

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF JULY 20, 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, July 20, 2017.

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

COMMISSIONERS ABSENT: Brian Pendleton

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 8:30 a.m. All the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Babcock who arrived at 8:35 a.m.

A. ITEMS FOR BOARD ACTION

1. PER CITY CHARTER SECTION 503(a), ELECTION OF BOARD OFFICERS: OFFICE OF PRESIDENT AND OFFICE OF VICE PRESIDENT

Resolution 18009

A nomination for Commissioner Ruben Navarro for Board President was made by Commissioner von Voigt, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Nathanson, Navarro, Vega, von Voigt, and President Salimpour – 7; nays, none.

Resolution 18010

A nomination for Commissioner Corinne T. Babcock for Board Vice President was made by Commissioner Nathanson, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Nathanson, Navarro, Vega, Vega, and President Salimpour – 7; nays, none.

Commissioner Salimpour passed the gavel to President Navarro. President Navarro thanked Commissioner Salimpour for his outstanding service as Board President.

2. THE FIRE DEPARTMENT RETIRED MEMBER OF THE BOARD SPECIAL ELECTION AND POSSIBLE BOARD ACTION

Ms. Wendy Kamayatsu, Management Analyst, Administrative Services Section presented the report to the Board.

Resolution 18011

Commissioner Aliano moved that the Board:

1. Authorize the General Manager to provide notification to the Office of the City Clerk (City Clerk) in accordance with Section 23.103.4(a) of the Los Angeles Administrative Code (LAAC) for the 2017 Fire Department Retired Member of the Board Special Election;
2. Designate the date of the Special Election for Tuesday, September 19, 2017 in accordance with LAAC Section 23.103.10(b);
3. Authorize the General Manager to cause to be prepared, not more than 30 nor fewer than 20 days prior to the Special Election in accordance with LAAC Section 23.103.4(b), a Notice of Election which shall also include the Sample Ballot and the rules concerning voter eligibility;
4. Authorize a transfer of \$20,000 from the 2017-18 Budget - Office and Administrative Expense (Account 6010) to Election Expense (Account 5417) to pay for projected Board Special Election expenses; and,
5. Authorize the General Manager and Staff to perform the necessary administrative work specified in the LAAC; to coordinate the Special Election with the City Clerk, Fire Department, and employee organizations; and to make technical corrections as necessary to effectuate the intent of this report, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Nathanson, Salimpour, Vega, von Voigt, and President Navarro - 8; nays – none.

Commissioner Babcock joined the meeting at 8:35 a.m.

3. REPORT ON RESULTS OF PEER REVIEW AND POSSIBLE BOARD ACTION

Ms. Erin J. Kenney, Departmental Audit Manager, Internal Audit Section discussed the results of the review with the Board.

Public comment was provided by Ms. Elsa Moy.

Resolution 18012

Commissioner Aliano moved that the Board:

1. Review the Association of Local Government Auditors Peer Review regarding the Los Angeles Fire and Police Pensions Internal Audit Section; and,
2. Instruct staff to implement all suggestions contained in the Peer Review, which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Aliano, Babcock, Nathanson, Salimpour, Vega, von Voigt, and President Navarro - 7; nays – Commissioner Diannitto - 1.

4. APPROVAL TO ISSUE A REQUEST FOR PROPOSAL FOR ALIVE AND WELL AUDIT INVESTIGATIVE SERVICES

Ms. Myo Thedar, Manager, Retirement Services Section presented the report to the Board.

Commissioner Nathanson asked why the minimum pensioner age for the audit group was increased from 90 to 95. Ms. Thedar answered that the pool was much larger if it included the 90+ age group.

The Board decided to amend the language of the RFP to consider including the 90+ age group.

Resolution 18013

Commissioner von Voigt moved that the Board authorize the General Manager to issue a Request for Proposal (RFP) for investigative services to assist in the Alive and Well Audit of age 90+ *and* 95+ pensioners, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Babcock, Diannitto, Nathanson, Salimpour, Vega, von Voigt, and President Navarro - 8; nays – none.

B. REPORTS TO THE BOARD

1. VERBAL UPDATE ON HEALTH CARE PLANS

Ms. Eunice Zordilla, Senior Management Analyst I, Medical and Dental Benefits Section updated the Board with the following information:

1. Preparing the LAFPP communication plan with members.
2. Met with the Port Police Officers Association.
3. Announced that the goal is to have all pensioners exiting the LACERS plans enrolled in new plans in October 2017 with coverage effective January 1, 2018.
4. Met with Anthem Blue Cross and have a telephonic meeting scheduled with Kaiser.
5. Reached out to UFLAC to begin discussions on updating our operations agreement.
6. Followed up with Labor First. Their largest public sector client is the Chicago Fraternal Order of Police and Firefighters.

Commissioner Vega asked about the relief associations accepting additional members and was answered that LAFRA would open up their Kaiser plan to Fire but conversations are continuing on the subject.

2. QUARTERLY PORTFOLIO PERFORMANCE REPORT BY RVK

Mr. Jim Voytko, President and Senior Consultant, and Mr. Cole Bixenman, Associate Consultant from RVK presented the report to the Board. The report was received and filed.

3. REAL ESTATE PERFORMANCE REPORT BY THE TOWNSEND GROUP

Ms. Jennifer Stevens, Principal, and Mr. Robert Miranda, Principal, from The Townsend Group presented the report to the Board. The report was received and filed.

Commissioner Aliano left the meeting at 10:42 a.m.

4. QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF

The report was received and filed.

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

6. General Manager's Report

a. Monthly Report

Public comment provided by Ms. Elsa Moy.

b. Marketing Cessation Information

c. Benefits Actions approved by General Manager on July 6, 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 July 6, 2017.

DISCONTINUED PENSIONS – TIER 1 – 5

Jeremiah A. Dauer	Police Disability	Retired:	03-02-78	Died:	05-08-17
Jessie I. Wilson	Fire Widow	Retired:	11-01-66	Died:	06-03-17
Hetty A. North	Police Widow	Retired:	09-02-62	Died:	05-23-17
Marijack A. Short	Police Widow	Retired:	10-01-79	Died:	04-14-17
Roie A. Underhill	Police Widow	Retired:	09-26-11	Died:	05-13-17

DISCONTINUED PENSIONS – TIER 2 – 15

Jerry L. Fitzgerald	Fire Service	Retired:	06-30-90	Died:	05-17-17
Bobby R. Mc Clellan	Fire Service	Retired:	07-08-84	Died:	05-31-17
John E. Scholfield	Fire Service	Retired:	05-31-92	Died:	05-26-17
Wayne L. Cox	Police Service	Retired:	08-07-94	Died:	01-29-17
Clarence E. Rogers	Police Service	Retired:	01-21-88	Died:	05-13-16
James J. Russell	Police Service	Retired:	07-02-89	Died:	04-13-17
Andrew Sowiak	Police Service	Retired:	06-30-76	Died:	04-17-17
Walter I. Leabo	Police Disability	Retired:	07-01-70	Died:	04-24-17
John A. Lestelle	Police Disability	Retired:	07-01-75	Died:	05-20-17
Gloria S. Adams	Fire Widow	Retired:	09-15-95	Died:	02-24-17
Evelyn P. Borden	Fire Widow	Retired:	02-19-00	Died:	05-06-17
Stella M. Lujan	Fire Widow	Retired:	12-23-00	Died:	05-13-17
Beverly J. Nagy	Fire Widow	Retired:	07-13-06	Died:	05-19-17
Mary E. Bartlett	Police Widow	Retired:	01-01-74	Died:	01-31-17
Jean Shaw	Police Widow	Retired:	12-15-84	Died:	05-11-17

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 1 – 1

Virginia L. Bonano	Police Disability	Retired:	11-01-89	Member Died:	05-08-17
--------------------	-------------------	----------	----------	--------------	----------

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Laura Hogan	Police Service	Retired:	11-01-06	Member Died:	01-29-17
-------------	----------------	----------	----------	--------------	----------

SERVICE PENSION – TIER 3 – 1

<u>Police</u>					
Angel Sambrano	Police Officer III	Eff:	06-11-17	21 Years	172 Days

SERVICE PENSION – TIER 5 – 3

<u>Fire</u>					
Alicia L. Welch	Battalion Chief	Eff:	06-11-17	25 Years	332 Days

Police

Shawn D. Massey	Police Officer III	Eff:	06-11-17	22 Years	221 Days
Nina V. Sandoval	Police Officer III	Eff:	06-11-17	22 Years	26 Days

SERVICE PENSION/DROP – TIER 4 – 1

Police

Kevin D. Korne	Detective I	Eff:	06-01-17	28 Years	62 Days
----------------	-------------	------	----------	----------	---------

SERVICE PENSION/DROP – TIER 5 – 8

Police

John P. Buckley	Sergeant II	Eff:	06-01-17	26 Years	254 Days
Alvin B. Linton	Police Officer II	Eff:	05-01-17	27 Years	49 Days
Javier Lozano	Detective III	Eff:	06-01-17	30 Years	17 Days
Thomas A. Mason	Lieutenant II	Eff:	06-01-17	28 Years	161 Days
Manuel D. Pedroza	Detective II	Eff:	06-01-17	27 Years	316 Days
Sheryl L. Reynolds	Detective I	Eff:	05-01-17	27 Years	30 Days
David E. Williams	Sergeant II	Eff:	06-01-17	25 Years	53 Days
Jeffrey E. Williams	Detective I	Eff:	06-01-17	25 Years	13 Days

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>
Luke J. Butnick	Police Officer II	90%	06-15-17	06-15-17

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. The preliminary unaudited investment return for 2016-17 was 12.85%.
2. Received the City's contribution payment on July 17, 2017 bringing assets to just under \$21.5 billion.
3. Will be working with the City Clerk on the election.
4. Regarding the Airport Police transfer, 9 LAWA employees have elected to transfer from LACERS.
5. State legislation update – Some clean-up language was proposed for AB 1516; SB 562 (the Healthy California Act) made it through committee but was tabled in Assembly.
6. Federal legislation update – H.R. 931, the Firefighter Cancer Registry Act, supported by the Board, has been reintroduced. H.R. 5697, the Windfall Tax Reform Bill has been reintroduced as H.R. 711, Equal Treatment of Public Servants Act. HR 2187 would amend the IRS Code of 1986 to clarify the treatment of certain retirement plan contributions picked up by government employers if approved and allow an employee to choose between two different benefit formulas.

Commissioner Navarro asked for clarification regarding LAWA transfers and DROP.

General Manager Ciranna announced that Ms. Stephanie Clements, Chief Management Analyst has been promoted to Assistant Director of the Bureau of Street Services. The Board congratulated Ms. Clements on her promotion.

C. CONSENT ITEMS

1. Approval of Minutes

- a. Minutes of the Regular Board meeting of February 16, 2017
- b. Minutes of the Special Board meetings of February 16 and 22, 2017

Motion

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

D. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Babcock asked for information on an article regarding the LACERS search for a new private equity consultant. Commissioner Nathanson asked if the article could be circulated to the Board.

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

Commissioner Nathanson commended Commissioner Salimpour on his term as Board President.

The meeting adjourned at 11:05 a.m.



President



Secretary