
SPECIAL AGENDA

BOARD OF FIRE AND POLICE PENSION **COMMISSIONERS**

Wednesday, JULY 2, 2014
8:30 a.m.

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. [CITY ADMINISTRATIVE OFFICER'S REQUEST FOR OPS SERVICE PURCHASE STUDY AND POSSIBLE BOARD ACTION](#)
2. PRESENTATIONS OF THE COMMODITIES ACTIVE EQUITY INTERVIEWS AND POSSIBLE BOARD ACTION (30 minutes presentation, 10 minutes Q&A; times are approximate)

Investec
Kleinwort Benson Investors
Mellon Capital
Van Eck

DISCUSSION/SELECTION

B. REPORTS TO THE BOARD

1. Has any Board Member made any expenditure to influence State legislative or administrative action?
2. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
3. General Manager's Report
 - a. Benefits Actions approved by General Manager on June 19, 2014
 - b. Other business relating to Department operations
4. City Attorney's Report

C. COMMITTEE CALENDAR

1. Audit Committee – Last met: 06/05/14; next meeting: 07/17/14
2. Benefits Committee – Last met: 12/05/13; next meeting: Tentative on 08/07/14
3. Governance Committee – Last met: 03/20/14; next meeting: 09/18/14
4. Ad Hoc Emerging Investment Managers – Last met: 05/15/14; next meeting: TBD

D. CONSENT ITEMS

Miscellaneous Board Actions

1. [AWARD OF CONTRACT FOR FINANCIAL PLANNING EDUCATION SEMINAR CATERING SERVICES AND POSSIBLE BOARD ACTION](#)

E. CONSIDERATION OF FUTURE AGENDA ITEMS

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

G. DISABILITY CASES

Alternative 1

Sarah Allen, Dependent Parent of Detective I Ernest L. Allen, Sr. Ms. Allen will be representing herself.

H. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) TO CONFER OR DISCUSS WITH, OR RECEIVE ADVICE FROM, ITS LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED LOS ANGELES POLICE PROTECTIVE LEAGUE, UNITED FIREFIGHTERS OF LOS ANGELES CITY V. BOARD OF FIRE AND POLICE PENSION COMMISSIONERS FOR THE CITY OF LOS ANGELES, ET AL., LOS ANGELES SUPERIOR COURT CASE NO. BC 489113



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

JULY 2, 2014

ITEM: A.1

FROM: Raymond P. Ciranna, General Manager

SUBJECT: CITY ADMINISTRATIVE OFFICER'S REQUEST FOR OPS SERVICE PURCHASE STUDY AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

- 1) Retroactively approve The Segal Company (Segal) to conduct a cost-neutrality study of the Office of Public Safety (OPS) service purchase program ordinance, as requested by the City Administrative Officer (CAO); and,
- 2) Direct staff to seek reimbursement from the City for the cost of the OPS cost-neutrality study.

BACKGROUND

On June 24, 2014, the CAO sent a letter to Raymond P. Ciranna, General Manager, requesting that LAFPP direct Segal to conduct a study of the implementation of Proposition B (City of Los Angeles Fire and Police Pension Plan, also referred to as the OPS Purchase Program) as enacted by the voters in March 2013 (Attachment). It is noted that due to the timing of the ordinance first reading, Segal was asked to prepare their letter in time for the City Council meeting on June 25, 2014.

This draft ordinance, at the request of the CAO, would also add Tier 6 members to the Deferred Retirement Option Plan (DROP) and make various technical changes to other LAFPP and LACERS provisions. The CAO's Office has confirmed that they will reimburse LAFPP for the cost of the study.

DISCUSSION

Since the OPS Purchase Program and the addition of Tier 6 members to the DROP program modifies retirement benefits, Government Code Section 7507 requires that a report from an actuary, who is an associate or fellow of the Society of Actuaries, must be obtained and made public at a public meeting at least two weeks prior to the adoption of these benefit changes. If the future costs of the changes exceed one-half of one percent of the future annual costs, an actuary must be present to provide information as needed at the public meeting at which the adoption of a benefit change shall be considered. Upon adoption of the ordinance, Government Code Section 7507 requires that the Mayor acknowledge, in writing, that he understands the current and future cost of these benefit changes as determined by the actuary.

Section 7.6 (B) of the LAFPP Board Operating Policies and Procedures allows the Board to consider written requests that may be received from time to time from the Plan Sponsor for actuarial studies to be conducted by the Plan actuary on behalf of the Plan Sponsor, provided the Plan Sponsor pays for said studies. Staff notes that the City's payment for the DROP Cost Neutrality Study authorized by the Board on April 4, 2013, remains outstanding. (The invoice for this study was received on June 4, 2014 and is currently being processed by the CAO's office.) However, staff recommends that the Board retroactively approve the requested OPS study at this time in order to allow the City to complete this Government Code-mandated review in a timely manner.

BUDGET

No budget impact as recommended.

POLICY

No policy changes as recommended.

This report was prepared by:

Robyn L. Wilder, Chief Benefits Analyst
Pensions Division

RPC:JS:RLW

Attachment: Request from CAO for Actuarial Cost Study

CITY OF LOS ANGELES

CALIFORNIA

ANTONIO R. VILLARAIGOSA
MAYORMIGUEL A. SANTANA
CITY ADMINISTRATIVE OFFICERASSISTANT
CITY ADMINISTRATIVE OFFICERSRAYMOND P. CIRANNA
ROBIN P. ENGEL
PATRICIA J. HUBER

June 24, 2014

Raymond Ciranna, General Manager
Department of Fire and Police Pensions
360 E. Second Street, Suite 400
Los Angeles, CA 90012

Dear Mr. Ciranna:

Re: OPS PURCHASE PROGRAM ACTUARIAL STUDY

The City of Los Angeles is required to conduct a study of the implementation of Proposition B (City of Los Angeles Fire and Police Pension Plan, also referred to as the OPS Purchase Program) as enacted by the voters in March 2013. Since the OPS Purchase Program and the addition of Tier 6 members to the DROP program modify retirement benefits, Government Code Section 7507 requires that a report from an actuary, who is an associate or fellow of the Society of Actuaries, must be obtained and made public at a public meeting at least two weeks prior to the adoption of these benefit changes. If the future costs of the changes exceed one-half of one percent of the future annual costs, an actuary must be present to provide information as needed at the public meeting at which the adoption of a benefit change shall be considered. Upon adoption of this ordinance, Government Code Section 7507 requires that the Mayor acknowledge, in writing, that he understands the current and future cost of these benefit changes as determined by the actuary. This acknowledgement should be obtained at the time that the Mayor approves the ordinance and retained in the appropriate Council file.

As the Segal Company is competently familiar with the Fire and Police Pension System and is associated with the Society of Actuaries, we are requesting that the Board of Fire and Police Pension Commissioners initiate the study and authorize Segal representatives to meet with our office and LAFPP staff to discuss the parameters of the required actuarial study.

Please contact Maritta Aspen at (213) 978-7641 or Maritta.Aspen@lacity.org if you have questions regarding this request.

Very truly yours,



Miguel A. Santana
City Administrative Officer

MAS:MHA:0714128



DEPARTMENT OF FIRE AND POLICE PENSIONS

360 East Second Street, Suite 400
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(213) 978-4545

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

JULY 2, 2014

ITEM: D.1

FROM: Raymond P. Ciranna, General Manager

**SUBJECT: AWARD OF CONTRACT FOR FINANCIAL PLANNING EDUCATION SEMINAR
CATERING SERVICES AND POSSIBLE BOARD ACTION**

RECOMMENDATION

That the Board:

- 1) Approve a one-year contract with Something Special, to provide financial planning education seminar program catering services for a total amount not to exceed \$24,500; and
- 2) 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

Something Special currently provides catering services for the LAFPP Financial Planning Education Seminars held at Grace Simons Lodge. This facility is in a semi-secluded location and attendees would not be able to return from an offsite lunch within a reasonable time period. Since there are no restaurants in an immediate area, a continental breakfast and lunch are served to members and their spouses/domestic partners during the 6-hour educational session. The current one-year contract with Something Special will expire on July 21, 2014.

Staff is requesting approval of a new one-year contract with Something Special, for a total amount not to exceed \$24,500. Bids were solicited via email from other prospective caterers and three (3) responses were received. Something Special's pricing is significantly lower and offers more goods and services in the cost (e.g., does not impose a service charge, provides on-site food preparation, food servers and sufficient side dishes to accommodate alternative diets). They continually receive good reviews from our members and they comply with all of the policies imposed by the seminar facility. This contract will cover the seminar catering expenses for Fiscal Year 2014-15.

BUDGET

Sufficient funding is included in the budget for FY 2014-15.

POLICY

No changes recommended at this time.

This report was prepared by:

Gregory Mack, Manager
Communications & Active Member Services Section

RPC:JS:RLW:GM:CT