
AGENDA

BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

April 7, 2016
8:30 a.m.

NEW LOCATION

Los Angeles Fire and Police Pensions Building
701 East Third Street, Suite 401
Los Angeles, CA 90013

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 701 East 3rd Street, 2th Floor, Los Angeles, California 90013, 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) 279-3038 or by e-mail at rhonda.ketay@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) 279-3000 voice or (213) 628-7713 TDD.

A. ITEMS FOR BOARD ACTION

1. [ANNUAL COST OF LIVING ADJUSTMENTS TO PENSIONS AND POSSIBLE BOARD ACTION](#)
2. [AWARD OF CONTRACT FOR GRAPHIC DESIGN SERVICES AND POSSIBLE BOARD ACTION](#)

B. REPORTS TO THE BOARD

1. REVIEW OF 2016 PRIVATE EQUITY AND COMMODITIES INVESTMENT ACTIVITY BY PORTFOLIO ADVISORS, LLC

2. Has any Board Member made any expenditure to influence State legislative or administrative action?
3. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
4. General Manager's Report
 - a. Benefits Actions approved by General Manager on March 17, 2016
 - b. Other business relating to Department operations

C. COMMITTEE CALENDAR

1. Audit Committee – Last met: 01/21/16; next meeting: 04/21/16
2. Benefits Committee – Last met: 10/01/15; next meeting: 05/19/16
3. Governance Committee – Last met: 01/07/16; next meeting: 04/21/16

D. CONSIDERATION OF FUTURE AGENDA ITEMS

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

F. DISABILITY CASES

Alternative 1

Dee-Ann Bernard, dependent child of deceased Police Sergeant II Larkin W. Bernard. Ms. Bernard will be representing herself.

Terminated Police Officer III Richard Driscoll. Mr. Driscoll will be represented by represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Retired Police Captain I Lance C. Smith. Mr. Smith will be representing himself.

Alternative 2

Retired Police Officer III Edward J. Jones. Mr. Jones will be represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

G. CLOSED SESSION

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

2. 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 FOLLOWING CASES:
 - (1) The following related cases, which are consolidated in United States District Court, Southern District of New York:
 - (a) Deutsche Bank Trust Company Americas et al. v. First Republic Bank et al. (Case No. 1:11:cv-09572-WHP)
 - (b) William A. Niese, et al. v. Chandler Trust No. 1. Et al. (Case No. 1:12:cv-00554-WHP)
 - (c) The Official Committee of Unsecured Creditors v. Fitzsimmons, et al. (Case No. 1:12:cv-02652-WHP)
 - (2) The City of Los Angeles v. Bankrate, Inc, et al. (Case No. 9:14 –cv-81323-DMM (S.D. Fla.))
3. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, OR RECEIVE ADVICE FROM LEGAL COUNSEL WITH REGARD TO PENDING LITIGATION IN LOS ANGELES POLICE PROTECTIVE LEAGUE, UNITED FIREFIGHTERS OF LOS ANGELES CITY vs. BOARD OF FIRE AND POLICE PENSION COMMISSIONERS FOR THE CITY OF LOS ANGELES 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 7, 2016 **ITEM:** A.1

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 2.4%; 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, 2016 by 2.4%; and,
3. Take no action regarding a Discretionary Cost of Living Adjustment for eligible pensioners for Calendar Year 2017.

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 29. The change for 2016 is an increase of 2.4 percent (Attachment). The COLA will be effective July 1, 2016, and will appear on the July 31, 2016 pension roll upon approval by the Board.

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 2014 – 2016.

Year	CPI	Actual COLA	Difference	Maximum Additional DCOLA
2014	0.5%	0.5%	0.00%	0.00%
2015	0.1%	0.1%	0.00%	0.00%
2016	2.4%	2.4%	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 proposed FY 2016-17 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:MTS

Attachment: Bureau of Labor Statistics CPI Report



Databases, Tables & Calculators by Subject

FONT SIZE:

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From: To: **GO**

include graphs include annual averages

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Data extracted on: March 25, 2016 (3:27:03 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:



Year	Feb
2015	0.1
2016	2.4

TOOLS

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HELP

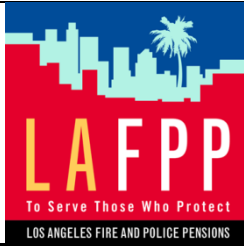
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DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3100

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: APRIL 7, 2016

ITEM: A.2

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: AWARD OF CONTRACT FOR GRAPHIC DESIGN SERVICES AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

- 1) Approve staff's selection of *Firedrill* to provide graphic design services for a three-year term, with a total contract amount not to exceed \$90,000; and
- 2) Authorize the General Manager to negotiate and execute the terms and conditions of the contract; and
- 3) Authorize the President of the Board, on behalf of the Board, to execute the contract, subject to the approval of the City Attorney, as to form.

DISCUSSION

On December 17, 2015, the Board authorized staff to issue a Request for Proposal (RFP) for graphic design services. LAFPP produces various types of outreach materials for its membership, such as newsletters, benefits handbooks, pamphlets, forms and financial reports. Accordingly, responding firms were required to demonstrate their experience in providing creative design and layout services for such communications in a professional, cost-effective and high quality manner.

Evaluation of Proposals

The RFP was released on December 18, 2015, and posted on the Department's website and the City's Business Assistance Virtual Network (BAVN) website. A total of 17 proposals were received by the January 25, 2016 deadline. All 17 firms were deemed responsive, having met the minimum proposal requirements and were evaluated by the following criteria:

1. Qualifications and experience – 20 points
2. Quality and responsiveness – 40 points
3. Fees – Best overall value – 40 points

Eighty percent of the total score was based on how each firm fared in criteria #2 and #3, as listed above. The design samples, a major component of criterion #2, were judged on their variety, creativity, quality and best fit for LAFPP design. The proposed fees, measured in criterion #3, were rated according to how they compared to the fees in the most recent graphic designer

contract; lower fees resulted in higher scores. After evaluating all proposals, the selection was narrowed down to the top five finalists with scores ranging from 81 to 91 out of 100 possible points (Attachment).

The primary focus of upcoming design services will be member newsletters, as we are planning to create the 2016 Annual Report primarily in-house. Staff agreed that the samples submitted by *Firedrill* are best-suited for our upcoming needs and are confident that *Firedrill* will assist in enhancing member communications materials at comparatively reasonable costs.

Contract Recommendation

After careful review and consideration, staff recommends that a contract for graphic design services be awarded to *Firedrill*. *Firedrill*, which qualifies as a WBE (woman-owned business enterprise) firm, is an award-winning agency that specializes in high-end graphic design, web design, branding and marketing. The President and sole-proprietor has over 24 years of experience. The variety of work samples provided for different types of businesses and organizations provided high-quality designs at very competitive rates, comparable to our current contract pricing. To ensure all clients' needs are met, *Firedrill* only works with three to four clients per year. Their professional references provided outstanding reviews highlighting *Firedrill's* high-quality designs, timeliness, accuracy, capability and effective project management.

The proposed contract will be for a three-year term, with an amount not to exceed \$90,000. This maximum includes the cost for standard communications plus the availability of funds for use in the event of any changes in Plan benefits. All project costs and hourly rates will be negotiated in the contract.

BUDGET

Funding for graphic design services is included in the proposed budget for FY 2016-17 and will be included in subsequent budget requests.

POLICY

No policy changes as recommended.

This report was prepared by:

Carol Tavares, Acting Sr. Management Analyst I
Communications & Education Section

RPC:JS:GM:CT

Attachment