

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

**MINUTES**

**September 9, 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  
Mel Levine, LADWP Commissioner  
Mario Ignacio, Chief Accounting Employee

**Staff Present:**

Mary Higgins, Asst. Retirement Plan Manager  
Monette Carranceja, Asst. Retirement Plan Manager  
Carlo Manjikian, Senior Investment Officer  
William Feng, Chief Accountant  
Vanessa Francis, Senior Clerk Typist

**Others Present:**

James Napier, Deputy City Attorney

Mr. Romero called the meeting to order at 9:02 a.m.

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

**Public Comments**

Ms. Francis stated no requests for public comment were received.

Mr. Romero introduced Vanessa Francis, Senior Clerk Typist, who recently joined the Retirement Plans Office. She will work in the Investment Section.

- 1) Request for Approval of Minutes:**  
a) **August 19, 2015, Regular Meeting**  
b) **August 26, 2015, Regular Meeting**

The Minutes for August 26, 2015, were not finalized; therefore, staff requested that the item be held to the following meeting.

*Mr. Hemming moved that the Board approve Item 1a; seconded by Mr. Poole.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

*THE MOTION CARRIED.*

- 2) Discussion of the Annual Transfer of Funds from the Reserve for Investment Gains and Losses Account to the General Reserve Account**

Mr. Feng presented the report for the annual transfer and the recommendation to transfer \$333.8 million from the Reserve for Gains and Losses to the General Reserve.

*Mr. Hemming moved that the Board approve Resolution No. 16-17; seconded by Mr. Poole.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

*THE MOTION CARRIED.*

- 3) a) **Report on Discussion of Audit Program for Fiscal Year-Ended June 30, 2015, Presented to the Audit Committee on September 9, 2015**  
b) **Report on Discussion of the Management Audit for the Period Covering July 2007 through June 2012, Presented to the Audit Committee on September 9, 2015**

The Reports were submitted for informational purpose; there was no discussion.

- 4) **Discussion of Additional Work Needed for the Implementation of Governmental Accounting Standards Board Statement No. 68; and Possible Action**

Ms. Carranceja presented the report, stating the Financial Service Office would reimburse any cost, the auditor Simpson and Simpson would perform the work, and the approximate cost was \$15,920.00. She stated work would commence on September 10, 2015, and conclude on October 8, 2015. Ms. Carranceja also reported that the fees for Segal Consulting (Segal), the Plan's Actuary, would be approximately \$5,000 for the implementation for Governmental Accounting Standards Board No 68.

*Mr. Hemming moved that the Board approve Resolution No. 16-18; seconded by Mr. Poole.*

*Ayes: Bogin, Hemming, Poole, Romero*

*Nays: None*

*Absent: Edwards, Ignacio, Levine*

5. **Annual Presentation by JP Morgan Investment Management, Inc. – Fixed Income Core Manager**

Mr. Manjikian introduced JP Morgan Investment Management. Darren Smith and Brett Cambern represented JP Morgan Investment Management. Mr. Smith gave an update on the current staff and presented an overview of the firm. He discussed the Fixed Income Market and the Plan's Investment Performance. Mr. Smith also noted the three month benchmark for performance was negative and the year-to-date was 87 basis points, net of fees, for the period ending June 30, 2015. He also discussed the Fixed Income Portfolio Analysis.

6. **Annual Presentation by Wells Capital Management, Inc. – Fixed Income Core Manager**

Mr. Manjikian introduced Wells Capital Management, Inc. Representatives Dan Anderson and Jerad Vasquez presented. Mr. Anderson gave an update on the organization and staffing. Mr. Vasquez provided an update on the changes to the mandate. He also reported the performance history for the one year gross return which was 2.5%, versus the index which was 1.86%.

7. **Investment Reports for July 2015**

- a) **Summary of Investment Returns as of July 31, 2015**
- b) **Market Value of Investments by Fund and Month as of July 31, 2015**
- c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of July 31, 2015**

**d) Summary of Contract Expirations**

The Reports were submitted for informational purpose; there was no discussion.

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

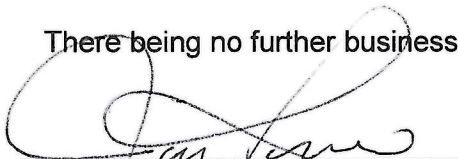
Ms. Higgins reported the following:

- At its meeting of August 26, 2015, the Benefits Committee approved Resolution No. 16-14, in regards to Williams Spale's appeal of permanent total disability benefits.
- At its meeting of September 9, 2015, the Benefits Committee approved Resolution No. 16-20, in regards to Richard Gershon's appeal of the administrative denial of his application for an October 1, 2015, retirement.
- Segal will present the annual retirement valuation which includes recommended changes to the employer contribution rates at the next meeting.


**9. Future Agenda Items**

The Retirement Board requested a larger printed copy of the Investment report for July 2015.

There being no further business, the meeting adjourned at 9:34 a.m.

  
\_\_\_\_\_  
Javier Romero  
Board President

9/23/15  
Date

  
\_\_\_\_\_  
Mary C. Higgins  
Assistant Retirement Plan Manager

9/23/15  
Date

  
\_\_\_\_\_  
Vanessa Frances  
Sr. Clerk Typist

\_\_\_\_\_  
Date