

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF JUNE 4, 2015

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, June 4, 2015.

COMMISSIONERS PRESENT: Belinda Vega, President
George Aliano
Cielo Castro
Sam Diannitto (participated telephonically)
Adam Nathanson
Ruben Navarro
Pedram Salimpour
Corinne Tapia

COMMISSIONER ABSENT: Robert von Voigt, Vice 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
Josh Geller, Deputy City Attorney II

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

President Vega called the meeting to order at 8:53 a.m. All of the above-listed Commissioners were present at the start of the meeting.

On behalf of LAFPP, President Vega presented a plaque to former Commissioner Carl Cade for his contribution as a member of the Board and Fire and Police Pension Commissioners. Mr. Cade gave a speech.

President Vega welcomed newly appointed Commissioner Adam Nathanson to the Board.

A. COMMITTEE REPORTS

1. REVIEW OF BOARD OPERATING POLICIES AND PROCEDURES, SECTION 1.0 AND POSSIBLE BOARD ACTION

Ms. Diana Pointer, Senior Management Analyst I, Administrative Services Section presented the policy amendments to Section 1.0: Ethics training, Statement of Economic Interest filings, gifts, no solicitations, and marketing cessation. Ms. Pointer clarified that the marketing cessation policy was updated as a result of the LAFPP ethics policy, not due to the City Ethics Commission.

Ms. Elsa Moy gave a public comment.

RESOLUTION 15125

Commissioner Navarro moved that the Board amend Board Operating and Procedures Policies, Section 1.0 – Ethics Responsibilities for Board Members, the General Manager, and Staff, to improve clarity and reflect recent statutory changes, which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Nathanson, Navarro, Salimpour, Tapia, and President Vega – 8; nays, none.

2. REVIEW OF BOARD GOVERNANCE POLICIES, SECTION 2.0 AND POSSIBLE BOARD ACTION

Ms. Stephanie Clements, Chief Management Analyst, Administrative Operations Division highlighted the changes to the Board Governance Policies I, Section 2.0. The mission statement was updated, and the vision statement was added as well as a regular review period.

Ms. Elsa Moy gave a public comment.

Commissioner Navarro stated his concern that public comment during a specific item should be directed to the current topic discussion. Is it not the responsibility of the City Attorney to stop the public commenter? President Vega stated that that is ideal but the public is allowed their first amendment right. Mr. Alan Manning, Assistant City Attorney stated that normally the public speaker in question is brief.

General Manager Ciranna stated that there are two types of public comment. One is general and the other allows comment on a specific item, which should address specific items.

President Vega stated that for the future for the responsible parties to be more diligent to stop the public comment if the commenter is selling a product.

RESOLUTION 15126

Commissioner Navarro moved that the Board amend Board Governance Policies, Section 2.0 –

Governance Principles to reflect recent changes, which was seconded by Commissioner Castro and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Nathanson, Navarro, Salimpour, Tapia, and President Vega – 8; nays, none.

3. REVIEW OF BOARD GOVERNANCE POLICIES, SECTION 17.0, CITY ATTORNEY PERFORMANCE EVALUATION POLICY, AND SURVEY INSTRUMENT AND POSSIBLE BOARD ACTION

Ms. Stephanie Clements presented the revisions to the City Attorney performance evaluation and survey instrument policy. The rating scale is changing from 1-4 to 1-5 which mirrors the GM evaluation and the City's evaluation. Only key staff will evaluate the city attorney. The City Attorney is in agreement with the changes to the policy. The evaluations will be distributed to the Board electronically in July 2015.

President Vega stated the benefits of evaluating the City Attorney.

RESOLUTION 15127

Commissioner Navarro moved that the Board:

1. Amend the current Board Governance Policy, Section 17.0, City Attorney Performance Evaluation Policy, and survey instrument to adjust the rating scale and revise formatting; and,
2. Direct the General Manager to use the new survey instrument beginning with Fiscal Year (FY) 2014-15, which was seconded by Commissioner Salimpour and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Nathanson, Navarro, Salimpour, Tapia, and President Vega – 8; nays, none.

B. ITEMS FOR BOARD ACTION

1. APPROVAL TO ISSUE A REQUEST FOR PROPOSAL FOR FINANCIAL PLANNING EDUCATION AND COUNSELING SERVICES AND POSSIBLE BOARD ACTION

Mr. Gregory Mack, Manager of Active Member Services and Communications, and Ms. Carol Tavares, Sr. Management Analyst I, Communications and Special Projects Section presented the recommendation for the release of a Request for Proposal (RFP). She gave an overview of the current services provided to members and the new services to be added to the contract, such as possible new formats for mid-career or retired members, and financial planning education counseling. The plan is to have the members attend a LAFPP seminar; thereafter, take the information they received from the seminar to a financial planner who will provide them an individual comprehensive plan. The financial counseling will be free of charge, without promoting specific products. The financial counselor may not gain any income from any of the advice given to members.

Commissioner Navarro commended staff for moving in the right direction by providing financial education to members.

General Manager Ciranna stated that he intends to reach out to retirees because they are solicited as well as active members.

Ms. Tavares stated that the current financial planning education consultant has received good reviews and she provided an overview of the seminars.

General Manager Ciranna stated that an additional staff person was added to the Communications and Special Projects Section as part of the proposed budget.

RESOLUTION 15128

Commissioner Navarro moved that the Board authorize the General Manager to issue a Request for Proposal for financial planning education and counseling services, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Nathanson, Navarro, Salimpour, Tapia, and President Vega – 8; nays, none.

2. APPROVAL TO AMEND CONTRACT WITH NOSSAMAN, LLP FOR INVESTMENT AND REAL ESTATE LEGAL SERVICES AND POSSIBLE BOARD ACTION

Ms. Yolanda Huang, Departmental Chief Accountant III and Ms. Cecilia De Los Angeles, Principal Accountant I, presented the recommendation to increase the annual spending cap to \$235,000 and the total contract amount to \$605,000. Staff requested a third amendment to the contract, to reduce the first year annual cap to \$135,000 to accommodate the increase in the total spending for year two and three. The total amount of the contract will continue to equal \$605,000.

General Manager Ciranna stated that the third amendment allows staff to stay within the total spending cap of \$605,000. It is a technical accounting issue dealing with the Financial Management System.

President Vega requested details on how the contract is managed, and how to determine if the firm's billing is legitimate.

Mr. Alan Manning, Assistant City Attorney provided a brief overview of how the costs are controlled. The law firm is given specific projects and for each project the firm gives the City Attorney an estimate of the cost.

On this particular contract, there were unexpected issues dealing with the new headquarters facility requiring additional work. The City Attorney and staff both oversee the budget for legal

services.

Commissioner Nathanson requested more data such as the hourly rate, the discounts given, and how services are tracked.

General Manager Ciranna stated that he will provide the contract and the different rates for paying the partner or person working within the firm. There have been several increases for work related to the new building. There have also been a couple of real estate and private equity deals where we have engaged in Nossaman's service.

Commissioner Nathanson stated his concerns that believed that the Board should review the issue in detail. President Vega stated she agreed.

Ms. Yolanda Huang agreed to provide details of the different projects assigned to Nossaman, how much money has been spent on each of the projects, and copies of the contract for the next Board meeting.

This item was continued.

C. REPORTS TO THE BOARD

1. FINAL REPORT ON EARLY RETIREE REINSURANCE PROGRAM FUNDS

Ms. Jennifer Chan, Management Assistant, Medical and Dental Benefits Section stated that all three retiree health plan administrators have used their early retiree reinsurance program funds.

The board report was received and filed.

2. REVIEW OF 2015 PRIVATE EQUITY AND COMMODITIES INVESTMENT ACTIVITY BY PORTFOLIO ADVISORS, LLC

Ms. Elizabeth M. Campbell, Vice President from Portfolio Advisors provided an update of the private equity portfolio and commodities activity. She will present in closed session two specialized manager candidates for possible investment. She clarified the allocations for Commissioner Nathanson.

Commissioner Nathanson was concerned that the commitments to the venture capital sector were too much.

The board report was received and filed.

3. CONTRACTOR DISCLOSURE POLICY – QUARTERLY REPORT

Ms. Caroline Dinu, Senior Management Analyst II, Internal Audit Section (IAS) presented the

report stating that IAS received the expected 79 disclosure reports.

The board report was received and filed.

4. President Vega asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.
5. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
6. General Manager’s Report
 - a. Benefits Actions approved by General Manager on May 21, 2015

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 – 5

Santina V. Margucci	Police Service	Retired:	02-01-66	Died:	04-12-15
Beryl F. Jarrett	Fire Widow	Retired:	01-23-05	Died:	03-22-15
Mary E. Bouscher	Police Widow	Retired:	06-13-01	Died:	04-14-15
Virginia L. German	Police Widow	Retired:	09-02-07	Died:	03-26-15
Maryann Rogalsky	Police Widow	Retired:	12-11-97	Died:	03-31-15

DISCONTINUED PENSIONS – TIER 2 – 15

Burdette Creath	Fire Service	Retired:	06-11-96	Died:	04-08-15
Charles H. Harvey	Fire Service	Retired:	02-01-69	Died:	04-16-15
Donald R. Koppel	Fire Service	Retired:	06-19-77	Died:	02-24-15
Donald L. Miller	Fire Service	Retired:	09-19-71	Died:	04-14-15
Harold Myers, Jr.	Fire Service	Retired:	07-03-77	Died:	04-10-15
Frank P. Wells	Fire Service	Retired:	07-17-77	Died:	04-19-15
Fanchon G. Blake	Police Service	Retired:	12-01-73	Died:	04-28-15
James D. Evans	Police Service	Retired:	11-20-71	Died:	03-04-15
Geo W. Kellenberger	Police Service	Retired:	01-01-74	Died:	04-18-15
James N. Ryner	Police Service	Retired:	06-30-78	Died:	04-04-15
Jackie W. Whitehead	Police Service	Retired:	01-08-84	Died:	04-10-15
Dennis S. Massa	Police Disability	Retired:	05-02-02	Died:	02-11-15
Tyrone R. Young	Police Disability	Retired:	11-21-96	Died:	04-15-15
Marie Crowley	Police Widow	Retired:	07-26-01	Died:	02-13-14
Dorothy V. Fowler	Police Widow	Retired:	09-09-89	Died:	04-11-15

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 2 – 9

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Mary L. Creath	Burdette Creath	Fire Service	04-09-15
Maureen K. Koppel	Donald R. Koppel	Fire Service	02-25-15
Rose P. Miller	Donald L. Miller	Fire Service	04-15-15
Gloria T. Myers	Harold Myers, Jr.	Fire Service	04-11-15
Rose M. Wells	Frank P. Wells	Fire Service	04-20-15
Bernadette E. Leiker	Philip A. Leiker	Police Service	03-13-15
Claudia A. Ryner	James N. Ryner	Police Service	04-05-15
Kay D. Whitehead	Jackie W. Whitehead	Police Service	04-11-15
Cynthia M. Young	Tyrone R. Young	Police Disability	04-16-15

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 Larry J. Kounalis, Police Service Pensioner, is to be paid to his former spouse, Denice M. Kounalis, effective May 1, 2015. Ms. Kounalis will receive cost of living adjustments.

PARTIAL PAYMENT OF PENSION – TIER 3 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Manfred G. Merkens, Jr., Police Service Pensioner, is to be withheld for his former spouse, Deida N. Merkens, effective April 28, 2015. Ms. Merkens will receive cost of living adjustments.

PARTIAL PAYMENT OF PENSION – TIER 4 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Larry Delgado, Police Service Pensioner, is to be paid to his former spouse, Phyllis Delgado, effective April 1, 2015. Ms. Delgado will receive cost of living adjustments.

PARTIAL PAYMENT OF PENSION – TIER 5 – 3

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Fabian E. Lizarraga, Police Service Pensioner, is to be paid to his former spouse, Claudia Lizarraga, effective May 3, 2015. Ms. Lizarraga 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 Daryl L. Maxwell, Police Service Pensioner, is to be withheld for his former spouse, Victoria A. Maxwell, effective April 30, 2015. Ms. Maxwell 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 Gregory J. Resendez, Fire Service Pensioner, is to be paid to his former spouse, Diane H. Resendez, effective April 26, 2015. Ms. Resendez 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 Bernadette E. Leiker, surviving spouse of deceased Police Service Pensioner, Philip A. Leiker, is to be paid to his former spouse, Marsha K. Brychta, effective March 13, 2015. Ms. Brychta will receive cost of living adjustments.

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 Keith R. Young, Fire Service Pensioner, being withheld for his former spouse, Chelsa T. Young, since February 1, 2015, should be partially released effective May 1, 2015. The balance of the designated proportion of the community property interest of the pension continues to be withheld for Ms. Young.

DISCONTINUE PARTIAL PAYMENT OF PENSION – TIER 2 – 1

In accordance with the City Attorney's advice, the designated proportion of the community property interest of the pension payable to Edward O. Deane, Fire Disability Pensioner, which was being paid to his former spouse, Betty L. Woodson, has been discontinued due to Ms. Woodson's death on March 8, 2015. Ms. Woodson's portion reverts to Mr. Deane, effective March 9, 2015.

CONSERVATORSHIP – TIER 2 – 1

A certified copy of the Letters of Temporary Conservatorship, issued in the Superior Court of California, County of Orange, Case Number 30-2015-00771249-PR-CP-CJC, appointing Esther Velderrain, Conservator of the Estate of Lillian M. Hansen, surviving spouse of deceased Fire Pensioner, Douglas W. Hansen, effective May 5, 2015, has been filed with this office.

Pension payments will be paid to Esther Velderrain for the benefit of Lillian M. Hansen, effective December 1, 2014.

DEFERRED SERVICE PENSION – TIER 3 – 2

Police

Hubert A. Nino	Police Officer III	Eff: 04-08-15	17	Years	218	Days
Manfred G. Merkens, Jr.	Police Officer III	Eff: 04-28-15	10	Years	207	Days

SERVICE PENSION – TIER 5 – 4

Harbor

Michael D. Kettelkamp	Lieutenant	Eff: 05-03-15	28	Years	203	Days
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Police

Phillip Carr	Police Officer II +2	Eff: 04-01-15	29	Years	345	Days
James D. Clifford	Detective II	Eff: 04-19-15	24	Years	154	Days
Fabian E. Lizarraga	Captain II	Eff: 05-03-15	37	Years	77	Days

SERVICE PENSION/DROP – TIER 5 – 7

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Fire

Brian R. Koneval	Engineer	Eff:	03-08-15	29	Years	34	Days
Michael T. McDonough	Firefighter III	Eff:	02-02-15	28	Years	212	Days
Gary C. Smith	Captain II	Eff:	03-02-15	26	Years	139	Days
Thomas Valdespino	Firefighter III	Eff:	04-01-15	26	Years	265	Days
Adam B. Zimmerman	Captain I	Eff:	03-05-15	28	Years	20	Days

Police

Joey L. Rivera	Police Officer III +3	Eff:	03-01-15	27	Years	202	Days
Timothy D. Surette	Sergeant II	Eff:	03-02-15	30	Years	15	Days

DISCONTINUE DROP – TIER 2 – 2

Police

Terry B. Carlos	Retired:	06-01-10	Exit Close of:	05-31-15
Robert S. Veliz	Retired:	06-01-10	Exit Close of:	05-31-15

DISCONTINUE DROP – TIER 4 – 2

Police

Marcia A Chopp	Retired:	06-01-10	Exit Close of:	05-31-15
Barbara A. Hodgin	Retired:	06-01-10	Exit Close of:	05-31-15

DISCONTINUE DROP – TIER 5 – 27

Fire

Dennis J. Adkins	Retired:	05-31-10	Exit Close of:	05-30-15
Abraham J. Carreto	Retired:	05-31-10	Exit Close of:	05-30-15
Dane P. Coyle	Retired:	06-02-10	Exit Close of:	05-31-15
Kelly S. Faulkner	Retired:	06-02-10	Exit Close of:	05-29-15
Michael P. Gameroz	Retired:	06-01-10	Exit Close of:	05-31-15
Manuel E. Hernandez	Retired:	05-18-10	Exit Close of:	05-17-15
Robert M. Lopez	Retired:	05-27-10	Exit Close of:	05-26-15
Michael D. Porper	Retired:	06-02-10	Exit Close of:	05-31-15
Merrill F. Purcell	Retired:	02-19-14	Exit Close of:	05-31-15
Fernando A. Sanchez	Retired:	02-27-11	Exit Close of:	05-31-15
Tim E. Traurig	Retired:	06-02-10	Exit Close of:	05-31-15
John A. Wilkins	Retired:	05-31-10	Exit Close of:	05-30-15
Juan J. Zabalza	Retired:	05-28-10	Exit Close of:	05-27-15

Police

Steven J. Bicz	Retired:	06-01-10	Exit Close of:	05-31-15
Wayne C. Blandin	Retired:	06-01-10	Exit Close of:	05-31-15
Arthur J. Duran	Retired:	06-01-10	Exit Close of:	05-31-15
Ulysses M. Gasca	Retired:	02-01-12	Exit Close of:	05-31-15
Chris H. Graciano	Retired:	08-02-10	Exit Close of:	05-31-15

James G. Jimenez	Retired:	02-01-12	Exit Close of:	05-31-15
Lorraine C. Jordane	Retired:	06-01-13	Exit Close of:	05-31-15
Rick L. Madrigal	Retired:	06-01-10	Exit Close of:	05-31-15
Victor J. McDowell	Retired:	06-01-10	Exit Close of:	05-31-15
Antonio R. Morris	Retired:	06-01-10	Exit Close of:	05-31-15
Neal L. Peterson	Retired:	04-08-12	Exit Close of:	05-31-15
Rosibel F. Smith	Retired:	02-01-12	Exit Close of:	05-31-15
Stanley M. Sokolis	Retired:	06-01-10	Exit Close of:	05-31-15
Jon L. Walker	Retired:	05-30-14	Exit Close of:	05-31-15

PARTIAL PAYMENT OF DROP FUNDS – TIER 5 – 3

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to Dennis J. Adkins, Fire Service Pensioner, is to be withheld for his former spouse, Denise Iracondo-Adkins, effective May 30, 2015.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to Steven J. Biczko, Police Service Pensioner, is to be paid to his former spouse, Annette R. Cassidy, effective May 31, 2015.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to Arthur J. Duran, Police Service Pensioner, is to be paid to his former spouse, Jacqueline F. Newby, effective May 31, 2015.

b. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. The new LAFPP website design is being implemented today.
2. He attended the Los Angeles Retired Fire & Police Association Annual Barbeque luncheon at the Grace Simons Lodge yesterday. He provided an update of the System.
3. He apologized for being late to the meeting. There was flooding and substantial water damage at the LAFPP 4th floor office. The 4th floor will be closed today and tomorrow. He expects the office to re-open on Monday, June 8th.
4. He received word from Mr. Tom Lopez, CIO that the return for the fiscal year through May is approximately 5%.

D. COMMITTEE CALENDAR

1. Audit Committee – Last met: 04/16/15; next meeting: 07/16/15
2. Benefits Committee – Last met: 04/02/15; next meeting: 07/16/15
3. Governance Committee – Last met: 05/21/15; next meeting: 09/17/15
4. Ad Hoc Emerging Investment Managers – Last met: 11/06/14; next meeting: TBD

President Vega noted the upcoming committee meetings.

E. CONSIDERATION OF FUTURE AGENDA ITEMS

No items were referred for consideration.

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

Ken Buzzell made a public comment.

G. DISABILITY CASES

Gregory A. Bielman (P) Sergeant I (Retired)

Prior Board Action of June 11, 1992, granting a service-connected disability pension of 50% is adjusted to 55% with no scheduled review. Motion made by Commissioner Tapia, seconded by Commissioner Salimpour and adopted by the following vote: ayes, Commissioners Castro, Nathanson, Salimpour, Tapia, and President Vega – 5; nays, Commissioners Aliano, Diannitto, and Navarro - 3. (Commissioner Aliano moved to amend the motion to increase the service-connected disability pension to 60%. The amendment failed for lack of a second.) Mr. Christopher Annala, Senior Management Analyst II, Disability Pension Section, LAFPP addressed the Board's questions. Mr. Bielman was present and was represented by his attorney, Mr. Thomas J. Wicke.

H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

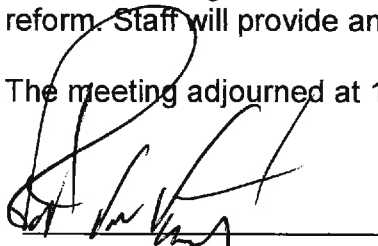
1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF TWO (2) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION

The Board met in closed session.


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

General Manager Ciranna stated that Mr. Chuck Reed has filed a ballot initiative regarding pension reform. Staff will provide an update on the initiative at a future meeting.

The meeting adjourned at 12:03 p.m.



President



Secretary