
AGENDA

BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

April 2, 2015

8:45 a.m. or immediately after the Governance Committee

Los Angeles Times Building
202 W. First Street, Suite 500
Los Angeles, CA 90012

Commissioner Diannitto will participate telephonically from
4612 El Reposo Drive, Los Angeles, CA 90065

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 complete a speaker card for each item they wish to address, and present the completed card(s) to the commission executive assistant. Speaker cards are available at the commission executive assistant's desk.

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 at the office of the Los Angeles Fire and Police Pension System (LAFPP), located at 360 East 2nd Street, 4th Floor, Los Angeles, California 90012, or by clicking on LAFPP's website at www.lafpp.com, or at the scheduled meeting. Non-exempt writings that are distributed to the Board or Committee at a scheduled meeting may be viewed at that meeting. 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) 978-4555 or by e-mail at barbara.nobregas@lafpp.com.

Sign language interpreters, communication access real-time transcription, assistive listening devices, 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) 978-4545 voice or (213) 978-4455 TDD.

A. ITEMS FOR BOARD ACTION

1. [APPROVAL OF FUNDING FOR THE ASSET/LIABILITY STUDY BY RV KUHNS](#)
2. [ANNUAL COST OF LIVING ADJUSTMENTS TO PENSIONS AND POSSIBLE BOARD ACTION](#)
3. [APPROVAL OF TRAVEL AUTHORITY \(SHALER\) – IFEFP, WHARTON SCHOOL-PORTFOLIO CONCEPTS AND MANAGEMENT](#)
4. [APPROVAL OF CONTRACT AMENDMENT WITH BUCK CONSULTANTS FOR MAINTENANCE AND SUPPORT OF THE ONPOINT MEMBER INFORMATION SYSTEM](#)

B. REPORTS TO THE BOARD

1. [COUNTRY SELECTION BY INTERNATIONAL EQUITY MANAGERS](#)
2. PRESENTATION BY INTERNATIONAL EQUITY MANAGER FISHER INVESTMENTS
3. Has any Board Member made any expenditure to influence State legislative or administrative action?
4. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
5. General Manager's Report
 - a. Benefits Actions approved by the General Manager on March 19, 2015
 - b. Other business relating to Department operations

C. COMMITTEE CALENDAR

1. Audit Committee – Last met: 01/15/15; next meeting: 04/16/15
2. Benefits Committee – Last met: 03/05/15; next meeting: 04/02/15
3. Governance Committee – Last met: 09/18/14; next meeting: 04/02/15
4. Ad Hoc Emerging Investment Managers – Last met: 11/06/14; next meeting: 05/07/15

D. CONSENT ITEMS

1. Approval of Minutes
 - a. [Minutes of the Regular Board meeting of November 20, 2014, December 4, 2014, December 18, 2014](#)
 - b. [Minutes of the Special Board \(Benefits Committee\) of December 18, 2014](#)
 - c. [Minutes of the Special Board Meeting of December 18, 2014](#)
2. Findings of Fact
 - a. Sara Allen – Tier 5
 - b. Phillip S. Clarke – Tier 5
 - c. Revlyn A. Henderson – Tier 5
 - d. Maximiliano Ross – Tier 5
 - e. Cale A. Semf – Tier 5
 - f. Bradley McGrath – Tier 2
 - g. Janet A. Neal – Tier 2

E. CONSIDERATION OF FUTURE AGENDA ITEMS

- F. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION
- G. DISABILITY CASES

Alternative 2

Police Officer II Christina Higuera. Officer Higuera will be represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

- H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION
 - 1. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) and (d)(1) of GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH LEGAL COUNSEL REGARDING PENDING LITIGATION, IN THE CITY OF LOS ANGELES, ACTING THROUGH ITS FIRE AND POLICE PENSION SYSTEM, ACTING BY ORDER OF AND THROUGH ITS BOARD OF FIRE AND POLICE PENSION COMMISSIONERS, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED V. BANKRATE, INC., ET AL. (UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF FLORIDA, CASE NO. 9:14-CV-81323-DMM)
 - 2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF ONE (1) PARTICULAR, SPECIFIC INVESTMENT AND POSSIBLE BOARD ACTION



DEPARTMENT OF FIRE AND POLICE PENSIONS

360 East Second Street, Suite 400
Los Angeles, CA 90012
(213) 978-4545

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: APRIL 2, 2015

ITEM: A.1

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: APPROVAL OF FUNDING FOR THE ASSET LIABILITY STUDY BY RV KUHNS

RECOMMENDATION

That the Board authorize the General Manager to approve the expenditure of funds for the upcoming Asset/Liability Study, to be conducted by the Board's General Consultant, RV Kuhns (RVK).

BACKGROUND

The Board's contract with RVK provides for a flat fee for most consulting services, with additional fees for certain specific services. One of the specific services triggering additional fees is the performance of an Asset/Liability Study. The fee associated with that service is \$52,250.

Section 9.19 of the Board's Governance Policy provides authority for the General Manager to approve service agreements for up to \$20,000 for not more than a one-year period. Beyond that amount Board approval is required.

An Asset/Liability Study was recommended by the Management Audit and is listed for completion this year in the recently approved Department Business Plan.

Asset/Liability studies are recommended on a periodic basis to help ensure that a Plan's asset allocation remains appropriate for the unique circumstances facing that Plan. Asset class return expectations, correlations between asset classes, the risk tolerance of a Board of Trustees and the liabilities facing a particular Plan can all change over time. An Asset/Liability Study enables a Board to assess an existing asset allocation against contemporary conditions, and provides the basis for making adjustments to the allocation, if adjustments are deemed appropriate.

BUDGET

The adopted Investment Management Expense budget for FY 2014-15 includes funding for an Asset/Liability Study.

This report was prepared by:

Rick Rogers
Investment Officer

RPC:TL:RR



DEPARTMENT OF FIRE AND POLICE PENSIONS

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REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: APRIL 2, 2015 **ITEM:** A.2

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: ANNUAL COST OF LIVING ADJUSTMENTS TO PENSIONS AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

1. Determine that the percentage of the annual increase in the cost of living is 0.1%; and,
2. Authorize all eligible pensions for members and beneficiaries of Tiers 1, 2, 3, 4, 5, 6 and the Deferred Retirement Option Plan (DROP) to be adjusted on July 1, 2015 by 0.1%; and,
3. Take no action regarding a Discretionary Cost of Living Adjustment for eligible pensioners for Calendar Year 2016.

DISCUSSION

The City Charter and the Administrative Code authorize the Board to provide an annual Cost of Living Adjustment (COLA) to all qualified pensions. Tiers 1 and 2 have an uncapped COLA; Tiers 3, 4, 5, 6 and DROP are capped at three percent.

Tiers 5 and 6 have an added feature of a "COLA bank." The COLA bank is adjusted when the percentage increase exceeds three percent, then the excess is added to the pensioner's/DROP member's COLA bank balance. In subsequent years, this balance can be withdrawn and applied to the current year's COLA, up to the maximum of three percent, should the Board determine that the cost of living increase is less than three percent. There is currently no Tier 5 COLA bank balance as the 0.5% remaining balance was withdrawn and applied on July 1, 2010, when the COLA was 1.4%. Tier 6 has no COLA bank balance as the retiree COLA has not exceeded 3% since the inception of the new tier on July 1, 2011 (NOTE: There are no Tier 6 members receiving a pension at this time.).

Consumer Price Index

The COLA amount is based on the change in the Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County area for All Urban Consumers, for the annual period beginning March 1 and ending February 28. The change for 2015 is an increase of 0.1 percent (Attachment). The COLA will be effective July 1, 2015, and will appear on the July 31, 2015 pension roll upon approval by the Board.

Prior to the changes in CPI figure through February, the CPI was tracking negative in December and January. The drop in the CPI towards the end of 2014 was primarily due to falling energy prices, specifically oil and gas prices in the US. However during the month of February, there was a turnaround in the CPI as consumer prices rose for the first time in four months. According to the BLS Economic News Release, the CPI change is due to a broad-based seasonally adjusted increase in the all items index, with increases in shelter, energy and food indexes all contributing to the higher figure. The energy index rose after a long series of declines, increasing 1.0 percent as the gasoline index turned up after falling in recent months.

Discretionary Cost of Living Adjustment

To address years when the CPI exceeds the three percent cap for members of Tiers 3, 4, 5, 6, and DROP, the City Council can grant a Discretionary Cost of Living Adjustment (DCOLA). The Board may recommend this DCOLA to the City Council with the below restrictions established in Charter Sections 1516(c), 1616(c) and 1716(c), and Administrative Code Section 4.2016(c):

1. An adjustment can be made no more than once every three years for the prior three-year period and is prorated on a monthly basis;
2. The adjustment for Tier 5 and Tier 6 pensioners is withdrawn from the individual's COLA bank;
3. The adjustment can be no greater than one-half (1/2) of the difference between the CPI and the actual increase granted for each of the preceding three years;
4. An actuarial report of the cost of the proposed increase must be obtained and published by the Board's actuary prior to the Council adopting the ordinance;
5. The City Council must adopt an ordinance providing for this adjustment by a two-thirds (2/3) vote. The Council cannot adopt the ordinance unless 30 days have passed since its presentation to the Council and after a public hearing thereon. The ordinance must be published by November 30 and becomes effective the following January 1; and,
6. Adjustments are not retroactive.

The table below shows how the DCOLA of 0.00% is calculated for 2013 – 2015.

Year	CPI	Actual COLA	Difference	Maximum Additional DCOLA
2013	2.20%	2.20%	0.00%	0.00%
2014	0.5%	0.5%	0.00%	0.00%
2015	0.1%	0.1%	0.00%	0.00%

Since the DCOLA as calculated for the preceding three-year period is 0.00%, there is no action to be taken.

BUDGET

The 2015-2016 Budget includes the COLA increase for pensioners.

POLICY

There is no required policy change.



This report was prepared by:


Myo Thedar, Manager
Retirement Services Section

RPC:JS:RLW:MTS

Attachment: Bureau of Labor Statistics CPI Report

Databases, Tables & Calculators by Subject

FONT SIZE:  

Change Output Options: From: 2014 To: 2015 

include graphs include annual averages

[More Formatting Options](#) 

Data extracted on: March 24, 2015 (5:02:15 PM)

Consumer Price Index - All Urban Consumers

12-Month Percent Change

Series

Id:


CUURA421SA0, CUUSA421SA0

Not Seasonally Adjusted

Area: Los Angeles-Riverside-Orange County, CA

Item: All items

Base Period: 1982-84=100

Download:  [xlsx](#)

Year	Feb
2014	0.5
2015	0.1

TOOLS

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DEPARTMENT OF FIRE AND POLICE PENSIONS

360 East Second Street, Suite 400
Los Angeles, CA 90012
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REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: APRIL 2, 2015 **ITEM:** A.3
FROM: RAYMOND P. CIRANNA, GENERAL MANAGER
SUBJECT: APPROVAL OF TRAVEL AUTHORITY (SHALER) – IFEBP, WHARTON SCHOOL-
PORTFOLIO CONCEPTS AND MANAGEMENT

RECOMMENDATION

That the Board approve Ms. Marion (Miki) Shaler, Management Assistant to attend the International Foundation of Employee Benefit Plans (IFEFP), Wharton School - Portfolio Concepts and Management on April 26 - 30, 2015 at Philadelphia, PA (April 26th is a travel day).

DISCUSSION

Ms. Shaler expressed interest in participating in the following conference:

Conference:	Wharton School - Portfolio Concepts and Management
Sponsor:	IFEFP
Dates:	April 26 - 30, 2015
Location:	Philadelphia, PA
Mode of transportation:	Commercial Airline

On January 15, 2015, the Board approved Commissioner George Aliano to attend the IFEFP – Investments Institute Conference in Rancho Mirage, CA. On March 1, 2015, Commissioner Aliano informed staff that he was unable to attend the conference due to personal reasons. Rather than forfeiting one-half of Commissioner Aliano's \$1,565.00 registration fee, staff will apply his registration amount to Ms. Shaler's registration for a \$50 transfer fee.

While the expenditures are consistent with the Travel and Education Policy, pursuant to Board Policy, the Board must approve this training as the General Manager can only authorize staff travel up to \$4,500 per member, per trip.

BUDGET

Sufficient funds are available in the Fiscal Year 2014-15 Travel Account. Listed below is an estimated cost to travel for Ms. Shaler.

Registration	\$4,695.00
Airfare	538.20
Hotel	780.78
Per Diem	247.50
Incidentals (mileage, parking, baggage & ground transportation)	<u>178.86</u>
TOTAL	\$6,440.34

POLICY

If approved by the Board, the proposed expenditures would be within the Board's Travel and Education Policy.

All information regarding the conference is contained in the attached agenda.

This report was prepared by:

Evangelina Masud, Executive Administrative Assistant
Administrative Operations Division

RPC:WSR:EM

Portfolio Concepts and Management

April 27-30, 2015

The Wharton School | University of Pennsylvania | Philadelphia, Pennsylvania

Portfolio Concepts and Management is a 3½-day program that offers lecture/discussion sessions, problem-solving exercises and an interactive case study. Portfolio Concepts and Management is offered every year at the Wharton School on the University of Philadelphia campus.

Objective

This program lays the groundwork for the **core principles** of portfolio theory and investment performance measurement, offering the practical tools and experiences needed to make sound investment management decisions. It is intended for those who have limited experience with investment-related coursework or those looking to refresh their past experience.

Outline

MONDAY, APRIL 27

7:15-8:15 a.m.

Registration and Breakfast

Steinberg Conference Center

8:15 a.m.-12:00 noon

Introduction and Overview of Financial Assets

- The difference between a bond and a stock
- How bonds and stocks are evaluated
- Discounted value of coupons
- What happens to bonds when interest rates change?
- Call features
- Rating services
- Different types of indexes
- Different definitions of earnings
- Illustrations of actual examples
- Management styles

MONDAY, APRIL 27 (Cont.)

12:00 noon-1:00 p.m.

Lunch ✓

Provided at the conference center

1:00-4:15 p.m.

Fundamentals of Portfolio Theory

- Time-weighted and value-weighted rates of return
- Principles of diversification
- The concept of efficiency
- How to construct well-diversified portfolios
- How to build portfolios for a targeted risk level

4:30-5:30 p.m.

Welcome Reception (optional)

Sheraton Philadelphia University City Hotel

Portfolio Concepts and Management

TUESDAY, APRIL 28

7:30-8:30 a.m.

Breakfast

Provided at the conference center

8:30 a.m.-12:00 noon

Performance Evaluation

- Elements of manager monitoring
- Risk-adjusted measures
- Factors behind the numbers
- Role of investment style
- What do the numbers in a performance evaluation report mean?
- Using your performance measurement tools (practical framework)
- Impact of investment policy

12:00 noon-1:00 p.m.

Lunch

Provided at the conference center

1:00-4:15 p.m.

Fundamentals of Valuation

- How does an analyst determine the price of stock?
- What determines the volatility of a bond?
- Mechanics of compounding and discounting
- Valuation of annuities
- Present and future value

4:15-4:30 p.m.

Introduction to Case Study

WEDNESDAY, APRIL 29

7:30-8:30 a.m.

Breakfast

Provided at the conference center

8:30 a.m.-12:00 noon

Macroeconomic Issues and Financial Markets

- Basics of price and return
- Monetary and fiscal policy structures and current stances
- Exchange rates and international factors

WEDNESDAY, APRIL 29 (Cont.)

12:00 noon-1:00 p.m.

Lunch

Provided at the conference center

1:00-4:15 p.m.

The Current Markets

- Recent trends
- Determining the discount rate
- Historical risk and return patterns
- The capital asset pricing model
- Price distortions

4:15-6:00 p.m.

Case Study Group Work

(Dinner on your own)

THURSDAY, APRIL 30

7:30-8:30 a.m.

Breakfast

Provided at the conference center

8:30-9:45 a.m.

Asset Allocation and Impacts of Risk on Return

- Trends in pension management
- Investment policy
- Overall asset allocation and allocation within asset class
- Rebalancing vs. reinforcing asset allocation

10:00-11:15 a.m.

Case Study

Required to earn a certificate

11:15 a.m.-12:00 noon

Examination

Required to earn a certificate



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REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: APRIL 2, 2015 **ITEM:** A.4

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: APPROVAL OF CONTRACT AMENDMENT WITH BUCK CONSULTANTS FOR MAINTENANCE AND SUPPORT OF THE ONPOINT MEMBER INFORMATION SYSTEM

RECOMMENDATION

That the Board:

1. Determine that a new search for a software developer to create a retired/active member information system would not be practical, productive or advantageous to the Plan;
2. Authorize the General Manager to execute a First Amendment to LAFPP's contract with Buck Consulting to extend the contract term for an additional three years with an additional one year renewal option to provide license and maintenance (approximately \$175,000 per year), and programming of the OnPoint software system as required (not to exceed an annual cost of \$50,000) for a total annual cost not to exceed \$225,000).

BACKGROUND

In 1997, at the conclusion of a competitive bidding process, the Board contracted with Buck Consultants to purchase a proprietary active member information system. In 2003, this system was upgraded to a web-based system now known as OnPoint and has been enhanced over the years into a comprehensive Pension Administration System (PAS) and has become the department's system of record.

In October 2010, staff implemented a new Benefit Payment Passport (BPP) system to process pension payments, calculate deductions, and handle tax reporting.

In March 2013, the Board awarded a contract to LRWL, Inc. to assist staff in performing a comprehensive assessment and evaluation of the capabilities and limitations of OnPoint and BPP and determine whether these systems would continue to meet our needs and business demands as processes evolve. Staff held several meetings with the LRWL consultant and all impacted business units to document the existing business processes. The gaps between the capabilities of these systems and the various business units' operational needs were also identified and documented to evaluate the need for a replacement system. After a thorough assessment

process, staff has determined that replacing the existing PAS would be more economical and would help ensure we meet our fiduciary duty to efficiently provide member services and benefits.

On May 1, 2014, the Board authorized staff to issue a Request for Proposal (RFP) to replace the existing pension administration system. With the assistance of LRWL consultant, the RFP was completed and released in July 2014. Five vendors responded by the due date with their proposed PAS product, and after a comprehensive evaluation process, the top finalist has been identified. The recommended vendor will be presented to the Board in the near future requesting authority for the General Manager to negotiate and execute a contract.

DISCUSSION

Implementing a new PAS is a significant undertaking and staff understands that the entire procurement and implementation process will take several years to complete. As such, the OnPoint application will need to be in place and maintained by Buck Consultants during this period.

Since OnPoint is a proprietary software application, Buck Consultants is the only company that can perform maintenance and make enhancements. City Attorney staff has indicated the Board can approve a contract amendment with Buck Consultants, without going out to bid, in accordance with the City Charter and Article XVI, Section 17 of the California Constitution. The Board has sole and exclusive fiduciary responsibility to 'assure prompt delivery of benefits and related services to members of the System and their beneficiaries...' which the OnPoint application provides.

The estimated annual cost is \$175,000 for license and maintenance (which includes estimated yearly increases based on the Consumer Price Index for all urban consumers in the Los Angeles area), and \$50,000 for system enhancements and modifications to implement benefit changes that may be authorized/negotiated. LAFPP estimates the total annual cost will not exceed \$225,000.

BUDGET

Funding for this purpose has been included in the FY 2015-16 budget.

POLICY

The City Attorney has advised that amending the contract in this manner is within the Board's authority.

This report was prepared by:

Alfred Domagat, Sr. Systems Analyst II
Systems Section

RPC:WSR:BY:AD



DEPARTMENT OF FIRE AND POLICE PENSIONS

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REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: APRIL 2, 2015 **ITEM:** B.1

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: COUNTRY SELECTION BY INTERNATIONAL EQUITY MANAGERS

THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.

BACKGROUND

At the Board meeting of March 5, 2015 the Board requested information on the process that the System's international equity managers use in selecting or setting the weighting for countries that are in the System's international equity portfolios.

DISCUSSION

Years ago, international equity managers were divided into two broad categories, top down and bottom up. Top down managers focused on selecting the best performing markets or countries for their portfolios while bottom up managers focused on individual stock selection without regard to the country. In reality, both types of managers expended some effort looking at both areas. Today, there are even managers that like to describe themselves as top down bottom up.

As international stock investing became more widespread in the United States, more categories evolved until today international equity managers can be categorized like domestic stock managers, according to growth or value, large cap or small cap, theme or sector investors and developed markets or emerging markets.

The additional categories still include managers that spend a lot of time on country selection and others less so. Managers that do allocate resources to country selection are trying to determine if the prospects for a country are undervalued or are looking for governmental changes that will accelerate growth. Recent examples of potential growth scenarios include Japan and India. Changes in the national government set up the expectation that the business climate would improve and as a result the stock markets would benefit from those changes.

Stock pickers are more concerned with the fortunes of an individual company. The countries in the portfolio are there because of the individual stock selections. A successful company can still be profitable despite a difficult national economy. For some stock pickers the country becomes a simple yes or no question. Is the country safe enough to invest in? If the answer is yes, the portfolio manager will add the stock to the portfolio. Stock pickers normally have portfolio rules that dictate how much they can over or under weight a particular country as a risk control

measure. There are other stock pickers that match the country weighting to the index and don't deviate from it.

OUR MANAGERS

The Fund has six active developed and emerging markets international equity managers and one international equity fund of fund manager. Of this group most of them are stock pickers. Fisher Asset Management is our one manager that includes country selection as part of their process and they fall into the top down and bottom up category.

Staff is arranging a presentation from one our international managers to discuss country selection at a Board meeting.

BUDGET

There is no budget impact associated with this report.

This report was prepared by:

Tom Lopez
Chief Investment Officer

RPC:TL

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF NOVEMBER 20, 2014

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Thursday, November 20, 2014.

COMMISSIONERS PRESENT: Belinda Vega, President
Robert von Voigt, Vice President
George Aliano
Carl Cade
Sam Diannitto (telephonic)
Ruben Navarro
Pedram Salimpour
Corinne Tapia

COMMISSIONER ABSENT: Cielo Castro

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

CITY ATTORNEY'S OFFICE: Theresa Patzakis, Senior Assistant City Attorney

President Vega called the meeting to order at 8:38 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Salimpour who arrived at 8:40 a.m.

Item H was taken out of order.

H. DISABILITY CASES

DISABILITY CLAIM – REVIEW – TIER 3

Karen D. Lasley-Slider

(F)

Firefighter/Paramedic (Retired)

No change. Service-connected disability pension remains at 72% with no foreseeable purpose for review. Motion made by Commissioner Navarro, seconded by Commissioner von Voigt and adopted by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Navarro, Tapia, von Voigt, and President Vega – 7; nays, none. Ms. Lasley-Slider was not present, but was represented by her attorney, Mr. Thomas J. Wicke. (TP)

A. COMMITTEE REPORTS

1. DISCUSSION OF CONDUCTING AN ADDITIONAL DIRECT HIRE EMERGING MANAGER SEARCH FOR A LARGE CAP DOMESTIC EQUITY MANAGER AND POSSIBLE BOARD ACTION

The board report was approved without discussion.

RESOLUTION 15054

Commissioner Navarro moved that the Board:

1. Approve the Committee recommendation to authorize a search for a direct hire large cap domestic equity emerging manager, and
2. Reaffirm that the funding from this search will come from the \$100 million dedicated to the emerging manager searches approved by the Board on April 17, 2014, which was seconded by Commissioner Cade and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.

B. ITEMS FOR BOARD ACTION

1. REVIEW OF EMERGING MARKETS EQUITY MANAGER CONTRACT OF DIMENSIONAL FUND ADVISORS AND POSSIBLE BOARD ACTION

Messrs. Rick Rogers, Investment Officer III and Paul Palmer, Investment Officer II provided background information on Dimensional Fund Advisors. Mr. Palmer highlighted the firm's history, assets under management, product, and style. The firm outperformed the benchmark by 100 basis points. Staff is recommending to renew the contract and RV Kuhns concurs with the recommendation. The Board discussed DFA's comparison to its peers versus the benchmark.

Commissioner Cade requested as a future educational topic how the Board thinks about being in emerging markets and to the extent that we are in small cap or similar areas.

RESOLUTION 15055

Commissioner Navarro moved that the Board:

1. Approve a three-year contract with Dimensional Fund Advisors, for emerging markets equity management services;
 2. Authorize the General Manager to negotiate and approve the terms and conditions of a contract with Dimensional Fund Advisors for emerging markets equity management services for the period January 1, 2015 through December 31, 2017; and,
 3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Dimensional Fund Advisors for emerging markets equity management services, 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 Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.
2. CONSIDERATION OF THE JULY 1, 2013 TO JUNE 30, 2014 PENSION AND HEALTH BENEFITS VALUATIONS AND POSSIBLE BOARD ACTION

Ms. Robyn Wilder, Chief Benefits Analyst, Pensions Division and Mr. Paul Angelo, Actuary, from The Segal Company presented the June 30, 2014 pension and health valuation for the Fund. The report lists the projected contribution amounts as a reference, but the actual dollar amounts will change based upon the FY 2015-16 sworn payroll that is adopted by the Mayor and the City Council.

Mr. Angelo presented two full actuarial valuations for the pension system and for the retiree medical program, and the Governmental Accounting Standards (GAS) report. Mr. Angelo provided an overview of the report and answered the Board's questions.

General Manager Ciranna highlighted the deferred gain of \$1.4 billion that has not yet been recognized, and that the funded ratio is going up. He asked Mr. Angelo to explain the asset volatility ratio (AVR) as it is a valid point for the Plan.

Mr. Angelo further clarified the AVR in relation to the maturity of the pension system.

Ms. Elsa Moy gave a public comment.

Mr. Ken Buzzell, Director, Los Angeles Retired Fire & Police Association, Inc., gave a public comment.

RESOLUTION 15056

Commissioner Navarro moved that the Board:

1. Adopt the pension and health valuation report submitted by The Segal Company (Segal) for the period ending June 30, 2014; and,

2. Adopt the Governmental Accounting Standards (GAS) 67 Actuarial Valuation as of June 30, 2014, which was seconded by Commissioner Salimpour and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.
3. NEW MEDICARE SUBSIDY, QUALIFIED SURVIVING SPOUSE/DOMESTIC PARTNER SUBSIDY, DENTAL INSURANCE SUBSIDY AND MEDICARE PART B PREMIUM REIMBURSEMENT MAXIMUMS FOR 2015 AND POSSIBLE BOARD ACTION

Mr. Anthony Torres, Senior Management Analyst II, Medical and Dental Benefits, Pensions Division stated that the budgeted expenditures have not increased much even when factoring in the increases to the various subsidies. There are savings to be recognized over what staff was projecting we would spend this year on the health subsidies. The subsidies are tied to LACERS and are below the trend rate. That is good news for the System.

RESOLUTION 15057A

Commissioner Navarro moved that the Board adopt the following Resolution increasing the maximum Medicare Health Insurance Subsidy to \$523.25 per month effective January 1, 2015 as follows:

WHEREAS, retired members of the Fire and Police Pension Plan, Tiers 1, 2, 3, 4, 5 and 6, have had paid, on their behalf, a health insurance premium subsidy, or have received a reimbursement, in accordance with the provisions of section 4.1154 of the Administrative Code; and

WHEREAS, the Board of Fire and Police Pension Commissioners has been granted the authority under Section 4.1154(e) of the Administrative Code to increase or decrease the maximum monthly amount of the health insurance subsidy in accordance with the authority conferred in subsections (e) of Sections 1330, 1428, 1518, 1618 and 1718 of the Charter and subsection (e) of 4.2018 of the Administrative Code, respectively; and

WHEREAS, the Board of Administration of the Los Angeles City Employees' Retirement System (LACERS) has negotiated a rate of \$523.25 for its highest monthly premium of an approved plan supplemental to Part A of Medicare;

RESOLVED, that the maximum monthly health insurance premium subsidy as described in Section 4.1154 (e) of the Administrative Code shall be \$1,344.38, payable on behalf of the members and their eligible dependents (as such term is defined in the Board approved health insurance plans) or received as a reimbursement; and

RESOLVED, that retired members of age 60 and above with 10 or more years of service who retired with an effective date prior to July 1, 1998, and retired members of age 55 and above with 10 or more years of service who retired with an effective date of July 1,

1998 or after, who do not qualify for Part A of Medicare, shall have paid to their respective approved health insurance carriers a monthly health insurance subsidy, or paid directly to the member as a reimbursement, an amount not to exceed \$53.7752 for each whole year of service; said subsidy to apply first to that portion of the premium applicable to the retired member with any remainder to be applied to the dependent(s) of said member; and

RESOLVED, that retired members who do qualify for federally funded Part A of Medicare shall have paid to their respective approved health insurance carriers, on their behalf, a subsidy as provided in Section 4.1154(c) and in addition shall have paid to said insurance carriers, on behalf of their eligible dependents, a subsidy equal to the amount payable on behalf of the dependents of a retired member in the same plan with the same years of service who does not qualify for Parts A or B of Medicare or qualifies for Part B only but not Part A and has their Medicare Part B and D benefits included in their Board approved health plan, whichever subsidy amount is greater, providing such subsidy does not exceed the highest subsidy for the dependent of a retired member with a like number of years of service and enrolled in a health plan available to retired members of the Los Angeles City Employees' Retirement System, in which case the latter shall be the subsidy for the dependents; and

RESOLVED, that retired members of the Fire and Police Pension Plan, Tier 6, who retired under the provisions of Section 1706(a) of the Charter with less than 10 years of service, who are age 55 or older, are not eligible for a subsidy from any other source, and who are not eligible for Medicare or are enrolled in Medicare Part B but not Part A shall have paid to their approved health insurance carrier \$537.75 per month, or 40% of the single-party cost of their approved health plan, whichever is lower; and

RESOLVED, that retired members of the Fire and Police Pension Plan, Tier 6, who retired under the provisions of Section 1706(a) of the Charter with less than 10 years of service, who are age 55 or older, are not eligible for a subsidy from any other source, and who are enrolled in Medicare Parts A and B shall have paid to their approved health insurance carrier 75% of the qualifying monthly premium as described in Section 4.1154(c) of the Administrative Code, or 75% of the single-party cost of their approved health plan, whichever is lower; and

RESOLVED, the health insurance premium subsidy provided herein shall be applied against the December 31, 2014 pension payments and subsequent monthly health insurance premiums or at the earliest month thereafter which is administratively feasible, and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the Manager-Secretary of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the General Pension Funds of the Fire and Police Pension Plan, Tiers 1, 2, 3, 4, 5 and 6, to be paid to the service organizations through which health insurance is provided for subsidy payments applying the health insurance premiums to said eligible members in advance of or after the effective date of enrollment or change in coverage, or directly to the member in the case of a reimbursement; providing such

subsidy payments have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper and that individual subsidy amounts are within the limits set forth in the Los Angeles City Administrative Code; which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.

RESOLUTION 15057B

Commissioner Navarro moved that the Board adopt the following Resolution increasing the maximum Qualified Surviving Spouse/Domestic Partner (Qualified Survivor) Non-Medicare Health Insurance Subsidy to \$787.87 per month effective January 1, 2015 as follows:

WHEREAS, eligible surviving spouses/domestic partners of Tiers 1, 2, 3, 4, 5 and 6 of the Fire and Police Pension Plan have had paid, on their behalf, a health insurance premium subsidy in accordance with the provisions of Section 4.1161 of the Administrative Code; and

WHEREAS, the Board of Fire and Police Pensions Commissioners has been granted the authority under Sections 1330, 1428, 1518, 1618 and 1718 of the City Charter and Section 4.2018 of the Administrative Code to increase or decrease the maximum monthly amount of the health insurance subsidy; and

WHEREAS, active members of the Fire and Police Pension Plan have been granted a maximum monthly subsidy of \$1,169.24, which is sufficient to pay the member's premium and a part or all of the premium for dependents; and

WHEREAS, the Board of Administration of the Los Angeles City Employees' Retirement System has negotiated a rate of \$787.87 in 2015 for its Kaiser single-party premium for retired members without Parts A and B of Medicare; and

WHEREAS, it is the desire of this Board to exercise its authority to provide a health insurance subsidy for eligible qualified surviving spouses/domestic partners within the limits of the Administrative Code, i.e., no more than active members of the Fire and Police Pension Plans or the single party premium for civilian retirees without Parts A and B of Medicare;

RESOLVED, that eligible qualified surviving spouses/domestic partners who do not qualify for Part A of Medicare, shall have paid to their respective approved health insurance carriers, a monthly health insurance subsidy not to exceed \$787.87 in accordance with the subsidy entitlements based on years of service of the member, pursuant to Section 4.1161 of the Administrative Code, said subsidy to be used for the premium cost for the qualified surviving spouse/domestic partner only; and

RESOLVED, that qualified surviving spouses/domestic partners who do qualify for federally funded Part A of Medicare shall have paid to their respective approved health insurance carriers, on their behalf, a subsidy as provided in Section 4.1161(d) and (e), said subsidy to be used for

the premium cost for the qualified surviving spouse/domestic partner only; and

RESOLVED, the health insurance premium subsidy provided herein shall be applied on the December 31, 2014 pension payments and subsequent monthly payments, and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the Manager-Secretary of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the General Pension Funds of Tiers 1, 2, 3, 4, 5 and 6 to be paid to the service organizations and health insurance carriers through which health insurance is provided for subsidy payments. However, such subsidy payments must have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper, and individual subsidy amounts must be within the limits as set forth in the Los Angeles City Administrative Code; which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.

RESOLUTION 15057C

Commissioner Navarro moved that the Board adopt the following Resolution increasing the maximum Dental Insurance Subsidy to \$43.24 per month effective January 1, 2015 as follows:

WHEREAS, Section 4.1164 of the Los Angeles Administrative Code provides that the Board of Fire and Police Pension Commissioners will pay subsidies toward certain dental benefit costs for certain eligible retired members of the Fire and Police Pension Plan; and

WHEREAS, the Board of Fire and Police Pension Commissioners has been granted the authority under Section 4.1164 of the Administrative Code to increase or decrease the maximum monthly amount in accordance with the authority conferred in subsections (e) of Sections 1330, 1428, 1518, 1618 and 1718 of the Charter and subsection (e) of Section 4.2018 of the Administrative Code, respectively; and

WHEREAS, the Board of Administration of the Los Angeles City Employees' Retirement System (LACERS) has granted a maximum monthly dental subsidy of \$43.24 for 2015; and

WHEREAS, active members of the Fire and Police Pension Plan have been granted maximum monthly dental subsidies in excess of \$43.24;

RESOLVED, that eligible members shall have paid to their respective approved employee service organizations, a monthly dental insurance subsidy not to exceed \$43.24 in accordance with the subsidy entitlements based on years of service of the member pursuant to subsection (a) of Section 4.1164 of the Administrative Code, said subsidy to be used for the premium cost for the member only; and

RESOLVED, the dental insurance premium subsidy provided herein shall be applied

against the December 31, 2014 pension payments and subsequent monthly dental insurance premiums, and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the Manager-Secretary of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the General Pension Funds of the Fire and Police Pension Plan, Tiers 1, 2, 3, 4, 5 and 6, to be paid to the service organizations through which dental insurance is provided for subsidy payments, applying to dental insurance premiums of said eligible members, providing such subsidy payments have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper and that individual subsidy amounts are within the limits as set forth in the Los Angeles City Administrative Code, which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.

RESOLUTION 15057D

Commissioner Navarro moved that the Board adopt the following Resolution keeping the basic Medicare Part B Premium Reimbursement at \$104.90 per month effective January 1, 2015 as follows:

WHEREAS, Los Angeles City Administrative Code Section 4.1162 provides that the Board of Fire and Police Pension Commissioners will pay reimbursement of Medicare Part B basic premiums for eligible retired members and qualified surviving spouses/domestic partners of the Fire and Police Pension Plan who are eligible to receive health insurance subsidies and enrolled in Medicare Parts A and B; and

WHEREAS, the Medicare Part B basic premium effective January 1, 2015, is \$104.90 per month;

RESOLVED, that eligible members and eligible qualified surviving spouses/domestic partners shall have paid a monthly Medicare Part B premium reimbursement of \$104.90; and

RESOLVED, the Medicare premium reimbursement provided herein shall be applied to the December 31, 2014 pension payments and subsequent monthly payments and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the Manager-Secretary of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the General Pension Funds of the Fire and Police Pension Plan, Tiers 1, 2, 3, 4, 5 and 6, to be paid to eligible members and beneficiaries, provided such payments have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper and that individual reimbursement amounts are within the limits as set forth in the Los Angeles City Administrative Code, which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners

Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.

4. PROPOSED LEGISLATION FOR THE CITY'S 2015-2016 STATE AND FEDERAL LEGISLATIVE PROGRAM AND POSSIBLE BOARD ACTION

Mr. Gregory Mack, Senior Management Analyst II, Manager of Communications and Active Member Services and Ms. Erika Robinson, Management Analyst II, Communications and Special Projects Section presented the follow up report concerning H.R. 1795 and S. 896. The concern was what financial impact, if any, would the passage of H.R.1795 (Social Security Fairness Act of 2013) have on the members, the Plan and the City of Los Angeles. Staff conducted further research and found that variations of this bill have been introduced almost every year dating back to the 1990's, but the funding aspect has not been addressed. Staff contacted prior supporters of the bill, such as NCPERS and IAFF to learn that they no longer support this legislation considering the financial state of Social Security. Both groups believe that the passage of H.R. 1795 may possibly lead to mandatory Social Security coverage for sworn personnel. UFLAC shares the same concern. LAPPL continues to support this legislation as do other public associations across the country. In light of this funding uncertainty, staff is recommending that the Board endorse the legislation regarding the waiver of the 10% penalty on specified 457 distributions and consider its position concerning the Social Security Fairness Act.

Mr. Tony Gamboa, First Vice President of UFLAC gave a public comment stating that UFLAC no longer supports the Social Security Fairness Act.

Commissioners gave their respective opinions on the issue.

General Manager Ciranna stated that this is a difficult situation as this affects various members of the Plan. LAPPL is not present but they support the Social Security Fairness Act legislation. He suggested that the Board remain neutral on the issue and let the respective Associations take their stance on whether or not they support the issue.

Ms. Elsa Moy gave a public comment.

President Vega stated discussion of Item B4 will continue later in the meeting to allow LAPPL to comment on the matter.

5. PROPOSED REVISIONS TO THE TRAVEL AND EDUCATION POLICY APPENDIX 1 – GUIDELINES FOR TRAVEL AND PERSONAL EXPENSES, AND POSSIBLE BOARD ACTION

Ms. Stephanie Clements, Chief Management Analyst, Administrative Operations Division and Ms. Yolanda Huang, Department Chief Account III provided highlights of the major changes to the Travel Policy. The recommended changes are in consideration of Board and staff input to

help streamline the process, and recent advice received from the City Attorney's Office and outside tax counsel regarding taxability issues. As proposed, the Travel Policy will conform to the Internal Revenue Code (IRC) Accountable Plan. The applicable rules are that there is a business connection to the travel expenditure, there is an adequate accounting of expenditures, and any excess reimbursements must be returned to the System within a reasonable time. Staff is proposing a Per Diem for meals and incidentals based on the travel city per the Federal guidelines. Staff will include a chart with the Board's travel packet. Staff highlighted other changes and answered the Board's questions.

RESOLUTION 15058

Commissioner Navarro moved that the Board adopt the proposed revisions to the Board Travel and Education Policy Appendix 1 – Guidelines for Travel and Personal Expenses, and as amended to reimburse airport parking for the actual amount not to exceed \$20.00 per day, which was seconded by Commissioner Cade and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.

The Board continued its discussion of this Item B4.

4. PROPOSED LEGISLATION FOR THE CITY'S 2015-2016 STATE AND FEDERAL LEGISLATIVE PROGRAM AND POSSIBLE BOARD ACTION

Mr. Gregory Mack and Ms. Erika Robinson were before the Board. Ms. Corina Lee, Vice President of the Los Angeles Police Protective League (LAPPL) gave a public comment stating that the LAPPL is supporting the legislation regarding the Social Security Fairness Act.

Board members stated their respective opinions on the issue.

RESOLUTION 15059

Commissioner Navarro moved that the Board:

- 1) Endorse the prior legislation (S. 1432) concerning the waiver of the 10 percent penalty on specified 457 distributions for the City's 2015-2016 State and Federal Legislative Program; and
- 2) Direct the General Manager to communicate the Board's endorsement to the Chief Legislative Analyst, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt, and President Vega - 8; nays, none.

Commissioner Navarro moved to oppose the staff recommendation #2. Board members gave their respective opinions on the issue.

RESOLUTION 15060

Commissioner Navarro moved that the Board:

- 1) Oppose the proposed legislation, the Social Security Fairness Act of 2013 (H.R. 1795 / S. 896), for the City's 2015-2016 State and Federal Legislative Program; and
- 2) Direct the General Manager to communicate the Board's opposition to the Chief Legislative Analyst, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Navarro, Salimpour, Tapia - 5; nays, Commissioners Cade, von Voigt and President Vega - 3.

C. REPORTS TO THE BOARD

1. REVIEW OF 2014-2015 PRIVATE EQUITY AND COMMODITIES INVESTMENT ACTIVITY BY PORTFOLIO ADVISORS, LLC

Mr. Todd A. Hughes, Managing Director from Portfolio Advisors stated that there were \$360 million of commitments in 2014. There are good funds that are coming back to the market in 2015. In closed session, he will discuss three of those funds. If they are approved by the Board, they will be applied to next year's commitment pace, which will be the same as 2014. He discussed various private equity investment classes, provided a brief overview of dollar cost averaging, and discussed the emerging manager private equity program.

He introduced his colleague Ms. Elizabeth M. Campbell, Vice President who is on the due diligence team and works on specialized manager searches.

Mr. Hughes answered the Board's questions. The board report was received and filed.

2. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
3. General Manager's Report
 - a. Monthly Report
 - b. Marketing Cessation Information
 - c. Benefits Actions approved by General Manager on November 6, 2014

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

DISCONTINUED PENSIONS – TIER 1 – 1

Harlee W. Lassiter	Police Disability	Retired:	11-01-63	Died:	09-25-14
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DISCONTINUED PENSIONS – TIER 2 – 19

Keith A. Wilson	Fire Service	Retired:	03-16-77	Died:	09-28-14
Robert G. Barker	Police Service	Retired:	06-23-79	Died:	09-19-14
Justin B. Hickey	Police Service	Retired:	08-01-67	Died:	09-19-14
Michael K. Lackey	Police Service	Retired:	04-08-90	Died:	09-27-14
Ronald B. Lewis	Police Service	Retired:	02-07-93	Died:	09-29-14
Theodore B. Ley	Police Service	Retired:	03-01-75	Died:	08-20-14
Roger T. Hirdler	Fire Disability	Retired:	09-17-81	Died:	09-17-14
Edward M. Holland	Fire Disability	Retired:	08-20-80	Died:	10-07-14
Toy E. Beard	Police Disability	Retired:	02-27-02	Died:	09-09-14
Quindaro Campbell	Police Disability	Retired:	07-04-70	Died:	09-14-14
Eugene W. Mounts	Police Disability	Retired:	07-21-83	Died:	09-27-14
Richard K. Parker	Police Disability	Retired:	05-10-90	Died:	10-05-14
Laura M. Harrison	Fire Widow	Retired:	04-09-79	Died:	10-03-14
Barbara A. Nelson	Fire Widow	Retired:	07-06-07	Died:	10-03-14
Beatrice Rogers	Fire Widow	Retired:	11-01-00	Died:	09-25-14
Magdalena Flannery	Police Widow	Retired:	02-01-76	Died:	10-05-14
Rose Rosenthal	Police Widow	Retired:	04-26-05	Died:	09-18-14
Lula M. Taylor	Police Widow	Retired:	05-28-08	Died:	09-24-14
Patricia J. Vanover	Police Widow	Retired:	05-18-10	Died:	09-27-14

DISCONTINUED PENSIONS – TIER 4 – 1

Susan Byrnes	Police Widow	Retired:	04-30-04	Died:	07-04-13
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DISCONTINUED PENSIONS – TIER 5 – 2

David E. Baca	Police Service	Retired:	08-08-04	Died:	09-23-14
Steven D. Bishop	Police Service	Retired:	11-01-08	Died:	09-12-14

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Sharon L. Haywood	Police Service	Retired:	02-07-93	Member Died:	09-29-14
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ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 5

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Sandra J. Lackey	Michael K. Lackey	Police Service	09-28-14
Joan I. Lewis	Ronald B. Lewis	Police Service	09-30-14
Constance M. Holland	Edward M. Holland	Fire Disability	10-08-14
Laura C. Beard	Toy E. Beard	Police Disability	09-10-14

Marie Parker Richard K. Parker Police Disability 10-06-14

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 5 – 2

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Bonnie K. Baca	David E. Baca	Police Service	09-24-14
Janice S. Bishop	Steven D. Bishop	Police Service	09-13-14

SURVIVOR BENEFIT PURCHASE PROGRAM – TIER 2 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Effective Date</u>	<u>Survivor Benefit %</u>
Richard K. Kaspersen	Police Disability	11-01-14	30%

SURVIVOR BENEFIT PURCHASE PROGRAM VESTED MEMBERS – TIER 2 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Effective Date</u>	<u>Vested Date</u>	<u>Survivor Benefit %</u>
Albert Footracer	Police Service	11-01-13	11-01-14	30%

ELIGIBLE SURVIVOR BENEFIT PURCHASE PROGRAM PENSION – TIER 2 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Carolyn A. Sanden	Keith A. Wilson	Fire Service	09-29-14

SURVIVING CHILD'S PENSION – TIER 5 – 1

Surviving child benefits are now payable to Melanie P. Orlando, surviving child of deceased Police Officer II, Robert J. Orlando, effective November 5, 2014, due to the attainment of age 18 and the continuation of full-time student status.

DECREASE SURVIVING SPOUSE'S PENSION – TIER 2 – 1

Decrease the pension payable to Katherine Borning Cordova, surviving spouse of deceased Detective I, Stephen A. Cordova, due to the attainment of age 18 by Alexandra R. Cordova, effective November 15, 2014.

DECREASE SURVIVING SPOUSE'S PENSION – TIER 5 – 1

Decrease the pension payable to Karen S. Orlando, surviving spouse of deceased Police Officer II, Robert J. Orlando, due to the attainment of age 18 and full-time student status by Melanie P. Orlando, effective November 5, 2014.

INCREASE SURVIVING CHILD'S PENSION – TIER 5 – 1

Increase the pension payable to Tatum L. Tatreau, surviving child of deceased Commander, James D. Tatreau, effective November 26, 2014, due to the attainment of age 22 by Tiffany L. Tatreau.

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 5 – 1

Discontinue the pension payable to Tiffany L. Tatreau, surviving child of deceased Commander, James D. Tatreau, effective November 25, 2014, due to the attainment of age 22 on November 26, 2014. There is one remaining surviving child.

DISCONTINUE GUARDIANSHIP – TIER 5 – 2

Discontinue the pension payable to Mary S. Vargas as the Guardian of Kevin J. Vargas, minor child of deceased Police Officer III, Lester K. Vargas, effective November 1, 2014, due to the attainment of age 18 on October 12, 2014.

Pension benefits will be paid to Kevin J. Vargas, as he remains a full-time student.

Discontinue the pension payable to Stephany Payne as the Guardian of Erin J. Wilson, minor child of deceased Lieutenant II, Edmund B. Wilson, effective November 24, 2014, due to the attainment of age 18 on November 25, 2014.

Pension benefits will be paid to Erin J. Wilson, as she remains a full-time student.

DEFERRED SERVICE PENSION – TIER 3 – 1

Police

Flor Montano	Police Officer III	Eff:	10-30-14	10	Years	119	Days
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SERVICE PENSION – TIER 5 – 2

Police

William C. McConnell	Police Officer II	Eff:	10-05-14	20	Years	338	Days
Richard D. Todd	Police Officer II	Eff:	10-09-14	23	Years	356	Days

SERVICE PENSION/DROP – TIER 3 – 1

Police

Amanda C. Serrano	Police Officer III +1	Eff:	09-08-14	25	Years	188	Days
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SERVICE PENSION/DROP – TIER 5 – 13

Fire

Roberto J. Ledesma	Firefighter III	Eff:	09-02-14	29	Years	136	Days
Hector Marquez	Captain I	Eff:	08-04-14	29	Years	249	Days
Stephen A. Perez	Captain II	Eff:	07-03-14	30	Years	186	Days
Louis Torres	Firefighter III	Eff:	08-02-14	25	Years	14	Days
David Zar	Engineer	Eff:	09-03-14	28	Years	203	Days

Police

Teresa J. Akune	Sergeant I	Eff:	08-01-14	25	Years	317	Days
Marvin D. Brent	Police Officer II +2	Eff:	06-04-14	25	Years	0	Days
Victor Gutierrez	Police Officer III +1	Eff:	08-01-14	25	Years	43	Days
John F. Harrison	Police Officer III +1	Eff:	08-01-14	25	Years	241	Days
Jason A. Loya	Detective II	Eff:	10-01-14	25	Years	300	Days
Jose L. Martinez	Detective II	Eff:	09-16-14	27	Years	75	Days
Ann L. Mc Grew	Police Officer III	Eff:	08-25-14	25	Years	7	Days

Katherine M. Petrash Detective II Eff: 09-01-14 25 Years 10 Days

DISCONTINUE DROP – TIER 3 – 1

Police

Jacqueline B. Boyer Retired: 04-01-12 Exit Close of: 10-20-14

DISCONTINUE DROP – TIER 5 – 1

Police

Frank J. Lyga Retired: 08-22-14 Exit Close of: 10-15-14

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. The Strategic Planning Session meeting is scheduled on December 4, 2014 and he welcomed everyone to attend.
2. Five companies have responded to the Request For Proposals (RFP) for the Pension Administration System. Staff is reviewing the RFPs. This is one our largest projects and from a system perspective it is very critical for us.
3. A metric was developed to measure active managers. On a quarterly basis, we look at their performance compared to the benchmark. These metrics were sent to the Mayor's Office.
4. Ethics information was distributed with the Board's correspondence. He intends to provide ethics training early next year since there is a new City Ethics Commission online system.

Commissioner Cade requested a future discussion on ethics-related questions from Board members.

Ms. Elsa Moy gave a public comment.

4. City Attorney's Report

Ms. Theresa Patzakis, Senior Assistant City Attorney stated she has a report in closed session.

D. COMMITTEE CALENDAR

1. Audit Committee – Last met: 06/05/14; next meeting: 01/15/15
2. Benefits Committee – Last met: 10/02/14; next meeting: Tentative on 12/18/14
3. Governance Committee – Last met: 09/18/14; next meeting: Tentative on 12/18/14
4. Ad Hoc Emerging Investment Managers – Last met: 11/06/14; next meeting: TBD

General Manager Ciranna stated that a verbal update will be provided regarding the Request For Proposals for emerging managers at the next meeting. There are Operating Agreements with the Associations that will be presented at the next Benefits Committee on December 18, 2014.

E. CONSENT ITEMS

1. Approval of Minutes

- a. Minutes of the Regular Board meeting of August 7, 2014, August 21, 2014, September 4, 2014
- b. Minutes of the Special Board Meeting of August 21, 2014

MOTION

Commissioner von Voigt moved to approve the consent items, seconded by Commissioner Cade and approved by the following vote: Commissioners Aliano, Cade, Diannitto, Navarro, Salimpour, Tapia, von Voigt and President Vega – 8; nays, none.

F. CONSIDERATION OF FUTURE AGENDA ITEMS

No items were referred for future discussion.

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

No additional comments were made at this time.

I. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 TO CONFER WITH REAL PROPERTY NEGOTIATOR; Properties: 315 S. Hewitt Street and 713 E. 3rd Street; Negotiators: David Weiner, Martin Cawley, Tom Lopez, Erika Tiedge; Negotiating parties: Sentinel Real Estate Corporation and LAFPP; Under negotiation: Instruction to negotiator will concern price

This item was continued.

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 54956.9(c) TO CONFER WITH, OR RECEIVE ADVICE FROM, LEGAL COUNSEL WITH REGARD TO

POTENTIAL LEAD PLAINTIFF STATUS IN A CLASS ACTION

The Board met in closed session.

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

The meeting adjourned at 11:26 a.m.

President

Secretary

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF DECEMBER 4, 2014

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Thursday, December 4, 2014.

COMMISSIONERS PRESENT: Belinda Vega, President
Robert von Voigt, Vice President
George Aliano
Carl Cade
Cielo Castro
Ruben Navarro
Pedram Salimpour
Corinne Tapia

COMMISSIONER ABSENT: Sam Diannitto

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

CITY ATTORNEY'S OFFICE: James Napier, Deputy City Attorney

President Vega called the meeting to order at 8:41 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Salimpour who arrived at 9:00 a.m.

A. DISABILITY CASES

DISABILITY CLAIM – NEW CLAIM – TIER 3

Tina Y. Glenn (P) Detective II

As recommended by staff and concurred in by the applicant, service-connected disability pension is granted at 65% with no foreseeable purpose for review. Motion made by Commissioner Tapia,

seconded by Commissioner von Voigt and adopted by the following vote: ayes, Commissioners Aliano, Cade, Castro, Navarro, Tapia, von Voigt, and President Vega – 7; nays, none. Detective Glenn was not present, but was represented by her attorney, Mr. Thomas J. Wicke.

DISABILITY CLAIM – DEPENDENT CHILD – TIER 2

Janet A. Neal (F) Firefighter II (Deceased)

Hearing continued. President Vega directed that this claim be continued at the request of the applicant's attorney. Ms. Neal was not present nor was her attorney, Mr. Kevin Gilliland, Esq.

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

Mr. Ken Buzzell, Director, Los Angeles Retired Fire & Police Association, Inc. gave a public comment.

Ms. Elsa Moy gave a public comment.

C. REPORTS TO THE BOARD

1. President Vega 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.

3. General Manager's Report

a. Benefits Actions approved by General Manager on November 20, 2014

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

DISCONTINUED PENSIONS – TIER 1 – 1

Laura B. Shy	Police Widow	Retired:	12-18-91	Died:	10-15-14
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DISCONTINUED PENSIONS – TIER 2 – 11

Robert E. Dingwall	Fire Service	Retired:	06-29-90	Died:	09-07-14
Jerry R. Johns	Fire Service	Retired:	02-01-87	Died:	09-27-14
Antoni Kwapinski	Fire Service	Retired:	01-21-73	Died:	10-24-14
Gilbert E. Nash	Fire Service	Retired:	06-01-75	Died:	10-17-14
Kenneth E. Eppens	Police Service	Retired:	06-28-92	Died:	10-06-14
Gary M. Metz	Police Service	Retired:	10-06-84	Died:	10-22-14

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 Meeting of December 4, 2014
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Paul K. Nicholas	Police Service	Retired:	04-01-76	Died:	10-18-14
James T. O Riley	Police Service	Retired:	09-18-95	Died:	10-15-14
Forest E. Sloan	Police Service	Retired:	01-01-78	Died:	09-18-14
Verla S. Converse	Fire Widow	Retired:	07-12-03	Died:	09-28-14
Hilda L. Fulmer	Police Widow	Retired:	12-15-91	Died:	08-08-14

ELIGIBLE GOINS WIDOW PENSION – TIER 1 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Marilyn J. Lassiter	Harlee W. Lassiter	Police Disability	09-26-14

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Patricia A. Eppens	Kenneth E. Eppens	Police Service	10-07-14

REINSTATE SURVIVING CHILD'S PENSION – TIER 3 – 1

Pension payable to Lucas J. Bailey, surviving child of deceased Fire Captain I Joseph C. Dupee, reinstated effective August 1, 2014. Documentation has been submitted for full-time student status.

DECREASE SURVIVING SPOUSE'S PENSION – TIER 3 – 1

Decrease the pension payable to Julie A. Bailey, surviving spouse of deceased Fire Captain I Joseph C. Dupee, effective August 1, 2014, due to full-time student status by Lucas J. Bailey.

PARTIAL PAYMENT OF PENSION – TIER 2 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to James S. Gollaz, Police Service Pensioner, is to be withheld for his former spouse, Sandra Gollaz, effective November 1, 2014. Ms. Gollaz will receive cost of living adjustments.

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 David Navarro, Police Service Pensioner, is to be paid to his former spouse, Monica Navarro, effective November 1, 2014. Ms. Navarro 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 Leo Turner, Jr., Police Service Pensioner, is to be paid to his former spouse, Denise Turner, effective November 1, 2014. Ms. Turner will receive cost of living adjustments.

PARTIAL PAYMENT OF SURVIVING SPOUSE'S PENSION – TIER 2 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the Surviving Spouse Pension payable to Joan I. Lewis, surviving spouse of deceased Police Service Pensioner, Ronald B. Lewis, is to be withheld for his former spouse, Sharon L. Haywood, effective September 30, 2014. Ms. Haywood will receive cost of living adjustments.

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MODIFIED PARTIAL PAYMENT OF PENSION – TIER 5 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Joseph H. Klein, Fire Service Pensioner, being withheld for his former spouse, Linda Lukas-Cosgrove since May 1, 2014, should be released effective November 1, 2014.

DEFERRED SERVICE PENSION – TIER 3 – 1

Fire

Alan E. Hewitt	Firefighter III	Eff:	10-29-14	12	Years	244	Days
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SERVICE PENSION – TIER 5 – 1

Police

Sandra E. Villa	Police Officer II	Eff:	11-02-14	25	Years	75	Days
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SERVICE PENSION/DROP – TIER 3 – 1

Police

Arturo R. Gomez	Sergeant II	Eff:	07-02-14	25	Years	234	Days
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SERVICE PENSION/DROP – TIER 5 – 5

Fire

John G. Torres	Firefighter III	Eff:	08-01-14	33	Years	55	Days
Kenneth F. Wigchert	Firefighter III	Eff:	08-20-14	26	Years	348	Days

Police

Mitchell G. Lambdin	Sergeant II +3	Eff:	10-14-14	25	Years	0	Days
Douglas Tanaka	Police Officer III	Eff:	10-03-14	30	Years	0	Days
Karla D. Tyson	Detective III	Eff:	10-01-14	25	Years	178	Days

SERVICE PENSION/DROP – TIER 5 – 1 **CORRECTION**

Fire

Mark T. Heffner	Engineer	Eff:	07-08-14	29	Years	0	Days
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DISCONTINUE DROP – TIER 2 – 1

Police

Kimberly Martin Bragg	Retired:	02-01-10	Exit Close of:	11-30-14
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DISCONTINUE DROP – TIER 3 – 1

Police

Randolph C. Franklin	Retired:	10-01-10	Exit Close of:	11-30-14
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DISCONTINUE DROP – TIER 5 – 5

Fire

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David B. Holcomb	Retired:	03-06-10	Exit Close of:	11-30-14
John R. Kitchens	Retired:	11-13-09	Exit Close of:	11-12-14

Police

David Navarro	Retired:	07-12-11	Exit Close of:	10-31-14
Miguel Romero	Retired:	07-02-12	Exit Close of:	11-30-14
Thomas K. Tenney	Retired:	06-30-11	Exit Close of:	11-30-14

PARTIAL PAYMENT OF DROP FUNDS – TIER 5 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to David Navarro, Police Service Pensioner, is to be paid to his former spouse, Monica Navarro, effective October 31, 2014.

MODIFIED PARTIAL PAYMENT OF DROP FUNDS – TIER 5 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to Joseph H. Klein, Fire Service Pensioner, being withheld for his former spouse, Linda Lukas-Cosgrove since May 1, 2014, should be released effective November 1, 2014.

b. Other business relating to Department operations

General Manager Ciranna stated that he will provide a report at the next Board meeting.

D. COMMITTEE CALENDAR

1. Audit Committee – Last met: 06/05/14; next meeting: 01/15/15
2. Benefits Committee – Last met: 11/20/14; next meeting: Tentative on 12/18/14
3. Governance Committee – Last met: 09/18/14; next meeting: Tentative on 03/19/15
4. Ad Hoc Emerging Investment Managers – Last met: 11/06/14; next meeting: TBD

President Vega announced the upcoming Committee meetings.

E. CONSENT ITEMS

1. Approval of Minutes of the Special Board Meeting of September 18, 2014

MOTION

Commissioner von Voigt moved that the Board approve the consent items, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Cade, Castro, Navarro, Tapia, von Voigt and President Vega – 7; nays, none.

Items G and H were taken out of order.

G. CONSIDERATION OF FUTURE AGENDA ITEMS

No items were referred for consideration.

H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 TO CONFER WITH REAL PROPERTY NEGOTIATOR; Properties: 315 S. Hewitt Street and 713 E. 3rd Street; Negotiators: David Weiner, Martin Cawley, Tom Lopez, Erika Tiedge; Negotiating parties: Sentinel Real Estate Corporation and LAFPP; Under negotiation: Instruction to negotiator will concern price

This item was continued.

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(c) TO CONFER WITH, OR RECEIVE ADVICE FROM, LEGAL COUNSEL WITH REGARD TO POTENTIAL LEAD PLAINTIFF STATUS IN A CLASS ACTION

The Board met in closed session.

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

F1. CONSIDERATION OF LAFPP STRATEGIC PLAN ELEMENTS AND POSSIBLE BOARD ACTION

Ms. Stephanie Clements, Chief Management Analyst, Administrative Operations Division welcomed the Board to the second portion of the strategic planning session which is a continuation from the July 2014 workshop. She welcomed Mr. William Chiat, Director of Alta Mesa Group who will facilitate the workshop. The Board and staff are going to review the progress from July 2014, review strategic initiatives and goals, and review the values and mission.

Commissioner Cade stated that it would be helpful for him to focus on how this Board process is helpful to staff. He was not aware of what direction or focus to help guide the staff and requested more detail.

President Vega requested that staff present some history on the issue because some of the Board members were not present when the strategic plan was initiated.

Ms. Clements stated that once the strategic plan is completed, the plan will be used by staff to develop the annual business plan. Since the Board has not implemented a strategic plan yet, it has not had much impact on staff.

General Manager Ciranna stated that LAFPP initiated long-term planning some time ago with the first official strategic plan in 2007-08. This new process will involve the Board updating the strategic plan every three years by going through a process to take a longer view of what we want to accomplish. Staff will then implement individual projects in the annual business plan to achieve the goals set by the Board. To facilitate the discussion today, he drafted some goals, objectives and initiatives which were a compilation from the Board and staff's input. He then addressed Commissioner Cade's concern that the Board will get more clarity as it discusses the goals and initiatives. Once the Board decides what goals to include in the strategic plan, staff will include appropriate projects in the business plan and budget to be presented in March 2015.

Commissioner Salimpour arrived at the meeting.

Mr. William Chiat proceeded with the strategic planning session. At the conclusion of the workshop, Mr. Chiat stated that all the ideas that were discussed will be incorporated into a report from a staff perspective of how to proceed so that the Board may make an informed decision.

Ms. Elsa Moy gave a public comment.

General Manager Ciranna thanked everyone for participating. A follow-up report will be presented to the Board early next year.

The meeting adjourned at 11:25 a.m.

President

Secretary

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF DECEMBER 18, 2014

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Thursday, December 18, 2014.

COMMISSIONERS PRESENT: Robert von Voigt, Vice President
George Aliano
Cielo Castro
Sam Diannitto (participated telephonically)
Ruben Navarro
Pedram Salimpour
Corinne Tapia

COMMISSIONER ABSENT: Carl Cade
Belinda Vega, President

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

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney
James Napier, Deputy City Attorney

COURT REPORTER: Diane L. Panicca, U.S. Legal Support

Vice President von Voigt called the meeting to order at 8:33 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Castro who arrived at 9:20 a.m.

A. COMMITTEE REPORTS

- 1. OPERATIONS AGREEMENT WITH THE LOS ANGELES POLICE PROTECTIVE LEAGUE AND POSSIBLE BOARD ACTION**

Mr. Anthony Torres, Senior Management Analyst II, Medical and Dental Benefits Section was before the Board to answer questions.

Commissioner Aliano stated he spoke with representatives of the Los Angeles Police Protective League and they are fine with the Operating Agreement.

RESOLUTION 15064

Commissioner Navarro moved that the Board authorize the Board President to execute an Operations Agreement with the Los Angeles Police Protective League, which was seconded by Commissioner Salimpour and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Navarro, Salimpour, and Vice President von Voigt - 5; nays, none.

Commissioner Tapia returned to the boardroom.

B. ITEMS FOR BOARD ACTION

1. AUDITED FINANCIAL STATEMENTS AS OF JUNE 30, 2014 AND POSSIBLE BOARD ACTION

Ms. Erin Kenney, Departmental Audit Manager, stated that Brown Armstrong issued an unmodified opinion, also referred to as a "clean opinion," that LAFPP's financial statements fairly present the Plan's net assets. She introduced Mr. Andrew J. Paulden, Partner; Ms. Connie M. Perez, Partner; and Ms. Alaina Sanchez, Accountant from Brown Armstrong who presented the financial statements report.

Ms. Elsa Moy gave a public comment.

RESOLUTION 15065

Commissioner Navarro moved that the Board adopt the System's Audited Financial Statements as of June 30, 2014, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Navarro, Salimpour, Tapia, and Vice President von Voigt - 6; nays, none.

Item G was taken out of order.

G. DISABILITY CASES

DISABILITY CLAIM – REVIEW – TIER 2

Bradley McGrath

(P)

Detective III (Retired)

Prior Board Action of November 1, 2001, increasing the service-connected disability pension to 65%

is adjusted to 75% with no scheduled review. Motion made by Commissioner Aliano, seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Aliano, Diannitto, Navarro, Salimpour, Tapia, and Vice President von Voigt – 6; nays, none. Mr. McGrath was present and was represented by his attorney, Mr. Thomas J. Wicke.

Commissioner von Voigt recessed the meeting at 9:20 a.m. and reconvened at 9:29 a.m.

Commissioner Castro arrived to the meeting at 9:20 a.m.

B. ITEMS FOR BOARD ACTION - continued

2. DISCUSSION OF THE MINIMUM QUALIFICATIONS AND THE REQUEST FOR PROPOSALS FOR THE LARGE CAP DOMESTIC EQUITY DIRECT HIRE EMERGING MANAGER SEARCH AND BOARD ACTION

Messrs. Tom Lopez, Chief Investment Officer (CIO); Rick Rogers, Investment Officer III; Jim Voytko, Chief Operating Officer; and Ryan Sullivan, Associate Consultant from RV Kuhns were before the Board to discuss the minimum qualifications for the emerging manager search.

Commissioner Navarro stated his concern regarding the definition of an emerging manager, specifically the amount of assets under management (AUM) of \$2 billion or less. When is it an appropriate time to increase the AUM?

Mr. Rick Rogers stated that he is comfortable with an AUM of \$2 billion; there are many firms that meet this level. He would be hesitant to increase the AUM at this point.

Mr. Sullivan stated that he believed \$2 billion was appropriate amount in regards to the AUM, and expects to receive sufficient number of qualified firms at that level. Increasing it, he felt would simply increase the number of responses without necessarily increasing the number of quality responses.

Mr. Lopez provided a brief overview of the direct hire program. When the direct hire program was implemented, \$500 million was the cut off level. The number has increased over the years. The most common number across the nation in terms of emerging manager AUM is \$2 billion. He provided background information on the other two emerging manager searches.

Mr. Voytko discussed the possible outcome of removing the institutional investor criteria and importance of retaining it. In relation to emerging managers, we are trying to encourage entities who are business immature but who are potentially promising and close to institutional quality, per the \$30 million dollar requirement. What matters is the asset class and determining what entry barriers may prohibit a new entity from making their way into the established characteristics. The second issue is with respect to the emerging manager's economics because he does not want the Plan to take extraordinary risk in taking on this policy initiative.

RESOLUTION 15066

Commissioner Navarro moved that the Board approve:

1. The following proposed Minimum Qualifications for the large cap domestic equity direct hire emerging manager search -
 - (a) One year of operation as an investment management firm as of the date of the search,
 - (b) The portfolio manager(s) assigned to the account must each have a minimum of five years of experience in investment management,
 - (c) As of the date of the search, the firm must have a minimum of \$30 million in institutional assets under management of which \$10 million must be in the proposed investment style,
 - (d) The firm must have at least one tax-exempt account under management,
 - (e) The strategy proposed must be available as a separate account; and,
2. The proposed Request for Proposals for the search, which was seconded by Commissioner Salimpour and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and Vice President von Voigt - 7; nays, none.
3. PROPOSED RENEWAL OF BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INTERNATIONAL EQUITY INDEX CONTRACT AND POSSIBLE BOARD ACTION

Mr. Paul Palmer, Investment Officer II presented the contract renewal.

RESOLUTION 15067

Commissioner Navarro moved that the Board:

1. Approve a new three-year contract with BlackRock Institutional Trust Company, N.A. for international equity index management services;
2. Authorize the General Manager to negotiate and approve the terms and conditions of the contract with BlackRock Institutional Trust Company, N.A. for international equity index management services for the period of February 1, 2015 to January 31, 2018; and,
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with BlackRock Institutional Trust Company, N.A. for international equity index management services, subject to the approval of the City Attorney as to form, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and Vice President von Voigt - 7; nays, none.
4. CHIEF INVESTMENT OFFICER'S QUARTERLY REPORT OF ASSET ALLOCATION STATUS AND POSSIBLE BOARD ACTION

Mr. Tom Lopez, CIO presented the asset allocation status indicating that most of the asset classes are within their targeted ranges, with the exception of core bonds and high yield bonds. Additional funding is being allocated to the high yield sector. Currently in the high yield market, bonds are on sale at depressed pricing. Staff is taking advantage of the circumstances.

General Manager Ciranna provided an update of the emerging manager searches. We have received quite a few responses. Staff is currently reviewing them and will provide the Board an update at a future meeting.

Ms. Elsa Moy gave a public comment.

RESOLUTION 15068

Commissioner Castro moved that the Board approve the actual asset allocation of the Fund and Staff's plans for bringing asset classes currently outside of their target allocation ranges back within their allocation ranges, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and Vice President von Voigt - 7; nays, none.

5. 2015 FIRE DEPARTMENT RETIRED BOARD MEMBER ELECTION AND POSSIBLE BOARD ACTION

The board report was approved as submitted.

RESOLUTION 15069

Commissioner Navarro moved that the Board:

1. Authorize the General Manager to provide notification to the Office of the City Clerk – Election Division (City Clerk) and to cause to be prepared a Notice of Election in accordance with Section 23.103.16 of the Los Angeles Administrative Code (Administrative Code) for the 2015 Fire Department Retired Board Member Election tentatively scheduled for March 31, 2015;
2. Authorize the General Manager, in the event a second “runoff” election is needed, to receive and file the communication from the City Clerk certifying the results of the general election for the Fire Department Retired Member of the Board of Fire and Police Pension Commissioners and to order the runoff election tentatively scheduled for May 8, 2015, in accordance with Section 23.103.21 of the Administrative Code; and
3. Authorize the General Manager and Staff to perform the necessary administrative work specified in the Administrative Code; to coordinate the general election and if necessary, the runoff election process as required with the City Clerk and retired member associations; and to make technical corrections as necessary to effectuate the intent of this report, which was

seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and Vice President von Voigt - 7; nays, none.

6. 2015 POLICE DEPARTMENT ACTIVE BOARD MEMBER ELECTION AND POSSIBLE BOARD ACTION

The board report was approved as submitted.

RESOLUTION 15070

Commissioner Aliano moved that the Board:

1. Authorize the General Manager to provide notification to the Office of the City Clerk – Election Division (City Clerk) and the General Manager of the Personnel Department and to cause to be prepared a Notice of Election in accordance with Section 23.103.2 of the Los Angeles Administrative Code (Administrative Code) for the 2015 Police Department Active Board Member Election tentatively scheduled for April 28, 2015;
2. Authorize the General Manager, in the event a second “runoff” election is needed, to receive and file the communication from the City Clerk certifying the results of the general election for the Police Department Active Member of the Board of Fire and Police Pension Commissioners and to order the runoff election tentatively scheduled for June 2, 2015, in accordance with Section 23.103.8 of the Administrative Code; and
3. Authorize the General Manager and Staff to perform the necessary administrative work specified in the Administrative Code; to coordinate the general election and if necessary, the runoff election process as required with the City Clerk, the Police Department, the Personnel Department, and employee organizations; and to make technical corrections as necessary to effectuate the intent of this report, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and Vice President von Voigt - 7; nays, none.

C. REPORTS TO THE BOARD

1. PRESENTATION BY DEL REY GLOBAL INVESTORS INTERNATIONAL DEVELOPED MARKETS EQUITY

Mr. Paul J. Hechmer, Chief Investment Officer from del Rey provided an update of the firm’s performance.

The board report was received and filed.

2. QUARTERLY PORTFOLIO PERFORMANCE REPORT BY RV KUHNS

Messrs. Jim Voytko, Ryan Sullivan and Ms. Amanda Kingsbury from RV Kuhns presented LAFPP'S investment performance report for the third quarter, and answered the Board's questions.

Mr. Voytko stated that the one, three and five year performance remains solid. He cautioned the Board that things are likely to get more complicated in terms of understanding the dynamics the portfolio due to the mixed performance and large gaps between asset classes in their performance. RV Kuhns will put extra effort in providing the Board an understanding of the performance.

Mr. Sullivan provided an overview of the composites and key aspects of the performance report. The total fund was down 1.6% for the quarter and ranked in the 80th percentile compared to peers. He provided an overview of the performance report.

Mr. Sullivan provided a brief overview of Attucks Asset Management's (Attucks) performance relative to the Watch List. RV Kuhns will provide a recommendation regarding Attucks and the Watch List process at a future meeting.

The board report was received and filed.

3. CONTRACTOR DISCLOSURE POLICY – QUARTERLY REPORT

The report was received and filed without discussion.

4. FLUCTUATING PENSIONS BASED ON ACTIVE FIRE MEMBER SALARIES

The report was received and filed without discussion.

5. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.

6. General Manager's Report

a. Monthly Report

b. Marketing Cessation Information

c. Benefits Actions approved by the General Manager on December 4, 2014

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

DISCONTINUED PENSIONS – TIER 1 – 4

Claude A. Griggs	Fire Service	Retired:	09-27-72	Died:	10-01-14
Richard A. Arlt	Fire Disability	Retired:	01-25-63	Died:	10-17-14
Mary V. Dudley	Fire Widow	Retired:	05-01-10	Died:	10-15-14
Erin C. Kraft	Fire Widow	Retired:	01-01-77	Died:	10-15-14

DISCONTINUED PENSIONS – TIER 2 – 7

Kevin R. Casey	Police Service	Retired:	07-03-88	Died:	10-20-14
Stuart J. Finck	Police Service	Retired:	02-10-91	Died:	10-21-14
Robert R. Loomis	Police Service	Retired:	06-08-82	Died:	10-29-14
Arthur L. Norris	Police Service	Retired:	06-01-72	Died:	10-18-14
William L. Vail	Police Disability	Retired:	10-01-68	Died:	08-07-14
Helen G. Anderson	Police Widow	Retired:	01-20-10	Died:	09-06-14
Patricia M. Olsen	Police Widow	Retired:	02-02-98	Died:	10-24-14

DISCONTINUED PENSIONS – TIER 5 – 1

Kenneth J. Clore, Jr.	Fire Service	Retired:	03-21-04	Died:	10-26-14
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DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Jeannette M. Glozer	Police Service	Retired:	08-30-95	Died:	10-31-14
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DISCONTINUED PENSIONS FORMER SPOUSE – TIER 5 – 1

Cindy A. Larsen	Fire Service	Retired:	07-01-06	Member Died:	10-26-14
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ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 1 – 2

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Alice M. Griggs	Claude A. Griggs	Fire Service	10-02-14
Marlene Y. Arlt	Richard A. Arlt	Fire Disability	10-18-14

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 4

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Jill K. Johns	Jerry R. Johns	Fire Service	09-28-14
Rita A. Loomis	Robert R. Loomis	Police Service	10-30-14
Birgitta M. Metz	Gary M. Metz	Police Service	10-23-14
Sigrud J. O Riley	James T. O Riley	Police Service	10-16-14

ELIGIBLE SURVIVOR BENEFIT PURCHASE PROGRAM – TIER 2 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Ruth E. Kwapinski	Antoni Kwapinski	Fire Service	10-25-14

INCREASE SURVIVING SPOUSE'S PENSION – TIER 4 – 1

Increase the pension payable to Leslie A. Medina, surviving spouse of deceased Police Sergeant II, Israel S. Medina, effective December 12, 2014, due to the attainment of age 22 by Rachel S. Medina. There is one remaining minor child.

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 4 – 1

Discontinue the pension payable to Rachel S. Medina, surviving child of deceased Police Sergeant II, Israel S. Medina, effective December 11, 2014, due to the attainment of age 22 on December 12, 2014. There is one remaining minor child.

DISCONTINUE GUARDIANSHIP – MINOR'S PENSION – TIER 2 – 1

Discontinue the pension payable to Michele Harris as the Guardian of Robert D. Moreno, minor child of deceased Firefighter III, Robert D. Moreno, effective December 22, 2014, due to the attainment of age 18 on December 23, 2014. There are no remaining minors.

SERVICE PENSION – TIER 3 – 2

Police

Cheryl A. Adams	Detective II	Eff:	11-01-14	20	Years	0	Days
Edward A. Ruffalo	Detective II	Eff:	11-16-14	19	Years	40	Days

SERVICE PENSION – TIER 5 – 1

Police

George M. Castro	Police Officer II	Eff:	11-02-14	26	Years	7	Days
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SERVICE PENSION/DROP – TIER 5 – 3

Police

Anthony Adler	Police Officer III	Eff:	09-02-14	25	Years	9	Days
Sandra G. Betancourt	Detective III	Eff:	10-01-14	26	Years	57	Days
Ronald A. Granados	Detective III	Eff:	08-01-14	26	Years	14	Days

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. Approximately twenty-three of the former Office of Public Safety (OPS) Officers who have transitioned to regular LAPD Police Officers transferred from LACERS to LAFPP. Staff is working with the Actuary to prepare the service purchase cost estimates for these officers to purchase their OPS service.
2. The Active/DROP Member newsletter was emailed. Approximately 35% of the recipients opened the electronic newsletter which is a good start. The DROP Program article was the most viewed.

Ms. Elsa Moy gave a public comment.

General Manager Ciranna stated that 15 months is an internal metric measurement used in the COMPSTAT report for processing disability pension applications as reported in the Monthly Report.

D. COMMITTEE CALENDAR

1. Audit Committee – Last met: 06/05/14; next meeting: 01/15/15
2. Benefits Committee – Last met: 11/20/14; next meeting: 12/18/14
3. Governance Committee – Last met: 09/18/14; next meeting: 03/19/15
4. Ad Hoc Emerging Investment Managers – Last met: 11/06/14; next meeting: 03/05/15

Vice President von Voigt announced the upcoming committee meetings.

E. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

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

There were no additional public comments.

H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(c) TO CONFER WITH, OR RECEIVE ADVICE FROM, LEGAL COUNSEL WITH REGARD TO POTENTIAL LEAD PLAINTIFF STATUS IN A CLASS ACTION

This item was continued.

The meeting adjourned at 10:39 a.m.

President

Secretary

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF DECEMBER 18, 2014

The Benefits Committee and members of the Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Thursday, December 18, 2014.

COMMITTEE

MEMBERS PRESENT: George Aliano, Chair
Pedram Salimpour, Vice Chair
Sam Diannitto (participated telephonically)

COMMITTEE MEMBER

ABSENT: Carl Cade

OTHER MEMBERS PRESENT: Ruben Navarro
Corinne Tapia
Robert von Voigt

BENEFITS COMMITTEE

SUPPORT STAFF: Joseph Salazar, Assistant General Manager

**DEPARTMENT OF FIRE AND
POLICE PENSIONS:**

Raymond Ciranna, General Manager
William Raggio, Executive Officer
Joseph Salazar, Assistant General Manager
Tom Lopez, Chief Investment Officer
Barbara Nobregas, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney

Chair Aliano called the meeting to order at 8:33 a.m. The Benefits Committee meeting will be noted as a Special Board meeting since a quorum of the Board was present. All of the above Commissioners were present at the start of the meeting.

1. CITY MANGEMENT AUDIT RECOMMENDATIONS ASSIGNED TO THE DISABILITY PENSION SECTION AND POSSIBLE COMMITTEE ACTION

Mr. Chris Annala, Senior Management Analyst II and Ms. Tina Zipper, Senior Management Analyst I from the Disability Pension Section were before the Committee.

Chair Aliano stated that all of these management audit recommendations were reviewed about five or six years ago and were rejected by the Board. He reviewed each recommendation separately starting with recommendation #38.

Ms. Elsa Moy gave a public comment.

MOTION

Commissioner Diannitto moved that the Benefits Committee recommend to the Board that the Disability Analysts continue to follow current scheduling procedures and request that the Board consider scheduling Alt. 1 hearings at the beginning of the Board meeting as a standard practice, subject to the discretion of the Board President and the General Manager, seconded by Commissioner Salimpour and approved by the following vote: ayes, Commissioner Diannitto, Salimpour, and Chair Aliano – 3; nays, none.

Chair Aliano continued the discussion with recommendation #39 to shift some of the burden of information submission to the member as part of the disability application process.

Mr. Annala stated that he was not comfortable with recommendation #39. He did not believe that staff would receive all of the necessary reports from the applicant. He indicated it was sometimes difficult to obtain relevant information from applicants. Staff utilizes the applicant's attorney to assist with obtaining doctor reports and records. The Committee and staff further discussed the difficulty of gathering medical reports.

General Manager Ciranna stated that the Department serves a range of applicants who file for disability pensions. The applicants are told that it takes time to go through the process due to collecting reports. Many of the applicants do not understand the process. He believes there is some value in having the applicants obtain some of their records, and it provides the applicant some input into the process. The disability team will follow up and verify that all documents are collected. The recommendation is for consideration but whether it improves the timeliness of the process is to be determined.

The Committee further discussed the issue with staff.

Mr. Ken Buzzell, Director of the Los Angeles Retired Fire & Police Association gave a public comment.

MOTION

Commissioner Salimpour moved that the Benefits Committee recommend to the Board that the process remain as-is in that LAFPP Staff handles all responsibilities related to the disability process internally, including obtaining medical records, case management,

member counseling, evidence gathering, determining eligibility, calculating benefits, interpreting physician's reports, and preparing recommendations for the Board, seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioner Diannitto, Salimpour, and Chair Aliano – 3; nays, none.

Ms. Elsa Moy gave a public comment.

Chair Aliano provided background information in regards to recommendation #40 to determine what other common practices, such as delegating specific decision-making authority or retaining a Board medical advisor, could streamline the process, and what changes to governing law, policies or procedures would be necessary to do so.

Commissioner Salimpour stated that because of the thoroughness and thoughtfulness of staff, and how devoted they are to the members, he is not inclined to change the procedure.

MOTION

Commissioner Salimpour moved that the Benefits Committee recommend to the Board that the Board continue to follow current disability hearing procedures and rely upon the evidence in the Administrative File and testimony at hearings to make informed decisions, seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioner Diannitto, Salimpour, and Chair Aliano – 3; nays, none.

2. GENERAL PUBLIC COMMENT ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

There were no additional public comments.

The meeting was adjourned at 9:00 a.m.

Chair

Secretary

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF DECEMBER 18, 2014

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Thursday, December 18, 2014.

COMMISSIONERS PRESENT: Robert von Voigt, Vice President
George Aliano
Cielo Castro
Sam Diannitto (participated telephonically)
Ruben Navarro
Pedram Salimpour
Corinne Tapia

COMMISSIONER ABSENT: Carl Cade
Belinda Vega, President

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

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney

Vice President von Voigt called the meeting to order at 10:39 a.m. All of the above-listed Commissioners were present at the start of the meeting.

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

There were no public comments made.

2. APPROVAL OF TRAVEL AUTHORITY (CADE) – NCPERS, 2015 HEALTHCARE SYMPOSIUM

The board report was approved as submitted.

RESOLUTION 15071

Commissioner Navarro moved that the Board approve Commissioner Carl Cade's request to attend the National Conference on Public Employee Retirement Systems (NCPERS), Healthcare Symposium on January 24-26, 2015 in Washington, DC (January 24th and 26th are travel days), which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Navarro, Salimpour, Tapia, and Vice President von Voigt - 7; nays, none.

The meeting adjourned at 10:40 a.m.

President

Secretary