

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF FEBRUARY 18, 2016

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, February 18, 2016.

COMMISSIONERS PRESENT: Robert von Voigt, President
George Aliano
Adam Nathanson
Ruben Navarro
Brian Pendleton
Corinne Tapia
Belinda Vega

COMMISSIONER ABSENT: Sam Diannitto
Pedram Salimpour, MD

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Raymond P. Ciranna, General Manager
William Raggio, Executive Officer
Tom Lopez, Chief Investment Officer
Chris Annala, Senior Management Analyst II
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 8:35 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioners Aliano and Tapia who arrived respectively at 8:38 a.m. and 8:43 a.m.

A. COMMITTEE REPORTS

1. CONTRIBUTIONS PROCESSES AUDIT AND POSSIBLE BOARD ACTION

Mr. James Yeung, Internal Auditor IV, presented the report and was available for questions.

RESOLUTION 16099

Commissioner Navarro moved that the Board review, receive, and file the Contributions Processes Audit, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Salimpour, Vega, and President von Voigt – 6; nays, none.

Commissioner Tapia arrived at 8:43 a.m.

Mr. Joshua Geller, Deputy City Attorney, took the city attorney chair.

The following items were taken out of order.

H. DISABILITY CASES

Sheila C. Sparkman (P) Police Officer III

As recommended by staff and concurred in by the applicant, service-connected disability pension is granted at 65% with no foreseeable purpose for review. Motion made by Commissioner Aliano, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Tapia, Vega, and President von Voigt – 7; nays, none. Officer Sparkman was not present, but was represented by her attorney, Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Matthew S. Cundiff (P) Sergeant I (resigned)

As recommended by staff and concurred in by the applicant, service-connected disability pension is granted at approximately 40% with no foreseeable purpose for review. Motion made by Commissioner Pendleton, seconded by Commissioner Vega and adopted by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Tapia, Vega, and President von Voigt – 7; nays, none. Mr. Cundiff was not present, but was represented by his attorney, Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Mr. Alan Manning, Assistant City Attorney, took the City Attorney Chair.

B. ITEMS FOR BOARD ACTION

1. SPECIALIZED PRIVATE EQUITY MANAGER SEARCH AND POSSIBLE BOARD ACTION

Ms. Susan Liem, Investment Officer, and Mr. Tom Lopez, Chief Investment Officer, were before the Board.

The Board discussed the minimum requirements, fees, and the amount to be allotted to the new portfolio.

RESOLUTION 16100

Commissioner Pendleton moved that the Board approve:

1. The draft Request for Proposals to conduct a Specialized Private Equity Investment Manager search; and,
2. Amend the Request for Proposals cover letter to include an expected portfolio size between \$60 and \$100 million.
3. Instruct Staff to release the Request for Proposals and report back with the results of the search, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Tapia, Vega, and President von Voigt – 7; nays, none.

Mr. Joshua Geller, Deputy City Attorney, took the city attorney chair.

The following item was taken out of order.

H. DISABILITY CASE

Ronecia L. Lark

(P)

Sergeant I

As recommended by staff and concurred in by the applicant, service-connected disability pension is granted at 70% with no foreseeable purpose for review. Motion made by Commissioner Nathanson, seconded by Commissioner Vega and adopted by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Tapia, Vega, and President von Voigt – 7; nays, none. Sergeant Lark was not present, but was represented by Ms. Corina Lee, of the Los Angeles Police Protective League.

Mr. Alan Manning, Assistant City Attorney, took the City Attorney Chair.

B. ITEMS FOR BOARD ACTION

2. TRANSFER OF FUNDS TO AS-NEEDED SALARIES AND POSSIBLE BOARD ACTION

Mr. Mark Granado, Senior Management Analyst I, and Ms. Carissa Takahashi, Management Assistant, Administrative Services, were before the Board and available for questions.

RESOLUTION 16101

Commissioner Navarro moved that the Board authorize a transfer of \$20,000 from General Salaries (Account 1010) to As-Needed Salaries (Account 1070) to pay for projected salary expenditures for as-needed position authorities, which was seconded by Commissioner

Nathanson and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Tapia, Vega, and President von Voigt – 7; nays, none

3. APPROVAL OF INTEREST RATE TO BE CREDITED TO ACTIVE MEMBERS ACCOUNTS AS OF DECEMBER 31, 2015 AND POSSIBLE BOARD ACTION

General Manager Ciranna discussed the interest rate with the Board.

RESOLUTION 16102

Commissioner Tapia moved that the Board, in accordance with Board Rule 5.1, direct the General Manager to credit the interest rate of 1.00% to active members accounts as of December 31, 2015, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Tapia, Vega, and President von Voigt – 7; nays, none.

4. APPROVAL OF TRAVEL AUTHORITY (NAVARRO) – KLAUSNER, KAUFMAN, JENSEN & LEVINSON, 18TH ANNUAL CLIENT CONFERENCE AND POSSIBLE BOARD ACTION

The Board report was approved as submitted.

RESOLUTION 16103

Commissioner Vega moved that the Board approve Commissioner Ruben Navarro's request to attend the Klausner, Kaufman, Jensen & Levinson, 18th Annual Client Conference on March 6 – 9, 2016 in Ft. Lauderdale, FL (March 6th is a travel day), which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Tapia, Vega, and President von Voigt – 7; nays, none.

C. REPORTS TO THE BOARD

1. DISCUSSION OF BOARD'S FIDUCIARY RESPONSIBILITIES IN CONSIDERING THIRD-PARTY REQUESTS FOR TARGETED INVESTMENT OR DIVESTMENT ACTIONS AND POSSIBLE BOARD ACTION TO WAIVE ATTORNEY-CLIENT PRIVILEGE AS TO RELATED ADVICE FROM OFFICE OF THE CITY ATTORNEY

MOTION

Commissioner Aliano moved that the Board waive attorney-client privilege as to related advice from the Office of the City Attorney and correspondence from Reed Smith, LLP, dated January 28, 2013, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Pendleton, Tapia, Vega, and President von Voigt – 7; nays, none

Deputy City Attorney Anya Freedman discussed fiduciary responsibility with the Board and summarized the report from the City Attorneys.

Commissioner Aliano expressed his concerns regarding directions to the Board that he considers political in nature and that could conflict with the fiduciary duties of the Board using gun control as an historical example or suggested changes to DWP's Board as a current example. He continued to discuss the Board's fiduciary duty in that it requires extensive research into the use of pension funds for any investments or divestments, regardless of ideological or 'social' investments.

Commissioners Navarro, Vega, and Aliano discussed the three overarching fiduciary duties as listed in the City Charter and California Constitution.

General Manager Ciranna stated that the report was a good reminder to the Board, staff, and stakeholders in the City that future issues, for example coal divestment or big oil, still require that the Board make independent decisions for the betterment of the investment pool and the members.

Mr. Ken Buzzell, Los Angeles Retired Fire and Police Association, provided public comment.

The report was received and filed.

2. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
3. General Manager's Report
 - a. Monthly Report
 - b. Marketing Cessation Information
 - c. Benefits Actions approved by General Manager on February 4, 2016

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 February 4, 2016.

DISCONTINUED PENSIONS – TIER 1 –2

David V. Stanton	Police Service	Retired:	10-20-65	Died:	12-01-15
Aloysia A. Ahern	Police Widow	Retired:	11-22-01	Died:	11-30-15

DISCONTINUED PENSIONS – TIER 2 – 16

Alan R. Broude	Fire Service	Retired:	07-18-99	Died:	12-13-15
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C. L. Christensen	Fire Service	Retired:	08-09-67	Died:	01-06-16
Eldon L. Lobdell	Fire Service	Retired:	03-14-92	Died:	12-15-15
John D. Moore	Fire Service	Retired:	06-30-78	Died:	12-06-15
Robert B. Morrison	Fire Service	Retired:	04-03-82	Died:	11-24-15
Leroy Kelley, Jr.	Police Service	Retired:	04-01-74	Died:	12-11-15
Jon V. Mc Nail	Police Service	Retired:	08-17-87	Died:	12-18-15
Alvin L. Reimel, Jr.	Police Service	Retired:	07-05-79	Died:	01-02-16
William D. Rowlett	Fire Disability	Retired:	05-21-87	Died:	11-26-15
Betty L. Garnett	Fire Widow	Retired:	01-24-04	Died:	12-26-15
Maxine Mc Murray	Fire Widow	Retired:	12-07-05	Died:	12-05-15
Johnnie C. Nesseth	Fire Widow	Retired:	05-24-08	Died:	12-20-15
Betty M. Willard	Fire Widow	Retired:	03-22-12	Died:	12-28-15
Marylu Barela	Police Widow	Retired:	04-23-10	Died:	12-30-15
Mary E. Love	Police Widow	Retired:	05-29-14	Died:	12-30-15
Marceline Wallace	Police Widow	Retired:	02-25-10	Died:	01-05-16

DESIGNATED PARTIAL PAYMENT OF PENSION – TIER 5 – 2

In accordance with the City Attorney's advice and California Family Code Section 2610, a designated proportion of the community property interest of the pension payable to Michael D. Gray, Police Service Pensioner, which was to be paid to his deceased former spouse, Susan L. Gray, is assigned to Sandra L. Gray and Shannon E. Gray, effective January 1, 2016. Ms. Sandra L. Gray and Ms. Shannon E. Gray will receive cost of living adjustments.

In accordance with the City Attorney's advice and California Family Code Section 2610, a designated proportion of the community property interest of the pension payable to Kevin V. Riley, Police Service Pensioner, which was to be paid to his deceased former spouse, Tina Y. Riley, is assigned to Trinity R. Riley, effective January 24, 2016. Ms. Riley will receive cost of living adjustments.

SERVICE PENSION – TIER 3 – 1

Police

James L. Burgener Police Officer II Eff: 09-29-15 1 Years 76 Days

SERVICE PENSION – TIER 5 – 1

Police

Monica F. McPartland Detective II Eff: 01-01-16 2 Years 192 Days

SERVICE PENSION/DROP – TIER 4 – 1

Fire

Ruthie B. Bernal Inspector I Eff: 10-16-15 2 Years 0 Days

SERVICE PENSION/DROP – TIER 5 – 3

Police

Michael D. Carodine Lieutenant II Eff: 12-01-15 3 Years 4 Days

Todd B. Cataldi Sergeant I Eff: 12-01-15 2 Years 362 Days

Antonio Diaz Police Officer III Eff: 12-01-15 2 Years 23 Days

SERVICE PENSION/DROP – TIER 5 – 1 **CORRECTION**

Fire

Jerome A. Boyd Battalion Chief Eff: **04-30-15** 2 Years **126** Days

DESIGNATED PARTIAL PAYMENT OF DROP FUNDS – TIER 5 – 2

In accordance with the City Attorney's advice and California Family Code Section 2610, a designated proportion of the community property interest of the DROP funds payable to Michael D. Gray, Police Service Pensioner, which was to be paid to his deceased former spouse, Susan L. Gray, is assigned to Sandra L. Gray and Shannon E. Gray, effective December 31, 2015.

In accordance with the City Attorney's advice and California Family Code Section 2610, a designated proportion of the community property interest of the DROP funds payable to Kevin V. Riley, Police Service Pensioner, which was to be paid to his deceased former spouse, Tina Y. Riley, is assigned to Trinity R. Riley, effective January 23, 2016.

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. The annual report has been distributed to all City Offices and Officials.
2. The Board members will receive automatic notification emails from the Ethics e-Disclosure System regarding annual filing due by April 1, 2016.
3. Member surveys have given the Department a satisfaction rating of 9 out of a possible 10.

Commissioner Aliano addressed the issue of standing committees, referring to the Board Member Self-Assessment Survey.

Mr. William Raggio, Executive Officer, discussed the survey, stating that it is modeled after

Stanford University's Fiduciary College model and the results will be used to provide Commissioner training.

D. COMMITTEE CALENDAR

1. Audit Committee – Last met: 01/21/16; next meeting: 04/21/16
2. Benefits Committee – Last met: 10/01/15; next meeting: 05/19/16
3. Governance Committee – Last met: 01/07/16; next meeting: 03/17/16

President von Voigt announced the upcoming meetings.

E. CONSENT ITEMS

1. Approval of the Minutes of the Governance Committee of August 6, 2015
2. Findings of Fact
 - a. Maria Elena Montoya – Tier 5
 - b. Stephanie Sutherland – Tier 3
 - c. Samantha Tabares-Guay – Tier 4

Commission Pendleton left the room and did not participate in the vote.

MOTION

Commissioner Vega moved that the Board approve the consent items, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Nathanson, Navarro, Tapia, Vega, and President von Voigt – 6; nays, none

F. CONSIDERATION OF FUTURE AGENDA ITEMS

No items were referred for future discussion.

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

There was no public comment.

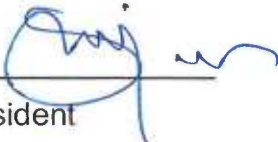
I. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF THREE (3) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION

The Board met in closed session.

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

The meeting adjourned at 11:00 a.m.



President



Secretary