

**Staff Present:**

Linda P. Le, Retirement Plan Manager  
Monette Carranceja, Asst. Retirement Plan Manager  
Jeremy Wolfson, Chief Investment Officer  
Carlo Manjikian, Senior Investment Officer  
Mary E. Alvarez, Utility Executive Secretary  
Lori Lee, Senior Clerk Typist

**Others Present:**

Marie McTeague, Deputy City Attorney  
James Napier, Deputy City Attorney

Mr. Romero called the meeting to order at 9:05 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. Alvarez stated no requests for public comment were received.

Mr. Romero presented Ms. McTeague a certificate of appreciation and thanked her for her service to the Plan, and wished her well in her retirement.

- 1. Request for Approval of Minutes of June 10, 2015, Regular Meeting**
- 2. a) Termination of Monthly Allowance from the June 2015 Retirement Roll  
b) Termination of David E. Hagebeck from June 2015 Permanent Total Disability Roll**

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

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

- 3. Report of Payment Authorizations for May 2015**
- 4. Notice of Deaths for May 2015**
- 5. Investment Reports for May 2015**
  - a) Summary of Investment Returns as of May 31, 2015**

- b) **Market Value of Investments by Fund and Month as of May 31, 2015**
- c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of May 31, 2015**
- d) **Summary of Contract Expirations**

**6. Report on Status of Insurance as of June 12, 2015**

**7. Report on Los Angeles Capital Management – On-Site Due Diligence Visit**

**8. Report on Western Asset Management Company – On-Site Due Diligence Visit**

*Mr. Hemming moved that the Board approve Items 3 through 8; seconded by Mr. Ignacio.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**9. Discussion of Report from City Attorney on the Selection of Outside Tax Counsel**

Ms. Carranceja presented the report on the selection of outside tax counsel for the Plan. She reviewed the Request for Proposal (RFP) process and the terms of the contracts.

In response to Mr. Romero's inquiry, Ms. Carranceja stated that she participated in the RFP process on behalf of the Plan.

*Mr. Hemming moved that the Board approve Resolution No. 15-80; seconded by Mr. Ignacio.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**10. Discussion of Plan Amendments**

Ms. Le presented a background on the proposed Plan amendments, and reviewed the three resolutions being presented to the Retirement Board for consideration.

John Monroe of Segal Consulting, the Plan's actuary, was made available via telephone for any inquiries.

*Mr. Hemming moved that the Board approve Resolution No. 15-81; seconded by Mr. Poole.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

*Mr. Hemming moved that the Board approve Resolution No. 15-82; seconded by Mr. Poole.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*  
*Nays: None*  
*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

*Mr. Hemming moved that the Board approve Resolution No. 15-83; seconded by Mr. Poole.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*  
*Nays: None*  
*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**11. Discussion of Contract Extension for Blackrock Institutional Trust Company, International Developed Passive Core Equity**

Mr. Wolfson introduced Mr. Manjikian, who presented the report to extend the contract for international developed passive core equity with Blackrock Institutional Trust Company (Blackrock). Mr. Manjikian provided a background on the Plan's history with Blackrock, and stated staff had performed a due diligence review and found no issues. He reviewed Blackrock's performance, and stated staff's recommendation that the contract with Blackrock be extended for three years beginning September 1, 2015, through August 31, 2018.

*Mr. Poole moved that the Board approve Resolution No. 15-84; seconded by Mr. Ignacio.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*  
*Nays: None*  
*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**12. Discussion of Contract Extension for Wells Capital Management, Inc., High Yield Fixed-Income Manager**

Mr. Wolfson presented the report to extend the contract with Wells Capital Management, Inc., for a period of up to six months.

*Mr. Hemming moved that the Board approve Resolution No. 15-85; seconded by Mr. Ignacio.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*  
*Nays: None*  
*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

**13. Discussion of Request for Proposal Responses for the Small Cap Growth Equity Mandate**

Mr. Wolfson presented the report on the proposal responses for the small cap growth equity mandate. He stated that the item was being brought back to the Retirement Board, as it had been heard at the June 10, 2015, meeting, where no action was taken and it was requested that the item be tabled until the June 24, 2015, meeting.

Mr. Wolfson stated that the original report contained a recommendation that five firms be interviewed for the mandate. However, since the scores for the fifth and sixth candidates were very close, an additional candidate was being added to the list.

*Mr. Hemming moved that the Board approve Item 13; seconded by Mr. Ignacio.*

*Ayes: Bogin, Hemming, Ignacio, Poole, Romero*

*Nays: None*

*Absent: Edwards, Levine*

*THE MOTION CARRIED.*

#### **14. Retirement Plan Manager's Comments**

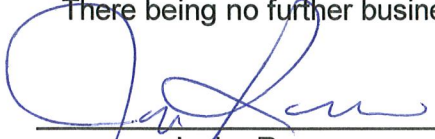
Ms. Le reported on the following:

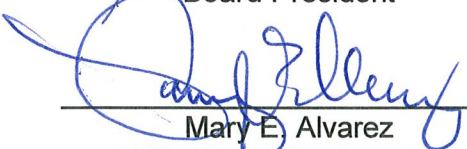
- At its regular meeting held on April 8, 2015, the Retirement Board unanimously approved a private equity mandate for Blackstone Technical Opportunities Fund II, which was now closed and fully funded with \$50 million from the Retirement Fund and \$10 million from the Retiree Health Benefits Fund.
- With the approval of the Plan Amendments, the Retirement Plan Office would begin the implementation process:
  - Department-wide bulletins and articles in newsletters were planned;
  - The Retirement Information System would be updated by mid-July to reflect the interest changes;
  - The PenFax system would be updated by the end of August to reflect the new mortality tables;
  - Further outreach would be done, including a table on the A-level of the John Ferraro Building on a monthly basis to assist members;
  - Mid-career seminars would be replaced with full day pre-retirement seminars to reach as many members as possible before the amendments become effective.

#### **15. Future Agenda Items**

There were no requests for future agenda items.

There being no further business, the meeting adjourned at 9:26 a.m.

  
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Javier Romero  
Board President

  
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Mary E. Alvarez  
Utility Executive Secretary

7/22/15  
Date

  
\_\_\_\_\_  
Linda P. Le  
Retirement Plan Manager

7/22/15  
Date

7/22/15  
Date