CITY OF LOS ANGELES
BOARD OF DEFERRED COMPENSATION ADMINISTRATION

ADOPTED MINUTES
MARCH 21, 2017
700 E. TEMPLE STREET, ROOM 350

<u>BOARD MEMBERS</u>

Present:
John R. Mumma, Chairperson
Cliff Cannon, First Provisional Chair
Raymond Ciranna, Second Provisional Chair
Wendy G. Macy, Third Provisional Chair
Robert Schoonover
Don Thomas

Not Present:
Michael Amerian, Vice-Chairperson
Linda P. Le
Thomas Moutes

<u>PERSONNEL DEPARTMENT STAFF</u>
Jody Yoxsimer – Assistant General Manager
Steven Montagna – Chief Personnel Analyst
Matthew Vong – Management Analyst II
Daniel Powell – Management Assistant

<u>OFFICE OF THE CITY ATTORNEY</u>
Curtis Kidder – Assistant City Attorney

<u>MERCER INVESTMENT CONSULTING</u>
Devon Muir
Michael Molino
Ana Tom-Chow

1. CALL TO ORDER

John Mumma called the meeting to order at 9:01 a.m.

2. PUBLIC COMMENTS

None.

3. MINUTES

A motion was made by Robert Schoonover, seconded by Wendy Macy, to approve the January 17, 2017 meeting minutes; the motion was unanimously adopted. *Cliff Cannon was not present to vote on this item.*

4. INVESTMENT PROVIDER PRESENTATION

Mike Norman and Matt Kline from Galliard Capital Management, Inc. provided a presentation to the Board regarding the Plan’s Stable Value Fund option. Mr. Norman provided background on the stable value asset class and stated that the Galliard Stable Value Fund sits on the conservative end of the risk spectrum of the Plan’s investment options. He stated that the fund is primarily a principal preservation option looking to generate real returns to keep pace with the competitive options in the market space. He indicated stable value options are structured to be consistent despite different market environments. He reported that investment contracts issued by a bank or an insurance company allow participants to transact at book value, regardless of market value of the underlying portfolio. He explained that a diversified fixed income portfolio consisting of assets across the U.S. domestic fixed income universe exists underneath those contracts, which helps drive performance.

Mr. Mumma asked whether wrap providers have ever paid on one of their contracts. Mr. Norman responded that they have paid in very limited circumstances. He indicated that wrap providers are the “last man standing” in the event that every participant pulls their money out of the fund and the underlying value of the fund’s bonds are below book value. He further indicated that, to his knowledge, this has only happened when a corporate plan was unwinding its product, but has not occurred in the public sector.

Mr. Norman reported that Galliard has been anticipating rising interest rates in the fixed income market. He stated that stable value funds should follow the direction of interest rates, but with a lag. He indicated this allows Galliard to reinvest, though not immediately, in the underlying portfolios and take advantage of changing interest rates. He stated that although the Federal Reserve had recently raised rates, there would be no immediate increase in yields, but that Galliard was anticipating a gradual rise over time.

Mr. Kline provided the Board with modeling specific to the City of Los Angeles portfolio. He stated that if rates increase as the market expects, Galliard would expect the City’s crediting rate to participants to increase as well, albeit with a slight lag. He indicated that as rates rise, bond prices fall and that it is normal to see market-to-book ratios fall below 100%. He stated that that over the course of a 30-year bond bull market they are accustomed to seeing market-to-book ratios above par, but it is normal for them to be below par approximately 50% of the time. He stated they consider the normal range of a market-to-book ratio to be 97%-103% and expects the City’s portfolio will remain well within that normal range.

Mr. Norman added that market-to-book value ratios are unique to stable value funds as it is not seen in other investment options. He defined it as a ratio of the underlying market value of the bond portfolio versus the reported book value they have for participants. He explained that when one talks about the market-to-book value moving, par is at 100% meaning market is equal to book. He further explained that as interest rates increase, one would expect the market value of the bond portfolio to decrease.

Devon Muir asked why their modeling does not show a continued deterioration in the ratio as interest rates continue to increase. Mr. Kline responded that once you start to reinvest at current prevailing rates, the expectation is that the market-to-book ratio will remain flat. He stated Galliard has modeled rate increases out a few years and after that have held them flat. Mr. Mumma asked if the model assumes additional rate increases. Mr. Kline responded affirmatively and that the market expects two to three additional rate increases this year, totaling approximately 50-75 basis points. He stated Galliard is very optimistic and looking forward to how the portfolio is positioned going forward. He indicated that for the five-year number, they have outperformed the benchmark, net of all fees, by approximately 95 basis points annually. He also stated that since inception of the City's separate account in 2008 they have outperformed the benchmark by a little over 140 basis points annualized.

Mr. Kline indicated that by fourth quarter end of 2016 there was slightly under $1.2 billion of assets in the Stable Value Fund, an increase of 10% or approximately $140 million year-to-date. He stated the Fund has five wrap providers, providing diversification, and that they are high quality providers with an average rating of AA-. He reported that the blended yield before the Galliard management fee was 2.5%, up about 6 basis points from this time last year.

Mr. Muir asked Mr. Kline to comment on Galliard's current management fee. Mr. Kline responded that it is 7.5 basis points. Mr. Muir pointed out that earlier in the presentation, Galliard had showed a 33 basis point expense ratio and asked for clarification on whether that number includes wrap fees. Mr. Kline affirmed that the 7.5 basis points is solely Galliard's investment management charge to the overall fund, but that there were costs associated with the book value contract providers as well as two additional underlying fixed income managers. Mr. Mumma asked Mr. Muir why the Plan is utilizing wrap providers when those providers are unlikely to provide a benefit to participants. Mr. Muir responded that it is necessary to have a wrap provider in order to have a stable value product because there has to be a "last man standing" to allow participants to exit the fund. He also stated that a yield advantage is gained, 2% in this case, by offering this type of product vs. a money market fund or a product like the Plan's FDIC-insured savings option, which has been well below 50 basis points for the last five years.

Mr. Mumma expressed interested in a report-back on the State of Utah's stable value fund, which he believed did not have wrap providers. Mr. Kline stated that he would be surprised if the State of Utah's stable value fund did not have a wrap provider because a stable value fund cannot exist without wrap providers. He stated there are three reasons it is beneficial to have wrap providers. He stated that with wrap providers, participants have the ability to transact at book value and the insurance contracts are necessary for that. He stated that participants get principal protection from the insurance providers. Lastly, he stated that participants get a smooth crediting rate. He indicated the reason to pay the money for the wrap contracts is that without them, one cannot transact at book value and one loses the ability to invest farther out on the yield curve, picking up additional yield. Mr. Muir added that coming out of the financial decline there was interest in unwrapped funds similar to a stable value, but wrap fees have come down, solidifying the market. Mr. Kline stated that without the wrap insurance, you essentially have a short and intermediate term bond fund.

Mr. Kline reviewed the underlying fixed income securities. He stated the Fund has 0.6% in cash or cash equivalents, which is used to meet participant flows in and out of the Fund on a daily basis. He reported there is about 7% in the stable return fund, a stable value collective fund that provides a secondary source of daily liquidity and serves as a yield enhancer, which is currently yielding close to two percent. He reported there is approximately 35% in their short strategy and 10% in the short intermediate strategy, with a duration of about three years. He also indicated there is approximately 47% in the intermediate strategy with a duration of about four years. He also reported that to diversify their fixed income exposure, Galliard added a 15% allocation respectively to the fund's two additional managers, Dodge & Cox and Jennison Associates.

Ray Ciranna asked Mr. Kline about Galliard's longest duration holdings. Mr. Kline responded that they have allocations to the intermediate aggregate index and an intermediate index, with durations around four years. He noted, however that they will own 10 and 15 year bonds and 30 year mortgages, but will still have an average duration under three years for the portfolio. Mr. Mumma asked if keeping the average less than three years is a policy decision. Mr. Kline responded that their policy is to keep the duration under three and a half years, but their currently tactical duration positioning is slightly under three years. Don Thomas asked whether increasing the duration would also increase the wrap costs. Mr. Kline indicated it would not, and that increased duration would increase sensitivity to interest rates. Mr. Muir asked Mr. Kline to comment on the limit of duration risk one can take for wrap providers to insure the fund. Mr. Kline stated the wrap providers have a cap between 3¾ and 4¼ years. Mr. Thomas asked if there are any counterparty risks with the wrap providers. Mr. Norman responded that risk is mitigated by having multiple insurers so that if one seems to be facing issues, the coverage can be transferred to another insurer.

Mr. Kline reported that the bonds in the portfolio are very high quality with approximately 70% rated as triple-A or US government issued, and almost nothing below investment grade. He added they do not buy anything below investment grade. He noted that if there is a downgrade and they have a lot of conviction in it, Galliard has the ability to hold that security.

Mr. Kline then reviewed the underlying sector asset allocation of the fixed income portfolio, which he indicated is very diversified by sector. He reported that the highest allocation currently is to high quality corporates at about 30% over the last year. He indicated Galliard has increased corporate allocation by a few percent and reduced their mortgage-backed agency and CMBS allocations by a few percent. He stated that they have seen underwriting and CMBS deteriorate slightly so they have become somewhat more uncomfortable with new issuances in that sector.

Mr. Mumma asked for clarification that the City's Plan has its own fund as opposed to owning a portion of an already existing fund. Mr. Kline confirmed that it is a separate fund customized for the City's participant demographics and behaviors. Mr. Mumma asked if there are financial advantages to the Plan having its own fund. Mr. Norman stated it is much cheaper for the City to have its own fund. He stated there are very few funds that could take $1 billion and that those funds would be more expensive than the 7.5 basis points the City currently pays in management fees. Mr. Kline then reviewed the wrap fees. He stated that Galliard works diligently to negotiate lower fees on behalf of the Plan's participants.

Mr. Norman then provided an update on Galliard's outlook on the stable value market. He reported the market is currently very healthy with multiple providers. He indicated there are 18 banks and 14 insurance companies providing stable value wrap contracts. He also indicated that current supply is slight above demand which helps to drive down fees, allowing for good contract terms with the underlying portfolios.

Mr. Norman then briefly provided an overview of Galliard's organization, stating that they are one of the largest stable value separate account providers in the nation managing over $80 billion in stable value assets. Mr. Mumma asked how a change in Metropolitan Life's SIFI designation may affect the Plan. Mr. Norman stated that SIFI is a designation for the country's largest banks which imposes additional regulations to those designated banks. He stated that Met Life has been under the SIFI umbrella, but is trying to no longer be considered a SIFI bank. He stated that Galliard's view is that it would be positive for Met

Life if they could drop that designation because it would eliminate redundant requirements. Mr. Schoonover asked if that would negatively affect the Plan. Mr. Norman indicated it would not because these regulations affect their banking business, not their insurance business.

5. PLAN INVESTMENTS QUARTERLY REVIEW

Devon Muir and Michael Molino of Mercer Investments Consulting (Mercer) discussed the Deferred Compensation Plan's fund performance for the fourth quarter of 2016 and provided a brief update on recent fund performance. Mr. Muir stated that the year had gotten off to a good start for the Plan and its investment options, particularly for some of the active investments that outperformed benchmarks on a year-to-date basis. He indicated U.S. equities generally dominated the markets while international equities lagged in the wake of the election. He stated U.S. equities rallied, particularly in small-cap stocks. He reported that small-cap stocks returned 8.8% for the quarter and over 21% for the year. He reported the S&P 500 returned 3.8% for the quarter and over 12% for the year, but trailed small-caps as the market favored riskier options. He also indicated there was a shift toward value stocks while technology and healthcare stocks tended to lag. He stated the MSCI EAFE was down 0.7% and the MSCI EM was down 4.2%, but still ended the year positive with 11.2% in returns. He further indicated that most of the negative returns from international equities was attributable to currency decline as the dollar strengthened in the wake of the election, which had a negative effect on U.S. investment in international stocks. He reported that rising interest rates had the effect of providing negative returns in Barclays Aggregate following the election. He stated that while Loomis struggled the previous year due in part to a decline in the price of oil, they had a reversal as oil came back and commodities saw positive returns.

Mr. Muir provided the Board a review of the Plan's investment menu. He indicated that it was a good quarter for the Plan as contributions and withdrawals virtually canceled each other out. He reported $99 million of investment gains with the effect of a $97 million increase quarter over quarter in assets.

Mr. Muir provided investment manager updates, indicating that Ceredex Value Advisors, a subadvisor to the RidgeWorth Midcap Value Fund, had been acquired by Virtus investment partners. Mr. Ciranna asked if Mercer expected any changes to the management structure as a result of this acquisition. Mr. Muir responded that they have generally seen Virtus allow their investment advisor affiliates to run autonomously.

Mr. Muir continued his presentation by providing a summary of Mercer's meeting with Dimensional Fund Advisors (DFA). He reported that Mercer reaffirmed its conviction in

DFA’s process and provided an update to the Board regarding DFA’s change in senior management. He stated that they do not have any concerns about the change. He also reported that the global head of equity trading announced his intention to leave the firm and pursue other interests outside of the investment field. He stated that DFA has ample resources in their investment personnel and the philosophy at DFA is a quantitative rules driven approach where there is no one individual making decisions. He reported that Voya notified them of a realignment of the CIO duties, which Mercer did not believe would have a material effect on the portfolio manager for the midcap growth strategy managed for the Plan.

Mr. Muir then reviewed Plan assets. He reported the Plan had $5.4 billion in assets at the end of 2016. He noted that number had increased to $5.6 billion by the end of February 2017. He indicated the Plan’s Stable Value Fund has 20% of assets totaling over $1 billion. He reported that as a single investment, the DCP Large Cap Stock Fund is the largest holding with close to 31% of assets totaling $1.65 billion. He reported that the risk profile funds represented approximately 17% of overall assets and there is continued slow progression upward in the overall utilization of those funds. He noted that the international stock fund tends to have a small representation in the overall mix. Mr. Muir reviewed the Plan’s fund net expense ratio and noted the Plan is offering expense ratios well below the median and that the total “All-In” cost to participants is 25 basis points, which is very competitive.

Mr. Molino continued the presentation by reviewing the Plan’s investment performance. He reported that the funds performed consistent with the market overall. He stated that the FDIC Savings Account earned 0.2% interested for the quarter and 0.66% for the year. He reported the Stable Value Fund returned 0.5% for the quarter and about 2% for the year, with a yield around 2.2%. He indicated the DCP Bond Fund fell 2.7% for the quarter but increased 5.1% for the year. He then reviewed the performance risk profile funds, noting that performance that ranged from -0.8% for the Conservative Fund and up to 2.6% for the Ultra-Aggressive Fund. He noted the DCP Large Cap Fund had gains of 3.8% for the quarter and 12% for the year. Mr. Muir noted that during the year passive management generally performed better than active management. Mr. Molino reported the DCP Mid Cap fund returned 3% for the quarter and 12.4% for the year, underperforming the benchmark due to the underperformance of the Voya Mid Cap Opportunities Fund. He noted the Vanguard Mid-Cap Index Fund matched its benchmark at 2.1% and the RidgeWorth Mid Cap Value fund outperformed its benchmark by over 2% for the quarter. He stated the Voya Mid-Cap Fund underperformed because they had an overweight position in the healthcare sector, which posted negative returns for the quarter. He noted the Fund returned 6.3% year-to-date. He then provided a review of the DCP Small Cap

Stock Fund, which returned 8.8%. Finally, he noted the DCP International Fund had negative returns for the quarter.

Mr. Muir reviewed the compliance table for the current and last quarter. He reported on underperformance of the DCP Bond Fund. He stated that Mercer has seen an improvement relative to the universe for the current three year period, with it performing better than the 50th percentile of the peer group, whereas in the previous quarter it underperformed the index and the universe. He stated the three year underperformance relative to the index was driven by PIMCO exposure and Loomis getting off to a rocky start when it was hired in 2014, but he noted the performance has improved significantly. He reported that underperformance relative to the benchmark during this period was roughly 30 basis points. Mr. Muir concluded his review by stating that the 2017 year had gotten off to a positive start with U.S. equity options for the Large Cap, Mid Cap, Small Cap, and International stock funds returning 5.9%, 6.3%, 2.7%, and 5.6% respectively.

6. BOARD REPORT 17-07: INVESTMENTS COMMITTEE POLICY RECOMMENDATIONS AND UPDATE ON INVESTMENT MENU/POLICY STATEMENT REVIEW

Mr. Montagna reported on recommendations from the Investments Committee to the Board regarding the Voya Mid Cap fund as well as proposed changes to the Plan's Governance Policies/Bylaws. He stated the recommendations would clarify the Board's policy pertaining to when the Plan utilizes the same provider for Third-Party-Administrator (TPA) services as well as investment management. He noted that Voya is the Plan's incoming TPA and currently manages the Voya Mid-Cap Opportunities Fund. He reported present language in the Plan policies & bylaws excludes having simultaneous relationships with TPA and investment providers. He stated the Committee recommends the Board have broader discretion to approach these decisions on a case by case basis by addressing three situations where those types of simultaneous relationships would not be allowed: (1) the vendor provides TPA and investment provider services as a combined bundled offering; (2) the vendor offers a stand-alone investment option; and (3) there exists a substantial risk of an actual or perceived incentive for the TPA to favor particular investments over others within the Plan's investment menu.

Mr. Montagna stated the proposed revision to the language would better position the Board to balance neutral and unbiased counseling when the TPA communicates investments choices to Plan participants while also maintaining investment options after the Board has already undergone a search process and made a decision that a particular fund represents a best in class offering. He stated that if the Board adopted the Committee's proposed policy language, the Committee's further recommendation was to find Voya's TPA role and offering of the Mid-Cap Fund does not provide a substantial risk or actual perceived incentive for the incoming TPA, on the finding that the Mid-Cap fund is part of a blended offering that appears in a majority of the Plan's funds. Mr. Ciranna added that in his view, given the nature of the fund and 25% placement in the blended white label active mid-cap fund, the Committee thinks the recommendations are appropriate. Mr. Mumma asked Mr. Muir if Mercer had any concerns with the Committee's recommendations. Mr. Muir responded that they had no concerns and added that it is relatively uncommon to have a prohibition like the one that currently exists in the Plan's bylaws. Mr. Mumma asked Mr. Kidder if he had concerns. Mr. Kidder responded that he did not. He noted that the Board should ensure the vendor does not have a history of steering investments toward or away from certain investment products, and that there is some evidentiary support Voya has not done so in the past. Mr. Montagna stated language in TPA contracts forbids such activity.

A motion was made by Mr. Ciranna, seconded by Mr. Thomas, to approve recommendations of the Investments Committee to (a) adopt proposed changes to the Board's Governance Policies/Bylaws Section 7.2, providing the Board with greater latitude relative to addressing simultaneous service provider relationships with its Third Party Administrator (TPA) and investment providers; (b) find that the present inclusion of the Voya Mid-Cap Fund as part of the Plan's blended DCP Mid-Cap Fund does not provide a substantial risk of actual or perceived incentive for the incoming TPA, Voya Institutional Plan Services, to favor that investment over others within the Plan's investment menu; and (c) receive and file staff update regarding other activities of the Investments Committee relative to the Deferred Compensation Plan investment menu and the Investment Policy Statement.; the motion was unanimously adopted.

Mr. Montagna noted that there is an upcoming Investments Committee meeting which will be focused on optimizing the risk profile funds.

7. BOARD REPORT 17-08: THIRD PARTY ADMINISTRATOR TRANSITION UPDATE

Mr. Montagna reported that staff had been working with Voya to incorporate the Plan's current retirement income projection methodology into Voya's web platform. He stated that this will allow participants to see their projected retirement income replacement percentage immediately upon signing in to their online account. He stated they will also be able to adjust Voya's "sliders" interface within the web platform to see how changes to retirement age and deferral amount affect their income replacement percentage. Mr. Mumma asked when the Plan anticipates this feature going live. Mr. Montagna indicated it would be live on the first day of the transition to Voya.

Mr. Montagna reported that the transition announcement mailer would go out the following week and noted that it was delayed due to the decision to administer the fulfillment in-house using General Services. He stated that the primary intent of this mailer was to enable participants to provide feedback regarding the change. Mr. Mumma asked staff to continue to look at Plan services that are rated poorly in participant surveys and focus on improving those services.

Mr. Montagna next provided an update regarding the TPA and City payroll file exchange, which he reported was going very well. He reported that they are moving toward meeting all their objectives for improving the exchange of files. He stated that one of the improvements includes enabling participants to contribute a percent of pay versus a dollar amount, thus allowing participants to defer more to the Plan as their compensation rises. He stated the City would be able to transfer to Voya a full eligibility file, which will aid in target communications and outreach. He also reported that the City would be able to transfer expanded demographic data, which would allow Voya to approve distributions to retired participants without relying on City staff to manually verify employment status.

Mr. Montagna reported staff are working closely with Empower and Voya to transfer participant records. He stated that quarterly statements typically do not transfer from one recordkeeper to the next, but they are trying to do that for participant convenience. He also reported that there would also be additional information provided on the descriptions of the fund options. He stated that the current fund fact sheets do not provide detailed information because they are white label funds. He reported that Voya will work with Morningstar to create custom profiles for the Plan’s white label funds to improve and expand the information provided to participants.

Mr. Montagna informed the Board that the Plan, if interested, could utilize Voya to offer a Deemed IRA, which could be a helpful resource for participants who maximize their contributions and want to contribute more. He stated this would allow participants to contribute more while still utilizing the Plan’s investment menu and low expense ratios. He asked the Board whether they were interested in staff doing additional research into this option. Mr. Mumma expressed interest in researching this option as an effort to continually improve the Plan and provide an additional investment option for those who want to contribute more than the 457 maximum. Cliff Cannon stated that he did not see a downside to sponsoring this additional option. Mr. Montagna responded that there was more research needed to assess the administrative requirements of offering a Deemed IRA. Mr. Mumma asked that staff look review and report back to the Board.

A motion was made by Mr. Ciranna, seconded by Mr. Cannon, to receive and file the staff update regarding the Deferred Compensation Plan's Third Party Administrator (TPA) transition. The motion was unanimously adopted.

8. BOARD REPORT 17-09: RESERVE FUND REIMBURSEMENTS

Matthew Vong presented a status report on the Plan's budget accounts for quarter ending 12/31/16. He stated that staff recommended that the Board approve staffing reimbursements to the Personnel Department for $107,463.53 and the City Attorney for $25,482.54 for quarter ending 12/31/16. **A motion was made by Mr. Schoonover, seconded by Mr. Ciranna, to (a) receive and file the status report on Deferred Compensation Plan budget accounts for quarter ending 12/31/16; and (b) approve reimbursements from the Deferred Compensation Plan Reserve Fund accounts to the Personnel Department for $107,463.53 and City Attorney for $25,482.54 for the quarter ending 12/31/16; the motion was unanimously adopted.**

9. BOARD REPORT 17-10: DEFERRED COMPENSATION PLAN FY 16/17: GOALS, STRATEGIES AND METRICS

Daniel Powell provided a Board a Plan metrics review for the first two quarters of FY 16/17. He reported that the Plan had achieved 1,064 new enrollments. He stated this represented 66% of the fiscal year goal of 1,606, putting the Plan well ahead of pace to meet that goal. He stated that the Plan previously established a goal of increasing the average annual contributions by 2%, which translates to an amount of $7,177. He reported that by second quarter end, the average annualized contribution was $6,895. He indicated that this figure would fluctuate from pay period to pay period due to accrued leave deferrals as well as the expected decline in contributions at the end of the calendar when many participants approach their annual contribution limits.

Mr. Powell reported that staff developed a Contribution Calculator to help participants understand their contributions as a percentage-of-pay. He reported that the calculator had been utilized 5,539 times since its introduction on December 13, 2016 and seems to have positively impacted contribution figures for the start of 2017. He indicated that when comparing the first payday of 2017, typically the most active of the year, to the equivalent payday in 2016, the number of participants making changes increased 29%, total contributions grew 9%, total contributing participants grew 3%, and the average contribution increased 5%.

Mr. Powell also reported that the Board adopted a goal of reducing the total number of closed accounts by 3%, from 867 in FY 15/16 to no more than 841 in FY 16/17. He stated that to meet this goal, full account distributions should be no greater than 210 on a quarterly basis. He stated the Plan experienced 187 and 164 closed accounts during the first and second quarter respectively, keeping the Plan on pace to meet its goal. He indicated the Board previously adopted a goal of reducing roll outs by 5%, from $91.5 million in FY 15/16 to $86.6 million in FY 16/17. He reported that during the first half of the fiscal year, approximately $55.6 million rolled out of the Plan. He stated that if rollovers continue at this rate, the Plan would not meet its goal. However, he also indicated that rollover of assets into the Plan continued to exceed rollovers out and that during the same time period, $68.5 million in assets were rolled in.

A motion was made by Mr. Schoonover, seconded by Mr. Cannon, to receive and file staff's update regarding Deferred Compensation Plan goals, strategies and metrics for the 2016-17 fiscal year; the motion was unanimously adopted.

10. BOARD REPORT 17-11: PLAN PROJECTS & ACTIVITIES REPORT

Mr. Vong noted that the Plan Governance and Administrative Issues Committee meeting would convene immediately following that Board meeting. He also reported that staff is coordinating with the City Clerk to administer elections for the active LACERS and active LAFPP positions on the Board. He stated that staff would provide an additional update at the next Board meeting. **A motion was made by Mr. Ciranna, seconded by Ms. Macy to receive and file updates on Plan projects and activities during January & February 2017; the motion was unanimously adopted.**

11. REQUESTS FOR FUTURE AGENDA ITEMS

Mr. Ciranna requested a report-back regarding the State of Utah's stable value fund and whether they currently utilize wrap providers.

12. FUTURE MEETING DATE – April 18, 2017

13. ADJOURNMENT

A motion was made by Mr. Thomas, seconded by Mr. Ciranna, to adjourn the meeting; the motion was unanimously adopted. The meeting adjourned at 10:52 am.

Minutes prepared by staff member Daniel Powell