

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF OCTOBER 15, 2015

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, October 15, 2015.

COMMISSIONERS PRESENT: Robert von Voigt, President
Pedram Salimpour, Vice President
Sam Diannitto (participated telephonically)
Adam Nathanson
Ruben Navarro
Corinne Tapia
Belinda Vega

COMMISSIONER ABSENT: George Aliano

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 von Voigt called the meeting to order at 8:37 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Tapia who arrived at the meeting at 8:39 a.m.

Items H and B.1 were taken out of order:

H. DISABILITY CASES

DISABILITY CLAIM – NEW CLAIM – TIER 5

Brian S. Sorenson

(P)

Police Officer II

As recommended by staff and concurred in by the applicant, service-connected disability pension is granted at 50% with no foreseeable purpose for review. Motion made by Commissioner von Voigt, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Diannitto, Nathanson, Navarro, Salimpour, Tapia, Vega, and President von Voigt – 7; nays, none. Officer Sorenson was not present but was represented by his attorney, Thomas J. Wicke, Esq.

B. ITEMS FOR BOARD ACTION

1. CONSIDERATION OF MARTHA WETZEL'S REQUEST TO TRANSFER FROM TIER 3 TO TIER 5 AND POSSIBLE BOARD ACTION

Detective II Martha Wetzel was present and represented by Thomas J. Wicke, Esq., of Lewis, Marenstein, Wicke, Sherwin and Lee. Testimony was given by Detective Wetzel and Lt. Yang, LAPD Return to Work Section. A lengthy discussion ensued between the Board, Detective Wetzel, and Mr. Wicke.

RESOLUTION 16048

Commissioner Navarro moved that the Board deny the request of Detective II Martha Wetzel to transfer from Tier 3 to Tier 5 based on the following findings of fact:

1. The Los Angeles Administrative Code did not prohibit members who were on injury on duty status or an unpaid leave status from transferring to Tier 5 during the election period of January 2, 2002, through December 31, 2002.
2. All active members who had not transferred, including those who were on injury on duty status or unpaid leave, were mailed a reminder letter in October 2002 about the Tier 5 transfer deadline.
3. Detective Wetzel confirmed receipt of the notice.
4. Staff received training prior to the Tier 5 transfer period and followed an enrollment checklist.
5. Staff is required to perform the ministerial duty of enforcing the statutory deadline and deny the late transfer request, which was seconded by Commissioner Nathanson and approved by the following vote: ayes, Commissioners Diannitto, Nathanson, Navarro, Salimpour, Tapia, Vega, and President von Voigt – 7; nays, none.

A. COMMITTEE REPORTS

1. AMENDMENT TO BOARD POLICIES AND PROCEDURES SECTION 8.0: HEALTH AND DENTAL SUBSIDIES AND REIMBURSEMENTS AND POSSIBLE BOARD ACTION

The Committee report was approved as submitted.

RESOLUTION 16049

Commissioner Navarro moved that the Board approve the amendment to the Board Operating Policies and Procedures, Section 8.0: Health and Dental Subsidies and Reimbursements, which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Diannitto, Nathanson, Navarro, Salimpour, Tapia, Vega, and President von Voigt – 7; nays, none.

2. OPERATIONS AGREEMENT WITH UNITED FIREFIGHTERS OF LOS ANGELES CITY AND POSSIBLE BOARD ACTION

The Committee report was approved as submitted.

RESOLUTION 16050

Commissioner Navarro moved that the Board authorize the Board President to execute the Operations Agreement with United Firefighters of Los Angeles City (UFLAC), which was seconded by Commissioner Nathanson and approved by the following vote: ayes, Commissioners Diannitto, Nathanson, Navarro, Salimpour, Tapia, Vega, and President von Voigt – 7; nays, none.

B. ITEMS FOR BOARD ACTION

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

Mr. Tom Lopez, Chief Investment Officer, presented the quarterly report to the Board. Mr. Lopez stated that almost all of the asset classes with the exception of commodities are within their asset allocation ranges. Some recent actions include funding the seven emerging managers that were hired, liquidation of some cash out of the S&P 500 fund to reinvest in commodities and also within the real estate asset class. Mr. Lopez discussed venture capital with Commissioner Nathanson, whether it was possible to separate venture capital in Board reports with Commissioner Salimpour, and how passive versus active portfolios fared in the down market with Commissioner Navarro.

Commissioner Nathanson asked about the strategy in replacing alpha managers. Mr. Lopez stated that generally speaking, it would usually be at least three to five years and that specific analysis goes into a termination decision. Commissioner Nathanson stated that some private equity funds life cycles used to be seven to 10 years, but are now 13 to 15 years.

Ms. Elsa Moy provided public comment.

RESOLUTION 16051

Commissioner Vega 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 Salimpour and approved by the following vote: ayes, Commissioners Diannitto, Nathanson, Navarro, Salimpour, Vega, and President von Voigt – 6; nays, none.

The Board recessed at 9:51 a.m. and reconvened 10:00 a.m.

3. PRESENTATION OF ASSET LIABILITY STUDY BY RVK, INC. AND POSSIBLE BOARD ACTION

Messrs Jim Voytko, Chief Operating Officer, and Ryan Sullivan, Consultant, of RVK, presented the asset liability study to the Board. Mr. Voytko discussed the difference between an asset/liability study and an asset/allocation study. Mr. Sullivan discussed the asset liability study and projections with the Board. Commissioners Navarro and Nathanson wanted clarification on the assumed growth rate annually and smoothing. Commissioner Vega suggested that a representative from the City's CAO Office and from the Mayor's Office be invited to the annual Board Retreat.

RESOLUTION 16052

Commissioner Vega moved that the Board:

1. Receive and accept the results of the Asset/Liability Study; and
2. Instruct Staff and RVK, Inc. to use the results of the Study to complete a new asset allocation study for future consideration of the Board, which was seconded by Commissioner Tapia and approved by the following vote: ayes, Commissioners Diannitto, Nathanson, Navarro, Salimpour, Tapia, Vega, and President von Voigt – 7; nays, none.

C. REPORTS TO THE BOARD

1. QUARTERLY PORTFOLIO PERFORMANCE REPORT BY RVK

Ms. Rebecca Gratsinger, Chief Executive Officer and Senior Consultant, of RVK, presented the report to the Board. Ms. Gratsinger and Mr. Jim Voytko discussed the report with the Commissioners, including watch lists, benchmarks, and investment policy. Commissioner Nathanson would like future reports to reflect the dollar amounts in addition to percentages. Commissioner Vega stated that a more concentrated portfolio makes it difficult to identify emerging managers.

General Manager Ciranna stated that Staff will meet with RVK to further discuss the Commissioners' requests. The report was received and filed

2. FIRST QUARTER UPDATE FOR THE 2015-16 BUSINESS PLAN

Ms. Diana Pointer, Senior Management Analyst II, presented the update for the business plan to the Board. Commissioner von Voigt inquired about the new headquarters parking. The report was received and filed.

3. QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF - Received and Filed

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

5. General Manager's Report

a. Monthly Report

b. Marketing Cessation Information

c. Benefits Actions approved by General Manager on October 1, 2015

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 1, 2015.

DISCONTINUED PENSIONS – TIER 1 – 3

H. William Phares	Police Service	Retired:	09-01-66	Died:	06-28-15
Robert O. Young	Police Service	Retired:	10-01-61	Died:	09-08-15
Mildred H. Van Loon	Police Widow	Retired:	02-13-85	Died:	08-20-15

DISCONTINUED PENSIONS – TIER 2 – 8

William C. Wakeland	Fire Service	Retired:	07-08-84	Died:	09-09-15
Robert B. Gaunt	Police Service	Retired:	11-27-72	Died:	07-17-15
Lee Kirkwood	Police Service	Retired:	05-23-76	Died:	08-10-15
Beverly A. Gunther	Fire Widow	Retired:	09-26-07	Died:	08-27-15
Irene E. Haskin	Fire Widow	Retired:	06-07-09	Died:	01-21-15
Anne R. Percy	Fire Widow	Retired:	01-13-07	Died:	08-23-15
Alice P. Funk	Police Widow	Retired:	05-11-94	Died:	08-26-15
Eileen R. Goforth	Police Widow	Retired:	11-13-09	Died:	08-27-15

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Barbara J. Tibbitts Police Service Retired: 02-01-82 Member Died: 08-10-15

PARTIAL PAYMENT OF PENSION – TIER 5 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Eric R. Moore, Police Service Pensioner, is to be paid to his former spouse, Kimberly A. Moore, effective September 6, 2015. Ms. Moore will receive cost of living adjustments.

SERVICE PENSION – TIER 5 – 1

Police

Eric R. Moore Detective III Eff: 09-06-15 2 Years 152 Days

SERVICE PENSION/DROP – TIER 3 – 1

Police

James Moore Police Officer II Eff: 07-01-15 2 Years 62 Days

SERVICE PENSION/DROP – TIER 4 – 1

Police

Kevin L. Stogsdill Detective II Eff: 08-01-15 25 Years 101 Days

SERVICE PENSION/DROP – TIER 5 – 19

Fire

James W. Bates Captain I Eff: 05-01-15 25 Years 21 Days

Gregory J. Gourlay Engineer Eff: 06-03-15 26 Years 99 Days

Steven M. Normis Inspector I Eff: 06-01-15 31 Years 56 Days

Alvarez C. Perez, Jr. Inspector II Eff: 07-01-15 26 Years 191 Days

David M. Rogers Captain I Eff: 07-01-15 27 Years 313 Days

Police

John W. Carr Sergeant II Eff: 09-01-15 26 Years 65 Days

Jerome Divinity Police Officer II +2 Eff: 09-01-15 25 Years 309 Days

Anthony G. Huerstel Police Officer III +3 Eff: 06-01-15 25 Years 177 Days

Peter F. MacDonald Detective I Eff: 07-01-15 25 Years 9 Days

Fortunato M. Mariscal Police Officer III Eff: 07-01-15 25 Years 182 Days

Janette L. McChesney Detective II Eff: 07-01-15 25 Years 0 Days

Jose Mireles Sergeant I Eff: 07-01-15 27 Years 49 Days

Joseph E. Morrison Sergeant I Eff: 07-01-15 25 Years 336 Days

Stephanie L. Moten Lieutenant I Eff: 07-01-15 26 Years 9 Days

Andrew R. Pedersen Police Officer III Eff: 07-01-15 29 Years 140 Days

Robert C. Perez Police Officer II Eff: 07-01-15 25 Years 40 Days

Oscar J. Prado	Police Officer III	Eff:	06-25-15	25	Years	0	Days
John A. Tarankow	Detective I	Eff:	08-05-15	25	Years	20	Days
Martin E. Tennison	Sergeant I	Eff:	07-30-15	25	Years	22	Days

DISCONTINUE DROP – TIER 5 – 1

Police

Albert C. Mora Retired: 07-14-11 Exit Close of: 09-30-15

d. Other business relating to Department operations

1. General Manager Ciranna met with representatives from the Police and Fire unions, as well as the Retired Associations to discuss the possibility of introducing a new program to provide members with personalized financial planning assistance. The overall feedback on the proposed program was very positive. Staff will report back to the Board with an update once a pilot program is further developed and reviewed by the City Attorney's office.
2. The Department is revising the contractor disclosure form.

D. COMMITTEE CALENDAR

1. Audit Committee – Last met: 10/01/15; next meeting: 01/21/16
2. Benefits Committee – Last met: 10/01/15; next meeting: 11/19/15
3. Governance Committee – Last met: 08/06/15; next meeting: 11/05/15

E. CONSENT ITEMS

Findings of Fact

1. Tracy L. Andres – Tier 5
2. Frank S. Omori – Tier 5
3. Lee J. Jensen – Tier 5
4. Damon Wing – Tier 3
5. Mark R. Zimmerman – Tier 5

MOTION

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

F. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

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

Ms. Elsa Moy provided public comment.

The Board recessed at 12:08 p.m.

The Board reconvened in closed session at 12:15 p.m.

I. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

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

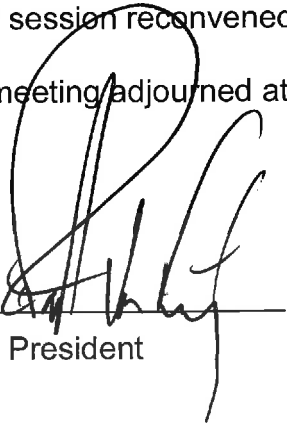
The Board met in closed session.

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

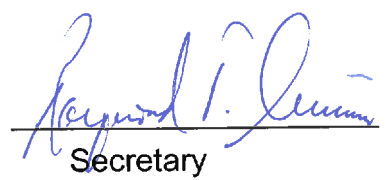
The Board met in closed session.

Open session reconvened at 12:56 p.m. President von Voigt stated there was no report.

The meeting adjourned at 12:57 p.m.



President



Secretary