

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF OCTOBER 5, 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, October 5, 2017.

COMMISSIONERS PRESENT: Ruben Navarro, President
George Aliano
Kenneth Buzzell
Brian Pendleton
Robert von Voigt

COMMISSIONERS ABSENT: Corinne T. Babcock, Vice President
Adam Nathanson
Pedram Salimpour, MD
Belinda Vega

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Ray Ciranna, General Manager
William Raggio, Executive Officer
Joseph Salazar, Assistant General Manager
Tom Lopez, Chief Investment Officer
Rhonda Ketay, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Anya Freedman, Deputy City Attorney
Joshua Geller, Deputy City Attorney

President Navarro called the meeting to order at 8:57 a.m. All the above-listed Commissioners were present at the start of the meeting.

A. ITEMS FOR BOARD ACTION

1. OFFICE OF THE CITY CLERK'S CERTIFICATION OF THE FIRE DEPARTMENT RETIRED MEMBER OF THE BOARD SPECIAL ELECTION RESULTS AND BOARD DECLARATION OF ELECTED MEMBER

Ms. Wendy Kamayatsu, Management Analyst, Administrative Services Section presented the report to the Board. The report was approved as submitted.

Resolution 18044

Commissioner von Voigt moved that the Board declare Kenneth E. Buzzell the elected Fire Department Retired Member of the Board of Fire and Police Pension Commissioners for the unexpired term beginning October 2, 2017 and ending June 30, 2020, based on the official election results provided by the Office of the City Clerk, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Pendleton, von Voigt, and President Navarro – 5; nays – none.

2. APPROVAL OF THE 2018 BOARD MEETING SCHEDULE AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 18045

Commissioner Pendleton moved that the Board adopt the 2018 Board Meeting Schedule, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Pendleton, von Voigt, and President Navarro – 5; nays – none.

3. AMENDMENTS TO BOARD OPERATING POLICIES AND PROCEDURES SECTION 8.3: MEDICARE PART B REIMBURSEMENT PROGRAM AND POSSIBLE BOARD ACTION

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division joined Ms. Eunice Zordilla, Manager, Medical and Dental Benefits as she discussed the report with the Board.

Commissioner Buzzell suggested that the Board make the subsidy credits for withheld Part B reimbursements retroactive from March 2014.

Motion

Commissioner Pendleton moved that the Board:

1. Approve the proposed amendments to Board Operating Policies and Procedures, Section 8.3: Medicare Part B Reimbursement Program (Attachment); and,
2. Approve retroactive Medicare Part B reimbursements for one year, for pensioners who have not submitted a Medicare Part B Reimbursement Agreement but who have otherwise met all other requirements for this additional subsidy entitlement, which was seconded by Commissioner Aliano and failed by the following vote: ayes – none; nays - Commissioners Aliano, Buzzell, Pendleton, von Voigt, and President Navarro – 5.

Resolution 18046

Commissioner Buzzell moved that the Board:

1. Approve the proposed amendments to Board Operating Policies and Procedures, Section 8.3: Medicare Part B Reimbursement Program (Attachment); and,
 2. Approve retroactive Medicare Part B reimbursements ~~for one year~~ *from March 31, 2014*, for pensioners who have not submitted a Medicare Part B Reimbursement Agreement but who have otherwise met all other requirements for this additional subsidy entitlement, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Pendleton, von Voigt, and President Navarro – 5; nays – none.
4. REVIEW OF CONTRACTOR DISCLOSURE POLICY, SECTION 1.18 OF THE BOARD OPERATING POLICIES AND PROCEDURES – ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, AND STAFF AND POSSIBLE BOARD ACTION

Ms. Erin Kenney, Departmental Audit Manager, Internal Auditing Section presented the report to the Board. The report was approved as submitted.

Resolution 18047

Commissioner von Voigt moved that the Board revise Board Operating Policies and Procedures, Section 1.18 – Ethics Responsibilities for Board Members, the General Manager, and Staff – Contractor Disclosure Policy – to improve clarity and reflect recent updates, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Pendleton, von Voigt, and President Navarro – 5; nays – none.

5. HAWORTH, INC. CONTRACT EXTENSION AND POSSIBLE BOARD ACTION

Ms. Erin Kenney stated that Haworth, Inc. has an existing City contract and that disclosure was not required.

Mr. William Raggio, Executive Officer, Administrative Operations Division presented the report to the Board. The report was approved as submitted.

Resolution 18048

Commissioner Pendleton moved that the Board approve a second, one-year extension for the existing contract with Haworth, Inc., under the U.S. Communities Government Purchasing Alliance Contract, subject to approval of the City Attorney as to form, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Pendleton, von Voigt, and President Navarro – 5; nays – none.

B. REPORTS TO THE BOARD

1. QUARTERLY PORTFOLIO PERFORMANCE REPORT BY RVK

Mr. Ryan Sullivan, Consultant from RVK presented the report to the Board.

The Board discussed performance and watchlist managers with Mr. Sullivan. The report was received and filed.

2. PRESENTATION BY DARUMA CAPITAL MANAGEMENT

Ms. Mariko Gordon, Portfolio Manager, and Mr. Jeff Fischer, Chief Operating Officer from Daruma Capital Management presented the report to the Board.

The Board discussed Daruma's past and present performance with Ms. Gordon and Mr. Fischer. The report was received and filed.

President Navarro recessed the meeting for a break at 9:58 a.m. and reconvened at 10:00 a.m.

3. PRESENTATION BY DIMENSIONAL FUND ADVISORS

Mr. Joseph Young, CFA, Vice President and Client Relationship Manager and Mr. Allen Pu, PHD, Vice President and Senior Portfolio Manager from Dimensional Fund Advisors presented the report to the Board. The report was received and filed.

4. REVIEW OF 2017 PRIVATE EQUITY AND COMMODITIES INVESTMENT ACTIVITY BY PORTFOLIO ADVISORS, LLC

Mr. Todd Hughes, CFA from Portfolio Advisors presented the report to the Board. The report was received and filed.

5. BOARD FIDUCIARY AND ETHICS TRAINING

This item was continued to a subsequent meeting.

6. President Navarro asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.

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

8. General Manager's Report

a. Benefits Actions approved by General Manager on September 21, 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 September 21, 2017.

DISCONTINUED PENSIONS – TIER 1 – 2

L.A. Leflore	Police Service	Retired:	12-01-66	Died:	02-04-17
Jennie T. Parish	Fire Widow	Retired:	06-01-62	Died:	08-09-17

DISCONTINUED PENSIONS – TIER 2 – 9

Raymond O. Salo	Police Service	Retired:	01-30-69	Died:	03-12-17
Theodore G. Spruill	Police Service	Retired:	12-30-86	Died:	08-13-17
R. J. Waddy	Police Service	Retired:	08-21-83	Died:	08-02-17
Kenneth W. Wheeler	Police Service	Retired:	01-21-73	Died:	07-28-17
Harley W. Rust	Fire Disability	Retired:	03-11-00	Died:	08-09-17
Truman G. Zavas, Jr.	Police Disability	Retired:	10-03-91	Died:	08-09-17
Margaret W. Fuller	Fire Widow	Retired:	01-07-15	Died:	08-01-17
Viola R. Martin	Fire Widow	Retired:	02-17-11	Died:	08-08-17
Helen M. Mc Closky	Police Widow	Retired:	05-12-14	Died:	07-29-17

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 6

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Lynn F. Jarvis	Dennis R. Jarvis	Fire Service	07-15-17
Joan W. Knierim	John E. Knierim	Fire Service	07-15-17
Joyce A. Pierce	Terry D. Pierce	Police Service	07-27-17
Barbara J. Spruill	Theodore G. Spruill	Police Service	08-14-17
Anne M. Wheeler	Kenneth W. Wheeler	Police Service	07-29-17
Sheelagh A. Thomas	Spencer L. Thomas	Fire Disability	07-12-17

REACTIVATED SURVIVING SPOUSE'S PENSION – TIER 2 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Sharon R. Mann	Charles Farnsworth	Police Nonservice- Connected Death	07-10-01

SURVIVOR BENEFIT PURCHASE PROGRAM – TIER 5 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Effective Date</u>	<u>Survivor Benefit %</u>
Ronald E. Myers	Fire Service	09-01-17	100%

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 5 – 1

Discontinue the pension payable to Christopher G. Adams, surviving child of deceased Police Officer II, Marian L. Adams, effective September 13, 2017, due to the attainment of age 22 on September 14, 2017.

PARTIAL PAYMENT OF PENSION – TIER 5 – 3

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to James E. Baker, Police Service Pensioner, is to be paid to his former spouse, Bettina M. Baker, effective September 1, 2017. Ms. Baker will receive cost of living adjustments.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to David E. Peters, Fire Service Pensioner, is to be paid to his former spouse, Susan D. Peters, effective September 8, 2017. Ms. Peters will receive cost of living adjustments.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Dale H. Thurow, Fire Service Pensioner, is to be paid to his former spouse, Lori S. Thurow, effective September 1, 2017. Ms. Thurow will receive cost of living adjustments.

DESIGNATED PARTIAL PAYMENT OF PENSION – TIER 2 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Nathan G. Parnell, Police Service Pensioner, which was paid to his deceased former spouse, Anita Parnell, has been designated to her beneficiaries, Nathaniel M. McClain, Jr., Nattineque McClain, Mahdi Parnell, and Maisha Parnell, effective May 23, 2017. The beneficiaries will receive cost of living adjustments.

MODIFIED PARTIAL PAYMENT OF PENSION – TIER 5 – 2

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Jose J. Salazar, Police Service Pensioner, being withheld for his former spouse, Victoria L. Aguirre, since February 1, 2014, should be released effective September 1, 2017.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Rudy V. Vidal, Police Service Pensioner, is to be withheld for his former spouse, Angelica Vidal, effective September 1, 2017.

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 Thomas D. Elfmont, Police Disability Pensioner, which was being withheld for Lena D. Elfmont, Suzannah D. Elfmont and Thomas D. Elfmont, Jr., the designated beneficiaries of his deceased former spouse, Rebecca Elfmont, has been discontinued. Ms. Elfmont's portion reverts to the member, effective July 17, 2017.

DISCONTINUE GUARDIANSHIP – MINOR’S PENSION - TIER 5 – 1

Discontinue the pension payable to Tiffany Clair as the Guardian of Nina Hernandez, minor child of deceased Fire Engineer, Alfredo Hernandez, effective September 18, 2017, due to the attainment of age 18 by Nina Hernandez on September 19, 2017.

Pension benefits will be paid to Nina Hernandez, as she remains a full-time student.

CONSERVATORSHIP – TIER 2 – 1

A certified copy of the Letters of Conservatorship for the Person and the Estate of Annaque M. Salo, issued in the Superior Court of the State of California, County of Butte, Case Number PR00181, appointing Cynthia Harvey and Ronda Brunson, Conservator for the Person and the Estate of Annaque M. Salo, surviving spouse of deceased Police Officer, Raymond O. Salo, effective June 27, 2017, has been filed with this office.

Pension payments will be paid to Cynthia Harvey and Ronda Brunson for the benefit of Annaque M. Salo, effective March 13, 2017.

DEFERRED SERVICE PENSION – TIER 3 – 1

Police

Nelson Wong	Police Officer III	Eff:	09-14-17	10	Years	279	Days
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DEFERRED SERVICE PENSION – TIER 5 – 1

Police

Arthur R. Gamboa	Detective I	Eff:	09-01-17	20	Years	341	Days
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SERVICE PENSION/DROP – TIER 5 – 12

Fire

Anthony Almeida	Engineer	Eff:	07-01-17	29	Years	313	Days
Ciro Di Scala	Captain I	Eff:	07-01-17	28	Years	237	Days
Alex C. Gatica	Captain I	Eff:	07-04-17	30	Years	63	Days
Tina R. Haro	Captain I	Eff:	05-13-17	33	Years	0	Days
Searcy M. Jackson	Firefighter III	Eff:	04-30-17	28	Years	254	Days
David R. Miranda	Inspector II	Eff:	07-03-17	31	Years	47	Days
Samuel Ortiz	Captain I	Eff:	07-04-17	30	Years	61	Days
Joel T. Ramelli	Engineer	Eff:	07-01-17	29	Years	44	Days
Joseph C. Scamardo	Firefighter III	Eff:	05-05-17	28	Years	150	Days
David W. Valadez	Captain I	Eff:	07-01-17	28	Years	237	Days

Police

Mario Cortez	Detective II	Eff:	08-01-17	27	Years	33	Days
George H. Mejia	Police Officer II	Eff:	08-01-17	27	Years	92	Days

DISCONTINUE DROP – TIER 5 – 16

Fire

Stephen L. Cooke	Retired:	10-01-12	Exit Close of:	09-30-17
Raymond J. Cuevas	Retired:	07-01-16	Exit Close of:	09-07-17
Taylor A. Gaskins	Retired:	10-01-12	Exit Close of:	09-30-17
Donna M. Lee	Retired:	10-04-12	Exit Close of:	09-30-17
Kevin G. Mason	Retired:	09-03-14	Exit Close of:	09-30-17
Jose Moreno, Jr.	Retired:	10-01-12	Exit Close of:	09-30-17
David E. Peters	Retired:	09-08-12	Exit Close of:	09-07-17

Police

Steven Angulo	Retired:	02-01-14	Exit Close of:	09-30-17
Timothy R. Brausam	Retired:	09-10-12	Exit Close of:	09-09-17
Timothy E. Counihan	Retired:	10-01-12	Exit Close of:	09-30-17
Susan E. Fisher	Retired:	09-22-13	Exit Close of:	09-30-17
Manuel D. Garza	Retired:	02-01-16	Exit Close of:	09-30-17
Natalie D. Gipson	Retired:	12-01-14	Exit Close of:	09-30-17
Stuart A. Maislin	Retired:	10-01-12	Exit Close of:	09-30-17
Juan J. Sanchez	Retired:	02-01-14	Exit Close of:	09-30-17
Rudy V. Vidal	Retired:	03-04-15	Exit Close of:	08-31-17

PARTIAL PAYMENT OF DROP FUNDS – TIER 5 – 2

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to Stuart A. Maislin, Police Service Pensioner, is to be paid to his former spouse, Cecilia M. Maislin, effective September 30, 2017.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to David E. Peters, Fire Service Pensioner, is to be paid to his former spouse, Susan D. Peters, effective September 7, 2017.

MODIFIED PARTIAL PAYMENT OF DROP FUNDS – TIER 5 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to Rudy V. Vidal, Police Service Pensioner, is to be withheld for his former spouse, Angelica Vidal, effective August 31, 2017.

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>
Julie L. Peat	Police Officer II	50%	09-07-17	09-07-17

b. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. Working with the City Attorney's Office on establishing an IRC Section 115 trust. There are several complex issues staff is working through in consultation with outside tax counsel, including maintaining Board authority for the investment of trust assets and issues with benefits payments, and so forth.
2. Health plan enrollment packages will be mailed to affected members on October 10, 2017. The enrollment period will start on October 15, 2017 and close on November 30, 2017. There will be sessions held to answer questions from the membership.
3. The L.A. Times has requested information on DROP.
4. The next meeting of the Ad Hoc Committee on Retiree Health Plans will be held on October 16, 2017. President Navarro encouraged Board members to attend.

C. CONSENT ITEMS

1. Findings of Fact
 - a. Julie L. Peat – Tier 3
2. Approval of Minutes
 - a. Regular Board Meeting Minutes from April 6 and 20, 2017
 - b. Special Board Meeting Minutes from April 6, 2017

Motion

Commissioner von Voigt moved that the Board approve the consent items, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Pendleton, von Voigt, and President Navarro – 5; nays – none.

D. CONSIDERATION OF FUTURE AGENDA ITEMS

No items were referred for consideration.

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

There were no public comments.

F. DISABILITY CASE

Alternative 2

Thomas W. Hunt, surviving spouse of Detective I Carole L. Hunt. Mr. Hunt will be represented by

Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee. Rescheduled to November 2, 2017 at the request of Mr. Hunt's representative.

President Navarro recessed the meeting at 10:50 a.m. and reconvened in closed session at 10:58 a.m.

G. CLOSED SESSION

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

The Board met in closed session.

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

The meeting was adjourned at 11:15 a.m. in memory of those who lost their lives in the recent shootings in Las Vegas.



President



Secretary