

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF SEPTEMBER 3, 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, September 3, 2015.

COMMISSIONERS PRESENT: Robert von Voigt, President
 Pedram Salimpour, Vice President
 George Aliano
 Cielo Castro
 Sam Diannitto (participated telephonically)
 Adam Nathanson
 Ruben Navarro

COMMISSIONERS ABSENT: Corinne Tapia
 Belinda Vega

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

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney
 Joshua Geller, Deputy City Attorney III

President von Voigt called the meeting to order at 8:36 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Pedram Salimpour who arrived at 9:17 a.m.

A. ITEMS FOR BOARD ACTION

1. CONSIDERATION OF ASSUMPTIONS FOR THE JUNE 30, 2015 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION

Ms. Robyn Wilder, Chief Benefits Analyst, stated that each year Segal makes recommendations for the assumptions to be used in the retiree health valuation and reported that the rates are trending down again. Segal will continue to assume that

following vote: ayes, Commissioners Aliano, Castro, Diannitto, Nathanson, Navarro, and President von Voigt – 6; nays, none.

2. GOVERNMENTAL ACCOUNTING STANDARDS (GAS) 68 ACTUARIAL VALUATION AS OF JUNE 30, 2015; GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT NO. 68 REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2014; AND POSSIBLE BOARD ACTION

Commissioner Salimpour arrived at 9:17 a.m.

Ms. Erin Kenney, Departmental Audit Manager, stated that over the course of the past two years, our internal audit, accounting, and pensions personnel have been working to implement two new standards issued by the Governmental Accounting Standard Board (GASB), included in our business plan. GASB 67 was implemented last year and had new requirements for plan reporting of pension information including liabilities which applied to the City's financial reports. To assist in this effort, we produced financial information specifically to be included in the City's financial reports last year. Ms. Kenney clarified this meant that we, our actuary, and our external auditors are working closely with the City Controller, the City's auditors, and in cooperation with other City Departments that provide pension information to the City. GASB 68 is required for LAFPP's financial reporting this year. Ms. Kinney stated that we are now required to obtain an actuarial valuation specific to GAS 68, which must be audited.

Segal's GAS 68 Actuarial Valuation and Brown Armstrong's Independent Audit of that valuation were provided as reports to the Board.

Mr. Andy Yeung, Vice President and Associate Actuary for Segal Consulting, presented the GASB 68 report. He briefly discussed GASB 67 and explained GASB 68 in great detail as it pertains to required disclosures under accounting rules. Commissioner Nathanson discussed the report with Mr. Yeung.

Ms. Connie Perez, Principal Brown Armstrong CPA, discussed the Independent Audit of the GAS 68 Actuarial Valuation. Commissioner Aliano asked about the future factors listed on the report. Mr. Yeung and Ms. Wilder addressed his concerns and explained that the assumptions are GASB 68 requirements.

RESOLUTION 16029

Commissioner Navarro moved that the Board:

1. Review and approve the Governmental Accounting Standards (GAS) 68 Actuarial Valuation as of June 30, 2015; and,
2. Review and approve the Governmental Accounting Standards Board (GASB) 68 Statement No. 68 Report for the Fiscal Year Ended June 30, 2014.

Which was seconded by Commissioner Castro and approved by the following vote: Ayes, Commissioners Aliano, Castro, Diannitto, Nathanson, Navarro, Slimpour, and

deny the request of Captain II Cedrick Cleveland to transfer from Tier 3 to Tier 5 based on the following findings of fact:

1. The filing of a request to transfer to Tier 5 was not timely. Over 12 years have passed since the deadline to transfer to Tier 5.
2. Captain Cleveland's decision to remain in Tier 3 was voluntary as he was aware of the Tier 5 transfer period and the enrollment deadline.
3. No legal basis has been provided with which the Board could allow Captain Cleveland to transfer from Tier 3 to Tier 5 outside of the election period specified in Los Angeles Administrative Code Section 4.2000(c)(1), which was from January 2, 2002 through December 31, 2002.
4. Staff is required to perform the ministerial duty of enforcing the statutory deadline and deny the late transfer request.

which was seconded by Commissioner Castro and approved by the following vote: ayes, Commissioners Aliano, Castro, Diannitto, Nathanson, Navarro, Salimpour, and President von Voigt – 7; nays, none.

B. REPORTS TO THE BOARD

1. CONTRACTOR DISCLOSURE POLICY – QUARTERLY REPORT

Ms. Caroline Dinu, Senior Management Analyst II, Internal Audit Section (IAS), stated that 100% compliance was achieved for the quarter and answered questions from the Board.

The Board report was received and filed.

2. Has any Board Member made any expenditure to influence State legislative or administrative action - negative
3. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
4. General Manager's Report

a. Benefits Actions approved by General Manager on August 20, 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 on August 20, 2015.

DISCONTINUED PENSIONS – TIER 1 – 2

Donald H. Zimmerer	Police Disability	Retired:	08-21-63	Died:	07-04-15
Norma Horne	Police Widow	Retired:	11-19-81	Died:	11-04-14

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 Alfonso F. Longobardi, Police Service Pensioner, is to be paid to his former spouse, Theresa A. Longobardi, effective August 1, 2015. Ms. Longobardi will receive cost of living adjustments.

PARTIAL PAYMENT OF PENSION – TIER 5 – 5

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to James E. Coburn, Fire Service Pensioner, is to be paid to his former spouse, Laura J. Coburn, effective September 1, 2015. Ms. Coburn 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 James A. Kwasigroch, Fire Service Pensioner, is to be paid to his former spouse, Cynthia G. Kwasigroch, effective September 1, 2015. Ms. Kwasigroch 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 Michael J. Barela, Police Service Pensioner, is to be paid to his former spouse, Lucille P. Serritella, effective September 1, 2015. Ms. Serritella 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 Christopher P. Bonilla, Police Service Pensioner, is to be paid to his former spouse, Janice L. Montgomery, effective August 1, 2015. Ms. Montgomery 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 Monique A. Lebron-Maxwell, Police Service Pensioner, is to be paid to her former spouse, Billy Ray Walker, effective September 1, 2015. Mr. Walker will 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 Mark A. Kleckner, Fire Service Pensioner, being withheld for his former spouse, Pauline D. Kleckner, since July 1, 2015, should be released effective August 1, 2015.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Gary R. Clarke, Police Service Pensioner, being withheld for his former spouse, Linda M. Clarke, since June 1, 2015, should be released effective August 1, 2015.

DEFERRED SERVICE PENSION – TIER 3 – 1

Police

Marc D. Goodman	Sergeant II	Eff:	07-26-15	10 Years	295 Days
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DEFERRED SERVICE PENSION – TIER 5 – 1

Police

Scott A. Defoe	Sergeant II +1	Eff:	08-07-15	20 Years	121 Days
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SERVICE PENSION – TIER 5 – 4

Police

Gina L. Holmstrom	Lieutenant I	Eff:	07-12-15	25 Years	135 Days
Christopher L. Hughes	Police Officer III	Eff:	07-05-15	28 Years	106 Days
Gina C. Onweiler	Police Officer II	Eff:	07-26-15	22 Years	316 Days

Fire

Steve J. Bloch	Retired:	08-31-10	Exit Close of:	08-30-15
Jeffrey J. Clemens	Retired:	08-29-10	Exit Close of:	08-28-15
James E. Coburn	Retired:	09-01-10	Exit Close of:	08-31-15
Richard L. Denning	Retired:	09-01-10	Exit Close of:	08-31-15
Lauren P. Derosier	Retired:	09-03-10	Exit Close of:	08-31-15
Philip Gonzales III	Retired:	09-02-10	Exit Close of:	08-27-15
Michael A. Jacalone	Retired:	09-02-10	Exit Close of:	08-31-15
James A. Kwasigroch	Retired:	09-02-10	Exit Close of:	08-31-15
Richard E. Larson	Retired:	08-31-10	Exit Close of:	08-30-15
John R. Paxton	Retired:	08-29-10	Exit Close of:	08-28-15
Greg A. Porter	Retired:	09-02-10	Exit Close of:	08-31-15
Keith L. Scott	Retired:	09-01-10	Exit Close of:	08-31-15
Ervin K. Stone	Retired:	06-01-12	Exit Close of:	08-31-15
John A. Virant	Retired:	09-02-10	Exit Close of:	08-31-15

Police

Gary R. Aspinall	Retired:	05-03-11	Exit Close of:	08-31-15
Michael J. Barela	Retired:	09-01-10	Exit Close of:	08-31-15
Monique A. Lebron-Maxwell	Retired:	09-01-10	Exit Close of:	08-31-15
Albert G. Lopez	Retired:	09-04-10	Exit Close of:	08-31-15
Ronald P. Moody	Retired:	11-06-14	Exit Close of:	07-31-15
Heriberto Mora	Retired:	07-14-11	Exit Close of:	08-31-15
Edward B. Ortiz	Retired:	09-01-10	Exit Close of:	08-31-15

DISCONTINUE DROP-DECEASED TIER 5 – 1

Police

Joseph J. Pollack	Eff:	05-01-14	Died:	11-10-14
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DESIGNATED PAYMENT OF DROP FUNDS

In accordance with the Los Angeles Administrative Code and at the request of Bessie L. Pollack, designated beneficiary of Joseph J. Pollack, deceased Police Service Pensioner, the DROP funds payable to Joseph J. Pollack are to be paid to Bessie L. Pollack, effective August 1, 2015.

In accordance with the Los Angeles Administrative Code and at the request of Darrio S. Pollack, designated beneficiary of Joseph J. Pollack, deceased Police Service Pensioner, the DROP funds payable to Joseph J. Pollack are to be paid to Darrio S. Pollack, effective August 1, 2015.

PARTIAL PAYMENT OF DROP FUNDS – TIER 5 – 4

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to James E. Coburn, Fire Service Pensioner, is to be paid to his former spouse, Laura J. Coburn, effective August 31, 2015.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to James A Kwasigroch, Fire Service Pensioner, is to be paid to his former spouse, Cynthia G. Kwasigroch, effective August 31, 2015.

The Board requested a report on the issue of union representatives being present for closed session disability cases when the applicant is already represented by an attorney.

The Board recessed at 12:26 p.m. and reconvened in Closed Session at 12:31 p.m.

H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

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

The Board met in closed session.

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

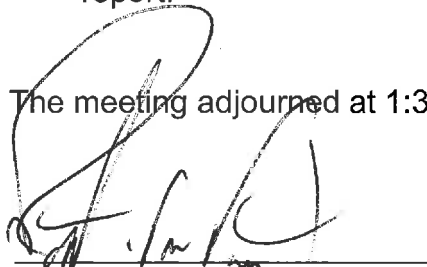
The Board met in closed session.

3. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1): BOARD REVIEW OF THE CITY ATTORNEY ANNUAL PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

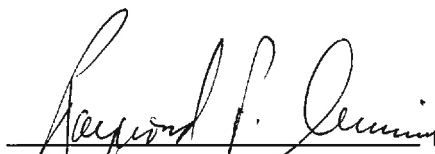
The Board continued this item until the following meeting.

Upon reconvening in open session, President von Voigt stated that there was no public report.

The meeting adjourned at 1:34 p.m.



President



Secretary