

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

MINUTES

February 10, 2016

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
Mary C. Higgins, Asst. Retirement Plan Manager
Monette Carranceja, Asst. Retirement Plan Manager
Jeremy Wolfson, Chief Investment Officer
Ravi Sharma, Investment Officer
Veronica Mendez, Utility Administrator
Mary E. Alvarez, Utility Executive Secretary
Joni Quinn, Senior Clerk Typist

Others Present:

James Napier, Asst. City Attorney

President Romero called the meeting to order at 9:23 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.

1. Request for Approval of the Minutes of January 27, 2016, Regular Meeting

Mr. Hemming moved that the Board approve Item 1; seconded by Ms. Bogin.

Ayes: Bogin, Hemming, Ignacio, Poole, Romero

Nays: None

Absent: Edwards, Levine

THE MOTION CARRIED.

2. Discussion of Retirement Plan Office Budget for Program Year Ending 2016/2017

Ms. Mendez presented the report on the Retirement Plan office budget for Program Year Ending 2016/2017 and the 2016/2017 Annual Personnel Resolution. Ms. Mendez noted a discrepancy in the last paragraph of page 2.2 of the report. She requested the sentence be corrected as follows: "The investment fees and interest expense are *not* reimbursed by LADWP."

Ms. Mendez noted the addition of a systems programmer position to maintain the Penfax program and servers for the Retirement Plan Office.

Discussion ensued regarding the Financial Services Organization approval process related to the proposed budget.

Mr. Hemming moved that the Board approve Resolution No. 16-64; seconded by Ms. Bogin.

Ayes: Bogin, Hemming, Ignacio, Poole, Romero

Nays: None

Absent: Edwards, Levine

THE MOTION CARRIED.

3. Presentation of the Actuarial Audit of the July 1, 2015, Retirement Plan Valuation, Death Benefit Fund Valuation and Disability Fund Valuation by Cheiron

Ms. Carranceja introduced David Holland and Michael Moehle of Cheiron, who presented the Actuarial Audit of the July 1, 2015, Retirement Plan Valuation, Death Benefit Fund Valuation, and Disability Fund Valuation.

4. Discussion of Request for Proposal Responses for the Emerging Markets Equity Mandate

Mr. Wolfson introduced Ravi Sharma, Investment Officer and representatives of RVK, Inc., Becky Gratsinger and Ryan Sullivan, who presented the report for the Request for Proposal responses for the Emerging Markets Equity mandate.

Mr. Hemming moved that the Board approve Item 4; seconded by Ms. Bogin.

Ayes: Bogin, Hemming, Ignacio, Poole, Romero

Nays: None

Absent: Edwards, Levine

THE MOTION CARRIED.

5. Annual Presentation by Earnest Partners – Domestic Small-Cap Value Equity Manager

Mr. Wolfson introduced representatives of Earnest Partners, Paul E. Viera and Roni Schocken, who presented the report on Domestic Small-Cap Value Equity Manager.

6. Annual Presentation by Emerald Advisers, Inc. – Domestic Small-Cap Growth Equity Manager

Mr. Wolfson introduced Joseph E. Besecker and Kenneth G. Mertz II, representatives of Emerald Advisers, Inc., who reported on the Domestic Small-Cap Growth Equity Manager.

7. Presentation by RVK, Inc., Post Transition – Fixed Income Restructure and Plan Rebalance

Mr. Wolfson introduced Ms. Gratsinger and Mr. Sullivan of RVK, Inc., who made their presentation on Post Transition for the Fixed Income Restructure and Plan Rebalance.

8. Presentation by RVK, Inc., Post Transition – Small Cap Growth Transition

Mr. Wolfson introduced Ms. Gratsinger and Mr. Sullivan who presented the report on Post Transition on Small Cap Growth Transitions.

9. Investment Reports for November 2015

- a) **Summary of Investment Returns as of November 30, 2015**
- b) **Market Value of Investments by Fund and Month as of November 30, 2015**
- c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of November 30, 2015**

10. Investment Reports for December 2015

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

11. Retirement Plan Manager's Comments

Ms. Le reported the following:

- Since, the Retirement Board meeting of January 27, 2016, 705 corrected 1099 forms were issued, and no complaints or concerns were reported
- From January through April, 436 retirement applications have been filed. For April alone, 262 retirement applications have been filed, thus far. One on one counseling will continue to be offered to members
- Data Validation for the Controller's Office Open Data request – this information is reportable through a CPRA request. Prior to releasing the data a communication will be sent to Retirees informing them of the information that will be provided to the Controller's Office
- The COLA report will be presented at the February 24, 2016, Retirement Board meeting
- Tier 2 Contracts to allow members to purchase service time are currently being developed
- Currently working on RFPs for scanning services and external auditors
- Management audits will resume in March 2016
- Experience Study data is due late March, early April 2016

Mr. Ignacio inquired about Tier 2 training or presentations for City employees that were considering employment with LADWP.

Ms. Le also stated interested parties could find Tier 2 literature on the LADWP website, at the new employee orientation, and for more specific questions they could contact the Retirement Plan Office or the Health Plans Office.

12. Future Agenda Items

There were no requests for future agenda items.

There being no further business, the meeting adjourned at 10:51 a.m.



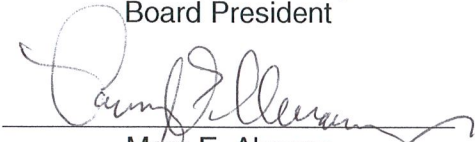
Javier Romero
Board President

2/24/16
Date



Linda P. Le
Retirement Plan Manager

2/24/16
Date



Mary E. Alvarez
Utility Executive Secretary

2/24/16
Date