

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF DECEMBER 17, 2020

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, December 17, 2020.

COMMISSIONERS PRESENT: Adam Nathanson, President (virtual participation)
Brian Pendleton, Vice President (virtual participation)
Corinne Babcock (virtual participation)
Ken Buzzell (virtual participation)
Ruben Navarro (virtual participation)
Belinda Vega (virtual participation)
Garrett Zimmon (virtual participation)
Paul Weber (virtual participation)

COMMISSIONER ABSENT: Pedram Salimpour, MD

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

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

President Pendleton called the meeting to order at 8:30 a.m. All the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Babcock who arrived at 9:55 a.m. He stated that LAFPP's investment portfolio is up to \$26.7 billion.

Item H was taken out of order.

H. DISABILITY CASE

DISABILITY CLAIM – NEW CLAIM – TIER 5

Andrea M. Gonzalez (P) Police Officer II

As recommended by Staff and concurred in by the applicant, a service-connected disability pension is granted at 60% for traumatic brain injury (TBI) and psyche only, with no foreseeable purpose for review. Motion made by Commissioner Buzzell, seconded by Commissioner

Navarro and adopted by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Vega, Weber, Zimmon, and President Pendleton – 7; nays - none; absent, Commissioners Babcock and Salimpour. Ms. Gonzalez was not present but was represented by Corina Lee of Los Angeles Police Protective League.

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

Ms. Elsa Sou Jing Moy provided public comment.

Mr. Damien Goodman of Board Member of Downton Crenshaw Rising provided public comment regarding the sale of the Baldwin Hills Crenshaw Plaza.

B. COMMITTEE REPORT

1. DISCUSSION OF OPTIONS FOR INDEPENDENT MEDICAL EXAM SERVICES AND POSSIBLE BOARD ACTION

Ms. Kristen Rosauer, Sr. Benefits Analyst II, presented and discussed this item with the Board.

Resolution 21091

Commissioner Zimmon moved that the Board direct staff to exclude restrictions on firms providing independent medical exam services from using Agreed Medical Examiner or Qualified Medical Examiner (AME/QME) physicians in future Request for Proposals,

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

C. REPORTS TO THE BOARD

1. STATUS OF HEALTH PLAN OPTIONS FOR MEMBERS SUBJECT TO HEALTH SUBSIDY FREEZE AND DISCUSSION OF CITY ATTORNEY ADVICE REGARDING THE BOARD'S FIDUCIARY RESPONSIBILITY TO PROVIDE SUITABLE PLANS TO MEMBERS SUBJECT TO THE HEALTH SUBSIDY FREEZE AND POSSIBLE BOARD ACTION

Ms. Eunice Zordilla, Sr. Benefits Analyst II, Medical and Dental Benefits Section presented and discussed this item with the Board

Corina Lee of LAPPL, Freddy Escobar, President of UFLAC and Jeff Cawdrey, President of LAFRA provided public comment.

Resolution 21092

Commissioner Weber moved that the Board *reject the staff recommendation and not take action on this item* ~~direct staff to work with USI Insurance Services (USI) and the Plan's actuary, Segal, on development of a proposed Health Reimbursement Arrangement account structure and present proposals to the Board,~~

which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Weber, Zimmon, and President Pendleton – 6; nays, Commissioner Vega – 1.

2. APPROVAL TO ISSUE A REQUEST FOR PROPOSAL FOR HEALTH CONSULTING SERVICES AND POSSIBLE BOARD ACTION

Ms. Eunice Zordilla, Sr. Benefits Analyst II, Medical and Dental Benefits Section presented and discussed this item with the Board.

Resolution 21093

Commissioner Navarro moved that the Board authorize the General Manager to issue a Request for Proposal (RFP) for health consulting services,

which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Vega and President Pendleton – 5; nays, Commissioners Weber and Zimmon – 2. (Commissioner Nathanson was present for the roll call vote on this item but failed to affirmatively vote either “yes” or “no,” and therefore is deemed to have voted “yes.” L.A. Admin. Code Sec. 21.19.)

3. AUDIT OF SUBSIDY PROGRAM FOR HEALTH AND DENTAL HEALTH PLANS ADMINISTERED BY LOS ANGELES POLICE RELIEF ASSOCIATION AND POSSIBLE BOARD ACTION

Ms. Cynthia Varela, Departmental Audit Manager, Internal Audit Section provided comment Ms. Jennifer Van, Internal Auditor, Internal Audit Section provided a brief overview of the report. The report was approved as submitted.

Resolution 21094

Commissioner Nathanson moved that the Board review, receive, and file the Audit of the Subsidy Program for Health and Dental Plans Administered by Los Angeles Police Relief Association (LAPRA),

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

4. ANNUAL CONFIRMATION OF ORGANIZATIONAL AND AUDITOR INDEPENDENCE AND POSSIBLE BOARD ACTION

Cynthia Varela, Departmental Audit Manager, Internal Audit Section gave an overview of the report. The report was approved as submitted.

Resolution 21095

Commissioner Zimmon moved that the Board review, receive, and file the annual confirmation of organizational independence of the internal audit activity and auditor independence,

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

Commissioner Zimmon left the virtual meeting at 9:53 a.m.

5. REVIEW OF ALLIANCEBERSTEIN, L.P.'S CONTRACT FOR GLOBAL REAL ESTATE INVESTMENT TRUST (REIT) INDEX AND POSSIBLE BOARD ACTION

Miki Shaler, Investment Officer, Investments Division was available for questions. The report was approved as submitted.

Corrected Resolution 21096

Commissioner Buzzell moved that the Board:

1. Approve a new three-year contract with AllianceBernstein, L.P. for Global Real Estate Investment Trust (REIT) index management services;
2. Authorize the General Manager to review and negotiate the terms and conditions with AllianceBernstein, L.P. for Global Real Estate Investment Trust (REIT) index management services for the period of March 1, 2021 through February 29, 2024; and,
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with AllianceBernstein, L.P. for Global Real Estate Investment Trust (REIT) index management services, subject to the approval of the City Attorney as to form,

which was seconded by Commissioner Nathanson and approved by the following vote: ayes, Commissioners Buzzell, Nathanson, Navarro, Vega, Weber, ~~Zimmon~~, and President Pendleton – 7 6; nays, none.

Commissioner Zimmon rejoined the virtual meeting at 10:10 a.m.

6. NEW PRIVATE CREDIT ASSET ALLOCATION IMPLEMENTATION FOLLOWUP AND POSSIBLE BOARD ACTION

Ms. Susan Liem, Investment Officer II, and Messrs. Adam Perez, Investment Officer, Derek Niu, Investment Officer II, Investments Division presented and discussed this item with the Board. Mr. Tom Lopez, Chief Investment Officer, Investments Division and Rebecca Gratsinger of RVK provided additional comment.

Commissioner Buzzell left the virtual meeting for the remainder of the meeting at 10:02 a.m.

Resolution 21097

Commissioner Navarro moved that the Board:

1. Approve *an outside search* for the formation of a private credit fund portfolio managed by RVK, Inc. or Portfolio Advisors, L.L.C.,
2. Approve the formation of a leveraged syndicated bank loan portfolio managed by one of the Board's existing fixed income managers,

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

Resolution 21098

President Pendleton moved that the Board:

- ~~1. Approve the formation of a private credit fund portfolio managed by RVK, Inc. or Portfolio Advisors, L.L.C.,~~
2. Approve *an outside search for* the formation of a leveraged syndicated bank loan portfolio *managed* ~~by one of the Board's existing~~ *of* fixed income managers,

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

D. COMMUNICATIONS TO THE BOARD

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

E. GENERAL MANAGER'S REPORT

General Manager Ciranna gave the following updates:

- Chief Investment Officer search.
- Expected increase in DROP exits in January 2021.
- CAO report regarding layoff of LAPD.
- Upcoming furlough days.
- City of Los Angeles awaiting Federal bailout.
- Ms. Myo Thedar sent out an email to the Board re Officer's Liability Insurance.

Commissioner Zimmon thanks General Manager Ciranna and staff for sending out a Pensions Division update on LAFPP fund and alleviating concerns to all members. He appreciated the department being proactive in keeping members informed.

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on July 2, 2020

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

DISCONTINUED PENSIONS – TIER 1 – 1

Rosemary White	Police Widow	Retired: 08-01-00	Died: 10-15-20
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DISCONTINUED PENSIONS – TIER 2 – 8

Richard G. Peterson	Fire Service	Retired: 07-07-85	Died: 09-05-20
James W. Bennett	Police Service	Retired: 02-18-79	Died: 08-15-20
Joseph M. Machuszek	Police Service	Retired: 03-08-81	Died: 01-01-20
John Lahickey	Fire Disability	Retired: 06-29-82	Died: 09-27-20
Edward P. Mc Donald	Police Disability	Retired: 07-05-84	Died: 10-21-20
Ila June Reifke	Fire Widow	Retired: 02-11-98	Died: 10-18-20
Louanne J. Burke	Police Widow	Retired: 06-25-04	Died: 09-30-20
Shirley M. Osborne	Police Widow	Retired: 01-09-16	Died: 09-01-20

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Adrian D. Coverly	Police Service	Retired: 06-17-90	Died: 07-16-20
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SERVICE PENSION/DROP – TIER 3 – 1 CORRECTION

Police

Caroline A. Patriquin Detective II Eff: 07-01-20 25 Years 9 Days

SERVICE PENSION/DROP – TIER 3 – 3

Police

Peter F. Galan Sergeant I Eff: 08-08-20 25 Years 0 Days
 Daniel Lujan Police Officer II Eff: 08-03-20 30 Years 132 Days
 Arlene B. Rojas Police Officer III Eff: 08-03-20 26 Years 161 Days

SERVICE PENSION/DROP – TIER 5 – 12

Police

Donald Blue Detective II Eff: 08-11-20 26 Years 355 Days
 Gustavo Camacho Police Officer III Eff: 10-01-20 26 Years 100 Days
 Thomas G. Eiman Sergeant I Eff: 11-01-20 25 Years 210 Days
 Art Espino Detective II Eff: 08-01-20 25 Years 0 Days
 Anthony K. Jackson Police Officer III Eff: 08-01-20 25 Years 7 Days
 Sandra E. Liddy Police Officer III Eff: 11-02-20 30 Years 1 Day
 Sean G. Mulford Police Officer III Eff: 09-01-20 27 Years 140 Days
 William N. Romanelli Police Officer II Eff: 08-03-20 25 Years 18 Days
 Michael R. Ruiz Detective I Eff: 11-01-20 25 Years 20 Days
 Rodolfo E. Santos Sergeant I Eff: 09-01-20 33 Years 12 Days
 David K. Tango Sergeant I Eff: 09-01-20 25 Years 24 Days
 Frank G. Trujillo Detective III Eff: 11-02-20 26 Years 131 Days

SERVICE-CONNECTED DISABILITY PENSION – TIER 5 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Jamaal R. James	Police Officer III	45%	01-23-19	11-19-20

4. Other business relating to Department operations

Commissioner Babcock joined the meeting at this time.

F. CONSENT ITEMS

1. Approval of Minutes
 - a. Special Board Meeting minutes of October 24, 2019
 - b. Special Ad Hoc Committee on Disability Pensions minutes of August 6, 2020
2. Findings of Fact
 - a. Christian Rueda – Tier 5

Motion

Commissioner Navarro moved that the Board approve the consent items, which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Babcock, Nathanson, Navarro, Vega, Weber, Zimmon, and President Pendleton – 7; nays – none.

G. CONSIDERATION OF FUTURE AGENDA ITEMS

President Pendleton requested a future agenda item regarding discussion of press release and communication on LAFPP's portfolio programs.

President Pendleton requested a Health Care broader discussion on forward thinking plan.

Commissioner Weber requested that staff provide a report with diversity initiatives going into 2021 on Institutional Limited Partners Association (ILPA).

General Manager Ciranna informed Commissioner Weber that Portfolio Advisors will be provide a ILPA presentation in January 2021.

Commissioner Salimpour rejoined the meeting at this time.

H. CLOSED SESSION

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

The Board met in closed session.

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

The meeting adjourned at 10:37 a.m.



President



Secretary