

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

MINUTES

April 11, 2018

Board Members Present:

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

Board Members Absent:

LaTanya Bogin, Regular Member
Aura Vasquez, LADWP Commissioner

Staff Present:

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

Others Present:

Joshua Geller, Deputy City Attorney

President Romero called the meeting to order at 9:04 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 reported one request for public comment from Jordan Fein, Lead Research Analyst, UNITE HERE Local 11, discussed concerns regarding Almanac Realty Investors (Almanac) and of its portfolio investments, HRI Properties (HRI). Mr. Fein submitted a hard copy of his comments for record.

- 1. Approval of Minutes of February 28, 2018, Regular Meeting**
- 2. Termination from Rolls**
 - a) Termination of Monthly Allowance from the March 2018 Retirement Roll**
 - b) Termination of Joi T. Dudley from April 2018 Permanent Total Disability Roll**

Mr. Poole moved that the Board approve Items 1 and 2; seconded by Mr. Wright.

*Ayes: Hemming, Ignacio, Poole, Romero, Wright
Nays: None
Absent: Bogin, Vasquez*

THE MOTION CARRIED.

- 3. Articles of Interest**
 - a) StepStone Real Estate Completes the Acquisition of Courtland Partners**
 - b) Abel Noser Holdings to Acquire Zeno Consulting Group**

- 4. Notice of Deaths for February 2018**

5. **Investment Reports for January 2018**
 - a) **Summary of Investment Returns as of January 31, 2018**
 - b) **Market Value of Investments by Fund and Month as of January 31, 2018**
 - c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of January 31, 2018**
6. **Investment Reports for February 2018**
 - a) **Summary of Investment Returns as of February 28, 2018**
 - b) **Market Value of Investments by Fund and Month as of February 28, 2018**
 - c) **Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of February 28, 2018**
7. **Summary of Contract Expirations for March 2018**
8. **Report on Status of Insurance as of March 2018**
9. **Report on Western Asset Management Company – Global Inflation Linked Securities – On-Site Due Diligence Visit**
10. **Annual Presentation by BlackRock Institutional Trust Co. – Large Cap Core Manager**
11. **Annual Presentation by MFS Investment Management, Inc. – Large Cap Value Manager**
12. **Annual Presentation by T. Rowe Price Associates, Inc. – Large Cap Value Manager**
13. **Presentation by RVK, Inc. – 2017 Third Quarter Portfolio Performance Report**
14. **Presentation by RVK, Inc. – 2017 Third Quarter Real Return Portfolio Performance Report**

Mr. Poole moved that the Board receive and file Items 3 through 14; seconded by Mr. Ignacio.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Vasquez

THE MOTION CARRIED

15. Presentation for Javier Romero, President of the Board of Administration of the Water and Power Employees' Retirement Plan

Ms. Mendez presented a certificate of appreciation and gift to Javier Romero for over 17 years of service and leadership to the Retirement Board. Ms. Le announced that the Retirement Newsletter, 2018 Summer issue, included Retirement Board member updates. Ms. Le also acknowledged Mr. Romero's service for the Plan and the Department. Mr. Romero expressed his gratitude and provided a short speech on the many improvements and leadership of the Retirement Board as a whole.

16. Consideration of Designation of Trustee for Incompetents for Faye R. Hooper

Bradley Moe, Utility Administrator, presented the report to request approval for consideration of Designation of Trustee for Incompetents for Faye R. Hooper. Discussion ensued regarding the designation of trustees and the approval process.

Mr. Wright moved that the Board approve Resolution No. 18-83; seconded by Mr. Hemming.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Vasquez

THE MOTION CARRIED.

17. Discussion of Delegation of Authority to Designate or Terminate a Trustee Under Plan Section III H to the Benefits committee of the Board of Administration

Mr. Moe presented the report to recommend delegation of authority to the Benefits Committee to designate or revoke a trustee to act on behalf of a Plan benefit recipient.

Mr. Ignacio moved that the Board approve Resolution No. 18-84; seconded by Mr. Wright.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Vasquez

THE MOTION CARRIED.

18. Discussion of Contract Amendment with Simpson and Simpson, CPAs, for Auditing Services Associated with Governmental Accounting Standards Board Statement 75

William Feng, Chief Accountant, presented the item to request approval of funding for additional auditing services for Governmental Accounting Standards Board (GASB) Statement 75 for Fiscal Year Ending June 30, 2018. Mr. Feng stated that the services were currently not part of the contract, and all costs applicable to the work would be reimbursed by the Financial Services Organization.

Mr. Ignacio moved that the Board approve Resolution No. 18-85; seconded by Mr. Wright.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Vasquez

THE MOTION CARRIED.

19. Discussion of Contract Amendment for Fidelity Institutional Asset Management, International Developed Growth Equity

Mr. Wolfson briefly discussed the item and introduced Ravi Sharma, staff, who provided a presentation to consent amendment of the contract with the Plan's International Developed Growth Equity Investment Manager Fidelity Institutional Asset Management (FIAM). The Canadian sleeve of the portfolio is under new ownership Fidelity Canada, which is being transitioned to Fidelity International Investment Advisors, part of the global umbrella of FIAM.

Mr. Sharma advised that an amendment would allow FIAM to delegate the Canadian sub-account of the portfolio.

Mr. Ignacio moved that the Board approve Resolution No. 18-86; seconded by Mr. Hemming.

Ayes: Hemming, Ignacio, Poole, Romero, Wright

Nays: None

Absent: Bogin, Vasquez

THE MOTION CARRIED.

20. Presentation by RVK, Inc. – 2017 Fourth Quarter Portfolio Performance Report

Mr. Romero acknowledged Jeremy Miller of RVK, Inc. (RVK), who presented the 2017 Fourth Quarter Portfolio Performance report.

21. Presentation by RVK, Inc. – 2017 Fourth Quarter Real Return Portfolio Performance Report

Mr. Romero acknowledged Mr. Miller of RVK who presented the 2017 Fourth Quarter Real Return Portfolio Performance report.

23. Investment Reports for December 2017

a) Summary of Investment Returns as of December 31, 2017

b) Market Value of Investments by Fund and Month as of December 31, 2017

c) Market Value of the Retirement, Death, and Disability Funds and Retiree Health Care Fund as of December 31, 2017

24. Retirement Plan Manager's Comments

Ms. Le reported on the following:

- The Benefits Committee met on April 11, 2018, to consider Michael A. Mowatt's request for registration of domestic partnership. The Benefits Committee voted to approve Resolution No. 18-79. The second item was to consider Mr. Kirk Sanderson's request to rescind his application for retirement; however, he rescinded his request to appeal and decided to retire on April 1, 2018; therefore, the item was withdrawn.
- An Ad Hoc Committee of the Retirement Board met on April 4, 2018, to discuss ten investment items presented by the Management Audit. Ms. Le will return to the Retirement Board with the matter to present the Committee's recommendations.
- On April 10, 2018, the Board of Water and Power Commissioners approved the election results of active employees representing the Retirement Board. The active members are LaTanya Bogin, representing the Joint System, Adolfo Felix, representing the Water System, and Barry Poole, representing the Power System.


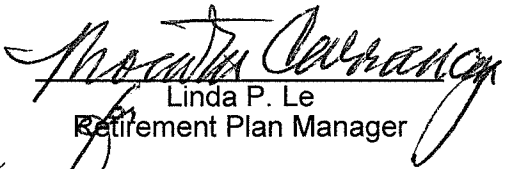
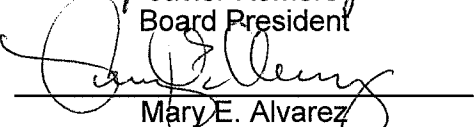
25. Future Agenda Items

There were no requests for future agenda items.

22. 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 – Out of Order

No discussion held.

There being no further business, the meeting adjourned at 9:50 a.m.

 _____ Javier Romero Board President	<u>5/23/18</u> Date	 _____ Linda P. Le Retirement Plan Manager	<u>5/23/2018</u> Date
 _____ Mary E. Alvarez Utility Executive Secretary	<u>5/23/18</u> Date		