

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF AUGUST 16, 2018

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in the LAFPP Sam Diannitto Boardroom, located at the Los Angeles Fire and Police Pensions Building, 701 East 3rd Street, Suite 400, Los Angeles 90013 on Thursday, August 16, 2018.

COMMISSIONERS PRESENT: Corinne T. Babcock, President
Adam Nathanson, Vice President
Ken Buzzell
Ruben Navarro
Brian Pendleton
Belinda Vega
Robert von Voigt (participated telephonically)

COMMISSIONERS ABSENT: George Aliano
Pedram Salimpour, MD

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Raymond P. Ciranna, General Manager
William Raggio, Executive Officer
Tom Lopez, Chief Investment Officer
Joseph Salazar, Assistant General Manager
Rhonda Ketay, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Anya Freedman, Deputy City Attorney

President Babcock called the meeting to order at 8:31 a.m. All the above-listed Commissioners were present at the start of the meeting.

The following item was taken out of order.

F. DISABILITY CASES

DISABILITY CLAIM – DEPENDENT CHILD – TIER 2

Roy G. Young
Dependent Child of deceased
retired Engineer Thurman M. Young (F) Engineer

As recommended by Staff and concurred in by the applicant, Roy G. Young, Dependent Child status and benefits are granted. Motion made by Commissioner Vega, seconded by

Commissioner Navarro and adopted by the following vote: ayes, Commissioners Buzzell, Navarro, Nathanson, Pendleton, Vega, von Voigt, and President Babcock - 7; nays – none; absent, Commissioners Aliano and Salimpour. Mr. Young was not present nor was he represented.

A. ITEMS FOR BOARD ACTION

1. REVIEW OF SEMPER CAPITAL MANAGEMENT, LP'S CONTRACT FOR MBS FIXED INCOME MANAGEMENT AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19024

Commissioner Navarro moved that the Board:

1. Approve a three-year contract with Semper Capital Management, LP for Mortgage-Backed Securities (MBS) fixed income investment management services;
2. Authorize the General Manager to review and negotiate the terms and conditions with Semper Capital Management, LP for MBS fixed income investment management services for the period October 1, 2018 to September 30, 2021; and,
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Semper Capital Management, LP for MBS fixed income investment management services, subject to the approval of the City Attorney as to form and legality, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Babcock – 7; nays – none.

2. REVIEW OF GIA PARTNERS, LLC'S CONTRACT FOR FIXED INCOME MANAGEMENT AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19025

Commissioner Navarro moved that the Board:

1. Approve a three-year contract with GIA Partners, LLC for core plus fixed income investment management services;
2. Authorize the General Manager to review and negotiate the terms and conditions with GIA Partners, LLC for active core plus fixed income investment management services for the period October 1, 2018 to September 30, 2021; and,

3. Authorize the President of the Board, on behalf of the Board, to execute the contract with GIA Partners, LLC for core plus fixed income investment management services, subject to the approval of the City Attorney as to form and legality, which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Babcock – 7; nays – none.

3. CONSIDERATION OF GOVERNMENTAL SIDE-A FIDUCIARY LIABILITY INSURANCE AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19026

Commissioner Buzzell moved that the Board:

- 1) Direct staff to secure quotes for a new D&O liability insurance policy with a new term starting December 23, 2018;
 - 2) Authorize the General Manager to negotiate and execute the required documents with our current broker Segal Select Insurance Services, Inc., to purchase the new D&O liability insurance policy, at an annual cost not to exceed \$40,000; and
 - 3) Request a Waiver of Recourse Endorsement (estimated at \$25 annually per insured person) to be paid by the insured person and not by System assets, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Babcock – 7; nays – none.
4. CONTRACT EXTENSIONS WITH ALPHA-ONE INVESTIGATIONS – RISK SERVICES, INC. AND COVENTBRIDGE (USA), INC. AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19027

Commissioner Navarro moved that the Board:

1. Approve a one-year extension for the existing contract with Alpha-One Investigations – Risk Services (formerly ALPHA-ONE Investigation, Inc.), for an amount not to exceed \$80,000;
2. Approve a one-year extension for the existing contract with CoventBridge (USA), Inc., for an amount not to exceed \$80,000; and

3. Authorize the President of the Board, on behalf of the Board, to execute the contract amendments, subject to the approval of the City Attorney as to form, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Babcock – 7; nays – none.
5. APPROVAL OF ALIVE AND WELL AUDIT INVESTIGATIVE RESULTS AND POSSIBLE BOARD ACTION

The report was approved as submitted and the Board did not direct staff to expand the audit to additional pensioners.

Resolution 19028

Commissioner von Voigt moved that the Board accept the staff report regarding the Alive and Well Audit of age 95+ pensioners, which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Babcock – 7; nays – none.

6. INTEREST RATE TO BE CREDITED TO ACTIVE MEMBER ACCOUNTS AS OF JUNE 30, 2018 AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19029

Commissioner Buzzell moved that the Board, in accordance with Board Rule 5.1, direct the General Manager to credit the interest rate of 1.29% to active members accounts as of June 30, 2018. which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Babcock – 7; nays – none.

7. GENERAL MANAGER PERFORMANCE EVALUATION FOR ONE-YEAR PERIOD ENDING JUNE 30, 2018 AND POSSIBLE BOARD ACTION

The item was tabled to the end of the meeting.

*The Board recessed the regular meeting at 8:37 a.m. to convene the Special Board meeting.
The regular meeting reconvened at 11:38 a.m.*

The Board presented Ms. Barbara Nobregas, Management Analyst, Communications and Education Section with a certificate to honor her service with the City of Los Angeles and with the Fire and Police Pensions Department and congratulated her on her upcoming retirement.

B. REPORTS TO THE BOARD

1. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
2. General Manager’s Report
 - a. Monthly Report
 - b. Marketing Cessation Information
 - c. Benefits Actions approved by General Manager on August 2, 2018

Pursuant to Resolution 04008, adopted by the Board of Fire and Police Pension Commissioners on August 7, 2003, the following benefit actions have been approved by the General Manager on August 2, 2018.

DISCONTINUED PENSIONS – TIER 1 – 2

Leah J. Porter	Fire Widow	Retired:	09-05-02	Died:	06-21-18
Genevieve L. Schwab	Police Widow	Retired:	06-25-09	Died:	06-25-18

DISCONTINUED PENSIONS – TIER 2 – 14

William C. Honohan	Fire Service	Retired:	01-14-80	Died:	07-05-18
James M. Mills	Fire Service	Retired:	06-26-78	Died:	05-26-18
Peter Borck	Police Service	Retired:	07-07-81	Died:	04-07-18
Albert A. Civitate	Police Service	Retired:	01-26-99	Died:	05-26-18
Ronald J. Code	Police Service	Retired:	02-04-96	Died:	06-30-18
Robert G. Wheeler	Police Service	Retired:	12-25-76	Died:	06-18-18
Clinton E. White	Police Service	Retired:	11-01-68	Died:	06-27-17
Dean E. Murray	Fire Disability	Retired:	06-10-82	Died:	07-05-18
Darryl E. Smart	Police Disability	Retired:	06-04-86	Died:	03-14-18
Elizabeth Parker	Fire Widow	Retired:	08-03-09	Died:	06-17-18
Beverly J. Bowser	Police Widow	Retired:	01-05-10	Died:	06-23-18
Katherine P. Brown	Police Widow	Retired:	06-04-07	Died:	05-26-18
Margaret E. Lauritzen	Police Widow	Retired:	07-29-05	Died:	06-17-18
Neoma E. Muchmore	Police Widow	Retired:	01-29-09	Died:	06-30-18

DISCONTINUED PENSIONS – TIER 5 – 1

Paul E. Enox	Police Service	Retired:	05-05-02	Died:	06-11-18
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DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Cathy Code	Police Service	Retired:	02-04-96	Member	06-30-18
				Died:	

PARTIAL PAYMENT OF PENSION – TIER 5 – 2

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the pension payable to Ignacio A. Mijares, Police Service Pensioner, is to be paid to his former spouse, Susan M. Mijares, effective July 8, 2018. Ms. Mijares will receive cost of living adjustments.

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the pension payable to Andrew P. Fox, Fire Service Pensioner, is to be paid to his former spouse, Phebe N. Moore, effective August 1, 2018. Ms. Moore will receive cost of living adjustments.

SERVICE PENSION – TIER 3 – 1

Police

Brent M. Rygh	Police Officer III +1	Eff:	07-22-18	25	Years	2	Days
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SERVICE PENSION – TIER 4 - 1

Police

Carolyn J. Halliday	Police Officer II	Eff:	07-08-18	20	Years	2	Days
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SERVICE PENSION – TIER 5 – 5

Police

Larry D. Barr	Lieutenant II	Eff:	07-08-18	20	Years	227	Days
Charles L. Beck	Chief of Police	Eff:	06-28-18	41	Years	102	Days
Ignacio A. Mijares	Police Officer II	Eff:	07-08-18	22	Years	143	Days
Kin Y. Wong	Police Officer II +2	Eff:	07-10-18	21	Years	1	Day
Scott S. Young	Police Detective I	Eff:	07-08-18	24	Years	190	Days

SERVICE PENSION/DROP – TIER 3 – 2

Police

Mark D. Lauderdale	Police Officer II	Eff:	07-01-18	27	Years	274	Days
Steven D. Ross	Police Officer III	Eff:	07-03-18	30	Years	185	Days

SERVICE PENSION/DROP – TIER 5 – 8

Fire

Alexander T. Arriola	Captain II	Eff:	03-04-18	32	Years	27	Days
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Police

John C. Artes	Sergeant II	Eff:	07-02-18	28	Years	280	Days
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Daniel Diaz	Police Officer III	Eff:	07-05-18	28	Years	31	Days
James P. Hutchins	Police Officer II	Eff:	07-01-18	30	Years	0	Days
Richard Joaquin	Sergeant I	Eff:	07-01-18	29	Years	253	Days
Aaron B. McCraney	Captain I	Eff:	06-01-18	26	Years	260	Days
Fred Miller	Sergeant II	Eff:	07-01-18	30	Years	0	Days
Jonathan L. Tippet	Captain III	Eff:	07-01-18	30	Years	23	Days

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. Reminded the Board to complete the City Attorney evaluation.
2. Reminded the Board to complete the survey for RVK.

C. CONSENT ITEM

1. APPROVAL OF TRAVEL AUTHORITY (BUZZELL) – NCPERS, 2018 PUBLIC SAFETY CONFERENCE

Resolution 19030

Commissioner von Voigt moved that the Board approve Commissioner Ken Buzzell's request to attend the National Conference on Public Employee Retirement Systems (NCPERS), 2018 Public Safety Conference on October 28 – 31, 2018 in Las Vegas, NV (October 28th is a travel day), which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Babcock – 7; nays – none.

D. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Navarro requested that staff follow up on the Board's discussion regarding the number of members in the UFLAC High Deductible Health Plan.

E. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION

There were no public comments.

F. DISABILITY CASES

DISABILITY CLAIM – SURVIVING SPOUSE – TIER 5

Denise E. Reich
Surviving Spouse of Robert S. Reich (P) Police Officer III

The prior Board Action of March 17, 2016 granting a nonservice-connected survivor pension at 30% is set aside and a service-connected survivor pension is granted at 75%. Motion made by Commissioner Pendleton, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, von Voigt, and President Babcock – 6; nays – Commissioner Vega – 1; absent – Commissioners Aliano and Salimpour – 2. Mrs. Reich, Mr. Charles Thomas, retired LAPD, and Charles Weisman, M.D., testified regarding Officer Reich. Mrs. Reich was present and was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Commissioner Buzzell recused himself from closed session Item G.2.

G. CLOSED SESSION

Item G.2 was taken out of order.

2. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(4) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION, AND POSSIBLE BOARD ACTION, IN THE FOLLOWING CASE: WESTON V. PG&E CORPORATION ET.AL, CASE NO. 3:18-cv-03509 (N.D.CAL.)

The Board met in closed session.

Commissioner Buzzell rejoined the meeting at this time.

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1): GENERAL MANAGER 2017-18 PERFORMANCE EVALUATION SURVEY RESULTS AND POSSIBLE BOARD ACTION

The Board met in closed session.

Upon reconvening in open session, President Babcock stated there was nothing to report.

A. ITEMS FOR BOARD ACTION – CONTINUED

7. GENERAL MANAGER PERFORMANCE EVALUATION FOR ONE-YEAR PERIOD ENDING JUNE 30, 2018 AND POSSIBLE BOARD ACTION

Upon reconvening in open session, President Babcock stated that the Board approved General Manager Ciranna's salary increase by a unanimous vote.

RESOLUTION 19031

Commissioner Nathanson moved that the Board in accordance with the Board Governance Policy, Section 12.0:

1. Determine that the General Manager's performance for Fiscal Year 2017-18 exceeded expectations or was outstanding; and
2. Grant the General Manager a merit pay increase of 3% effective July 1, 2018, which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Babcock – 7; nays – none.

At the request of Commissioner Buzzell, the meeting was adjourned at 1:50 p.m. in memory of Mr. Paul Enox, retired LAPD Captain.



President



Secretary