

AGENDA

BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

January 7, 2021
8:30 a.m.

Sam Diannitto Boardroom
Los Angeles Fire and Police Pensions Building
701 East 3rd Street, Suite 400
Los Angeles, CA 90013

Important Message to the Public: In conformity with the Governor's Executive Order N-29-20 (March 17, 2020) and due to the public health concerns over COVID-19, this meeting of the Board of Fire and Police Pension Commissioners will be conducted via telephone and/or videoconferencing.

PLEASE NOTE: The Board Room will be closed during this meeting.

To provide public comment telephonically, please call (669) 900-9128 or (346) 248-7799 and enter Meeting ID 845 8721 6318# (Please note: Toll charges may apply).

If you do not want to make a public comment, you may stream the meeting from the website (www.lafpp.com) or call any of the following numbers to access the Council Phone system and listen to live coverage: (213) 621-CITY (Downtown), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

Please refer to www.lafpp.com for more information.

An opportunity for the public to address the Board or Committee about any item on today's agenda for which there has been no previous opportunity for public comment will be provided before or during consideration of the item. Members of the public who wish to speak on any item on today's agenda are requested to use the telephone number provided above.

Notice to Paid Representatives: If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq.* More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 978-1960 or ethics.commission@lacity.org.

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board or applicable Committee of the Board in advance of their meetings may be viewed by clicking on LAFPP's website at www.lafpp.com. In addition, if you would like a copy of any record related to an item on the agenda, please contact the Commission Executive Assistant, at (213) 279-3037 or by e-mail at evange.masud@lafpp.com.

Sign language interpreters, communication access real-time transcription, assistive listening devices, Telecommunication Relay Services (TRS) or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the Department of Fire and Police Pensions, (213) 279-3000 voice or (213) 628-7713 TDD.

A. GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION

B. REPORTS TO THE BOARD

1. [AMENDMENTS TO BOARD OPERATING POLICIES AND PROCEDURES SECTION 3.0: PENSION PROCESSING AND POSSIBLE BOARD ACTION](#)
2. RECOMMENDED BOARD-ORDERED REVIEW OF DISABILITY PENSION AND POSSIBLE BOARD ACTION
3. REVIEW OF BAILLIE GIFFORD OVERSEAS LIMITED'S CONTRACT FOR INTERNATIONAL EQUITY MANAGEMENT AND POSSIBLE BOARD ACTION
4. LAFPP ESG EDUCATION AND POSSIBLE BOARD ACTION
5. [APPOINTMENT OF LAFPP'S CHIEF ACCOUNTING EMPLOYEE AND POSSIBLE BOARD ACTION](#)
6. [UPDATE ON 2022-24 STRATEGIC PLANNING AND POSSIBLE BOARD ACTION](#)

C. COMMUNICATIONS TO THE BOARD

1. Has any Board Member made any expenditure to influence State legislative or administrative action?
2. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.

D. GENERAL MANAGER'S REPORT

1. Benefits Actions approved by General Manager on December 17, 2020
2. Other business relating to Department operations

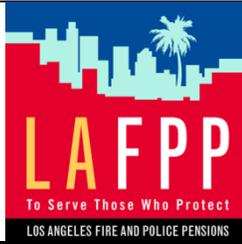
E. CONSENT ITEM

1. Potential New Investment
 - a. Baillie Gifford Private Equity Consultant
2. Findings of Fact
 - a. Betty J. Dove – Tier 5
 - b. Andrea M. Gonzalez – Tier 5
 - c. Jamaal R. James – Tier 5

F. CONSIDERATION OF FUTURE AGENDA ITEMS

G. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF THREE (3) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION



DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JANUARY 7, 2021 **ITEM:** B.1

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: AMENDMENTS TO BOARD OPERATING POLICIES AND PROCEDURES
SECTION 3.0: PENSION PROCESSING AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

1. Approve the proposed amendments to Board Operating Policies and Procedures, Section 3.0: Pension Processing (Attachment 1);
2. Direct staff to report back on the progress of the collaboration with other City departments in the creation of a single Citywide domestic partnership filing; and
3. Direct staff to report back once the amendments to the Los Angeles Administrative Code to conform with the current California Family Code (Attachment 2) requirements for establishing domestic partnerships have been made.

BACKGROUND

At its meeting on September 17, 2020, the Board considered a request from a surviving domestic partner to accept her *Affidavit of Domestic Partnership* form filed with the City's Personnel Department and recognize her as the Domestic Partner of the deceased member to enable her to apply for survivorship pension benefits from LAFPP. During the discussion, some Board members expressed concern as to why the case was brought for the Board's consideration when there is a policy in place to accept and recognize Domestic Partnership ("DP") filings with the Personnel Department. However, as discussed in the staff report, the current Board policy does not address this type of case since the member did not make the request himself prior to his death. As a result, the Board directed staff to revise the policy in such a way that LAFPP will automatically accept DP forms filed with other City Departments (i.e., Personnel Department, Los Angeles City Employees' Retirement System (LACERS), and Water and Power Employees' Retirement Plan) and recognize that filing with other City Departments constitutes as filing with LAFPP.

On November 5, 2020, staff presented a report discussing the issues that may arise from revising the current policy. During this discussion, the Board reaffirmed its desire to streamline the DP filing process and ensure consistency in the way domestic partnerships are treated Citywide. As a result, the Board directed staff to revise the current policy for accepting DP forms filed with other City departments. The Board also directed staff and the City Attorney to seek amendments to the Los

Angeles Administrative Code (LAAC) to conform with the current California Family Code requirements for establishing domestic partnerships.

On December 3, 2020, the Board tabled the item and directed staff to further revise the policy to harmonize it with the California Family Code's intent to treat domestic partnerships similar to marriages.

DISCUSSION

Los Angeles Administrative Code

On January 17, 2000, the City Council approved Ordinance No. 173028 to provide for survivorship pension benefits for domestic partners and for a health insurance premium subsidy for qualified surviving spouses and domestic partners. LAAC Section 4.2204 addresses the establishment and termination of domestic partnerships with LAFPP. The establishment of a domestic partnership is dependent upon the filing of a *Declaration of Domestic Partnership* with the Board of Fire and Police Pension Commissioners. This filing establishes the effective date of the domestic partnership which, if not made in a timely manner, can affect the domestic partner's eligibility for survivor benefits.

Alternatively, filing a confidential *Affidavit of Domestic Partnership* form with the Personnel Department allows an active City employee to provide health insurance coverage and other benefits for a domestic partner. Due to the "confidential affidavit" language contained in sworn employees' Memoranda of Understanding, the Personnel Department is unable to share copies of members' *Affidavit of Domestic Partnership* forms with LAFPP without the member's consent.

State Family Code

Prior to the City Council ordinance providing for domestic partnerships with LAFPP, the State of California authorized the establishment of domestic partnerships in 1999. Since that time, several amendments to the Family Code have been made. In July 2000, the Family Code expressly preempted any local law that defines domestic partnerships more narrowly. In 2005, the Legislature eliminated the requirement that both persons agree to be jointly responsible for each other's basic living expenses. And in 2012, the requirement that domestic partners share a common residence was removed and a statutory mechanism allowing minors to enter into a domestic partnership upon obtaining a court order was created.

Of particular importance is the establishment of a State registry for domestic partners. The intent of the Family Code with regards to domestic partners is to allow "registered domestic partners the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations and duties under law" as are granted to married couples.

Under the current provisions of the Family Code, the City's definition of domestic partnerships is not uniform with the State law and should be updated for conformance, including LAAC Section 4.2204.

The proposed policy amendments are in line with the State's treatment of domestic partners. Registered domestic partnerships shall be treated the same as marriages for purposes of survivorship pension benefits and any reference to the date of marriage shall be deemed to refer to the date of registration/filing of a domestic partnership with the State, another City Department, or the date of a legal union in another jurisdiction.

Members with registered domestic partners must notify LAFPP of the existence of the relationship and provide documentation of the establishment of the domestic partnership (i.e., copy of State registration certificate, *Affidavit/Declaration of Domestic Partnership* form or a letter of acknowledgment from a City Department). In practice, members who have provided a copy of their marriage certificate to the Personnel Department (or another City Department) must also submit a copy of their marriage certificate to LAFPP for survivorship benefit purposes.

Similar to married members, members with domestic partners will also be encouraged to submit their documentation prior to DROP entry or retirement to facilitate survivorship benefit processing should these benefits become payable. However, similar to a surviving spouse of a member, the surviving domestic partner of a member could also come forward upon the death of a member to notify LAFPP of the existence of the relationship and provide documentation of the establishment of the domestic partnership, which is similar to the case that was considered by the Board on September 17, 2020.

If the policy amendments are approved, it would signify that domestic partnership filing with LAFPP or another City Department will supersede any beneficiary designation filed with LAFPP for survivorship benefit purposes, regardless of the date the beneficiary designation was filed. The *Designation of Beneficiary Form* will be revised accordingly to ensure that members are notified of this policy change.

The proposed policy amendments also address the “cross filing” issue for members whose domestic partner is also an LAFPP member. Similar to married members, only one documentation (domestic partnership form/affidavit) is needed to apply to both members’ pension benefits. Staff will notify all members who fall in this situation.

Other Necessary Actions

In regard to the amendments to the LAAC requirements, a meeting is being scheduled with Personnel Department, LACERS, and Water and Power Employees’ Retirement Plan, to discuss uniformity on domestic partnership requirements that conform to the current California Family Code requirements, and the creation of a single Declaration of Domestic Partnership form that will be acceptable Citywide for all active and retiree benefits. Staff will also discuss the option of eliminating a DP filing with the City and instead having all members file their domestic partnerships with the State of California. Staff is optimistic that the affected Departments will resolve all issues and changes will be made for Citywide uniformity. Nevertheless, staff will pursue appropriate action for LAFPP to conform with the Family Code. Likewise, staff will work with the CAO to suggest changes to the MOUs to enable all City departments to confidentially share information on domestic partnerships for the benefits each department administers.

Lastly, staff will implement an outreach program to inform all members of the policy changes and the Board’s recognition of domestic partnerships and associated benefits.

Ideally, since the State has embraced domestic partnerships and created a structure that provides equal treatment for all types of relationships, the City should consider relying solely on the State’s Registry of Domestic Partnerships and accept that registration as official notification to LAFPP and other departments.

BUDGET

No budget impact associated with this report.

POLICY

The recommended amendments to Board Operating Policies and Procedures Section 3.0 have been reviewed and approved by the City Attorney as to form, and conform with the State's Family Code Section 297.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Riza Mulawin, Manager
Active Member Services

RPC:JS:RM

Attachments: 1. Proposed Amendments to Board Operating Policies and Procedures Section
 3.0: Pension Processing
 2. California Family Code Sections 297 – 297.5

Los Angeles Fire & Police Pension System**3.0 - PENSION PROCESSING****APPLICATIONS AND DOCUMENTATION**

- 3.1 All pension applications shall be filed in writing on forms prescribed by the Department of Fire and Police Pensions. Applicants shall be responsible for furnishing all required documents needed to process and verify pension eligibility. Pensioners, surviving spouses and legally appointed guardians/conservators of pension beneficiaries shall be responsible for notifying the Department of Fire and Police Pensions of any change of status which affects pension eligibility. Failure to provide required documentation or cooperate with processing requirements shall be the basis for denial of an application or suspension of pension payments.

DEFERRED RETIREMENT OPTION PLAN (DROP)**3.2 CREDITING OF INTEREST**

DROP accounts shall earn interest in the amount of 5%, compounded annually (i.e., compounding at 12-month intervals following a member's DROP entry date – 13th, 25th, 37th, 49th month). Interest will be calculated each month using a monthly factor of 0.004167 (1/12 of 5%), applied to the prior end of month inception-to-date deposits balance. Interest will be credited to member accounts semi-annually on June 30 and December 31. For members exiting DROP between the semi-annual interest-crediting dates, the account shall be credited with the monthly interest earned as of the exit date. (Amended 07/02/20)

3.2.1 ACTIVE DUTY STATUS

Effective November 1, 2008, in addition to the age and/or service requirements to enter DROP, a member must also be on active duty status on the DROP entry date. For purposes of this provision active duty status shall include members working on light-duty status, but exclude members on sick, vacation, injured-on-duty, administrative leave, and all other types of non-working status.

- A. The City Administrative Officer has been authorized to classify payroll codes as "active" or "not active" for the purposes of DROP.
- B. At least one of the prescribed active duty payroll codes must be recorded on a member's timesheet on their DROP entry date.
- C. Verification of active duty status shall be made using the City's payroll system (PaySR) at the time of entry.
- D. In the event a member elects a DROP entry date and is not on active duty status on the DROP entry date as defined above, the member's DROP entry date will automatically be advanced to the next qualifying entry date. The revised entry date will not be subject to further adjustment by the member. The DROP Program

Administrator shall notify the member of the approved DROP entry date in writing.

3.2.2 REVOCATION OF DROP ENROLLMENT

A member may revoke participation in DROP by submitting a DROP Revocation Notice (hereafter, "the Notice") in-person, by email, or by facsimile no later than the day prior to the DROP entry effective date. The Notice must be received before the close of LAFPP's regular office hours, or if emailed or faxed, by 11:59 p.m. The effective date of revocation shall be established upon receipt of the Notice and signature thereupon by LAFPP administrative staff. The member is responsible for confirming timely receipt by LAFPP. If the member does not revoke his/her application for DROP as specified above, the DROP agreement will become final and binding, and thereafter be irrevocable. (Amended 05/21/15 and 07/02/20)

3.2.3 DISTRIBUTION OF DROP ACCOUNT

A member shall receive a distribution of the funds in his/her DROP account as either: (a) a lump sum cash payment, (b) a direct rollover to a qualified plan, or (c) a combination lump sum payment and direct rollover to a qualified plan. Members may not leave a portion of their DROP account on deposit with LAFPP.

The DROP Distribution Election Form must be completed and returned to LAFPP no later than 90 days following the member's DROP exit date; otherwise, the member will receive distribution as a single lump sum taxable cash payment. A member may directly rollover the taxable portion of his/her DROP distribution to only one eligible financial institution. Members may not rollover any non-taxable DROP funds unless they also rollover all of their taxable DROP funds. A member may directly rollover the non-taxable portion of his/her DROP distribution to only one eligible financial institution.

For members exiting DROP on or after January 1, 2014 who complete and return the DROP Distribution Form no later than 90 days following the member's DROP exit date, the member may recover his/her pre-1987 after-tax basis entirely from the lump sum DROP distribution. Any post-1986 after-tax basis will be allocated pro-rata between the lump sum DROP distribution and the member's ongoing monthly pension annuity. (Section added 12/19/2013)

AUTHORITY OF BOARD AND GENERAL MANAGER

3.3 The General Manager shall present to the Board all eligible pension applications. The Board as a ministerial act shall approve all properly qualified service pension and surviving spouse applications. On August 7, 2003 the Board adopted Resolution 04008 delegating authority to the General Manager to perform this function. The General Manager's actions are reported to the Board at the next subsequent Board meeting. The General Manager shall adopt procedures for the submission, verification and withdrawal of applications and shall determine whether applicants meet the qualifications specified in the Charter and Administrative Code.

~~3.3.1 The Board has delegated authority to the General Manager to adjust the effective date of a Declaration of Domestic Partnership, provided the following criteria are met:~~

- ~~A. The Member completes LAFPP's Declaration of Domestic Partnership prior to his/her retirement effective date or DROP entry date; and,~~
- ~~B. The Member makes a written request to accept the filing date with the Personnel Department, Employee Benefits Office's (EBO) or the Los Angeles City Employees' Retirement System (LAGERS) as the effective date of the Domestic Partnership; and,~~
- ~~C. Staff has verified with the EBO or LAGERS the following: a) the date that the parties filed an Affidavit of Domestic Partnership with the EBO or LAGERS; b) the fact that this partnership has not been terminated subsequent to the filing date.~~

~~If the General Manager determines that any of the above criteria is not met, then the matter will be referred to the Board along with staff's analysis and recommendation. (Section added 11/15/12, Amended 10/19/17)~~

- 3.3.21 In the event a retired member receives benefits from more than one of the City of Los Angeles' defined benefit plans, and their combined benefit exceeds the applicable Internal Revenue Code (IRC) section 415(b) limit, the plans must coordinate when limiting the combined benefit. Pursuant to Administrative Code Section 4.1906(s), the Board has delegated authority to the General Manager to enter into agreements with the Water and Power Employees' Retirement Plan and/or the Los Angeles City Employees' Retirement System and to create the administrative rules necessary to facilitate different manners for reduction of benefits in order to comply with IRC section 415(b). (Section added 03/21/19)

DISABILITY APPLICATION PROCESS

- 3.4 The Board shall conduct hearings on disability pension applications. Active Members have the option of having their hearing conducted in open or closed session, either of which must be specifically requested in writing by the applicant/ representative. Should no completed election form be received by staff by the due date, the hearing will be conducted in open session. For Closed Session hearings, all witnesses must be excused from the room until their testimony is needed, and family members, the general public and non-essential Staff are prohibited from attending. Open sessions will be open to the general public but the Board may request that witnesses wait outside the hearing until called to testify. In order to expedite the hearing process, the Board may appoint a hearing examiner to conduct preliminary hearings as it deems necessary. The applicant has the burden of proof as to the existence of disability. (Amended 01/18/18)
- A. The General Manager shall provide all relevant evidence and records, including doctor reports that the Board requires for the hearing process, and shall make a written recommendation to the Board on whether applicants should be granted or denied disability or survivor benefits.
 - B. LAFPP staff shall endeavor to accommodate the applicant/representative when scheduling a disability pension hearing. When the applicant/ representative cannot be reached, fails to return calls, correspondence, or emails, or twice cancels, delays, or continues a hearing, a compulsory hearing will be scheduled at the Board's convenience.
 - 1) Using certified mail with return receipt requested or by email with return receipt,

LAFPP staff shall provide the applicant/representative with the following:

- a) Notice of three dates to conduct the hearing. The earliest date should be at least four weeks from the date of notice.
 - b) Instructions to choose one of the three dates and to contact LAFPP staff within ten calendar days of receipt of the notice. If no response is received after ten calendar days, the hearing will automatically be scheduled for the last of the three proposed hearing dates.
 - c) Notice that attendance is mandatory and failure to attend the hearing will result in an administrative withdrawal of the application. If applicant/representative is present but not ready to conduct the hearing on the scheduled date, s/he must provide a verbal explanation to the Board. (Section added 01/18/18)
- C. LAFPP staff may Administratively Withdraw an inactive application. An application shall be considered inactive if it has not proceeded to the next logical processing step for reasons that can't be resolved. The applicant/representative will have 30 calendar days to respond to a request made by LAFPP staff. After 30 days, LAFPP staff shall mail a Notice of Administrative Withdrawal to the applicant/representative. The notice will inform the applicant/representative they have 15 calendar days to reply to keep their application open. If the applicant/representative does not reply, or replies but the delay extends another 30 calendar days, their application will be administratively withdrawn. Once an application is withdrawn, the applicant/representative may submit a new application for a disability pension. Upon receipt of a new application, staff shall start the process over from the beginning. (Section added 01/18/18)
- D. The General Manager shall be responsible for selecting physicians to examine applicants. Physicians, preferably Board certified in their specialty, shall whenever possible be rotated considering geographical and availability constraints. Refusal by an applicant to be examined will cause suspension of disability application processing and initiate the administrative withdrawal process Section 3.4(C). The General Manager may consider applicant objections to physicians made for good cause to select a different physician. (Amended 01/18/18)
- E. Charges by physicians for missed appointments by an applicant or for new or updated reports caused by the delay of an applicant shall be paid by the applicant, unless the applicant can show good cause for the missed appointment or delay. Failure to pay for missed appointments may cause a suspension of processing and initiate the administrative withdrawal process Section 3.4(C). (Amended 01/18/18)
- F. Appeals to the Board of the General Manager's decision regarding the selection of a physician or physician charges to an applicant must be made in writing, within 14 days of the Manager's decision.
- G. All communication with pension physicians relating to any aspect of an examination performed on behalf of the Department of Fire and Police Pensions shall only be through Department staff. Under no circumstances shall an applicant, an applicant

representative or operating department directly contact or provide materials or documents to a pension physician without prior approval of Department of Fire and Police Pensions staff. All materials or documents to be reviewed by pension physicians shall first be submitted to staff for inclusion in the administrative record and then forwarded to the physicians.

- H. Physicians who have performed disability examinations shall provide report clarification or additional evidence as required by the applicant or Department of Fire and Police Pensions staff. Such clarification shall be submitted in writing to the Department of Fire and Police Pensions. This step may be repeated as often as reasonable and necessary. If the applicant does not accept the written response, the applicant may then request a deposition of a pension physician. Staff and a City Attorney shall attend each deposition, arranged by Department of Fire and Police Pensions staff. The cost for the physician and court reporter shall be paid solely by the party requesting the deposition. The Department of Fire and Police Pensions will be responsible for the cost of the transcription service and deposition documents provided by the court reporter. Staff will provide copies of the deposition material. If the applicant fails to accept the results of the deposition, a pension physician may be subpoenaed to appear for questioning at the time the claim is considered by the Board.

SUSPENSION OF DISABILITY PENSION PAYMENTS

- 3.5 It shall be the pensioner's duty to cooperate with the Board and Staff and to comply with reasonable requests when the disability pensioner's medical status is under review. Failure to cooperate or some other action that impedes or prevents completion of the review process may constitute cause for a suspension of disability pension payments by the Board. Suspended pension payments will be deposited in an escrow account.
 - A. Staff shall first ascertain if a hardship exists which prevents the pensioner from cooperating with the review process. If there is no apparent hardship, the pensioner shall be provided the opportunity to appear before the Board to present reasons or evidence justifying the lack of cooperation or failure to comply with requests made in conjunction with the review process. If the pensioner fails to appear at this hearing or is unable to demonstrate good cause for noncompliance, the Board may suspend pension payments for a period of one to three months pending compliance.
 - B. If the pensioner continues to refuse or fails to cooperate again, a second hearing will be scheduled for the purpose of suspending disability pension payments until the review process is completed.

RESTORATION OF DISABILITY PENSIONERS TO ACTIVE DUTY

- 3.6 A pensioner on service connected or non-service connected disability pension who is found by the Board to be no longer disabled shall have the pension terminated upon restoration to active duty, or failure to be restored as ordered by the Airport, Fire, Harbor or Police Department, or upon the date of the Board's determination if the retired member had previously been terminated or resigned. (Amended 01/18/18)

SURVIVOR BENEFIT APPLICATIONS

- 3.7 Applications for surviving spouse, minor or dependent children or dependent parent

benefits when members are deceased while on active duty due to indisputably service connected causes shall be processed automatically by staff for service connected benefits.

- A. When there is an issue whether the death is service connected, the application shall automatically be processed as non-service connected, without prejudice (recognizing that this is the minimum pension entitlement resulting from the death of an active member.)
 - B. When the cause of death is the result of suicide, and the survivor applies for service connected benefits, the applicant must provide documentation indicating that he/she is the "personal representative" of the deceased member's estate. Acceptable documentation includes a valid and enforceable trust, will, or court order that identifies the applicant as the deceased member's personal representative. Without this documentation, medical providers will not release the deceased member's psychological or medical records, which LAFPP requires for processing an application where suicide is associated with the cause of death. For this reason, LAFPP will not accept an application filed without the required documentation. (Added 04/16/20)
 - C. A hearing shall be conducted by the Board to determine whether the deceased member's death was service connected, at which time the Board shall review the autopsy report, if available, and a report of at least one qualified physician.
- 3.7.1 A surviving child of a Tier 3, 4, 5 or 6 member may qualify for benefits provided for a minor child until he or she reaches the age of 22 years, if such person is enrolled in school full-time, but such person's marriage terminates entitlement to these benefits. Such person must provide proof of registration at an academic or vocational school, with enrollment in the number of units required of a full-time student as determined by the educational institution. Submission of transcripts may be required should there be a dispute regarding continued full-time student status. (Added 01/07/16)

POST RETIREMENT SURVIVOR BENEFIT PURCHASE PROGRAM

- 3.8 Application for post retirement survivors shall be processed automatically by staff.
- A. A Retired Plan Member (Retiree) may elect percentage choices of 30% to 100% continuances in 5% increments (service retirees and disability retirees) provided the election does not exceed any limitations imposed by federal law. The cost factors used to provide the continuance percentage elected shall be based upon the mortality tables as adopted by the Board in the most recent actuarial experience study.
 - B. A Retired Plan Member may make an election to provide a survivor benefit pursuant to Charter Section 1236 on the first day of any given month, provided that all the documents necessary to make this election are provided to the Plan no later than the fifth day of that month, and the Retiree's monthly benefit shall be reduced beginning with the payment due for that month. If the necessary documents are not received by Plan by the fifth day, the election to provide this benefit shall be made on the first day of the following month and the Retiree's monthly benefit shall be

reduced beginning with the payment due that month.

- C. In the event that a Retiree dies less than one year from the date that the Retiree made an election to provide this benefit, as determined pursuant to the prior provision, then no survivor benefit shall be provided unless the Board shall determine that the Retiree's death was accidental. A Retiree's death shall be determined to be accidental if the preponderance of the evidence establishes that an accident resulting in bodily injury caused the Retiree's death. A death due to sickness, bodily infirmity, suicide or an intentionally inflicted injury shall not be considered accidental. If no survivor benefit is provided, a lump sum shall be paid as provided in Charter Section 1236.
- D. The Retiree's entire benefit, to the extent such constitutes his/her separate property, must be payable entirely to him/her at the time that he/she makes an election under this program. A Retiree whose benefit is subject to a wage assignment for support, a tax lien, a workers' compensation offset, or any other lien that may legally be imposed on his/her retirement benefit shall not be eligible to elect to provide a survivor benefit.
- E. A Retiree shall not be precluded from electing this benefit due to a prior community property division awarding a portion of his/her benefit to a former spouse/domestic partner, as that person's separate property, and the balance of his/her benefit to the Retiree as the Retiree's separate property. However, only the Retiree's separate property interest in his/her pension shall be subject to this election. The Retiree's election to provide this benefit shall have no impact upon the former spouse/domestic partner's interest in the Retiree's pension benefit or the payment of other survivor benefits from the Plan. Since the Retiree is paying the full actuarially determined cost of this survivor benefit through a reduction in the Retiree's separate property interest in his/her benefit, the Board shall not subject this survivor benefit to a community property claim from a prior spouse/domestic partner.
- F. A Retiree receiving a disability pension from the Plan may elect to provide a survivor benefit, but should be advised that this benefit will not be paid if his/her disability pension is discontinued and he/she is returned to duty. Also, because his/her disability pension could be subject to reduction in the future, only such portion of the Retiree's disability pension that represents the minimum that he/she could be awarded shall be subject to reduction to provide for a survivor benefit and any balance of his/her disability pension in excess of this minimum amount shall continue to be payable to the Retiree in full.
- G. Because a disability Retiree's benefit may be subject to a Workers' Compensation offset in the future, a disability Retiree shall provide an authorization, signed by both the Retiree and his/her spouse/domestic partner, allowing the Plan, in the event of the Retiree's death, to continue to offset any Workers' Compensation paid to the Retiree from the survivor's benefit until recouped in full. This authorization is required because the survivor's benefit is funded by a reduction in the disability benefit payable during the Retiree's lifetime, which reduced the amount of the offset recoverable directly from the Retiree.
- H. The election to provide a survivor benefit must be signed by the Retiree unless someone else has the legal authority to act for the Retiree in this regard. When the

Retiree lacks the capacity to make this election and there is no one else legally authorized to act on the Retiree's behalf, staff shall prepare a report explaining the situation for the Board's consideration prior to taking any final action by the Board.

REINSTATEMENT OF SERVICE PENSIONERS

- 3.9 The General Manager shall provide a written recommendation to the Board on all applications for reinstatement to active duty from a service pension and the Board shall conduct a hearing on such applications.

CORRECTION OF ERRONEOUS PAYMENTS

3.10 A. Overpayments

The Department of Fire and Police Pensions shall recover any payments made in error exceeding \$100, pursuant to the IRS Employee Plans Compliance Resolution System Section 6.06(3), or as a result of failure of a beneficiary to notify the Department of discontinuation of entitlement to benefits (e.g., due to death of a pensioner or surviving spouse, attainment of Charter/Administrative Code specified age for a minor, or discontinuation of full-time student status of a minor).

An additional amount equivalent to the interest that would have been earned in accordance with Section 5.1 (i.e., the amount credited to member accounts) during the period of overpayment shall also be charged to the member or beneficiary. The member/beneficiary shall be notified of the amount of the overpayment, including interest, and provided an opportunity to pay the total amount due in a lump sum or in two installments within a six-month period from the notification. If the member/beneficiary elects to have the overpayment collected out of future monthly benefit payments, the payment period, not to exceed the individual's life expectancy per the Social Security Administration's Retirement & Survivors Benefits – Life Expectancy Calculator, shall be determined in advance by the member/beneficiary, except however, the General Manager may prescribe a minimum payment amount. The entire balance may be paid at any time.

If the member/beneficiary who received the overpayment is deceased, reasonable recoupment efforts shall be taken, including an offset against the decedent's last check and request for payment from the decedent's estate.

If the overpayment is a result of delayed notification of a surviving child's (between age 18 and 22) discontinuation as a full-time student, the funds to be recovered are effective the month subsequent to the date of discontinuation. Recoupment may be made by offsetting against any reinstated benefits should the surviving child later re-enroll in school on a full-time basis.

In the instance that a responsible party cannot be found, the General Manager may request issuance of subpoenas through the Office of the City Clerk to obtain additional pensioner bank account owner information or any other information the General Manager deems necessary to assist in recovery of the overpayment(s).

If the collection requests are unsuccessful, additional reasonable recoupment efforts shall include filing a creditor's claim, suing the responsible party in small claims court, utilizing a collection agency, or filing a lawsuit against the responsible party.

If, after all reasonable recoupment efforts have been taken and found unsuccessful, for amounts up to \$20,000, the General Manager shall have the authority to write off the overpayment in whole or in part. For amounts over \$20,000, the matter will be discussed with the City Attorney for likeliness of repayment and then brought before the Board for further consideration and/or instructions. For any unrecovered amount, the Board shall have the authority to write off the overpayment in whole or in part or to take such other action as the Board deems reasonable and appropriate.

B. Underpayments

If the error results in an underpayment, an additional amount equivalent to the interest that would have been earned in accordance with Section 5.1 (i.e., the amount credited to member accounts) during the period of underpayment shall also be paid to the member/beneficiary. (Amended 01/07/16, 05/07/20 and 10/15/20)

PENSION PAYROLL DEDUCTIONS FOR ORGANIZATIONS

- 3.11 The Department of Fire and Police Pensions permits organizations that are organized or operated for the benefit of LAFPP members, Police Officers or Firefighters to receive deductions from LAFPP pension payments.

Organizations seeking to receive pension deductions after the effective date of this policy will be required to provide, as part of any request:

- Evidence that the organization is organized or operated for the benefit of LAFPP members, Police Officers or Firefighters;
- Evidence that a minimum of 50 retired LAFPP members are willing to authorize voluntary deductions to the group; and
- The organization must receive monthly deductions from at least 50 LAFPP pensioners for LAFPP to continue processing deductions.

Under this policy, organizations that are currently receiving deductions from less than 50 members will remain eligible to continue receiving deductions from LAFPP regardless of membership figures. This policy does not apply to organizations providing medical and/or dental insurance to LAFPP members.

The General Manager or his/her designee shall establish a procedure for approving or denying applications from organizations seeking eligibility to receive voluntary pension deductions. If the organization is approved to receive deductions, the authorized deductions shall be submitted to LAFPP electronically. Payment shall be prepared and issued to such organizations by LAFPP after the close of each respective Pension payment period. All organizations must submit to the General Manager financial records upon request. (Section added 04/19/18)

STALE-DATED CHECKS

- 3.12 Pension or refund checks that have not been negotiated after 180 days will be considered stale-dated and cancelled. Prior to cancellation, members/beneficiaries will be contacted approximately one month prior to the check's expiration date reminding them of the

deadline. If contact cannot be established or the member/beneficiary does not negotiate the check within the 180-day period, notification along with an affidavit form requesting a replacement check will be sent by certified mail with return receipt explaining that the check has been cancelled and that a new check will not be issued until a completed affidavit is received. (Section added 06/21/18)

ESTABLISHMENT OF DOMESTIC PARTNERSHIPS

3.13 It is the intent of the Board that with regard to all LAFPP benefits, domestic partners shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations and duties, as are afforded to spouses, to the greatest extent permissible under law. If there are any omissions or ambiguities in this policy regarding the rights of domestic partners, LAFPP shall resolve them in a manner that best fulfills this intent to treat domestic partners and spouses equally.

A. Just as a married member must notify LAFPP of the marriage and provide documentary proof (i.e., marriage certificate), a member in a domestic partnership must notify LAFPP of the existence of the partnership and provide documentary proof. Acceptable documentary proof shall include a Declaration of Domestic Partnership form filed with LAFPP, a copy of a State of California Affidavit/Declaration of Domestic Partnership, a copy of an affidavit or declaration of domestic partnership filed with another City Department, a formal letter of acknowledgment from another City Department, or similar documentary proof of a domestic partnership filed in another jurisdiction, subject to legal review by the Office of the City Attorney.

B. Should the member fail to notify LAFPP of the existence of the domestic partnership prior to their death, the surviving domestic partner shall notify LAFPP and provide documentary proof of the establishment of the domestic partnership. Acceptable documentary proof shall be the same as described in paragraph A, above. Upon receiving such notice and documentary proof of the domestic partnership, the domestic partner shall be entitled to the same rights as would a spouse of a deceased member under the applicable eligibility requirements of the Plan. If a beneficiary form is on file with LAFPP indicating a different beneficiary than the surviving domestic partner, and the surviving domestic partner is determined to be eligible for survivorship benefits under the applicable Plan provisions, any inconsistent beneficiary form shall be deemed invalid.

C. For the purpose of determining eligibility for survivorship pension benefits, any reference to the date of marriage shall be deemed to refer to the earliest date of registration of a domestic partnership with the State of California, any City Department, or another jurisdiction, subject to legal review by the Office of the City Attorney.

D. For a member whose domestic partner is also an LAFPP member, only one Declaration or Termination of Domestic Partnership form or documentation of establishment of domestic partnership with the State, any City Department, or another

jurisdiction, is required to be filed with LAFPP. The form/documentation will be cross-filed in both members' pension files.

E. Staff shall grant to domestic partners the same rights, responsibilities, and benefits with regard to LAFPP as are provided to married persons, upon LAFPP's receipt of the notification and documentation of a valid domestic partnership, as stated in this policy. Just as members have a responsibility to notify LAFPP of a divorce or legal separation from a spouse, members shall promptly notify LAFPP of the termination of a domestic partnership. If LAFPP receives written notice that a domestic partnership has been terminated or is invalid for some other reason, LAFPP shall review the information, conduct any other necessary research, and determine, with the assistance of the City Attorney, whether the partnership has been terminated or remains in effect. (Section added 01/07/21)

HISTORY

3.1~~3~~⁴ Adopted: Circa June 13, 1996; Amended 11/02/06, 12/04/08, 05/07/09, 01/21/10, 12/16/10, 08/04/11, 01/05/12, 11/15/12, 12/06/12, 12/19/13, 05/01/14, 05/21/15, 01/07/16, 11/03/16, 10/19/17, 01/18/18, 04/19/18, 06/21/18, 03/21/19, 04/16/20, 05/07/20, 07/02/20, ~~and~~ 10/15/20, and 01/07/21.

REVIEW

3.1⁴₅ This policy shall be reviewed by the Board as needed and may be amended by the Board at any time.


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FAMILY CODE - FAM

DIVISION 2.5. DOMESTIC PARTNER REGISTRATION [297 - 299.6] (*Division 2.5 added by Stats. 1999, Ch. 588, Sec. 2.*)

PART 1. DEFINITIONS [297 - 297.5] (*Part 1 added by Stats. 1999, Ch. 588, Sec. 2.*)

297. (a) Domestic partners are two adults who have chosen to share one another's lives in an intimate and committed relationship of mutual caring.

(b) A domestic partnership shall be established in California when both persons file a Declaration of Domestic Partnership with the Secretary of State pursuant to this division, and, at the time of filing, all of the following requirements are met:

- (1) Neither person is married to someone else or is a member of another domestic partnership with someone else that has not been terminated, dissolved, or adjudged a nullity.
- (2) The two persons are not related by blood in a way that would prevent them from being married to each other in this state.
- (3) Both persons are at least 18 years of age, except as provided in Section 297.1.
- (4) Both persons are capable of consenting to the domestic partnership.

(Amended by Stats. 2019, Ch. 135, Sec. 1. (SB 30) Effective January 1, 2020.)

297.1. (a) A person under 18 years of age who, together with the other proposed domestic partner, otherwise meets the requirements for a domestic partnership other than the requirement of being at least 18 years of age, may establish a domestic partnership upon obtaining a court order granting permission to the underage person or persons to establish a domestic partnership.

(b) (1) The court order and written consent of the parents of each person under 18 years of age or of one of the parents or the guardian of each person under 18 years of age, except as provided in paragraph (2), shall be filed with the clerk of the court, and a certified copy of the order shall be filed with the Secretary of State with the Declaration of Domestic Partnership.

(2) If it appears to the satisfaction of the court by application of a person under 18 years of age that the person requires a written consent to establish a domestic partnership and that the minor has no parent or guardian, or has no parent or guardian capable of consenting, the court may make an order consenting to establishing the domestic partnership. The order shall be filed with the clerk of the court and a certified copy of the order shall be filed with the Secretary of State with the Declaration of Domestic Partnership.

(3) Notwithstanding any other law, immediately after the Secretary of State creates or updates the document described in Section 298.8 using the information required for the document and that is contained in a certified copy of a court order filed with the Secretary of State with the Declaration of Domestic Partnership pursuant to this subdivision, the Secretary of State may dispose of the certified copy of the court order.

(c) In determining whether to issue a court order granting permission to establish a domestic partnership, the court shall do all of the following:

- (1) Require Family Court Services to separately interview the parties intending to establish a domestic partnership and, if applicable, at least one of the parents or the guardian of each party who is a minor. If more than one parent or guardian is interviewed, the parents or guardians shall be interviewed separately.

(2) Require Family Court Services to prepare and submit to the court a written report, containing any assessment of potential force, threat, persuasion, fraud, coercion, or duress by either of the parties or their family members relating to the intended domestic partnership. The report shall also contain recommendations of Family Court Services for either granting or denying the parties permission to establish a domestic partnership. If Family Court Services knows or reasonably suspects that either party is a victim of child abuse or neglect, Family Court Services shall submit a report of the known or suspected child abuse or neglect to the county child protective services agency.

(3) After receiving the report of the assessments of Family Court Services, as described in paragraph (2), separately interview in camera each of the parties prior to making a final determination regarding the court order.

(4) Consider whether there is evidence of coercion or undue influence on the minor.

(d) If the court issues an order granting the parties permission to establish a domestic partnership, and if one or both of the parties are 17 years of age or younger, the parties shall be eligible to file a Declaration of Domestic Partnership with the Secretary of State no earlier than 30 days from the time the court order was issued.

(e) As part of the court order granting permission to establish a domestic partnership, the court shall, if it considers it necessary, require the parties to the prospective domestic partnership of a minor to participate, before the domestic partnership is established, in counseling concerning social, economic, and personal responsibilities incident to the domestic partnership. The parties shall not be required to confer with counselors provided by religious organizations of any denomination. In determining whether to order the parties to participate in the counseling, the court shall consider, among other factors, the ability of the parties to pay for the counseling. The court may impose a reasonable fee to cover the cost of counseling provided by the county or the court. The fees shall be used exclusively to cover the cost of the counseling services authorized by this section.

(f) (1) Only for purposes of completing the document described in Section 298.8, and not for purposes of making a determination regarding the court order, the gender of each party intending to establish a domestic partnership, if provided, shall be documented on the court order granting permission to establish the domestic partnership.

(2) The date of birth of each party intending to establish a domestic partnership shall also be documented on the court order granting permission to establish the domestic partnership.

(g) Upon issuance of the order granting permission to establish a domestic partnership, the minor shall be provided with the following information:

(1) The rights and responsibilities of an emancipated minor, including, but not limited to, the effects of emancipation as described in Chapter 2 (commencing with Section 7050) of Part 6 of Division 11.

(2) (A) The circumstances under which a domestic partnership may be determined by a court to be void or voidable and adjudged a nullity and the procedure for obtaining that judicial determination.

(B) The procedures for termination of a domestic partnership.

(3) Telephone numbers for the National Domestic Violence Hotline and the National Sexual Assault Hotline.

(4) The conditions under which an unemancipated minor may leave home and seek to remain in a shelter or otherwise live separately from the minor's parent or guardian, and whether the consent or acquiescence of a parent or guardian is required to remain away from the home of the parent or guardian, the rights of an unemancipated minor to apply for a protective or restraining order to prevent abuse, and the rights of a minor to enter into contracts, including contracts for legal services and mental health counseling.

(h) (1) Subdivisions (c) and (d) do not apply to a minor who is 17 years of age and who has achieved a high school diploma or a high school equivalency certificate.

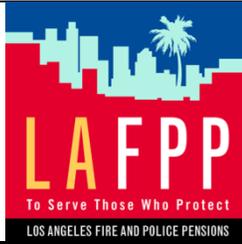
(2) Subdivision (d) does not apply to a minor who is 16 or 17 years of age and who is pregnant or whose prospective domestic partner is pregnant.

(Amended by Stats. 2019, Ch. 135, Sec. 2. (SB 30) Effective January 1, 2020.)

297.5. (a) Registered domestic partners shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations, and duties under law, whether they derive from statutes, administrative regulations, court rules, government policies, common law, or any other provisions or sources of law, as are granted to and imposed upon spouses.

- (b) Former registered domestic partners shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations, and duties under law, whether they derive from statutes, administrative regulations, court rules, government policies, common law, or any other provisions or sources of law, as are granted to and imposed upon former spouses.
- (c) A surviving registered domestic partner, following the death of the other partner, shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations, and duties under law, whether they derive from statutes, administrative regulations, court rules, government policies, common law, or any other provisions or sources of law, as are granted to and imposed upon a widow or a widower.
- (d) The rights and obligations of registered domestic partners with respect to a child of either of them shall be the same as those of spouses. The rights and obligations of former or surviving registered domestic partners with respect to a child of either of them shall be the same as those of former or surviving spouses.
- (e) To the extent that provisions of California law adopt, refer to, or rely upon, provisions of federal law in a way that otherwise would cause registered domestic partners to be treated differently than spouses, registered domestic partners shall be treated by California law as if federal law recognized a domestic partnership in the same manner as California law.
- (f) Registered domestic partners shall have the same rights regarding nondiscrimination as those provided to spouses.
- (g) No public agency in this state may discriminate against any person or couple on the ground that the person is a registered domestic partner rather than a spouse or that the couple are registered domestic partners rather than spouses, except that nothing in this section applies to modify eligibility for long-term care plans pursuant to Chapter 15 (commencing with Section 21660) of Part 3 of Division 5 of Title 2 of the Government Code.
- (h) This act does not preclude any state or local agency from exercising its regulatory authority to implement statutes providing rights to, or imposing responsibilities upon, domestic partners.
- (i) This section does not amend or modify any provision of the California Constitution or any provision of any statute that was adopted by initiative.
- (j) Where necessary to implement the rights of registered domestic partners under this act, gender-specific terms referring to spouses shall be construed to include domestic partners.
- (k) (1) For purposes of the statutes, administrative regulations, court rules, government policies, common law, and any other provision or source of law governing the rights, protections, and benefits, and the responsibilities, obligations, and duties of registered domestic partners in this state, as effectuated by this section, with respect to community property, mutual responsibility for debts to third parties, the right in particular circumstances of either partner to seek financial support from the other following the dissolution of the partnership, and other rights and duties as between the partners concerning ownership of property, any reference to the date of a marriage shall be deemed to refer to the date of registration of a domestic partnership with the state.
- (2) Notwithstanding paragraph (1), for domestic partnerships registered with the state before January 1, 2005, an agreement between the domestic partners that the partners intend to be governed by the requirements set forth in Sections 1600 to 1620, inclusive, and which complies with those sections, except for the agreement's effective date, shall be enforceable as provided by Sections 1600 to 1620, inclusive, if that agreement was fully executed and in force as of June 30, 2005.

(Amended by Stats. 2006, Ch. 802, Sec. 2. Effective January 1, 2007.)



DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JANUARY 7, 2021 **ITEM:** B.5

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: APPOINTMENT OF LAFPP'S CHIEF ACCOUNTING EMPLOYEE AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board approve the appointment of Michelle Chan as LAFPP's Chief Accounting Employee.

BACKGROUND

Pursuant to Board Policy (Governance Policy, Section 9.15 - Human Resources) the General Manager is responsible to appoint, discharge, suspend or transfer the employees of the System, other than the Secretary of the Board and the chief accounting employee, all subject to the civil service provisions of the Charter (Section 509(b)). Based on this policy and past practice, the General Manager will conduct the selection process for the chief accounting employee and will present the successful candidate to the Board for approval and appointment.

Yolanda Huang recently announced her intent to retire from City service in April 2021. Ms. Huang has served as the System's chief accounting employee since March 2010. Given the critical nature of the position, and management and staff's reliance on Mrs. Huang's vast expertise and institutional knowledge in the position, management determined her successor should "shadow" Mrs. Huang for two to three months to allow sufficient time for training and knowledge transfer.

DISCUSSION

The job classification for the chief accounting employee at LAFPP is a Departmental Chief Accountant IV and is subject to civil service provisions. As such, Ms. Huang's successor must be selected from existing, qualified City employees from either a promotional civil service list or through a Citywide transfer/paygrade advancement opportunity. Through either of these methods, the successor would be selected from a pool of qualified candidates after participating in a competitive selection process.

On December 16, 2020 the General Manager and Executive Officer interviewed candidates who had applied through a Citywide transfer/paygrade advancement opportunity. (The promotional civil service list route was not utilized as the list expired months ago after being active for two years.) Based on the candidate's relevant experience, the responses during the interviews, and a background check with current and recent supervisors, Mrs. Michelle Chan was selected for the position. During the interview, she confidently conveyed her superior qualifications, experience and managerial style and demonstrated she will be an asset to LAFPP as the chief accounting employee.

Mrs. Chan has twenty-five years of accounting experience, has been a Certified Public Accountant since 1995, and had extensive auditing experience prior to joining the City. She has worked for the City since July 2006 working in various positions with increasing responsibilities. She is currently a Departmental Chief Accountant I with the Planning Department and is scheduled to join LAFPP as a Departmental Chief Accountant III on January 17, 2021.

BUDGET

Sufficient funds are available in the Salary Account to fund this position and thus Ms. Chan hiring will have no impact on the budget.

POLICY

There is no policy change associated with this report.

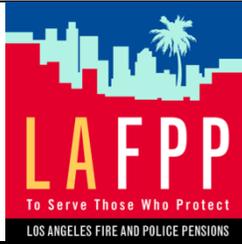
CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

William S. Raggio, Executive Officer
Administrative Operations Division

RPC:WSR



DEPARTMENT OF FIRE AND POLICE PENSIONS

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REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JANUARY 7, 2021

ITEM: B.6

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: UPDATE ON 2022-24 STRATEGIC PLANNING AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

- 1) Authorize the delay of the development and approval of the 2022-24 Strategic Plan until after an in-person planning workshop may take place safely, consistent with COVID-19 safety guidelines, and
- 2) Authorize the Board President to execute a one-year contract with the option to extend the contract an additional year, and not to exceed \$20,000, with the Segal Company for 2022-24 Strategic Planning Consultation Services.

BACKGROUND

The 2019-21 Strategic Plan will expire June 2021. Consistent with the Strategic and Business Plan Policy, the new three-year Strategic Plan (2022-2024) must be developed and approved by the Board by March 2021. On October 15, 2020, the Board instructed staff to initiate the 2022-24 strategic planning process, inclusive of releasing a Request for Proposal (RFP) for abbreviated strategic planning services, and authorized staff to select and award a contract.

Since then, staff has issued the RFP and received and evaluated four proposals submitted for strategic planning consultation services. Three of the four were invited to finalist interviews.

DISCUSSION

Prior to the finalist interviews, staff learned some Commissioners have reservations about a virtual strategic planning workshop and would prefer to conduct the workshop in person to ensure participant engagement and to ensure all ideas and concepts are captured as the department hones its goals and initiatives. Accordingly, during the interviews, staff inquired about virtual workshop tools and the finalists' proposed menu of options, which included a preliminary workshop, interview or survey in addition to the half-day workshop at a Board meeting and the possibility of facilitating the workshop(s) in person. After completing interviews with the finalists, staff has determined that the Segal Company (Segal) best suited our needs and awarded Segal the contract for Strategic Planning Consultant Services.

Amy Timmons, Vice President and Senior Consultant of Segal's Administration and Technology Consulting Practice, will lead a team of three, to facilitate our strategic planning process in person. Segal proposes to engage staff and the Board by using either SWOT (Strengths, Weaknesses, Opportunities and Threats) or PESTLE (Political, Economic, Social, Technological, Legal and Environmental) analyses

and collaboration software solutions. Of the finalists interviewed, Segal's proposal was the second lowest bid and will not exceed \$20,000 for in-person workshop(s).

While negotiating the contract with Segal, staff recognized that in-person workshop(s), which is essentially a public meeting of the Board and may include at least 30 Senior and Executive staff as well as Board members, may be restricted per the Los Angeles County Department of Public Health guidelines for the next several months. Therefore, staff requests Board authorization to delay the development and approval of the 2022-24 Strategic Plan until after an in-person planning workshop may safely take place during the COVID-19 pandemic. The Board's action to delay would also translate to one-time deviation from the Board's Governance Policies, Section 15, Strategic and Business Plan Policy, to adopt the 2022-24 Strategic Plan by March 2021.

Also, due to the uncertainty of when large in-person group meetings may occur safely, and in order to bind Segal's services and cost as proposed, staff recommends the Board authorize the Board President to execute the contract with Segal for a one-year term, effective April 2021, with the option to extend the contract for an additional year. Segal is agreeable to beginning the strategic planning process no sooner than April 2021 and extending the one-year contract if needed due to travel and in-person meeting restrictions.

Traditionally, the Strategic Plan would help staff in developing the annual Business Plan project list for 2021-22. Absent the new Strategic Plan, staff can still utilize the operational challenges experienced since the pandemic to start thinking and planning for the 2021-22 Preliminary Business Plan and Budget. Some of these challenges include continued mobile workforce, excellence in virtual delivery of customer service and reduction of paper mail. The General Manager plans to present these ideas and the operational vision for the department at the January 21, 2021 Board meeting. At that time, the Board can also discuss some broad issues or concerns that Commissioners may have without having an in-depth strategic planning workshop.

BUDGET

The 2020-2021 Budget includes funding for this purpose. Funding will be requested in the 2021-22 Preliminary Budget, should strategic planning process begin July 2021.

POLICY

There are no policy changes associated with this report.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Myo Thedar, Chief Benefits Analyst
Administrative Operations Division

RPC:WSR:MTS