

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF JANUARY 16, 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, January 16, 2014.

COMMISSIONERS PRESENT: Ruben Navarro, President  
Belinda Vega, Vice President  
George Aliano  
Carl Cade  
Sam Diannitto (participated telephonically)  
Emanuel Pleitez  
Pedram Salimpour  
Corinne Tapia

COMMISSIONER ABSENT: Robert von Voigt

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  
Barbara Nobregas, Commission Executive Assistant

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

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

President Navarro called the meeting to order at 8:32 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Pleitez, who arrived at 9:56 a.m. President Navarro introduced newly-appointed Commissioner Corinne Tapia and welcomed her to the Board. Commissioner Diannitto participated telephonically from the City of Los Angeles, therefore all votes will be conducted by roll call.

A. ITEMS FOR BOARD ACTION

## 1. CONSIDERATION OF FIDUCIARY LIABILITY INSURANCE AND POSSIBLE BOARD ACTION

Ms. Stephanie Clements, Chief Management Analyst, Administrative Operations Division; Mr. Harvey Leiderman and Ms. Cristina Shea, both Partners from Reed Smith; Messrs. Demetri Lembesis, Executive Vice President and Higgins Manker, Senior Vice President both from Willis Group Holdings Limited were before the Board.

Commissioner Vega stated that the City of Los Angeles does indemnify. As such, she was interested in how the Board would benefit from the insurance, what types of situations would the insurance cover, and if the value merits purchasing the fiduciary insurance.

Mr. Lembesis stated how the policy coverage would work if the City had a conflict of interest and if the City did not indemnify.

Mr. Harvey Leiderman stated there are three sources of protection for Board members: 1) third party insurance coverage; 2) the City of Los Angeles, which has an obligation under the Los Angeles Administrative Code to defend and to indemnify board members against acts conducted or are in the course and scope of acting as a board member; 3) the Board as fiduciaries of the Fund, under the Tort Claims Act, the Fund is a public entity that also like the City of Los Angeles, owes an obligation of defense and indemnity to the board members who act on behalf of the Fund.

Mr. Leiderman indicated that the California State law and Government Code states that it is an appropriate use of plan assets to pay either for a third party insurance policy or to use assets to back up the obligation to defend and indemnify fiduciaries of the retirement system. He further discussed options and circumstances with a cost benefit analysis to select insurance coverage from a third party or self-insured plan. He explained how the self-insured plans and the third-party insurance coverage work.

Mr. Leiderman addressed Commissioner Vega's comments that there would not be many situations where the City of Los Angeles would have conflicts and provided the Board a hypothetical situation.

Ms. Theresa Stamus, Assistant Senior City Attorney provided an example of a prior incident where the City of Los Angeles had a conflict of interest and did not indemnify due to a 1090 violation.

Mr. Leiderman stated that an important issue regarding third party insurance coverage is that the insurance company has the right to settle the claim, rather than to defend board members through a lengthy litigation process if it chooses to do so.

Commissioner Cade requested information on the self-insured reserved option.

General Manager Ciranna stated the issue of fiduciary liability insurance has been raised over the years with the board. Staff has spent a lot of time over the past several months to sort out the issues. He believes that the Board has good protection as long the Board stays within the law and works within their capacities as fiduciaries.

President Navarro stated he would be opposed to the insurance due to the high cost of it and would prefer that monies are used for the members.

Commissioner Diannitto motioned to forego the insurance coverage, seconded by Commissioner Cade.

General Manager Ciranna asked for a friendly amendment that staff review self-insurance type programs, which Commissioners Diannitto and Cade agreed.

The Commissioners stated their opinions on the issue.

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

Mr. Leiderman clarified that no board member is responsible for the unlawful acts of other board members, under the Government Code.

#### RESOLUTION 14072

Commissioner Diannitto moved that the Board forgo fiduciary liability insurance and rely on the statutory protections afforded under the Government Code obligating the City to defend and indemnify, and as amended that staff review options of self-insurance type programs, which was seconded by Commissioner Cade and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Salimpour, Tapia, Vega, and President Navarro – 7; nays, none.

#### 2. APPROVAL OF RETROACTIVE TRAVEL AUTHORITY (PLEITEZ) – TEACHER RETIREMENT SYSTEM OF TEXAS & EMPLOYEE RETIREMENT SYSTEM OF TEXAS, 2014 EMERGING MANAGER CONFERENCE

President Navarro stated that he spoke with Commissioner Pleitez about the travel.

General Manger Ciranna stated the conference was held for one day and given the topic of discussion regarding emerging managers, it was appropriate for Commissioner Pleitez to attend.

#### RESOLUTION 14073

Commissioner Vega moved that the Board retroactively approve Commissioner Emanuel Pleitez' attendance at the Teacher Retirement System of Texas and Employees Retirement System of Texas, 2014 Emerging Manager Conference on January 7-8, 2014 at Austin, TX (January 7th is a travel day). The conference agenda included a discussion on emerging manager best practices. Attendance at the conference was recommended although the approval of this travel was 1) outside the Board's Operating Policies and Procedures, Section 2.5, and 2) it was not listed on the pre-approved travel resolution in the adopted budget, which was seconded by Commissioner Salimpour

and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Salimpour, Tapia, Vega, and President Navarro – 7; nays, none.

3. DISCUSSION OF THE RESULTS OF THE DOMESTIC EQUITY MANAGER OF EMERGING MANAGERS SEARCH AND POSSIBLE BOARD ACTION

Messrs. Rick Rogers, Investment Officer III; Paul Palmer, Investment Officer II; and Daren Perlstein, Investment Officer I were before the Board. Mr. Rogers provided a history of the Emerging Manager Program. He stated that both approaches have been used by the System, directly hiring emerging managers and hiring a manager of emerging managers. He further discussed the overall responses received from firms, including the services provided and the fees. Staff provided the Board four options for the Board's consideration, and asked the Board for their direction on how to proceed.

Commissioner Cade requested that staff provide the cost to manage the Emerging Manager Program vs. hiring an outside manager. The Board further discussed fees.

Commissioner Navarro suggested referring the issue back to the Ad Hoc Emerging Investment Managers Committee to review the issues, work with staff and return to the Board with an option.

Commissioners agreed there were various options to choose from but the issues should be further discussed and vetted at the Committee level.

Commissioner Navarro asked the City Attorney for clarification regarding Proposition 209, State law vs. the City Charter, in relation to minority and woman-owned businesses.

Mr. Alan Manning, Assistant City Attorney stated that Proposition 209 prohibits giving preferences to a firm based certain attributes. It does not prohibit inquiring for information from firms.

RESOLUTION 14074

President Navarro moved that the search results for the Managers of Emerging Managers be referred back to the Ad Hoc Emerging Investment Managers Committee to further review the issues, work with staff, and return to the Board with a recommendation, which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Salimpour, Tapia, Vega, and President Navarro – 7; nays, none.

4. REAL ESTATE CONSULTANT CONTRACT RENEWAL AND POSSIBLE BOARD ACTION

Messrs. Rick Rogers and Paul Palmer were before the Board. Mr. Palmer stated the recommendation to renew The Townsend Group's (Townsend) contract and answered the Board's questions. Mr. Palmer provided an overview of Townsend's staff changes, locations and satellite offices, and fees.

RESOLUTION 14075

Commissioner Aliano moved that Board:

1. Approve a new three-year contract with The Townsend Group for Real Estate Consulting;
2. Authorize the General Manager to negotiate the terms and conditions with The Townsend Group for Real Estate Consulting services for the period February 1, 2014 to January 31, 2017; and
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with The Townsend Group for Real Estate Consulting, subject to the approval of the City Attorney as to form, which was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Salimpour, Tapia, Vega, and President Navarro – 7; nays, none.

Mr. Thomas Wicke stated that the Alternative 2 disability case for A. Malkhasian is now an Alternative 1 case as the member agrees with the staff recommendation.

*Commissioner Pleitez arrived at the Board meeting.*

## B. REPORTS TO THE BOARD

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

Mr. Brian Murphy provided an update of the private equity portfolio investments. He stated that the allocation to private equity was increased from 9% to 10% and the annual investment pace was increased. As such, the average commitment size may increase a bit and/or another commitment fund will be added each year.

The board report was received.

### 2. SIX-YEAR ILLUSTRATION OF CONTRIBUTIONS, FUNDING RATIO AND UAAL

Ms. Robyn Wilder, Chief Benefits Analyst, Pensions Division stated that the Segal Company (Segal) prepared the six-year illustration of contributions and funding ratio for the Plan. In keeping with model actuarial practice, Segal suggested in the June 30, 2013 valuation that the Board consider combining the net deferred investment gains into a single six-year smoothing “layer” and thereby recognize those net deferred gains over the next six years in six level amounts in order to further reduce the contribution volatility. In order to provide a complete illustration of how this recognition of net deferred gains would appear, Segal suggested a six-year illustration rather than a five-year illustration.

The board report was received.

### 3. SECOND QUARTER UPDATE FOR THE 2013-14 STRATEGIC PLAN

Mr. William Raggio, Executive Officer provided a quarterly status update related to specific elements of the projects. For Project 10, he discussed the Emerging Manager Policy; on Project 9, he discussed Performance Based Budgeting and Social Media Utilization; and for Project 11, he summarized efforts to provide more frequent updates to the Web site.

The Board discussed social media to reach out to specific age groups using various platforms.

Mr. Raggio stated that staff is carefully looking at the demographics and identifying the best option to reach members.

Commissioner Cade suggested when reviewing the social media policy that it remain platform neutral to ensure that it covers all social media platforms.

General Manager Ciranna agreed and stated that the issue is to explore all social media options.

Mr. Raggio continued with an overview of Project 11, Enhance Stakeholder Communications. A consultant was hired to provide media relations training to key staff and Officers of the Board. A meeting will be scheduled soon.

Commissioner Vega commended staff for its effort to work within timeframes and to stay within the budget. In regards to the objectives and milestones for Project 10, she asked for the outreach objectives to be placed in a public location, such as the Web site, and to list concrete examples that demonstrate the objectives are being met.

General Manger Ciranna stated that Commissioner Vega's point was well taken in that we need to document and communicate better what we are doing. The goal is set for 2013-2014 but he believes it will continue to the future as part of our outreach program.

The Board further discussed the issue of emerging manager outreach and suggested to implement objectives and goals, and list the achievements in a public location.

The board report was received.

*Item G was taken out of order.*

#### G. DISABILITY CASES

##### DISABILITY CLAIM – NEW – TIER 5 – 1

Justin M. Cherry

(F)

Firefighter II (Terminated)

Hearing continued. President Navarro directed that this claim be continued at the request of the applicant's attorney. Mr. Cherry was not present, but was represented by his attorney, Mr. Thomas J. Wicke.

DISABILITY CLAIM – NEW – TIER 4 – 1

Andrew S. Malkhasian (P) Detective II (Retired)

As recommended by staff and concurred in by the applicant, service-connected disability pension is granted at 55.3370% with no foreseeable purpose for review. Motion made by Commissioner Aliano, seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Pleitez, Salimpour, Tapia, Vega, and President Navarro – 8; nays, none. Mr. Malkhasian was present, and was represented by his attorney, Mr. Thomas J. Wicke.

4. QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF

President Navarro stated his concerns that the travel reimbursement payments are not timely for staff. Travel for staff and the commissioners should be paid by initially by the System. The System should be able to provide a list of trips as an informational item to the City Controller's Office. The System has checks and balances, and an internal audit system to ensure the validity and accuracy of payments. He asked that staff re-evaluate the travel policy.

General Manager Ciranna stated that he and staff are working through a revised travel policy with LACERS to ensure that the process works for everyone. The group will work with the Controller's Office to ensure reimbursements are timely. A meeting is scheduled with the Controller's Office next week to ensure everyone understands the importance of getting items processed efficiently and timely. It is important on our end to submit travel receipts within 30 days to allow sufficient time to process reimbursements. The travel policy issues are expected to come before the Board in February 2014.

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

6. General Manager's Report

- a. Monthly Report – Received and Filed.
- b. Marketing Cessation Information
- c. Benefits Actions approved by General Manager

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 on December 19, 2013.

DISCONTINUED PENSIONS – TIER 1 – 4

Ronald J. Weimer	Police Service	Retired:	07-03-00	Died:	11-01-13
Lillian Goodwine	Fire Widow	Retired:	04-26-84	Died:	10-14-13

Antoinette C. March	Police Widow	Retired:	12-07-02	Died:	10-21-13
Betty L. Harless	Police Widow	Retired:	03-05-81	Died:	06-19-13

DISCONTINUED PENSIONS – TIER 2 – 9

Paul A. Parish, Jr.	Fire Service	Retired:	07-01-73	Died:	09-13-13
Wallace Dugan	Fire Service	Retired:	06-28-92	Died:	09-21-13
William R. Hartmann	Police Service	Retired:	06-29-80	Died:	11-07-13
Carlyle A. Kennerson	Police Service	Retired:	01-12-92	Died:	11-09-13
William R. Murphy	Police Disability	Retired:	06-17-82	Died:	11-12-13
Ardath L. Garst	Fire Widow	Retired:	10-03-01	Died:	11-06-13
Margaret E. Williams	Fire Widow	Retired:	03-17-93	Died:	11-07-13
Doris A. Dill	Police Widow	Retired:	08-02-89	Died:	11-08-13
Elaine Sabol	Police Widow	Retired:	02-24-04	Died:	11-06-13

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 1 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Roxanne L. Weimer	Ronald J. Weimer	Police Service	11-02-13

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 3

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Agnes Dugan	Wallace Dugan	Fire Service	09-22-13
Gwendolyne R. Kennerson	Carlyle A. Kennerson	Police Service	11-10-13
Sybil B. Murphy	William R. Murphy	Police Disability	11-13-13

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 Ronald B. Marcione, Fire Service Pensioner, is to be paid to his former spouse, Carmen Marcione, effective December 1, 2013. Ms. Marcione will receive cost of living adjustments.

DESIGNATED 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 Dennis D. Watkins, Police Service Pensioner, which was paid to his deceased former spouse Linda G. Watkins, has been designated to her beneficiaries, Jeffrey P. Watkins, Timothy M. Watkins and David Watkins, effective October 16, 2013. They will all receive cost of living adjustments.

MODIFIED 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 Roger K. Gaylord, Police Service Pensioner, being withheld for his former spouse, LuAnn S. Gaylord, since August 1, 2013, should be released effective December 1, 2013.



In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Allen N. Norman, Fire Service Pensioner, being withheld for his former spouse, Jeanette A. Norman, since February 14, 2013, should be released effective December 1, 2013.

DEFERRED SERVICE PENSION – TIER 3 – 1

Police

Gerald J. Vasquez	Sergeant I	Eff:	01-22-13	10	Years	90	Days
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SERVICE PENSION – TIER 3 – 1

Police

William J. Flannery	Detective I	Eff:	06-25-13	16	Years	108	Days
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SERVICE PENSION – TIER 5 – 1

Police

William S. McGarity	Lieutenant I	Eff:	11-03-13	25	Years	192	Days
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SERVICE PENSION/DROP – TIER 5 – 5

Police

Richard L. Eagleson	Police Officer II	Eff:	09-02-13	26	Years	160	Days
Mark Kardiban	Sergeant I	Eff:	09-20-13	25	Years	0	Days
Kenneth P. LeDuc	Detective I	Eff:	10-01-13	31	Years	12	Days
Raymond Martinez	Detective II	Eff:	11-01-13	25	Years	2	Days
John A. Pasquariello	Lieutenant I	Eff:	11-06-13	25	Years	16	Days

DISCONTINUE DROP – TIER 5 – 3

Fire

John J. Durso, Jr.	Retired:	12-28-08	Exit Close of:	12-27-13
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Police

Steven R. Alva	Retired:	03-16-09	Exit Close of:	12-31-13
Scott H. Shepherd	Retired:	04-01-11	Exit Close of:	12-04-13

DESIGNATED PAYMENT OF DROP FUNDS – TIER 5 – 1

In accordance with the Los Angeles Administrative Code and at the request of Ryan M. Johnson, designated beneficiary of Jeffrey K. Johnson, deceased Fire Service Pensioner, the DROP funds payable to Jeffrey K. Johnson are to be paid to Ryan M. Johnson, effective December 1, 2013.

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 Steven R. Alva, Police Service Pensioner, is to be paid to his former spouse, Cynthia Ann Alva, effective December 31, 2013.

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 Roger K. Gaylord, Police Service Pensioner, being withheld for his former spouse, LuAnn S. Gaylord, since July 31, 2013, should be released effective December 1, 2013.

SERVICE CONNECTED DISABILITY PENSION – TIER 2 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Robert A. Ruffino	Apparatus Operator	70.0000%	11-07-13	11-07-13

SERVICE CONNECTED DISABILITY PENSION – TIER 3 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Woodie R. Rogers	Police Officer III	53.0000%	12-05-13	12-05-13

SERVICE CONNECTED DISABILITY PENSION – TIER 4 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Robert L. Yanez	Police Officer II	30.0000%	12-02-10	11-21-13

NON SERVICE CONNECTED DISABILITY PENSION – TIER 5 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Woon S. Chong	Police Officer II	30.0000%	05-02-09	10-17-13

PENSION ADJUSTED – TIER 4 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Type:</u>	<u>Effective Date</u>	<u>Board Date</u>
Marygrace Weaver	Police Officer III	FROM: Service Pension	08-01-10	11-07-13
		TO: Service Connected Disability Pension		
		44.1836%		
		71.0000%		

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 on January 2, 2014.

DISCONTINUED PENSIONS – TIER 1 – 2

John S. Kouyoumjian	Fire Service	Retired:	07-27-71	Died:	11-12-13
Ramon Espinosa	Police Disability	Retired:	06-02-59	Died:	11-10-13

DISCONTINUED PENSIONS – TIER 2 – 14

William L. Sherman	Fire Service	Retired:	08-26-72	Died:	11-30-13
David S. Tornbom	Fire Service	Retired:	08-20-79	Died:	12-06-13
John F. Virgil	Fire Service	Retired:	06-30-80	Died:	10-25-13

M. L. Anderson	Police Service	Retired:	06-29-80	Died:	12-14-13
David J. Cervantes	Police Service	Retired:	04-09-00	Died:	10-22-13
Warren R. Guymon	Police Service	Retired:	12-23-75	Died:	10-29-13
George C. Madsen	Police Service	Retired:	07-02-89	Died:	11-29-13
Richard C. Olsen	Police Service	Retired:	06-29-80	Died:	11-30-13
Robert Roddenberry	Police Service	Retired:	01-01-73	Died:	11-09-13
David B. Weld	Police Service	Retired:	07-05-78	Died:	11-13-13
Gene D. Mallette	Police Disability	Retired:	02-28-91	Died:	12-05-13
Gary A. Wachtler	Police Disability	Retired:	07-02-95	Died:	11-11-13
Michael Woodard	Police Disability	Retired:	04-26-79	Died:	12-02-13
Mary L. Bills	Police Widow	Retired:	03-08-01	Died:	10-31-13

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 1 – 2

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Betty Kouyoumjian	John S. Kouyoumjian	Fire Service	11-13-13
Ana R. Espinosa	Ramon Espinosa	Police Disability	11-11-13

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 6

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Gloria J. Tornbom	David S. Tornbom	Fire Service	12-07-13
Marie M. Guymon	Warren R. Guymon	Police Service	10-30-13
Karen W. Madsen	George C. Madsen	Police Service	11-30-13
Marion E. Weld	David B. Weld	Police Service	11-14-13
Susan E. Mallette	Gene D. Mallette	Police Disability	12-06-13
Sharron L. Wachtler	Gary A. Wachtler	Police Disability	11-12-13

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>
David W. Twitchell	Police Service	01-01-13	01-01-14	100%

INCREASE SURVIVING SPOUSE'S PENSION – TIER 5 – 1

Increase the pension payable to Deana Torres, surviving spouse of deceased Police Officer II, Carlos T. Torres, effective January 1, 2014, due to the attainment of age 22 by Nicole Torres. There is one minor remaining.

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 5 – 1

Discontinue the pension payable to Nicole Torres, surviving child of deceased Police Officer II, Carlos T. Torres, effective December 31, 2013, due to the attainment of age 22 on January 1, 2014. There is one minor remaining.

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 Abelardo Parga, Police Service Pensioner, is to be paid to his former spouse, Dawn M. Parga, effective December 15, 2013. Ms. Parga will receive cost of living adjustments.

SERVICE PENSION/DROP – TIER 3 – 1

Police

Rayney L. Arnold	Police Officer II	Eff:	11-01-13	25	Years	3	Days
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SERVICE PENSION/DROP – TIER 5 – 5

Fire

Jose M. Couce, Jr.	Firefighter III	Eff:	09-01-13	33	Years	82	Days
Donald F. Darby	Captain I	Eff:	08-30-13	33	Years	13	Days
Andrew P. Fox	Assistant Chief	Eff:	10-02-13	33	Years	108	Days

Police

Robert Arellano	Police Officer III	Eff:	08-01-13	25	Years	265	Days
Andrew P. Castro	Sergeant II	Eff:	10-01-13	25	Years	141	Days

DISCONTINUE DROP – TIER 5 – 1

Police

Thomas J. Stepan	Retired:	01-06-09	Exit Close of:	01-05-14
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d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. The first page of the Monthly Report shows the 2014 Cost of Living Adjustment (COLA) is currently measured at -0.4%. We will continue to monitor the COLA and report back to the Board. He confirmed that in the event the COLA is negative, all Tiers would be subject to a decrease in pensions. When we return with the final COLA number, we will ensure the calculation is understandable for everyone.

President Navarro stated that we have to be ahead of the issue by explaining how the COLA works. He believed that the members who are officially retired or in DROP do not have a clear understanding of the impact of a negative COLA.

General Manager Ciranna agreed with President Navarro. He will bring it to the Board's attention next month, and will review a communication strategy.

2. In regards to LAFPP outreach, there were two seminars held this month at fire stations. We are trying to reach to new members and to get them engaged earlier in their careers.

Commissioner Aliano commented that former Mayor Riordan has qualified to gather signatures for his pension reform ballot. He also commented about the Los Angeles 2020 Commission's report on how Los Angeles is in a decline and there is a lack of leadership.

3. General Manager Ciranna stated that in regards to the Los Angeles 2020 Commission's report, there are similarities to a report that former Mayor Bradley commissioned back in 1988. Unfortunately, the comments regarding pensions are one-sided. The Los Angeles 2020 Commission has to return with action items within 90 days.
4. The City Council introduced a motion yesterday regarding J.P. Morgan. It asks the pension systems to review their investments with J.P. Morgan, and services. The City Council is reviewing the fines that have been levied against J.P. Morgan and questioning the payouts, and whether J.P. Morgan is a good investment.

Mr. Alan Manning, Assistant City Attorney clarified that the motion is to basically hold J.P. Morgan accountable for any misconduct.

5. For the record, the following are investment transactions that have closed:

On October 17, 2013, and pursuant to Government Code Section 54956.81, the Board approved an investment in the following private equity firm: CVC Capital Partners Asia Pacific IV. That transaction closed on December 20, 2013.

On November 7, 2013, and pursuant to Government Code Section 54956.81, the Board approved an investment in the following private equity firm: Energy Capital Partners III. That transaction closed on December 31, 2013.

On November 7, 2013, and pursuant to Government Code Section 54956.81, the Board approved an investment in the following private equity firm: Odyssey Investment Partners Fund V. That transaction closed on December 19, 2013.

On November 7, 2013, and pursuant to Government Code Section 54956.81, the Board approved an investment in the following private equity firm: NGP Agribusiness Follow-On Fund. That transaction closed on December 19, 2013.

#### 7. City Attorney's Report

Mr. Alan Manning stated he will be providing an update in closed session on Item H2.

#### C. COMMITTEE REPORTS

1. Audit Committee – Last met: 08/01/13; next meeting: January 16, 2014
2. Benefits Committee – Last met: 12/05/13; next meeting: 02/20/14

3. Governance Committee – Last met: 11/21/13; next meeting: 03/20/14
4. Ad Hoc Emerging Investment Managers – Last met: 04/04/13; next meeting: TBD
5. Ad Hoc Managers Fees Committee – Last met: 04/30/13; next meeting: TBD

President Navarro stated the Audit Committee met this morning and will return to the Board with a report. The Benefits Committee is scheduled to meet on February 20, 2014; the Governance Committee is scheduled to meet on March 20, 2014. The Ad Hoc Emerging Investment Managers Committee currently does not have a chair and asked to schedule a meeting if possible on February 6, 2014.

#### D. CONSENT ITEMS

1. Approval of Minutes
  - a. Minutes of the Regular Board meeting of May 15, 2008, September 5, 2013, September 19, 2013
  - b. Minutes of the Benefits Committee Meeting of October 3, 2013
2. Findings of Fact
  - a. Christina L. Reppucci – Tier 3
  - b. Janet A. Neal – Tier 2
  - c. Robert A. Ruffino – Tier 2

Commissioner Vega moved that the Board approve the consent items, which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Cade, Diannitto, Pleitez, Salimpour, Tapia, Vega, and President Navarro – 8; nays, none.

#### E. CONSIDERATION OF FUTURE AGENDA ITEMS

President Navarro requested a report on the rules related to public comment from the City Attorney.

#### F. PUBLIC COMMENTS

Ms. Elsa Moy gave a public comment.

*President Navarro adjourned the meeting for a break at 10:38 a.m., and reconvened at 10:54 a.m.*

*The Board recessed the regular meeting at 10:54 a.m. to convene the Special Board meeting. The regular meeting reconvened at 11:53 a.m.*

#### H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

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

The Board met in closed session.

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) TO CONFER WITH LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED CHARLES E. HILL V. CITY OF LOS ANGELES ET AL. (LOS ANGELES SUPERIOR COURT CASE NO. KC066247G)

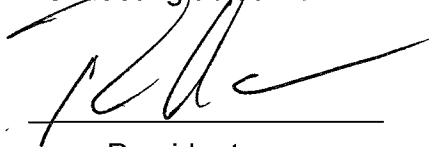
The Board met in closed session.

3. 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

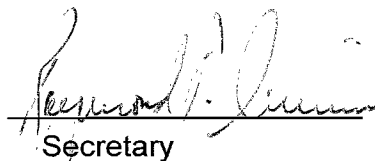
This Item was continued.

Upon reconvening in open session, President Navarro stated there were no public reports from the regular Board meet and the Special meeting.

The meeting adjourned at 12:53 PM.



President



Secretary

