

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF JUNE 6, 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, June 6, 2019.

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

COMMISSIONERS ABSENT: 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

President Babcock 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 Salimpour who arrived at 8:41 a.m.

Commissioner Weber recused himself from Item A.1 and left the board room.

A. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO SUBDIVISIONS (a) AND (d)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED LOS ANGELES POLICE PROTECTIVE LEAGUE vs THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS FOR LOS ANGELES FIRE AND POLICE PENSIONS, CITY OF LOS ANGELES (Case no. B280319) AND POSSIBLE BOARD ACTION

The Board met in closed session.

Commissioner Salimpour joined the meeting at 8:41 a.m.

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

Commissioner Weber rejoined the meeting at this time.

B. ITEMS FOR BOARD ACTION

1. PENSION ADMINISTRATION BENCHMARKING RESULTS FOR THE FISCAL YEAR ENDING JUNE 30, 2018 AND POSSIBLE BOARD ACTION

Ms. Myo Thedar, Chief Benefits Analyst, Administrative Operations Division discussed the report and introduced Ms. Yvette Van Velsen and Mr. Alan Torrance, Principal from CEM Benchmarking, Inc. Mr. Torrance and Ms. Van Velsen discussed the sampling group and results with the Board.

Commissioner Nathanson stepped out of the board room prior to the vote.

Resolution 19175

Commissioner Buzzell moved that the Board:

- 1) Consider the results of the Cost Effectiveness Measurement Benchmarking, Inc. (CEM) Pension Administration Benchmarking survey;
- 2) Instruct Staff to include a new multi-year project in the 2019-20 Final Business Plan to implement operational best practices based on the CEM results;
- 3) Instruct Staff to perform a follow-up CEM Benchmarking survey in three years to measure changes in departmental operations; and,
- 4) Provide additional direction to staff as appropriate, which was seconded by Commissioner Navarro and approved by the following vote: ayes – Commissioners Aliano, Buzzell, Navarro, Pendleton, Salimpour, Weber, and President Babcock – 7; nays – none.

Commissioner Nathanson rejoined the meeting at this time.

2. DISCUSSION OF THE EMERGING MANAGER PROGRAM AND POSSIBLE BOARD ACTION

Mr. Nathaniel Chang, Investment Officer, Investments Division presented the report to the Board. Mr. Jim Voytko, President, and Mr. Ryan Sullivan, Consultant from RVK discussed the report and recommendations with the Board.

Resolution 19176

Commissioner Aliano moved that the Board:

1. Terminate Redwood Investments, LLC contract for domestic large cap equity strategy; and
2. Terminate FIS Group, Inc contract for the manager of emerging managers international equity strategy, which was seconded by Commissioner Nathanson and approved by the following vote: ayes – Commissioners Aliano, Buzzell, Nathanson, Navarro, Salimpour, and Weber – 6; nays – Commissioner Pendleton and President Babcock - 2.

Ms. Tina Byles from FIS Group, Inc. provided public comment.

Resolution 19177

Commissioner Navarro moved that the Board:

- ~~3. Redeploy a portion (\$25-50 million) of the approximately \$146 million in assets to both Semper Capital Management and GIA Partners;~~
4. Instruct Staff and RVK to initiate a new search for domestic small cap emerging managers with an allocation of approximately \$146 million in assets;
- ~~5. Report back on the results of the Board approved search(es).~~

which was seconded by Commissioner Aliano and approved by the following vote: ayes – Commissioners Aliano, Buzzell, Nathanson, Navarro, Pendleton, Salimpour, Weber, and President Babcock – 8; nays – none.

3. REVIEW OF BRANDES INVESTMENT PARTNERS INTERNATIONAL EQUITY MANAGER CONTRACT AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19178

Commissioner Navarro moved that the Board:

1. Approve a three-year contract with Brandes Investment Partners for international equity management services;
2. Authorize the General Manager to negotiate and approve the terms and conditions of a contract with Brandes Investment Partners for international equity management services for the period August 1, 2019 through July 31, 2022; and,

3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Brandes Investment Partners for international equity management services, subject to the approval of the City Attorney as to form, which was seconded by Commissioner Salimpour and approved by the following vote: ayes – Commissioners Aliano, Buzzell, Nathanson, Navarro, Pendleton, Salimpour, Weber, and President Babcock – 8; nays – none.
4. REVIEW OF INTERNATIONAL LARGE CAP EQUITY MANAGER CONTRACT OF FISHER ASSET MANAGEMENT AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 19179

Commissioner Navarro moved that the Board:

1. Approve a three-year contract with Fisher Asset Management, LLC for international large cap equity management services;
2. Authorize the General Manager to negotiate and approve the terms and conditions of a contract with Fisher Asset Management, LLC for international equity management services for the period August 1, 2019 through July 31, 2022; and,
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Fisher Asset Management, LLC for international equity 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 Aliano, Buzzell, Nathanson, Navarro, Pendleton, Salimpour, Weber, and President Babcock – 8; nays – none.

C. REPORTS TO THE BOARD

1. FISCAL YEAR 2018-19 BUSINESS PLAN PROJECT NO. 8 – WORKFORCE SUCCESSION PLANNING UPDATE

Mr. James Schiffhauer, Department Personnel Officer, Administrative Services Section - Human Resources presented the report to the Board.

President Babcock recessed the meeting for a break at 10:40 a.m., and reconvened at 10:49 a.m.

2. CONTRACTOR DISCLOSURE REPORT: FIRST QUARTER 2019

Ms. Cynthia Varela, Departmental Audit Manager, Internal Audit Section presented the report to the Board.

3. President Babcock asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.
4. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
5. General Manager's Report

a. Benefits Actions approved by General Manager on May 16, 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 May 16, 2019.

DISCONTINUED PENSIONS – TIER 2 – 13

Daniel S. Barnes, Jr.	Fire Service	Retired:	06-29-80	Died:	12-27-18
Richard E. Handlan	Fire Service	Retired:	04-03-83	Died:	03-31-19
Donald R. Batchelder	Police Service	Retired:	12-16-90	Died:	03-14-19
Dominick Domino	Police Service	Retired:	08-07-83	Died:	03-14-19
Roxie M. Lucarelli	Police Service	Retired:	01-01-72	Died:	04-17-19
Raymond L. Meeks	Police Service	Retired:	04-05-81	Died:	01-20-19
Leland J. Willis	Police Service	Retired:	04-01-72	Died:	04-07-19
Robert L. Neal	Fire Disability	Retired:	07-02-99	Died:	04-03-19
Evan H. Galanes	Police Disability	Retired:	06-05-75	Died:	04-17-19
Margaret E. Bonesteel	Fire Widow	Retired:	02-06-13	Died:	03-29-19
Marjorie F. Cass	Fire Widow	Retired:	07-15-11	Died:	03-23-19
Ivona G. Burg	Police Widow	Retired:	10-30-91	Died:	04-15-19
Susan C. Ladhoff	Police Widow	Retired:	11-23-14	Died:	03-22-19

DISCONTINUED PENSIONS – TIER 5 – 2

Theodore J. Reyland	Police Service	Retired:	07-09-06	Died:	03-12-19
Jayne E. Vermaat	Police Service	Retired:	02-08-15	Died:	03-22-19

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 5

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Kathryn L. Barnes	Daniel S. Barnes, Jr.	Fire Service	12-28-18
Linda L. Batchelder	Donald R. Batchelder	Police Service	03-15-19
Josephine Domino	Dominick Domino	Police Service	03-15-19
Belinda J. Neal	Robert L. Neal	Fire Disability	04-04-19
Susan L. Galanes	Evan H. Galanes	Police Disability	04-18-19

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 5 – 2

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Renee T. Reyland	Theodore J. Reyland	Police Service	03-13-19
Bruce A. Vermaat	Jayme E. Vermaat	Police Service	03-23-19

SURVIVING CHILD'S PENSION – TIER 4 – 1

Surviving child benefits are now payable to Tyler J. Cruz, surviving child of deceased Police Officer II, Mario S. Cruz, effective May 31, 2019 due to the attainment of age 18 and the continuation of full-time student status.

SURVIVING CHILD'S PENSION – TIER 5 – 2

Surviving child benefits are now payable to Wyatt D. Logan, surviving child of deceased Detective I, Daniel K. Logan, effective May 1, 2019 due to the attainment of age 18 and the continuation of full-time student status.

Surviving child benefits are now payable to Emaleea E. Tucker, surviving child of deceased Firefighter III, Richard G. Tucker, effective March 13, 2019 due to the continuation of full-time student status.

DEPENDENT CHILD'S PENSION – TIER 2 – 1

Dependent child benefits are now payable to Todd B. Nelson, dependent child of deceased Fire Disability Pensioner, Ralph G. Nelson, effective October 5, 2017.

The Special Needs Trust for Todd B. Nelson, effective January 11, 2013, has been filed with this office.

Pension payments will be paid to Mary H. Nelson for the benefit of Todd B. Nelson, effective October 5, 2017.

INCREASE / DECREASE MINOR'S PENSION – TIER 5 – 1

Increase the pension payable to Brennen E. Logan, minor child of deceased Detective I, Daniel K. Logan, effective July 11, 2017, due to the discontinuance of full-time student status by Wyatt D. Logan.

Decrease the pension payable to Brennen E. Logan, minor child of deceased Detective I, Daniel K. Logan, due to full-time student status by Wyatt D. Logan, effective May 1, 2019.

INCREASE SURVIVING CHILD'S PENSION – TIER 3 – 1

Increase the pension payable to Sierra R. Cuesta, surviving child of deceased Police Officer II, Filbert H. Cuesta, effective May 2, 2019, due to the attainment of age 22 by Samantha C. Cuesta.

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 3 – 1

Discontinue the pension payable to Samantha C. Cuesta, surviving child of deceased Police Officer II, Filbert H. Cuesta, effective May 1, 2019, due to the attainment of age 22 on May 2, 2019.

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 Dane M. Jackson, Fire Service Pensioner, is to be paid to his former spouse, Holly J. Talon, effective May 1, 2019. Ms. Talon 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 Jesse S. Sanchez, Police Service Pensioner, is to be paid to his former spouse, Esmeralda Padilla, effective May 1, 2019. Ms. Padilla 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 John A. Vickers, Fire Service Pensioner, which was paid to his deceased former spouse, Edna D. Vickers, has been designated to her beneficiaries, Jessica N. Duren, Lisa A. Morris-DaSilva, and Darian W. Thomas, effective December 14, 2018. The three 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 Mark F. Mireles, Police Service Pensioner, being withheld for his former spouse, Pamela Anderson, since May 1, 2018, should be released effective May 1, 2019.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Patrick D. Smith, Police Service Pensioner, being withheld for his former spouse, Felicia Smith, since June 24, 2018, should be released effective May 1, 2019.

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 Melvin Cunningham, Police Service Pensioner, which was being paid to his former spouse, Sharon Cunningham, has been discontinued due to her death on January 24, 2019. Ms. Cunningham's portion reverts to the member, effective January 25, 2019.

CONSERVATORSHIP – TIER 2 – 2

A certified copy of the Letters of Plenary Conservatorship for James M. Edwards, issued in the District Court of the Third Judicial District, County of Lincoln, State of Wyoming, Case Number PR-2019-1-DC, appointing John S. Edwards, Conservator for James M. Edwards, dependent child of deceased Police Service Pensioner, Jack Edwards, effective January 22, 2019, has been filed with this office.

Pension payments will be paid to John S. Edwards for the benefit of James M. Edwards, effective May 1, 2019.

A certified copy of the Letters of Temporary Conservatorship for the Estate of Geraldine M. Meeks, issued in the Superior Court of California, County of Riverside, Case Number PRMC1802247, appointing Riverside County Public Guardian, Conservator for the Estate of Geraldine M. Meeks, surviving spouse of deceased Police Service Pensioner, Raymond Meeks, effective September 5, 2018, has been filed with this office.

Pension payments will be paid to Riverside County Public Guardian for the benefit of Geraldine M. Meeks, effective January 21, 2019.

DEFERRED SERVICE PENSION – TIER 5 – 1

Police

Kelly D. Benitez	Sergeant II	Eff:	05-01-19	20	Years	1	Day
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SERVICE PENSION – TIER 3 – 1

Police

Michelle R. Eskridge	Police Officer III	Eff:	04-28-19	27	Years	231	Days
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SERVICE PENSION – TIER 5 – 4

Police

Diana J. Herron	Detective II	Eff:	04-15-19	23	Years	0	Days
Ronald K. Masterson	Lieutenant II	Eff:	04-28-19	24	Years	11	Days
David M. Romero	Police Officer II	Eff:	04-14-19	22	Years	240	Days
Ranferi Sandoval	Police Officer II	Eff:	04-28-19	25	Years	121	Days

SERVICE PENSION/DROP – TIER 3 – 3

Police

Scott L. Fairchild	Lieutenant II	Eff:	01-20-19	28	Years	268	Days
Charles P. Hearn	Police Captain III	Eff:	01-28-19	29	Years	44	Days

Fire

Susan J. Jensen	Firefighter III	Eff:	01-07-19	29	Years	147	Days
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SERVICE PENSION/DROP – TIER 5 – 25

Fire

James D. Crites	Firefighter III	Eff:	01-21-19	30	Years	26	Days
Joseph M. Demonte	Engineer	Eff:	01-24-19	28	Years	170	Days

Martin Enriquez	Captain II	Eff:	01-21-19	29	Years	220	Days
Mark L. Glenchur	Firefighter III	Eff:	01-24-19	28	Years	341	Days
Jayson A. Johnson	Firefighter III	Eff:	01-20-19	27	Years	153	Days
Daniel J. Kleiser	Apparatus Operator	Eff:	10-02-18	25	Years	172	Days
Adrian Nieves	Firefighter III	Eff:	10-01-18	32	Years	23	Days
Leonard Sedillos	Captain I	Eff:	01-20-19	33	Years	202	Days
John T. Smith	Firefighter III	Eff:	10-01-18	28	Years	198	Days
David J. Thomas	Battalion Chief	Eff:	01-02-19	34	Years	167	Days
Wade A. White	Assistant Chief	Eff:	10-01-18	31	Years	157	Days

Police

Christopher Amador	Police Officer III	Eff:	01-20-19	29	Years	47	Days
Mark D. Dibell	Lieutenant II	Eff:	01-30-19	25	Years	20	Days
Angelica Guzman	Detective III	Eff:	10-01-18	25	Years	79	Days
Gregory L. Hoskins	Sergeant II	Eff:	12-28-18	30	Years	40	Days
Lyle P. Knight	Police Officer III	Eff:	01-31-19	25	Years	103	Days
Frank J. Kryshak	Lieutenant II	Eff:	01-21-19	28	Years	58	Days
Kathlene D. Matthews	Sergeant II	Eff:	10-01-18	25	Years	79	Days
Darryl B. McGreggor	Police Officer III	Eff:	01-31-19	28	Years	163	Days
Jeffrey D. Miller	Police Officer III	Eff:	01-21-19	28	Years	353	Days
Jeff S. Nolte	Commander	Eff:	01-28-19	30	Years	61	Days
Rogelio Nunez	Sergeant II	Eff:	01-17-19	27	Years	115	Days
Michael R. O'Brien	Detective II	Eff:	10-01-18	28	Years	171	Days
Derek H. O'Donnell	Sergeant I	Eff:	01-30-19	30	Years	117	Days
John A. Warren	Detective I	Eff:	10-01-18	30	Years	6	Days

DISCONTINUE DROP – TIER 3 – 4

Police

Albert Garcia	Retired:	06-25-17	Exit Close of:	05-31-19
Michael C. Huff	Retired:	08-01-16	Exit Close of:	05-31-19
Annette Renteria	Retired:	06-01-14	Exit Close of:	05-31-19
Terri L. Utley	Retired:	01-30-19	Exit Close of:	04-30-19

DISCONTINUE DROP – TIER 4 – 1

Police

Steven R. Weaver	Retired:	03-12-18	Exit Close of:	05-31-19
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DISCONTINUE DROP – TIER 5 – 18

Fire

John I. Dallas, Jr.	Retired:	05-09-14	Exit Close of:	05-08-19
Raymundo Gomez	Retired:	06-03-14	Exit Close of:	05-31-19
Thomas A. Jaramillo	Retired:	06-01-14	Exit Close of:	05-31-19
Bruce A. Liverpool	Retired:	06-01-14	Exit Close of:	05-31-19