

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

MINUTES

July 12, 2017

Board Members Present:

Javier Romero, President
Barry Poole, Vice President
LaTanya Bogin, Regular Member
Timothy Hemming, Retiree Member
Mario Ignacio, Chief Accounting Employee
David H. Wright, General Manager

Board Members Absent:

Mel Levine, LADWP Commissioner

Staff Present:

Linda P. Le, Retirement Plan Manager
Katie S. Zordilla, Asst. Retirement Plan Manager
Scott Vargas, Sr. Investment Officer
Mary E. Alvarez, Utility Executive Secretary
Sandra Turner, Senior Administrative Clerk

Others Present:

Joshua Geller, Deputy City Attorney

President 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.

1. Approval of Minutes of June 28, 2017, Regular Meeting

Ms. Le reported a correction on Item 9 of the meeting minutes to reflect that Mr. Hemming moved that the Board approve Resolution No. 17-67; seconded by Mr. Poole.

Mr. Poole moved that the Board approve Item 1, as amended; seconded by Ms. Bogin.

Ayes: Bogin, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Levine, Hemming

THE MOTION CARRIED.

2. Investment Reports for May 2017

- a) **Summary of Investment Returns as of May 31, 2017**
- b) **Market Value of Investments by Fund and Month as of May 31, 2017**
- c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of May 31, 2017**

3. Report on Organizational Changes at Courtland Partners, Ltd.

4. Report on Organizational Changes at Pension Consulting Alliance, LLC

Mr. Vargas stated that Items 3 and 4 provided additional organizational changes not previously mentioned.

Mr. Poole moved that the Board approve Items 2 through 4; seconded by Ms. Bogin.

Ayes: Bogin, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Levine, Hemming

THE MOTION CARRIED.

5. Discussion of Nominations and Appointment of Officers of the Board of Administration of the Water and Power Employees' Retirement Plan

Mr. Romero called for nomination of the Officers for the Retirement Board.

a) Nominations and Election of President and Vice-President

Mr. Poole nominated Mr. Romero as Board President; seconded by Ms. Bogin and carried unanimously after the following vote:

Ayes: Bogin, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Levine, Hemming

Ms. Bogin nominated Mr. Poole as Board Vice-President; seconded by Mr. Romero and carried unanimously after the following vote:

Ayes: Bogin, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Levine, Hemming

Mr. Romero motioned that the representatives on the following Committees remain the same:

b) Appointment of Chair and Members of Audit Committee

Mr. Poole was appointed as Chair of the Audit Committee and Mr. Ignacio and Mr. Hemming as Committee Members.

c) Appointment of Chair and Members of Benefits Committee

Ms. Bogin was appointed as Chair of the Benefits Committee and Mr. Poole and Mr. Romero as Committee Members.

Mr. Romero discussed the dissolution of the Governance and Legislative Committees.

Mr. Poole moved that the Board approve Resolution No. 18-02; seconded by Mr. Wright.

Ayes: Bogin, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Levine, Hemming

THE MOTION CARRIED.

Mr. Poole moved that the Board approve Resolution No. 18-03; seconded by Mr. Wright.

Ayes: Bogin, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Levine, Hemming

THE MOTION CARRIED.

6. Proposed Plan Amendments

a) Discussion of Proposed Plan Amendments to Reduce Vesting Requirements for Tier 2 Members

Ms. Le presented the proposed Plan Amendment to reduce vesting requirements for Tier 2 Members and introduced Deitra Fernandes from Labor Relations to answer any questions. Ms. Fernandes stated that Labor Relations would perform the meet and confer process with the other bargaining units.

Mr. Poole moved that the Board approve Resolution No. 18-04; seconded by Mr. Wright.

Ayes: Bogin, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Levine, Hemming

THE MOTION CARRIED.

Mr. Hemming arrived to the meeting at 9:12 a.m.

b) Discussion of Proposed Plan Amendments to Address Administrative Concerns

Ms. Le discussed the proposed Plan amendments regarding administrative concerns and corrections. Discussion ensued regarding the bargaining and approval process.

Mr. Poole moved that the Board approve Resolution No. 18-05; seconded by Mr. Ignacio.

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

Nays: None

Absent: Levine

THE MOTION CARRIED.

c) Discussion of Proposed Plan Amendments to Align the Plan with the Actuarial Assumptions

Ms. Le discussed the proposed Plan amendments to align the Plan with the actuarial assumptions. Discussion ensued regarding the bargaining and approval process and guidance on interest rates.

Mr. Poole moved that the Board approve Resolution No. 18-06; seconded by Mr. Wright.

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

Nays: None

Absent: Levine

THE MOTION CARRIED.

7. CLOSED SESSION - PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 to Confer with, or Receive Advice from, Legal Counsel Regarding the Consolidated Class Action Against Lendingclub Corporation Pending in the United States District Court, Northern District of California

No discussion held.

8. Investment Reports for April 2017

- a) **Summary of Investment Returns as of April 30, 2017**
- b) **Market Value of Investments by Fund and Month as of April 30, 2017**
- c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of April 30, 2017.**

9. Retirement Plan Manager's Comments

Ms. Le reported the following:

- The Retirement Plan Office received a CPRA request for retiree data from the Los Angeles Times and is complying with the request. This request is similar to other CPRA requests from Transparent California and the CAO's open data. As a public entity, the Plan is required to provide the information.
- The Management Audit report has been completed; however, staff is waiting for the CAO to publish the report. At which time it will be presented to the Retirement Board.
- The Benefits Committee met on July 12, 2017, to hear the appeal for temporary disability benefit for Christopher Gilbert. The Benefits Committee voted unanimously to approve Resolution No. 18-01 to authorize payment of the benefit.
- The Retirement Board met in closed session on March 8, 2017, and voted unanimously to commit \$65 million from the Retirement Fund and \$13 million from the Retirement Health Fund to Apollo Fund IX, LP. The contract was executed on June 30, 2017, with \$54.2 million invested from the Retirement Fund, and \$10.9 million invested from the Retiree Health Benefit Fund.

10. Future Agenda Items

There were no requests for future agenda items.

There being no further business, the meeting adjourned at 9:25 a.m.




Javier Romero
Board President

7/26/17
Date



Linda P. Le
Retirement Plan Manager

7/26/17
Date



Mary E. Alvarez
Utility Executive Secretary

7/26/17
Date