

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF MARCH 21, 2019

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, March 21, 2019.

COMMISSIONERS PRESENT: Adam Nathanson, Vice President
George Aliano
Ken Buzzell
Ruben Navarro
Pedram Salimpour, MD
Paul M. Weber

COMMISSIONERS ABSENT: Corinne T. Babcock
Brian Pendleton
Belinda Vega

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, Assistant City Attorney

Vice President Nathanson called the meeting to order at 8:30 a.m. All the above-listed Commissioners were present at the start of the meeting.

Item F was taken out of order.

F. DISABILITY CASE

DISABILITY CLAIMS – SURVIVING SPOUSE – TIER 5

Delmus Harris III
Surviving Spouse of Kimberly L. Jones-Harris (P) Detective III

Hearing continued. Mr. Harris was not present. His representative, Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee, requested that the claim be continued.

A. ITEMS FOR BOARD ACTION

1. 2019-20 PROPOSED BUSINESS PLAN AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19122

Commissioner Buzzell moved that the Board approve the attached 2019-20 Proposed Business Plan, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Navarro, Salimpour, Weber, and Vice President Nathanson – 6; nays – none.

2. 2019-20 PROPOSED BUDGET AND POSSIBLE BOARD ACTION

Mr. T.J. Knight, Senior Management Analyst I, and Ms. LoAn Luu, Management Assistant, Administrative Services Section presented the report to the Board.

The Board discussed in-lieu hiring practices, metrics for a comparison to other similar sized Plans such as LACERS, and variances in schedule 1.

Resolution 19123

Commissioner Navarro moved that the Board approve the 2019-20 Proposed Budget and instruct staff to submit it to the City Administrative Officer (CAO) and the Mayor's Office for inclusion in the Mayor's 2019-20 Proposed Budget, which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Navarro, Salimpour, Weber, and Vice President Nathanson – 6; nays – none.

3. ANNUAL COST OF LIVING ADJUSTMENTS TO PENSIONS AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19124

Commissioner Navarro moved that the Board:

- 1) Determine that the percentage of the annual increase in the cost of living is 2.5%; and,
- 2) Authorize all eligible pensions to be adjusted on July 1, 2019, as follows:
 - a) For members and beneficiaries of Tiers 1, 2, 3, 4 and Deferred Retirement Option Plan (DROP) participants in Tiers 2, 3, and 4 by up to 2.5%;

- b) For members and beneficiaries of Tiers 5, 6 and DROP participants in Tiers 5 and 6 by up to 2.5%; and that 0.5% be withdrawn and applied from eligible members' and beneficiaries' cost of living bank balance for a total COLA of 3.0%; and,
- 3) Take no action regarding a Discretionary Cost of Living Adjustment for eligible pensioners for Calendar Year 2020, which was seconded by Commissioner Weber and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Navarro, Weber, and Vice President Nathanson – 5; nays – none.
- 4. EXCESS BENEFIT PLAN PAYMENT COORDINATION BOARD POLICY AND POSSIBLE BOARD ACTION

Mr. Kyle Susswain, Senior Management Analyst II, Retirement Services Section presented the report to the Board.

Resolution 19125

Commissioner Buzzell moved that the Board approve the proposed amendment to Board Operating Policies and Procedures, Section 3.3.2: Excess Benefit Plan Payment Coordination, which was seconded by Commissioner Weber and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Navarro, Weber, and Vice President Nathanson – 5; nays – none.

- 5. LOS ANGELES POLICE DEPARTMENT (LAPD) ADMINISTRATIVE ORDER #1 AND POTENTIAL IMPACTS ON LAFPP AND POSSIBLE BOARD ACTION

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division presented the report to the Board.

Commissioner Buzzell discussed the possibility of light duty positions vs. an increase in members applying for disability pensions.

Mr. Brian Taft, Senior Personnel Analyst II, and Commanding Officer Elena Nihoa-Asucan, Police Administrator, LAPD Personnel Division answered questions from the Board.

Commissioner Weber asked Mr. Taft and Ms. Nihoa-Asucan about employees making multiple consecutive IOD claims.

Ms. Corina Lee, LAPPL, provided public comment.

Resolution 19126

Commissioner Navarro moved that the Board direct staff to monitor and report back to the Board on the impact of LAPD's implementation of Administrative Order #1, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Navarro, Salimpour, Weber, and Vice President Nathanson – 6; nays – none.

Vice President Nathanson recessed the meeting for a break at 9:30 a.m., and reconvened at 9:36 a.m.

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

Mr. Tom Lopez, Chief Investment Officer, Investments Division gave a brief summary of the report and explained the cash flows to the Board at the request of General Manager Ciranna.

Resolution 19127

Commissioner Salimpour 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 Navarro and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Navarro, Salimpour, Weber, and Vice President Nathanson – 6; nays – none.

B. REPORTS TO THE BOARD

1. QUARTERLY PERFORMANCE REPORT BY RVK

Ms. Rebecca Gratsinger, CEO and Senior Consultant, and Mr. Ryan Sullivan, Consultant for RVK presented their report to the Board.

Vice President Nathanson requested that percentages also be listed in dollar amounts in the report. Commissioners Buzzell and Aliano discussed the past performance of Daruma and L.A. Capital with Ms. Gratsinger. 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 March 7, 2019

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 March 7, 2019.

DISCONTINUED PENSIONS – TIER 1 – 1

Wilber A. Sweeters

Fire Service

Retired:

02-01-61

Died:

12-30-18

DISCONTINUED PENSIONS – TIER 2 – 10

William E. Thost, Sr.	Fire Service	Retired:	06-14-87	Died:	02-03-19
James H. Garing	Police Service	Retired:	06-27-93	Died:	01-26-19
Jack K. Schmidt	Police Service	Retired:	10-23-88	Died:	01-27-19
Dennis L. Tipps	Police Service	Retired:	01-11-81	Died:	01-18-19
Ernest Valenzuela, Jr.	Police Service	Retired:	06-30-90	Died:	01-18-19
Terry G. Trail	Fire Disability	Retired:	02-18-99	Died:	01-06-19
Jon A. Finley	Police Disability	Retired:	03-01-73	Died:	01-24-19
Lawrence M. Finney	Police Disability	Retired:	11-01-69	Died:	01-26-19
Donna R. Kading	Fire Widow	Retired:	03-09-07	Died:	12-23-18
Betty L. Windham	Police Widow	Retired:	03-24-04	Died:	02-07-19

DISCONTINUED PENSIONS – TIER 5 – 1

Susan R. Rockhold	Police Widow	Retired:	04-02-17	Died:	01-28-19
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SERVICE PENSION – TIER 3 – 1

Police

Anthony Aceves	Police Officer III	Eff:	02-17-19	30	Years	81	Days
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SERVICE PENSION – TIER 5 – 2

Police

Michael J. Dickson	Detective II	Eff:	02-03-19	20	Years	96	Days
Alberto G. Martinez	Police Officer III	Eff:	02-03-19	24	Years	9	Days

SERVICE PENSION/DROP – TIER 3 – 7

Police

William M. Acosta	Police Officer II	Eff:	11-01-18	29	Years	132	Days
Toni M. Di Paolo	Police Officer II	Eff:	12-01-18	30	Years	7	Days
Martha A. Dominguez	Police Officer III	Eff:	11-01-18	25	Years	18	Days
Katherine P. Mayer	Detective III	Eff:	11-01-18	25	Years	49	Days
Servando Pena	Police Officer II	Eff:	08-01-18	26	Years	252	Days
Kelli S. Pickart	Police Officer III	Eff:	08-01-18	28	Years	192	Days
John A. Stafford	Police Officer III	Eff:	08-01-18	25	Years	4	Days

SERVICE PENSION/DROP – TIER 4 - 1

Police

Justin A. Mudgett	Sergeant I	Eff:	11-01-18	25	Years	16	Days
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SERVICE PENSION/DROP – TIER 5 – 40

Fire

James D. Anthony	Captain II	Eff:	07-01-18	31	Years	241	Days
James W. Beach	Firefighter III	Eff:	11-03-18	31	Years	251	Days
Daryl K. Bennett	Firefighter III	Eff:	10-02-18	28	Years	358	Days
Jeffrey S. Braff	Engineer	Eff:	10-02-18	25	Years	272	Days
Kenneth A. Breskin	Engineer	Eff:	12-01-18	28	Years	141	Days
Hugo Chacon	Captain I	Eff:	01-06-19	31	Years	216	Days
Charles A. Elzie	Inspector I	Eff:	10-02-18	27	Years	275	Days
Timothy C. Foor	Captain I	Eff:	10-09-18	35	Years	105	Days
Manuel Galvez	Engineer	Eff:	12-01-18	29	Years	317	Days
John M. Hadley	Firefighter III	Eff:	07-01-18	28	Years	129	Days
Scot C. Hopkins	Firefighter III	Eff:	06-01-18	29	Years	10	Days
Kenneth J. Kemp	Captain II	Eff:	10-03-18	29	Years	212	Days
Randall W. Klopf	Firefighter III	Eff:	11-01-18	28	Years	16	Days
Robert W. Macinnes	Captain I	Eff:	11-01-18	29	Years	180	Days
Daniel P. Miller	Engineer	Eff:	07-01-18	37	Years	318	Days
Tad R. Miller	Captain I	Eff:	10-03-18	28	Years	86	Days
Mario L. Newte	Firefighter III	Eff:	10-01-18	29	Years	162	Days
Glenn R. Potter	Firefighter III	Eff:	10-18-18	27	Years	295	Days
Samuel R. Quan	Captain I	Eff:	07-05-18	29	Years	285	Days
Steven G. Ravitz	Engineer	Eff:	12-01-18	29	Years	357	Days
Kevin M. Schilling	Captain II	Eff:	12-02-18	31	Years	63	Days
George C. Smith	Captain I	Eff:	07-02-18	30	Years	15	Days
Edward C. Torrez	Firefighter III	Eff:	10-01-18	28	Years	72	Days
Alberto J. Valle	Battalion Chief	Eff:	09-01-18	33	Years	71	Days
Derrick J. Ward	Firefighter III	Eff:	11-02-18	29	Years	163	Days
William T. Wick	Captain II	Eff:	07-26-18	30	Years	333	Days
Leslie D. Wilkerson	Firefighter III	Eff:	10-01-18	34	Years	286	Days
John L. Williams	Inspector I	Eff:	10-01-18	29	Years	152	Days

Police

Dennis J. Aleman	Detective II	Eff:	11-01-18	31	Years	183	Days
Felicia A. Bailey	Police Officer III	Eff:	11-08-18	25	Years	12	Days
Charlotte Burns	Detective II	Eff:	11-13-18	25	Years	4	Days
Craig D. Burns	Police Officer III	Eff:	08-03-18	25	Years	0	Days
Luz M. Glorioso	Detective II	Eff:	08-01-18	25	Years	9	Days
Jennifer L. Hickman	Detective I	Eff:	12-03-18	25	Years	233	Days
Robert B. Humphries	Lieutenant I	Eff:	11-01-18	28	Years	243	Days
Manuel A. Ibarra	Police Officer III	Eff:	11-01-18	30	Years	17	Days
Dennis J. Moeller	Detective III	Eff:	11-01-18	30	Years	1	Day
Marco A. Munoz	Lieutenant II	Eff:	11-01-18	31	Years	16	Days
David W. Neville	Sergeant II	Eff:	10-14-18	26	Years	263	Days
Burton J. Strogatz	Police Officer III	Eff:	11-01-18	30	Years	177	Days

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. Milliman is preparing an actuarial audit of the June 30, 2018 valuation and last three-year experience study.
2. There are seven candidates for the position of the elected LAPD retiree member of the Board.
3. Reminded the Board members to complete their economic statements by April 2, 2019.
4. PARIS status update: we are planning to roll-out Phase 4C, MyLAFPP, in late May or early June 2019 due to the implementation of additional security.
5. Claims data request letters were sent to the Associations with a due date of March 22, 2019.

C. CONSENT ITEMS

1. Approval of Minutes

- a. Minutes of the Regular Board Meetings of August 16, 2018 and September 20, 2018
- b. Minutes of the Special Board Meetings of September 6, 2018 and September 20, 2018

Motion

Commissioner Navarro moved that the Board approve the consent items, which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Aliano, Buzzell, Navarro, Salimpour, Weber, and Vice President Nathanson – 6; nays – none.

D. CONSIDERATION OF FUTURE AGENDA ITEMS

1. Commissioner Aliano requested a reinstatement of staff recognition awards and/or merit awards.
2. Vice President Nathanson requested a report back on our planning efforts for the possible influx of new disability pension applicants.

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

There were no public comments.

G. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PROPOSED 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 PROPOSED SALE OF ONE (1) PARTICULAR, SPECIFIC

INVESTMENT AND POSSIBLE BOARD ACTION


The Board met in closed session.

3. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF THREE (3) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION


The Board met in closed session.

Upon reconvening the regular meeting, Vice President Nathanson stated there was no public report.

The meeting was adjourned at 11:15 a.m.



President



Secretary