

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF MAY 11, 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 11, 2017.

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

COMMISSIONERS 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: Anya Freedman, Deputy City Attorney

President Salimpour called the special 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 Nathanson who arrived at 8:37 a.m.

A. ITEMS FOR BOARD ACTION

- 1. APPROVAL OF TRAVEL AUTHORITY (VEGA) – HISPANIC HERITAGE FOUNDATION, LATINOS FAST TRACK (LOFT) INVESTORS FORUM**

The board report was approved as submitted.

Resolution 17111

Commissioner Navarro moved that the Board approve Commissioner Belinda Vega's request to attend the Hispanic Heritage Foundation, Latinos On Fast Track (LOFT) Investors Forum

on June 20 – 22, 2017 in Chicago, IL (June 20th is a travel day). Commissioner Vega's attendance to this conference requires a separate Board action as it is not on the recommended list of conferences on Schedule 10 of the 2016-17 Budget, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Babcock, Diannitto, Navarro, Pendleton, Vega, von Voigt, and President Salimpour - 7; nays, none.

2. REVIEW OF UNCONSTRAINED FIXED INCOME MANAGER CONTRACT OF REAMS ASSET MANAGEMENT AND POSSIBLE BOARD ACTION

Mr. Derek Niu, Investment Officer, Investments Division presented his report to the Board. Ms. Rebecca Gratsinger, CEO and Senior Consultant from RVK was available for questions. The board report was approved as submitted.

Resolution 17112

Commissioner Navarro moved that the Board:

1. Approve a three-year contract with Scout Investments, Inc./Carillon Tower Advisers - Reams Asset Management Division for unconstrained fixed income investment management services;
2. Authorize the General Manager to negotiate and approve the terms and conditions of a contract with Scout Investments, Inc./Carillon Tower Advisers - Reams Asset Management Division for unconstrained fixed income investment management services for the period August 1, 2017 to July 31, 2020; and,
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Scout Investments, Inc./Carillon Tower Advisers - Reams Asset Management Division for unconstrained fixed income investment management services, 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 Babcock, Diannitto, Navarro, Pendleton, Vega, von Voigt, and President Salimpour - 7; nays, none.

3. REVIEW OF UNCONSTRAINED FIXED INCOME MANAGER CONTRACT OF PAYDEN & RYGEL AND POSSIBLE BOARD ACTION

Mr. Derek Niu, Investment Officer, Investments Division presented his report to the Board. Ms. Rebecca Gratsinger, CEO and Senior Consultant from RVK was available for questions. The board report was approved as submitted.

Resolution 17113

Commissioner Pendleton moved that the Board:

1. Approve a three-year contract with Payden & Rygel for unconstrained fixed income investment management services;
 2. Authorize the General Manager to negotiate and approve the terms and conditions of a contract with Payden & Rygel for unconstrained fixed income investment management services for the period August 1, 2017 to July 31, 2020; and,
 3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Payden & Rygel for unconstrained fixed income investment management services, subject to the approval of the City Attorney as to form, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Babcock, Diannitto, Navarro, Pendleton, Vega, von Voigt, and President Salimpour - 7; nays, none.
4. VERBAL UPDATE ON HEALTH CARE PLANS, RFP AND SUBSIDY PAYMENTS AND POSSIBLE BOARD ACTION

Commissioner Nathanson joined at the meeting at this time.

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division and Mr. Steve Gedestad, Municipality Practice Leader, from Keenan & Associates discussed the report with the Board. The Board requested more information on health care costs, the quality of the plans available, and statistics regarding active members and retirees currently covered by the various Associations.

Ms. Corina Lee, Los Angeles Police Protective League provided public comment.

5. MAXIMUM RETIRED SWORN NON-MEDICARE HEALTH SUBSIDY FOR FISCAL YEAR 2017-2018 AND POSSIBLE BOARD ACTION

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division presented staff's report to the Board, which recommended a five percent (5%) increase to the non-Medicare subsidy for fiscal year 2017-18. Staff's recommendation was based on reviewing and analyzing several factors over the past year(s). The Board discussed the report, medical cost trends and medical costs in general.

Mr. Jacob Kalinski, Ms. Corina Lee, Los Angeles Police Protective League, Mr. Ken Buzzell, Los Angeles Retired Fire & Police Association, and Mr. Tony Gamboa, United Firefighters of Los Angeles City provided public comment.

Motion

Commissioner von Voigt moved that the Board continue the item to the June 1, 2017 meeting, which was seconded by Commissioner Navarro and approved by the following vote: ayes,

Commissioners Babcock, Diannitto, Nathanson, Navarro, von Voigt, and President Salimpour - 6; nays, Commissioners Pendleton and Vega - 2.

President Salimpour recessed the meeting for a break at 10:17 a.m. and reconvened at 10:35 a.m.

Commissioner Diannitto ended his telephonic participation at 10:17 a.m.

B. REPORTS TO THE BOARD

1. PRESENTATION BY FIS GROUP MANAGER OF INTERNATIONAL EQUITY EMERGING MANAGERS

Ms. Tina Byles Williams, ECO and CIO, and Mr. McCullough Williams, President and COO with FIS Group presented their report to the Board. The report was received and filed.

2. PRESENTATION BY LOS ANGELES CAPITAL MANAGEMENT LARGE CAP ENHANCED EQUITY MANAGER

Messrs. Thomas Stevens, Chairman and CEO, Mr. Daniel Arche, Managing Director and Principal, and Ms. Lara Clarke, Managing Director with Los Angeles Capital presented their report to the Board. The report was received and filed.

3. DISCUSSION ON THE ANNUAL BOARD EDUCATIONAL OFF-SITE MEETING

Ms. Jennifer Shimatsu, Management Assistant, Administrative Operations Division presented her report to the Board. The report was received and filed.

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

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

6. General Manager's Report

a. Benefits Actions approved by General Manager on April 20, 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 April 20, 2017.

DISCONTINUED PENSIONS – TIER 2 – 14

Everett L. Moore	Fire Service	Retired:	07-05-98	Died:	02-22-17
Donald E. Sampson	Fire Service	Retired:	06-30-90	Died:	03-16-17
Jack A. Teufel	Fire Service	Retired:	02-13-68	Died:	03-05-17
Marshall F. Gaines	Police Service	Retired:	01-30-73	Died:	02-16-17

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David L. Gossman	Police Service	Retired:	09-11-88	Died:	03-08-17
Glen M. Higgins	Police Service	Retired:	01-03-90	Died:	03-04-17
Billy D. Pierce	Police Service	Retired:	01-02-80	Died:	03-10-17
James P. Schmidt	Police Service	Retired:	02-20-94	Died:	01-26-17
John O. Shambra	Police Service	Retired:	01-27-88	Died:	03-26-17
Henry Troyer	Police Service	Retired:	02-01-73	Died:	03-20-17
Billy J. Miser	Fire Disability	Retired:	07-20-89	Died:	03-16-17
Betty R. Halliburton	Police Widow	Retired:	06-11-93	Died:	10-02-16
Helen Markham	Police Widow	Retired:	09-04-05	Died:	03-06-17
Jean A. Maxwell	Police Widow	Retired:	02-07-14	Died:	03-05-17

DISCONTINUED PENSIONS – TIER 3 – 2

Ted W. Lockhart, Jr.	Police Service	Retired:	08-01-08	Died:	02-20-17
Michael D. Greer	Police Disability	Retired:	05-04-89	Died:	03-06-17

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Toni K. Flynn	Former Spouse	Retired:	9-11-88	Member Died:	03-08-17
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ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 1 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Carol L. Wangeman	William C. Wangeman	Police Service	02-09-17

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 11

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Blanche R. Teufel	Jack A. Teufel	Fire Service	03-06-17
Frances M. Grimes	Frank J. Grimes	Police Service	02-06-17
Carol J. Harrison	John L. Harrison	Police Service	03-02-17
Dolores C. Harte	John A. Harte	Police Service	12-04-16
June E. Holder	Jack B. Holder	Police Service	03-13-17
Carol C. Jackson	Victor L. Jackson	Police Service	02-01-17
Edna I. Keil	Thomas G. Keil	Police Service	07-26-16
Mary E. Pierce	Billy D. Pierce	Police Service	03-11-17
Marilyn V. Schlange	Alfred H. Schlange	Police Service	02-26-17
Joan K. Steele	Robert J. Steele	Police Service	02-28-17
Shirley J. Miser	Billy J. Miser	Fire Disability	03-17-17

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 3 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Chiquita L. Lockhart	Ted W. Lockhart, Jr.	Police Service	02-21-17

SURVIVING CHILD'S PENSION – TIER 3 – 1

Surviving child benefits are now payable to Ryan A. Yip, surviving child of deceased Detective II, Nadine I. Hernandez, effective October 12, 2016, due to the continuation of full-time student status.

DECREASE SURVIVING SPOUSE'S PENSION – TIER 2 – 1

Decrease the pension payable to Gina S. Penn Schneider, surviving spouse of deceased Police Officer II, Michael D. Schneider, due to the attainment of age 18 by Peter J. Schneider, effective April 24, 2017.

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 Reynaldo M. Delgado, Fire Service Pensioner, is to be withheld for his former spouse, Lisa Delgado, effective March 26, 2017. Ms. Delgado will receive cost of living adjustments.

PARTIAL PAYMENT OF PENSION – TIER 3 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Alex S. Nurse, Police Service Pensioner, is to be paid to his former spouse, Vicki Hamamoto, effective March 19, 2017. Ms. Hamamoto will receive cost of living adjustments.

MODIFIED 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 Jarrel S. Lee, Police Service Pensioner, being withheld for his former spouse, Sabrena M. Lee, effective March 1, 2016, should be released effective April 1, 2017. Ms. Lee will receive cost of living adjustments.

CONSERVATORSHIP – TIER 2 – 1

A certified copy of the Letters of Conservatorship and Guardianship for Nancy J. Fisher, issued in the Circuit Court of the State of Oregon, County of Josephine, Case Number 16PR00430, appointing GroundSpring Associates LLC, Conservator and Guardian for Nancy J. Fisher, surviving spouse of deceased Police Officer III, Gary R. Fisher, effective May 26, 2016, has been filed with this office.

Pension payments will be paid to GroundSpring Associates LLC for the benefit of Nancy J. Fisher, effective January 28, 2017.

DEFERRED SERVICE PENSION – TIER 3 – 1

Police

Jeri R. De La Torre

Police Officer III +1

Eff: 04-04-17

11 Years

55 Days

SERVICE PENSION – TIER 3 – 2

Police

Christine A. Eastburn	Police Officer II	Eff:	03-19-17	22 Years	190 Days
Alex S. Nurse	Detective II	Eff:	03-19-17	22 Years	100 Days

SERVICE PENSION/DROP – TIER 5 – 5

Fire

Stacy E. Gerlich	Captain I	Eff:	03-01-17	30 Years	158 Days
Mark R. Gilchrist	Firefighter III	Eff:	03-15-17	31 Years	150 Days
Wolfe A. Jantz	Engineer	Eff:	02-15-17	30 Years	88 Days
David L. Spence	Battalion Chief	Eff:	03-03-17	30 Years	107 Days

Police

John E. Parra	Detective II	Eff:	03-06-17	26 Years	255 Days
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DISCONTINUE DROP – TIER 2 – 1

Fire

Reynaldo M. Delgado	Retired:	03-26-12	Exit Close of:	03-25-17
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DISCONTINUE DROP – TIER 3 – 1

Police

Averill B. Henry	Retired:	01-01-14	Exit Close of:	04-30-17
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DISCONTINUE DROP – TIER 4 – 3

Police

Michael P. Downing	Retired:	05-01-12	Exit Close of:	04-30-17
Robert Rivera	Retired:	03-01-17	Exit Close of:	04-05-17
Edgar H. Whyte	Retired:	05-01-12	Exit Close of:	04-30-17

DISCONTINUE DROP – TIER 5 – 19

Fire

Ernesto Ojeda	Retired:	04-04-12	Exit Close of:	04-03-17
Gregory S. Reynar	Retired:	09-04-12	Exit Close of:	04-30-17
Mark G. Scott	Retired:	08-25-15	Exit Close of:	04-30-17
Mary J. Zahyna	Retired:	05-01-12	Exit Close of:	04-30-17

Police

Joseph L. Biczko	Retired:	05-01-12	Exit Close of:	04-30-17
Nina K. Brown	Retired:	03-07-14	Exit Close of:	04-30-17

Stinson Brown	Retired:	05-01-12	Exit Close of:	04-30-17
Todd E. Clease	Retired:	03-01-16	Exit Close of:	04-30-17
Cynthia J. Danzek	Retired:	04-19-12	Exit Close of:	04-18-17
Brian P. Gilman	Retired:	12-01-13	Exit Close of:	04-30-17
Gary M. Guevara	Retired:	05-01-12	Exit Close of:	04-30-17
Raymond Jatkowski	Retired:	05-01-12	Exit Close of:	04-30-17
Joe G. Losorelli	Retired:	05-01-12	Exit Close of:	04-30-17
Paul M. Makarenko	Retired:	09-01-16	Exit Close of:	04-30-17
Michael E. Oppelt	Retired:	05-01-12	Exit Close of:	04-30-17
Steven S. Sambar	Retired:	08-01-12	Exit Close of:	04-30-17
Lanette T. Smith	Retired:	05-01-12	Exit Close of:	04-30-17
Ronnie D. Walker	Retired:	05-01-12	Exit Close of:	04-30-17
Brian E. Yori	Retired:	01-02-14	Exit Close of:	04-30-17

PARTIAL PAYMENT OF DROP FUNDS – TIER 2 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to Reynaldo M. Delgado, Fire Service Pensioner, is to be withheld for his former spouse, Lisa Delgado, effective March 25, 2017.

PARTIAL PAYMENT OF DROP FUNDS – TIER 4 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the DROP funds payable to Edgar H. Whyte, Police Service Pensioner, is to be withheld for his former spouse, Pamela Whyte, effective April 30, 2017.

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 Raymond S. Jatkowski, Police Service Pensioner, is to be paid to his former spouse, Earlene Andrews, effective April 30, 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 Jarrel S. Lee, Police Service Pensioner, being withheld for his former spouse, Sabrena M. Lee, since February 29, 2016, should be released effective April 1, 2017.

ELIGIBLE SURVIVING SPOUSE APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Type % Rate</u>	<u>Effective Date</u>
Amy L. Moorman (David T. Moorman)	Fire Captain II	NSC w/o prejudice: 40% + 1 minor child	02-06-17

b. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. Reminded the Board members to complete the Board Self-Assessment Survey.
2. Announced that the new mural on the LAFPP building will be treated with an anti-graffiti sealant on Friday, May 12, 2017.
3. Appeared before the City Council's Budget and Finance Committee to review LAFPP's fiscal year 2017-18 proposed budget.

C. CONSENT ITEMS

1. Findings of Fact – John D. Costa – Tier 5
2. Approval of Minutes
 - a. Minutes of the Regular Board meetings of August 21, 2008, September 4 and 18, 2008, September 15, 2016, and October 20, 2016
 - b. Minutes of the Special Board meetings of August 21, 2008 and September 15, 2016
 - c. Minutes of the Audit Committee meeting of August 28, 2008

Motion

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

D. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

The Board recessed the special meeting at 11:30 a.m. to convene the additional Special Board meeting. The special meeting was reconvened at 11:32 a.m.

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

There were no public comments.

F. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956081 TO CONSIDER THE PURCHASE OF TWO (2) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION

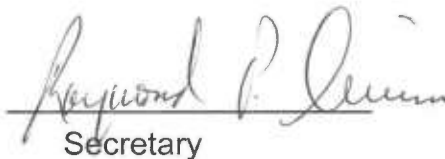
The Board met in closed session.

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

The meeting adjourned at 12:26 p.m.

A handwritten signature in blue ink, appearing to read "C. Bell", written over a horizontal line.

President

A handwritten signature in blue ink, appearing to read "Raymond P. Quinn", written over a horizontal line.

Secretary