

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF OCTOBER 20, 2016**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in the LAFPP Sam Diannitto Boardroom, located at the Los Angeles Fire and Police Pensions Building, 701 E. Third Street, Suite 400, Los Angeles 90013 on Thursday, October 20, 2016.

COMMISSIONERS PRESENT: Pedram Salimpour, MD, President  
Ruben Navarro, Vice President  
George Aliano  
Corinne T. Babcock  
Sam Diannitto (participated telephonically)  
Adam Nathanson  
Brian Pendleton  
Belinda Vega  
Robert von Voigt

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: Joshua Geller, Deputy City Attorney

President Salimpour called the meeting to order at 8:40 a.m. All the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Vega who arrived at 8:48 a.m.

The first order of business was to award Mr. Christopher Annala, Senior Management Analyst II and longtime manager of the Disability Pensions Section with the Distinguished Service Medal for his 36 years of service with the City of Los Angeles. Mr. Annala began working with LAFPP in 1989 and spent the last 18 years of his career as Manager of the Disability Pensions Section. The Board thanked Mr. Annala for his service with LAFPP and congratulated him on his retirement.

A. ITEMS FOR BOARD ACTION

1. FIRST QUARTER UPDATE FOR THE 2016-17 BUSINESS PLAN AND POSSIBLE BOARD ACTION

Ms. Carissa Takahashi, Management Assistant, Administrative Services Section was available for questions from the Board. The board report was approved as submitted.

RESOLUTION 17027

Commissioner Aliano moved that the Board authorize a revision to the September 30, 2016 and December 31, 2016 milestone dates to March 31, 2017 for Project No. 6 - Health Care Education and Research/Implement Options for Members, which was seconded by Commissioner Nathanson and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Salimpour – 9; nays, none.

2. CONTINUED CONSIDERATION OF ASSUMPTIONS FOR THE JUNE 30, 2016 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION

Mr. Gregory Mack, Chief Benefits Analyst, Pensions Division, and Mr. Andy Yeung, from The Segal Company, discussed the recommended assumptions with the Board.

Public comment was provided by Mr. Ken Buzzell, Los Angeles Retired Fire & Police Association, Ms. Elsa Moy, Ms. Corina Lee, Los Angeles Police Protective League, and Mr. William Rodriguez Morrison.

RESOLUTION 17028

Commissioner Navarro moved that the Board adopt the retiree health assumptions for the June 30, 2016 Retiree Health Valuation as recommended by The Segal Company, with the exception of the first and second year trend rates which shall be set at 7.00%, then grading down by 0.25% each year until an ultimate rate of 5.00% is reached, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Nathanson, Navarro, Pendleton, von Voigt, and President Salimpour – 8; nays, Commissioner Vega - 1.

*Commissioner Diannitto ended his telephonic participation at 9:36 a.m.*

3. APPROVAL OF 13330 LAKEFRONT DRIVE LOAN FINANCING AND POSSIBLE BOARD ACTION

Mr. Paul Palmer, Investment Officer II, Investments Division, Ms. Jennifer Young Stevens, Principal, from the Townsend Group, and Mr. Martin Cawley, Managing Director, from the Sentinel Real Estate Corporation discussed why financing is preferable to a sale of the asset with the Board.

RESOLUTION 17029

Commissioner Navarro moved that the Board approve the refinancing of 13330 Lakefront Drive to take advantage of lowered interest rates without prepayment penalty, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Aliano, Babcock, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Salimpour – 8; nays, none.

4. APPROVAL OF WINDWARD PLACE APARTMENTS LOAN REFINANCING AND POSSIBLE BOARD ACTION

Mr. Paul Palmer, Investment Officer II, Investments Division, Ms. Jennifer Young Stevens, Principal, from the Townsend Group, and Mr. Martin Cawley, Managing Director, from the Sentinel Real Estate Corporation, discussed rising interest rates and the length of term loans with the Board.

Commissioner Navarro stepped out of the boardroom prior to the vote.

RESOLUTION 17030

Commissioner von Voigt moved that the Board approve the refinancing of Windward Place Apartments to take advantage of lowered interest rates without prepayment penalty, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Aliano, Babcock, Nathanson, Pendleton, Vega, von Voigt, and President Salimpour – 7; nays, none.

*Commissioner Diannitto rejoined the board meeting telephonically at 10:02 a.m.*

Item F was taken out of order.

F. DISABILITY CASE

DISABILITY CLAIMS – NEW CLAIMS – TIER 5

Colin J. Braudrick

(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 Navarro, seconded by Commissioner Aliano and adopted by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Salimpour – 9; nays, none. Sergeant Braudrick was not present but was represented by Corina Lee, Los Angeles Police Protective League.

5. CHIEF INVESTMENT OFFICER'S QUARTERLY REPORT OF ASSET ALLOCATION STATUS AND POSSIBLE BOARD ACTION

Mr. Tom Lopez, Chief Investment Officer, Investment Division, presented his report to the Board.

Public comment was provided by Ms. Elsa Moy.

RESOLUTION 17031

Commissioner von Voigt moved That the Board approve the actual asset allocation of the Fund and Staff's plans for bringing asset classes currently outside of their target allocation ranges back within their allocation ranges, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Nathanson, Navarro, Pendleton, Vega, von Voigt, and President Salimpour – 9; nays, none.

B. REPORTS TO THE BOARD

1. QUARTERLY PORTFOLIO PERFORMANCE REPORT BY RVK

Mr. Ryan Sullivan, from RVK presented the quarterly report to the Board. The Board discussed active manager performance with Mr. Tom Lopez, Chief Investment Officer, Investments Division. Commissioner Nathanson requested a report on watchlist managers. Commissioners Navarro and Nathanson discussed smart beta portfolios and active managers with Mr. Lopez and Mr. Sullivan. The board report was received and filed.

2. SEMI-ANNUAL REVIEW OF CORE AND SPECIALIZED MANAGER PRIVATE EQUITY PROGRAMS AND THE COMMODITIES ALLOCATION TO PRIVATE EQUITY

Mr. Todd Hughes, Managing Director, and Ms. Elizabeth Campbell, Senior Vice President from Portfolio Advisors presented their report to the Board.

*Commissioner Babcock left the board room for the remainder of the meeting at 11:20 a.m.*

The Board discussed return on investment and venture capital with Mr. Hughes and Mr. Tom Lopez, Chief Investment Officer, Investments Division. The board report was received and filed.

*President Salimpour recessed the meeting for a break at 11:35 a.m., and reconvened at 11:45 a.m.*

*Commissioner Navarro left the board room for the remainder of the meeting at 11:45 a.m.*

### 3. COMMITMENT PACING STUDY – 2016

Mr. Todd Hughes, Managing Director, and Ms. Elizabeth Campbell, Senior Vice President from Portfolio Advisors presented their report to the Board. The Board discussed allocations to specialized managers, risk, and the basis for the five model scenarios in the report with Mr. Hughes, Ms. Campbell, and Mr. Tom Lopez, Chief Investment Officer, Investments Division. The board report was received and filed.

### 4. MINORITY, WOMEN, DISABLED VETERAN AND LGBT OWNED BROKER USAGE REPORT

Ms. Miki Shaler, Senior Management Analyst I, Investments Division presented her report to the Board. The board report was received and filed.

### 5. 2016 ANNUAL MEMBER SURVEY – SUMMARY OF FINDINGS

Ms. Carol Tavares, Manager, Communications and Education Section discussed her report with the Board. The Board discussed distribution methods and the survey results with Ms. Tavares and General Manager Ciranna.

Public comment was provided by Ms. Corina Lee, Los Angeles Police Protective League, who commended the Communications and Education Section for their dedication.

The board report was received and filed.

### 6. QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF

The board report was received and filed.

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

Commissioner Salimpour disclosed that a meal invitation turned into a solicitation. Commissioner Salimpour paid for the meal to avoid any semblance of impropriety.

8. General Manager's Report

a. Monthly Report

b. Marketing Cessation Information

c. Benefits Actions approved by General Manager on October 6, 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 October 6, 2016.

DISCONTINUED PENSIONS – TIER 1 – 2

Josephine Preston	Fire Widow	Retired:	01-11-16	Died:	08-24-16
Irene Barrett	Police Widow	Retired:	03-21-83	Died:	08-19-16

DISCONTINUED PENSIONS – TIER 2 – 10

Jack J. Holman	Fire Service	Retired:	02-26-78	Died:	08-20-16
George O. Arnold	Police Service	Retired:	06-01-78	Died:	08-20-16
Thomas V. Chambers	Police Service	Retired:	09-27-98	Died:	08-28-16
Hodgen H. Crossett	Police Service	Retired:	02-23-82	Died:	07-26-16
Dennis M. Dunn	Police Service	Retired:	10-07-90	Died:	08-31-16
John F. Mahon, Jr.	Police Service	Retired:	12-22-75	Died:	08-04-16
Thomas D. O Neil	Police Service	Retired:	11-21-92	Died:	09-03-16
Robert F. Bowman	Fire Disability	Retired:	06-30-80	Died:	08-10-16
Elaine M. Norman	Fire Widow	Retired:	09-30-95	Died:	08-04-16
Helene M. Uno	Police Widow	Retired:	08-01-69	Died:	08-02-16

DISCONTINUED PENSIONS – TIER 5 – 2

Willie R. Wheeler	Fire Service	Retired:	02-09-03	Died:	08-28-16
Arthur Aguilar	Police Service	Retired:	05-01-02	Died:	08-28-16

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Linda S. Chambers	Former Spouse	Retired:	12-01-03	Member Died:	08-28-16
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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 J. J. Francesconi, Fire Service Pensioner, which was being paid to his former spouse Lois A. Lowenstein, has been discontinued due to Ms. Lowenstein's death on April 24, 2016. Ms. Lowenstein's portion reverts to Mr. Francesconi, effective April 25, 2016.

SERVICE PENSION – TIER 5 – 3

Police

Carolyn A. Coward	Police Officer II	Eff:	09-04-16	20 Years	318 Days
Richard L. Tompkins	Lieutenant I	Eff:	09-01-16	26 Years	54 Days
Kathryn V. Weigel	Sergeant I	Eff:	09-18-16	27 Years	7 Days

SERVICE PENSION/DROP – TIER 2 – 1

Police

Phillip C. Tingirides	Commander	Eff:	08-01-16	36 Years	146 Days
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SERVICE PENSION/DROP – TIER 3 – 1

Police

Michael C. Huff	Sergeant I	Eff:	08-01-16	26 Years	211 Days
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SERVICE PENSION/DROP – TIER 4 – 1

Fire

George M. Ross	Firefighter III	Eff:	08-22-16	27 Years	256 Days
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SERVICE PENSION/DROP – TIER 5 – 16

Fire

George M. Hall	Firefighter III	Eff:	04-20-16	27 Years	30 Days
John Novela	Inspector II	Eff:	02-02-16	33 Years	49 Days
Robert A. Sanchez	Firefighter III	Eff:	08-02-16	29 Years	293 Days
Raymond L. Schiller	Firefighter III	Eff:	07-02-16	32 Years	225 Days
Paul A. Terris	Inspector II	Eff:	08-01-16	31 Years	223 Days

Police

Marc Archuleta	Sergeant II	Eff:	09-01-16	27 Years	1 Day
Yvette D. Bass	Detective II	Eff:	08-01-16	25 Years	234 Days
Brian E. Brown	Police Officer II+2	Eff:	09-01-16	28 Years	23 Days
Steven F. Carnevale	Police Officer III+2	Eff:	09-01-16	25 Years	345 Days
Terrance E. Fathauer	Detective III	Eff:	09-01-16	27 Years	329 Days
Raymond Garvin	Lieutenant II+2	Eff:	08-01-16	27 Years	247 Days
Alonzo C. Howell	Police Officer III	Eff:	08-01-16	28 Years	210 Days
Paul M. Makarenko	Detective II	Eff:	09-01-16	28 Years	66 Days
Tracy E. McClanahan	Detective II	Eff:	09-01-16	25 Years	259 Days
Kent O. Oderinlo	Detective III	Eff:	09-01-16	27 Years	253 Days
Lawayne C. Stift	Detective II	Eff:	08-31-16	34 Years	152 Days



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>
Joseph A. Armstrong	Police Officer II	50%	9-15-16	9-15-16

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. The City is working on the status of Ontario Airport Safety Officers regarding the ballot measure allowing them to transfer to Tier 6.
2. Concerning contributions from members on Injured on Duty (IOD) status, the City doesn't collect and forward the member contributions in accordance with salary provisions contained in the Administrative Code and Charter. Because these member contributions do not come into the system biweekly, they create a slight actuarial loss at the end of the year. A letter has been sent to the CAO's office informing them of the situation.
3. The Mayor's Office is concerned about Police Officer retention.  
The Board discussed police retention with General Manager Ciranna.  
Public comment was provided by Ms. Corina Lee, Los Angeles Police Protective League.
4. The investment return for the quarter of September 30, 2016 was approximately 3.5%.

Commissioner Aliano mentioned receiving positive comments regarding the financial counseling program.

C. CONSENT ITEMS

1. Approval of Minutes

- a. Minutes of the Regular Board meetings of February 4, 2016, February 18, 2016, and April 7, 2016
- b. Minutes of the Special Board meetings of March 3, 2016

MOTION

Commissioner von Voigt moved to approve the consent items, seconded by Commissioner Nathanson and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Nathanson, Pendleton, Vega, von Voigt, and President Salimpour – 7; nays, none.



D. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no additional items.

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

There were no public comments.

G. 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 Salimpour stated there was no public report.

The meeting adjourned at 12:40 p.m.



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President



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Secretary