

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF NOVEMBER 19, 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, November 19, 2015.

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

President von Voigt called the meeting to order at 8:30 a.m. All of the above-listed Commissioners were present at the start of the meeting. President von Voigt introduced the newest Commissioner, Brian Pendleton, and welcomed him to the Board.

Deputy City Attorney Josh Geller took the City Attorney chair at 8:50 a.m.

A. ITEMS FOR BOARD ACTION

- 1. PRESENTATION OF HEALTH CARE PLAN OPTIONS FOR MEMBERS IN LACERS HEALTH PLANS OR PARTICIPANTS IN THE HIPR PROGRAM AND POSSIBLE BOARD ACTION**

Ms. Robyn Wilder, Chief Benefits Analyst, introduced Ms. Laurie LoFranco, of Keenan & Associates. Prior to the presentation, Commissioner Aliano asked how many members are in LACERS in total and was answered approximately 18,000. Commissioner Aliano asked several questions concerning the 88 pensioners and dependents currently covered in LAFPP's agreement with LACERS, including whether we have asked the Los Angeles Police Relief Association about offering coverage to the Port Police, which were answered by Ms. Wilder. Ms. LoFranco presented the medical and dental insurance coverage options identified by Keenan and Associates.

Commissioner Navarro asked if going forward there will be additional police officers and firefighters that will need this plan and was answered that if it's open for the HIPR members, then yes, it could increase when factoring in the fire and police personnel who are unable to enroll in one of the Relief Association plans, which over time would lower the average age of the group. Commissioner Navarro asked if the various associations had been contacted regarding this issue and Ms. Wilder answered that information has been distributed indirectly, but that direct contact has not been initiated at this time. Commissioner Navarro asked how the group plan could be less expensive than their current coverage and was answered that in aggregate it would be less expensive. Commissioner Navarro stated that he does not want to get into the medical insurance business. Other Board members voiced their concerns that kicking these retirees out of the LACERS health plans could be viewed as age discrimination.

Commissioner Nathanson asked Mr. Josh Geller, Deputy City Attorney, if there is a current operating agreement with LACERS. Ms. Wilder stated that the agreement expired and Commissioner Salimpour asked how the agreement had been allowed to expire. General Manager Ciranna added that the new agreement was being held up by LACERS pending the resolution of the 88 pensioners and dependents currently enrolled in LACERS plans.

Commissioner Aliano suggested approaching the pensioners with the proposed alternative medical and dental insurance coverage options to find out if there was an interest in changing plans voluntarily.

Mr. Ken Buzzell, Director, Los Angeles Retired Fire & Police Association, Inc., provided public comment with a brief history of the retiree medical plans and stated that the 88 pensioners and dependents should be allowed to stay in LACERS.

RESOLUTION 16065

Commissioner Aliano moved that the Board maintain the health plan enrollment status for the Fire and Police Department pensioners currently enrolled in LACERS health plans and seek other plan options for Harbor Port Police members, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Nathanson, Navarro, Pendleton, Salimpour, Tapia, Vega, and President von Voigt – 9; nays, none.

2. CONSIDERATION OF THE JULY 1, 2014 TO JUNE 30, 2015 PENSION AND HEALTH BENEFITS VALUATIONS AND POSSIBLE BOARD ACTION

Ms. Robyn Wilder, Chief Benefits Analyst, introduced Mr. Paul Angelo, Senior Vice President and Actuary, of The Segal Company. Mr. Angelo presented The Segal Company's pension and health benefits valuations to the Board.

Commissioner Aliano discussed prefunded pensions in comparison with the pay-as-you-go method and stated that many pensions throughout the country currently do not prefund their retiree health benefits.

Commissioners Navarro and Nathanson discussed the effects of pay raises and positive trends with Mr. Angelo.

Ms. Elsa Moy provided public comment.

RESOLUTION 16066

Commissioner Aliano moved that the Board:

1. Adopt the pension and health valuation report submitted by The Segal Company (Segal) for the period ending June 30, 2015; and,
2. Adopt the Governmental Accounting Standards (GAS) 67 Actuarial Valuation as of June 30, 2015, which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Nathanson, Navarro, Pendleton, Salimpour, Tapia, Vega, and President von Voigt – 9; nays, none.

The Board recessed at 9:34 a.m. and reconvened at 9:41 a.m.

3. AUDITED FINANCIAL STATEMENTS AS OF JUNE 30, 2015 AND POSSIBLE BOARD ACTION

Mr. James Yeung, Internal Auditor IV, introduced Mr. Andrew Paulden, CPA, and Ms. Alaina Sanchez, CPA, of Brown Armstrong. Ms. Sanchez presented the audited financial statements as of June 30, 2015 to the Board. Mr. Paulden discussed unmodified or clean opinions and reports.

General Manager Ciranna thanked Staff, Brown Armstrong, and Segal for compressing the timeline to have both reports prepared for the second Board meeting in November 2015.

Ms. Elsa Moy provided public comment.

RESOLUTION 16067

Commissioner Aliano moved that the Board:

1. Adopt the System's Audited Financial Statements as of June 30, 2015; and,
2. Direct staff to provide copies of the adopted Audited Financial Statements to the State Controller and City Controller before December 31, 2015, which was seconded by Commissioner Salimpour and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Nathanson, Navarro, Pendleton, Salimpour, Tapia, Vega, and President von Voigt – 9; nays, none.

B. REPORTS TO THE BOARD

1. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
2. General Manager's Report
 - a. Monthly Report
 - b. Marketing Cessation Information
 - c. Benefits Actions approved by General Manager on November 5, 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 November 5, 2015.

DISCONTINUED PENSIONS – TIER 1 – 1

| | | | | | |
|-------------------|------------|----------|----------|-------|----------|
| Donna J. Generaux | Fire Widow | Retired: | 10-01-91 | Died: | 10-08-15 |
|-------------------|------------|----------|----------|-------|----------|

DISCONTINUED PENSIONS – TIER 2 – 25

| | | | | | |
|--------------------|----------------|----------|----------|-------|----------|
| Erwin E. Robertson | Fire Service | Retired: | 01-12-82 | Died: | 08-20-15 |
| Vernon C. Samworth | Fire Service | Retired: | 01-01-78 | Died: | 04-27-15 |
| Stanley D. Stevens | Fire Service | Retired: | 01-07-75 | Died: | 09-19-15 |
| Don L. Tolley | Fire Service | Retired: | 06-07-82 | Died: | 09-25-15 |
| Gerald W. Bennett | Police Service | Retired: | 04-29-84 | Died: | 09-10-15 |
| J.L. Buffington | Police Service | Retired: | 07-11-73 | Died: | 09-24-15 |
| Henry I. Buschke | Police Service | Retired: | 06-23-74 | Died: | 10-11-15 |
| Wesley S. Harvey | Police Service | Retired: | 06-08-82 | Died: | 09-21-15 |
| Theda B. Keeler | Police Service | Retired: | 02-01-71 | Died: | 09-21-15 |
| Lawrence Peurifoy | Police Service | Retired: | 03-21-82 | Died: | 08-28-15 |
| George H. Rock III | Police Service | Retired: | 02-29-76 | Died: | 09-01-15 |
| Richard A. Root | Police Service | Retired: | 08-02-98 | Died: | 10-11-15 |
| Josephine Stevens | Police Service | Retired: | 03-01-72 | Died: | 09-13-15 |

| | | | | | |
|-----------------------|-------------------|----------|----------|-------|----------|
| Houston B. Brown, Jr. | Fire Disability | Retired: | 04-01-76 | Died: | 08-27-15 |
| Jack N. Sisk | Fire Disability | Retired: | 05-01-78 | Died: | 09-16-15 |
| Joseph W. Baty | Police Disability | Retired: | 10-19-96 | Died: | 09-19-15 |
| David M. Stachowski | Police Disability | Retired: | 12-21-85 | Died: | 10-14-15 |
| Mary P. Cutter | Fire Widow | Retired: | 07-10-01 | Died: | 09-28-15 |
| Beverly D. Dinger | Fire Widow | Retired: | 12-23-05 | Died: | 09-25-15 |
| Annette Priemer | Fire Widow | Retired: | 04-20-10 | Died: | 09-17-15 |
| Mary A. Stilson | Fire Widow | Retired: | 04-26-07 | Died: | 09-30-15 |
| La Verne Y. Beckmann | Police Widow | Retired: | 01-31-89 | Died: | 09-26-15 |
| Jocelyn P. Dollinger | Police Widow | Retired: | 02-08-99 | Died: | 09-13-15 |
| Jerry Ann Mc Clain | Police Widow | Retired: | 04-04-02 | Died: | 04-21-15 |
| Marian E. Swann | Police Widow | Retired: | 11-01-08 | Died: | 06-21-15 |

DISCONTINUED PENSIONS – TIER 5 – 1

| | | | | | |
|----------------|----------------|----------|----------|-------|----------|
| Ray A. Gregory | Police Service | Retired: | 07-05-02 | Died: | 06-10-15 |
|----------------|----------------|----------|----------|-------|----------|

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

| | | | | | |
|-------------------|---------------|----------|----------|-------|----------|
| Carol L. Ebersole | Former Spouse | Retired: | 12-01-87 | Died: | 08-18-15 |
|-------------------|---------------|----------|----------|-------|----------|

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 4 – 1

| | | | | | |
|-----------------|---------------|----------|----------|-------|----------|
| Debra E. Dawson | Former Spouse | Retired: | 07-06-14 | Died: | 09-18-15 |
|-----------------|---------------|----------|----------|-------|----------|

PARTIAL PAYMENT OF PENSION – TIER 4 – 1 **CORRECTION**

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to **Ronald** A. Bremer II, Police Service Pensioner, is to be paid to his former spouse, Charlene L. Bremer, effective October 1, 2015. Ms. Bremer will receive cost of living adjustments.

MODIFIED PARTIAL PAYMENT OF PENSION – TIER 5 – 1 **CORRECTION**

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 released effective October 1, 2015.

SERVICE PENSION – TIER 5 – 2

Police

| | | | | | |
|-------------------|--------------|------|----------|----------|----------|
| Debra B. Baca | Detective II | Eff: | 10-04-15 | 22 Years | 22 Days |
| Debbie L. Prosser | Detective II | Eff: | 10-04-15 | 24 Years | 339 Days |

SERVICE PENSION/DROP – TIER 4 – 2

Police

| | | | | | |
|--------------------|-------------|------|----------|----------|---------|
| Catherine C. Plows | Sergeant II | Eff: | 09-02-15 | 26 Years | 49 Days |
|--------------------|-------------|------|----------|----------|---------|

David C. Storaker Captain I Eff: 10-01-15 32 Years 57 Days

SERVICE PENSION/DROP – TIER 5 – 9

Fire

| | | | | | |
|-----------------|-----------------|------|----------|----------|---------|
| Jason A. Braff | Firefighter III | Eff: | 07-02-15 | 28 Years | 59 Days |
| Roger D. Morris | Firefighter III | Eff: | 08-01-15 | 26 Years | 13 Days |
| Scott A. Parker | Captain I | Eff: | 08-03-15 | 25 Years | 2 Days |
| David Rodriguez | Firefighter III | Eff: | 09-01-15 | 30 Years | 63 Days |
| Mark G. Scott | Captain I +1 | Eff: | 08-25-15 | 29 Years | 59 Days |

Police

| | | | | | |
|---------------------|----------------------|------|----------|----------|----------|
| Joseph H. Mena | Police Officer II | Eff: | 09-01-15 | 26 Years | 7 Days |
| Theresa M. Stanford | Detective II | Eff: | 10-01-15 | 26 Years | 192 Days |
| Peter Vasquez | Police Officer II +2 | Eff: | 10-01-15 | 28 Years | 90 Days |
| Jorge Villegas | Deputy Chief II | Eff: | 10-01-15 | 26 Years | 176 Days |

SERVICE-CONNECTED DISABILITY PENSION – TIER 3 – 1

| <u>Name</u> | <u>Member's Rank</u> | <u>Percentage</u> | <u>Effective Date</u> | <u>Board Date</u> |
|-------------|----------------------|-------------------|-----------------------|-------------------|
| Damon Wing | Apparatus Operator | 65% | 03-29-15 | 09-16-15 |

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> |
|-------------------|----------------------|-------------------|-----------------------|-------------------|
| Brian S. Sorenson | Police Officer II | 50% | 03-12-15 | 10-15-15 |

NON-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> |
|----------------------|----------------------|-------------------|-----------------------|-------------------|
| Heather R. Kowalczyk | Police Officer II | 50% | 10-01-15 | 10-01-15 |

d. Other business relating to Department operations

General Manager Ciranna provided the following updates:

1. The Special Offsite Educational Retreat will be held on March 3, 2016.
2. The LAFPP holiday party will be held on December 3, 2015.
3. Announced he attended the National Conference on Public Employee Retirement Systems (NCPERS) Public Safety Employees Pension & Benefits Conference. There were a number of sessions including social security and overseas investments. One session focused on identity theft – a growing area of concern for members. Information was presented to help minimize risk.

Commissioner Tapia asked about LAFPP protections and General Manager Ciranna replied that a number of firewalls are utilized, secured shredding bins are located onsite, social security numbers are redacted, as well as additional security measures.

Commissioner Aliano credited Ms. Erin Kenney and the Internal Audit Staff for an excellent job on the reports.

C. COMMITTEE CALENDAR

1. Audit Committee – Last met: 10/01/15; next meeting: 01/21/16
2. Benefits Committee – Last met: 10/01/15; next meeting: 02/04/16
3. Governance Committee – Last met: 08/06/15; next meeting: 12/17/15

President von Voigt announced the upcoming meetings.

D. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

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

There was no public comment.

Commissioners Aliano and Nathanson left the meeting at 10:49 a.m.

F. DISABILITY CASES

DISABILITY CLAIM – NEW CLAIM – TIER 4

Guadalupe Palomares

(P)

Police Officer II

Service-connected disability pension is granted at 45% with a two year review. Motion made by Commissioner von Voigt, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Diannitto, Navarro, Pendleton, Salimpour, Tapia, and President von Voigt – 6; nays, Commissioner Vega - 1. (Original motion to grant a service-connected disability pension at 30% with no foreseeable purpose for review was made by Commissioner Vega, seconded by Commissioner Navaro and failed by the following vote: ayes, Commissioners Vega, Salimpour – 2; nays, Commissioners Diannitto, Navaro, Pendleton, Tapia and President von Voigt – 5.) Officer Palomares was present and represented by her attorney Thomas J. Wicke, Esq.

The Board recessed at 11:20 a.m. and reconvened at 11:25 a.m. for closed session.

G. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

1. Closed Session pursuant to Government Code Section 54957

Alternative 2

Police Officer II Monika Rehder. Officer Rehder will be represented by Michael Treger of Straussner and Sherman.

The Board met in closed session.

2. 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.

Open session reconvened at 12:52 p.m. President von Voigt stated that the Board approved staff's recommendation for Item G.1

The meeting adjourned at 12:55 p.m.



President



Secretary