

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF MAY 18, 2017

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 East 3rd Street, Suite 400, Los Angeles 90013 on Thursday, May 18, 2017.

COMMISSIONERS PRESENT: Ruben Navarro, Vice President
George Aliano
Corinne T. Babcock
Sam Diannitto (Participated Telephonically)
Brian Pendleton
Belinda Vega
Robert von Voigt

COMMISSIONERS ABSENT: Adam Nathanson
Pedram Salimpour, MD

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

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney

Vice President Navarro called the meeting to order at 8:30 a.m. All the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Babcock who arrived at 8:34 a.m.

A. ITEMS FOR BOARD ACTION

1. REVIEW OF LOS ANGELES CAPITAL MANAGEMENT DOMESTIC EQUITY ENHANCED INDEX CONTRACT AND POSSIBLE BOARD ACTION

Ms. Erin Kenney, Departmental Audit Manager, Internal Audit Section stated that Internal Audit Section received the required disclosure information regarding gifts, campaign contributions, and charitable contributions; and that there is nothing to report.

Mr. Daren Perlstein, Investment Officer, Investments Division presented the recommendations to the Board. Mr. Ryan Sullivan, Consultant, from RVK was available for questions.

Resolution 17117

Commissioner Pendleton moved that the Board:

1. Approve a new three-year contract with Los Angeles Capital Management for domestic equity enhanced index advisory services;
2. Authorize the General Manager to review and negotiate the terms and conditions with Los Angeles Capital Management for domestic equity enhanced index advisory services for the period August 1, 2017 through July 31, 2020; and,
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Los Angeles Capital Management for domestic equity enhanced index advisory services, subject to the approval of the City Attorney as to form and legality, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Pendleton, Vega, von Voigt, and Vice President Navarro – 6; nays, none.

Commissioner Babcock joined the meeting at this time.

2. REVIEW OF FIS GROUP, INC. MANAGER OF EMERGING MANAGERS INTERNATIONAL EQUITY CONTRACT AND POSSIBLE BOARD ACTION

Ms. Erin Kenney, Departmental Audit Manager, Internal Audit Section stated that Internal Audit Section received the required disclosure information regarding gifts, campaign contributions, and charitable contributions; and disclosure information on two items was distributed to the Board.

Ms. Annie Chao, Investment Officer, Investments Division presented her report to the Board. Mr. Ryan Sullivan, Consultant from RVK was available for questions.

The Board discussed past performance and fee structure with Ms. Chao and Mr. Sullivan.

Resolution 17118

Commissioner Aliano moved that the Board:

1. Approve a new three-year contract with FIS Group, Inc. for manager of emerging managers international equity advisory services;
2. Require an annual report to the Board by investment staff;
3. Authorize the General Manager to review and negotiate the terms and conditions with FIS Group, Inc. for manager of emerging managers international equity advisory services for the period July 1, 2017 through June 30, 2020; and,

4. Authorize the President of the Board, on behalf of the Board, to execute the contract with FIS Group, Inc. for manager of emerging managers international equity advisory services, subject to the approval of the City Attorney as to form and legality, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Vega, von Voigt, and Vice President Navarro – 6; nays, Commissioner Pendleton - 1.
3. APPROVAL OF REQUEST FOR PROPOSAL FOR OUTSIDE SECURITIES MONITORING AND LITIGATION COUNSEL AND POSSIBLE BOARD ACTION

Mr. Alan Manning, Assistant City Attorney discussed the RFP process and the City Attorney's recommendations with the Board.

Commissioner Aliano asked who would be on the committee and requested that it include two staff members. Commissioner Navarro wanted clarification on the interview process.

Resolution 17119

Commissioner Pendleton moved that the Board:

1. Implement the process for the selection and engagement of outside counsel with expertise in securities litigation to assist the City Attorney to advise and represent the Plan; and
 2. Issue a Request for Proposal (RFP) for the outside Securities Monitoring and Litigation Counsel, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Pendleton, Vega, von Voigt, and Vice President Navarro – 7; nays, none.
4. APPROVAL OF AMENDMENT TO OUTSIDE REAL ESTATE AND INVESTMENT COUNSEL CONTRACTS AND POSSIBLE BOARD ACTION

Mr. Alan Manning, Assistant City Attorney discussed the City Attorney's recommendations with the Board.

Commissioner Vega discussed the feasibility of hiring a third firm with Mr. Manning and General Manager Ciranna.

Resolution 17120

Commissioner Aliano moved that the Board:

1. Approve an amendment to the outside real estate and investment legal counsel contract with Kutak Rock LLP (Contract No. C-128402) to increase the maximum annual amount to \$200,000 and the total maximum contract amount to \$600,000; and

2. Approve an amendment to the outside real estate and investment legal counsel contract with Nossaman LLP (Contract No. C-128417) to increase the maximum annual amount to \$200,000 and the total maximum contract amount to \$600,000, which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Pendleton, Vega, von Voigt, and Vice President Navarro – 7; nays, none.

5. BACKGROUND INFORMATION AND RECONSIDERATION OF CONTRACT AWARD FOR FINANCIAL COUNSELING SERVICES AND POSSIBLE BOARD ACTION

Ms. Erin Kenney, Departmental Audit Manager, Internal Audit Section stated that Internal Audit Section received the required disclosure information regarding gifts, campaign contributions, and charitable contributions and that there is nothing to report.

Ms. Carol Tavares, Senior Management Analyst I, Communications and Education Section presented her report to the Board. Mr. Robert Hinkel, Financial Advisor, from Cambridge Financial Partners, LLC answered questions from the Board.

The Board discussed the separation of education from counseling with Ms. Tavares, Mr. Hinkel, and Deputy City Attorney Joshua Geller.

The Board tabled the item to later in the meeting.

6. GENERAL MANAGER PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

Ms. Jennifer Barnych, Management Assistant, Administrative Services Section presented her report to the Board.

Resolution 17121

Commissioner Vega moved that the Board:

- 1) Direct staff to survey Board members on the General Manager's performance for 2016-17; and,
- 2) Use the current Criteria, Process, and Survey Instrument for the 2017-18 General Manager Evaluation, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Pendleton, Vega, von Voigt, and Vice President Navarro – 7; nays, none.

B. REPORTS TO THE BOARD

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

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 May 11, 2017

Pursuant to Resolution 04008, adopted by the Board of Fire and Police Pension Commissioners on August 7, 2003, the following benefit actions have been approved by the General Manager on May 11, 2017.

DISCONTINUED PENSIONS – TIER 1 – 3

Gloria O. Price	Fire Widow	Retired:	10-13-05	Died:	03-24-17
Valerie Cryar	Police Widow	Retired:	08-12-01	Died:	03-24-17
Doreen P. Maxwell	Police Widow	Retired:	09-18-06	Died:	03-22-17

DISCONTINUED PENSIONS – TIER 2 – 20

Norman E. Fehle, Jr.	Fire Service	Retired:	09-09-82	Died:	03-28-17
Lawrence M. Gimenez	Fire Service	Retired:	04-14-86	Died:	03-22-17
John F. Rooney	Fire Service	Retired:	06-29-80	Died:	03-24-17
Donald G. Wyse	Fire Service	Retired:	11-03-88	Died:	03-25-17
Grace C. Lindsey	Police Service	Retired:	06-29-80	Died:	11-25-16
Theodore A. Morgan	Police Service	Retired:	05-21-92	Died:	08-28-16
Ronald B. Nies	Police Service	Retired:	07-01-77	Died:	01-27-16
Laverne M. Ridenour	Police Service	Retired:	01-23-83	Died:	03-08-17
Glenn A. Storms	Police Service	Retired:	11-20-68	Died:	03-19-17
Tearance K. Teague	Police Service	Retired:	01-03-88	Died:	04-04-17
Thomas H. Zeihen	Police Service	Retired:	02-12-89	Died:	03-25-17
Robert S. Parker	Police Disability	Retired:	11-29-79	Died:	02-25-17
Marilyn D. Bomicino	Fire Widow	Retired:	02-14-03	Died:	03-20-17
Elizabeth S. Bruiger	Fire Widow	Retired:	04-21-93	Died:	03-11-16
Josephine Orcutt	Fire Widow	Retired:	05-26-00	Died:	03-17-17
Barbara L. Peters	Fire Widow	Retired:	06-08-96	Died:	04-01-17
Mildred L. Tribbey	Fire Widow	Retired:	10-07-04	Died:	09-29-16
Norene Cummins	Police Widow	Retired:	02-19-01	Died:	04-11-17
Angelina Peters	Police Widow	Retired:	10-11-91	Died:	01-02-17
Sharon L. Saidenberg	Police Widow	Retired:	03-11-16	Died:	02-02-17

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 3

Betty R. Chandler	Fire Service	Retired:	02-01-87	Member Died:	03-22-17
Armida V. De La Torre	Fire Service	Retired:	07-05-98	Member Died:	02-22-17
Constance A. Zeihen	Police Service	Retired:	02-12-89	Member Died:	03-25-17

MINOR CHILD'S PENSION – GUARDIANSHIP – TIER 5 – 1

The Letters of Guardianship filed on March 1, 2017, in the County of Los Angeles, Case Number 16STPB02882, appointing Marissa Lupercio, guardian of the estate of Isabella R. Guzman and Lillyana C. Guzman, minor children of deceased Detective I, Hector Guzman, has been filed with this office.

Pension payments will be paid to Marissa Lupercio for the benefit of Isabella R. Guzman and Lillyana C. Guzman, effective April 19, 2016.

SERVICE PENSION – TIER 3 – 1

Police

David M. Schnack	Police Officer II	Eff:	03-28-17	21 Years	52 Days
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SERVICE PENSION – TIER 5 – 2

Police

Michael D. Lewis	Police Officer III	Eff:	04-02-17	22 Years	8 Days
Bill D. Miller	Police Officer III	Eff:	04-01-17	21 Years	0 Days

SERVICE PENSION/DROP – TIER 3 – 1

Police

Thomas B. Kimrey	Detective II	Eff:	03-28-17	27 Years	52 Days
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SERVICE PENSION/DROP – TIER 5 – 3

Fire

Kevin A. Kemp	Firefighter III	Eff:	03-01-17	27 Years	285 Days
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Police

Andrew T. Hudlett	Sergeant II	Eff:	04-01-17	27 Years	74 Days
Robert E. Vargas	Detective II	Eff:	04-01-17	28 Years	147 Days

DISCONTINUE DROP – Deceased – TIER 5 – 1

Fire

Steven L. Robinson		Eff:	08-02-15	Died:	08-09-15
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DESIGNATED PAYMENT OF DROP FUNDS – TIER 5 – 1

In accordance with the Los Angeles Administrative Code and at the request of Jennifer A. Robinson, designated beneficiary of Steven L. Robinson, deceased Fire Service Pensioner, the DROP funds of Steven L. Robinson are to be paid to Jennifer A. Robinson, effective April 1, 2017.

ELIGIBLE MINOR CHILDREN APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Effective Date</u>
Marissa Lupercio, Guardian of Isabella R. Guzman and Lillyana C. Guzman (Hector Guzman)	Detective I	04-19-16

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>
John D. Costa	Sergeant I	51%	04-20-17	04-20-17

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. Segal will discuss the §401(h) health account and related contribution limits, as well as present the findings and recommendations from the three-year plan experience study on June 1, 2017.
2. Keenan will present the results from the RFP on June 1, 2017.
3. The Fund's asset value hit \$20.5 billion.
4. Small Cap interviews will be held on June 15, 2017.
5. Construction update: ramps and railings are being installed on the LAFPP building rooftop deck.

C. CONSENT ITEMS

1. Approval of Minutes

- a. Minutes of the Regular Board meetings of November 3 and 17, 2016, December 1 and 15, 2016, and January 5 and 19, 2017
- b. Minutes of the Special Board meeting of November 17, 2016

Motion

Commissioner von Voigt moved that the Board approve the consent items, which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Pendleton, Vega, von Voigt and Vice President Navarro – 7; nays, none.

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 were no public comments.

Deputy City Attorney Joshua Geller took the City Attorney Chair at this time.

F. DISABILITY CASES

DISABILITY CLAIMS – DEPENDENT CHILD – TIER 5

Commissioner Vega stepped out of the board room prior to the vote.

Jordan A. Aguilar
Dependent Child of Arthur Aguilar (P) Police Officer III+1

As recommended by Staff and concurred in by the conservator/applicant, Debora J. Aguilar, Dependent Child status and benefits are granted. Motion made by Commissioner von Voigt, seconded by Commissioner Pendleton and adopted by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Pendleton, von Voigt, and Vice President Navarro - 6; nays, none. Mr. Aguilar and his conservator were not present nor were they represented.

Commissioner Vega returned to the board room.

Marie E. Aguilar
Dependent Child of Arthur Aguilar (P) Police Officer III+1

As recommended by Staff and concurred in by the conservator/applicant, Debora J. Aguilar, Dependent Child status and benefits are granted. Motion made by Commissioner von Voigt, seconded by Commissioner Babcock and adopted by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Pendleton, Vega, von Voigt, and Vice President Navarro - 7; nays, none. Ms. Aguilar and her conservator were not present nor were they represented.

Suanna D. Aguilar
Dependent Child of Arthur Aguilar (P) Police Officer III+1

As recommended by Staff and concurred in by the conservator/applicant, Debora J. Aguilar, Dependent Child status and benefits are granted. Motion made by Commissioner von Voigt, seconded by Commissioner Aliano and adopted by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Pendleton, Vega, von Voigt, and Vice President Navarro - 7; nays, none. Ms. Aguilar and her conservator were not present nor were they represented.

A. ITEMS FOR BOARD ACTION - CONTINUED

5. BACKGROUND INFORMATION AND RECONSIDERATION OF CONTRACT AWARD FOR FINANCIAL COUNSELING SERVICES AND POSSIBLE BOARD ACTION

Ms. Carol Tavares, Senior Management Analyst I, Communications and Education Section and Mr. Robert Hinkel, Financial Advisor, from Cambridge Financial Partners, LLC discussed the parameters of the educational seminars and proposed individual member counseling with the Board.

The Board discussed the fees and scope of the individual counseling with Ms. Tavares and Mr. Hinkel.

Resolution 17122

Commissioner Aliano moved that the Board:

1. Rescind the December 15, 2016 Board action to award a contract to Four Square Financial Literacy Partners, Inc. to provide financial counseling services for a three-year term; and
2. Approve the selection of Cambridge Financial Partners, LLC to provide financial counseling services for a one-year term; and
3. Require a member assessment at the end of each session, written and/or verbal; and
4. Authorize the General Manager to negotiate and execute the terms and conditions of the contract; and
5. Authorize the President of the Board, on behalf of the Board, to execute the contract subject to the approval of the City Attorney as to form, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Pendleton, Vega, and von Voigt - 6; nays, Vice President Navarro – 1.

Assistant City Attorney Alan Manning took the City Attorney Chair at this time.

G. CLOSED SESSION

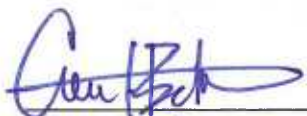
1. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING LITIGATION, IN THE FOLLOWING CASES:
 - (a) Tracy Andres v. Board of Fire and Police Pension Commissioners;
 - (b) Allen et al. v. Over and Over Ready Mix et al.;
 - (c) In re: Estate of Dennis S. Massa;
 - (d) In re: Tribune Company Fraudulent Conveyance Litigation

- (i) Deutsche Bank Trust Company Americas, et al. v. First Republic Bank et al.
- (ii) William A. Niese, et al. v. Chandler Trust No. 1, et al.
- (iii) The Official Committee of Unsecured Creditors v. Fitzsimmons, et.al.;
- (e) Unsecured Creditors of Motors Liquidation Company fka General Motors Corporation v. JPMorgan Chase NA, individually and as Administrative Agent, et al.

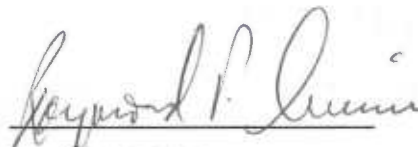
The Board met in closed session.

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

The meeting adjourned at 10:14 a.m.



President


Secretary