

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF MARCH 18, 2021

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, March 18, 2021.

COMMISSIONERS PRESENT: Brian Pendleton, President (virtual participation)
Ken Buzzell, Vice President (virtual participation)
Adam Nathanson (virtual participation)
Ruben Navarro (virtual participation)
Pedram Salimpour, MD (virtual participation)
Garrett Zimmon (virtual participation)
Paul Weber (virtual participation)

COMMISSIONERS ABSENT: Corinne Babcock
Belinda Vega

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

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

President Pendleton called the meeting to order at 8:32 a.m. All the above-listed Commissioners were present at the start of the meeting.

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

Mr. Jeffrey Cawdrey, Los Angeles Firemen's Relief Association provided public comment.
Ms. Elsa Sou Jing Moy provided public comment.
Ms. Veronica Sance, Downtown Crenshaw Rising provided public comment.

Item F was taken out of order.

F. DISABILITY CASE

DISABILITY CLAIM – NEW CLAIM – TIER 5

Carlos Sanchez, Jr.

(P)

Police Officer II

As recommended by Staff and concurred in by the applicant, a service-connected disability pension is granted at 65% for lower back and neck only, with no foreseeable purpose for review. Motion made by President Pendleton, seconded by Commissioner Weber and adopted by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Salimpour, Weber, Zimmon, and President Pendleton – 7; nays - none; absent, Commissioners Babcock and Vega. Mr. Sanchez was not present but was represented by Corina Lee of Los Angeles Police Protective League.

B. REPORTS TO THE BOARD

1. CONSENT TO ASSIGNMENT OF EXETER PROPERTY GROUP PARTNERSHIP AGREEMENT AND POSSIBLE BOARD ACTION

Ms. Annie Chao, Investment Officer II, Investments Division presented and discussed the item with the Board. Mr. Mark Stark, Associate Partner of Townsend Group was available for questions. The board report was approved as submitted.

Resolution 21129

Commissioner Weber moved that the Board consent to the assignment of Exeter Property Group, LLC, Exeter Property Group Advisors, LLC and Exeter US Advisor, LLC (Exeter) partnership agreement and authorize the General Manager to sign the written consent on behalf of the Board,

which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Salimpour, Weber, Zimmon and President Pendleton – 7 nays, none.

2. VERBAL UPDATE ON PAYDEN & RYSEL INVESTMENT MANAGEMENT SERVICES AND POSSIBLE BOARD ACTION

Ms. Susan Liem, Investment Officer II, Investments Division provided the Board with an update. The board report was approved as submitted.

Commissioner Navarro left the meeting during the discussion at 8:52 a.m. and did not participate in the vote.

Resolution 21130

Commissioner Salimpour moved that the Board retain Payden & Rygel as one of the Board's unconstrained fixed income managers and approve the blended fee reduction to 25 basis points,

which was seconded by Commissioner Nathanson and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Salimpour, Weber, Zimmon and President Pendleton – 6 nays, none.

3. ANNUAL COST OF LIVING ADJUSTMENTS TO PENSIONS AND POSSIBLE BOARD ACTION

Mr. Kyle Susswain, Senior Benefits Analyst II, Retirement Services Section presented the report to the Board. The board report was approved as submitted.

Resolution 21131

Commissioner Zimmon moved that the Board:

1. Determine that the percentage of the annual increase in the cost of living is 1.0%; and,
2. Authorize all eligible pensions to be adjusted on July 1, 2021, as follows:
 - a. For members and beneficiaries of Tiers 1, 2, 3, 4, and Deferred Retirement Option Plan (DROP) participants in Tiers 2, 3, and 4, by up to 1.0%;
 - b. For members, beneficiaries and DROP participants of Tiers 5 and 6, by up to 1.0%; and that 0.5% be withdrawn and applied from eligible members' and beneficiaries' cost of living bank balance for a total COLA of 1.5%; and,
3. Take no action regarding a Discretionary Cost of Living Adjustment for eligible pensioners for Calendar Year 2022.

which was seconded by Commissioner Weber and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Salimpour, Weber, Zimmon and President Pendleton – 6 nays, none.

Commissioner Navarro rejoined the meeting at 9:22 a.m.

4. BOARD EDUCATION ON PROMOTING CORPORATE DIVERSITY, EQUITY, AND INCLUSION THROUGH INSTITUTIONAL INVESTOR ACTIONS

Mr. Miguel Bahamon, Deputy City Attorney, Office of the City Attorney gave a brief summary and introduced Ms. Julie Reiser, Partner, Associate of Cohen Milstein. Ms. Reiser gave the presentation to the Board. The report was received and filed.

5. 2021-22 PRELIMINARY BUSINESS PLAN AND POSSIBLE BOARD ACTION

Mr. Elijah Hernandez, Management Assistant, Ms. Esther Chang, Senior Management Analyst II, Administrative Services Section presented and discussed this item with the

Board. Ms. Kristen Rosauer, Senior Benefits Analyst II, Disability Pensions Section provided additional comments. The report was approved as submitted.

Commissioner Zimmon moved that the Board approve the 2021-22 Preliminary Business Plan,

which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Salimpour, Weber, Zimmon and President Pendleton – 7 nays, none.

6. **2021-22 PRELIMINARY BUDGET AND POSSIBLE BOARD ACTION**

Ms. Myo Thedar, Chief Benefits Analyst, Administrative Operations Division and Ms. LoAn Luu, Benefits Analyst and Ms. Esther Chang, Senior Management Analyst II, Administrative Services Section presented the report to the Board. The report was approved as submitted.

Commissioner Buzzell moved that the Board,

1. Approve the 2021-22 Preliminary Budget and,
2. Instruct staff to transmit the Preliminary Budget to the City Administrative Officer (CAO) and the Mayor's Office for inclusion in the Mayor's 2021-22 Proposed Budget,

which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Salimpour, Weber, Zimmon and President Pendleton – 7 nays, none.

7. **CONTRACT DISCLOSURE REPORT: FOURTH QUARTER 2020**

Ms. Cynthia Varela, Departmental Audit Manager, Internal Audit Section presented the report to the Board. The report was received and filed.

C. COMMUNICATIONS TO THE BOARD

1. President Pendleton asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.
2. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.

D. GENERAL MANAGER'S REPORT

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on March 4, 2021.

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.

DISCONTINUED PENSIONS – TIER 2 – 10

Kenneth W. Bitterolf	Police Service	Retired:	01-03-89	Died:	11-13-20
Arthur J. Trax	Police Service	Retired:	06-01-79	Died:	12-18-20
Romy C. Meacham	Fire Disability	Retired:	10-01-72	Died:	12-10-20
John F. Marzullo	Police Disability	Retired:	03-03-94	Died:	10-26-20
William C. O'Hara	Police Disability	Retired:	12-03-81	Died:	12-25-20
Beverly A. Pickett	Fire Widow	Retired:	10-23-10	Died:	01-26-21
Betty A. Yoncich	Fire Widow	Retired:	07-15-04	Died:	01-06-21
Anita T. Anderson	Police Widow	Retired:	03-24-88	Died:	01-18-21
Carol C. Jackson	Police Widow	Retired:	02-01-17	Died:	11-21-20
Kathleen R. Mc Cormick	Police Widow	Retired:	01-31-09	Died:	12-14-20

DISCONTINUED PENSIONS – TIER 5 – 1

Roger J. Fiala	Fire Service	Retired:	05-01-02	Died:	01-31-21
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DISCONTINUED PENSIONS FORMER SPOUSE – TIER 5 – 1

Estella G. Schaper	Police Service	Retired:	02-01-12	Died:	12-26-20
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PARTIAL PAYMENT OF PENSION – TIER 3 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Ralph A. Bassett, Police Service Pensioner, is to be paid to his former spouse, Linda Bassett, effective January 31, 2021. Ms. Bassett will receive cost of living adjustments.

PARTIAL PAYMENT OF PENSION – TIER 4 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Andre D. Abrams, Police Service Pensioner, is to be paid to his former spouse, Erika Abrams, effective February 1, 2021. Ms. Abrams will receive cost of living adjustments.

SERVICE PENSION – TIER 3 – 4

Police

Ralph A. Bassett	Detective II	Eff:	01-31-21	23	Years	149	Days
Lucila Nunez	Detective II	Eff:	02-07-21	26	Years	119	Days
Patricia A. Stout	Police Officer II	Eff:	01-17-21	25	Years	354	Days
Craig S. Suzuki	Police Officer II	Eff:	01-31-21	24	Years	179	Days

SERVICE PENSION – TIER 4 – 2

Police

Andre D. Abrams	Sergeant II	Eff:	02-01-21	21	Years	159	Days
Corinne E. Fernandez	Police Officer II	Eff:	01-31-21	20	Years	7	Days

SERVICE PENSION – TIER 5 – 6

Police

Edan B. Dangelo	Sergeant II	Eff:	01-31-21	25	Years	118	Days
Helen L. Dearmon	Lieutenant II	Eff:	01-31-21	21	Years	266	Days
Gregory W. Doyle	Lieutenant II	Eff:	02-14-21	30	Years	97	Days
David A. Holmes	Detective III	Eff:	01-31-21	22	Years	236	Days
Linda Solano	Police Officer III	Eff:	01-31-21	22	Years	68	Days
Edison Z. Vistar	Police Officer II	Eff:	01-31-21	20	Years	268	Days

DISCONTINUE DROP – TIER 5 – 3 **CORRECTIONS**

Fire

Ceasar A. Garcia, Jr.	Retired:	02-04-16	Exit Close of:	02-03-21
Dionisio I. Garza	Retired:	02-03-16	Exit Close of:	02-02-21

Police

Arthur L. Simms, Jr.	Retired:	05-01-20	Exit Close of:	01-31-21
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2. Other business relating to Department operations

General Manager Ciranna gave the following updates:

- Projected deficits this year in benefits expense budget due to greater than expected DROP exits, and investment manager expense budget due to increased portfolio growth.
- Update on staff telecommuting plan.
- Staff upcoming retirements.
- Microsoft Outlook breach did not impact LAFPP.
- Next meeting is April 1st, medical plan renewals, USI presentation of Association rate renewals, non-Medicare health subsidy for 2021, and a presentation on the dental plans.

Commissioner Weber informed the Board that he attended a LAFPP webinar on Retiree Healthcare; all aspects of the process and presentation were excellent. He commended staff on a job well done.

Commissioner Salimpour inquired on the percentage of LAFPP staff that have been vaccinated. General Manager Ciranna stated he did not know at this point. Currently the vaccines are for those over 65 years of age and healthcare workers. Those most vulnerable will be next, but he will encourage staff to get vaccinated.

President Pendleton inquired what amount the pension fund was at, and General Manager Ciranna stated it was currently at \$28.9 billion, which is a record high.

E. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Buzzell stated the 115 Trust proposal has been discussed for almost three years. He would like the City Attorney to review the Charter language that was approved when IRS 415 amendments were made to the Charter.

Commissioner Nathanson mentioned LAFRA open enrollment for Board to approve plans.

President Pendleton recessed the meeting for a break at 9:55 a.m., and reconvened at 10:01 a.m.

Commissioner Salimpour left the Board meeting for the day at 9:55 a.m.

F. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF TWO (2) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION

The Board met in closed session.

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

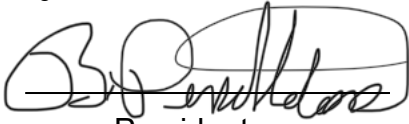
The Board met in closed session.

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

The Board met in closed session.

Upon reconvening in open session, President Pendleton stated there was no public report.

The meeting adjourned at 11:04 a.m.



President



Secretary