

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF SEPTEMBER 19, 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, September 19, 2019.

COMMISSIONERS PRESENT: Adam Nathanson, President  
Brian Pendleton, Vice President  
Corinne Babcock  
Ken Buzzell  
Ruben Navarro  
Belinda Vega  
Paul M. Weber  
Garrett Zimmon

COMMISSIONERS ABSENT: Pedram Salimpour, MD

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 Nathanson called the meeting to order at 8:31 a.m. All the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Babcock who arrived at 9:45 a.m.

**A. ITEMS FOR BOARD ACTION**

**1 CONSIDERATION OF ASSUMPTIONS FOR THE JUNE 30, 2019 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION**

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division presented the report to the Board. He was joined by Mr. Andy Yeung, Vice President and Actuary and Ms. Melissa Krumholz, Senior Health Consultant and Actuary from Segal Consulting.

Resolution 20040

Commissioner Pendleton moved that the Board adopt the retiree health assumptions for the June 30, 2019 Retiree Health Valuation as recommended by Segal Consulting (Segal), which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 7; nays – none.

2. REVIEW OF INTERNAL REVENUE CODE SECTION 115 TRUST DRAFT DOCUMENTS AND POSSIBLE BOARD ACTION

Mr. Joseph Salazar, Assistant General Manager, Pensions Division, Ms. Jenni Krengel, Partner from Reed Smith, and Deputy City Attorney Miguel Bahamon presented the report to the Board. The Board did not take any action on this item.

3. THIRD CONTRACT AMENDMENT FOR LITIGATION SERVICES PURSUANT TO CHARTER SECTION 275 AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 20041

Commissioner Navarro moved that the Board:

1. Approve a third amendment to the Reed Smith LLP contract to increase the contract spending authority by \$90,000 for a new contract amount not to exceed \$400,000;
  2. Authorize the General Manager to negotiate and approve the terms and conditions of the contract amendment with Reed Smith LLP; and,
  3. Authorize the President of the Board, on behalf of the Board, to execute the contract amendment with Reed Smith LLP, 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 Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 7; nays – none.
4. APPROVAL TO REAPPROPRIATE PRIOR YEARS'S FUNDS TO THE FISCAL YEAR 2019-20 CONTRACTUAL SERVICES ACCOUNT AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 20042

Commissioner Pendleton moved that the Board:

- 1) Authorize the department to disencumber \$3,106,174.98 of prior year encumbrances from Fund 804, Dept 64, Account 643040 (Contractual Services) and reappropriate the same amount to Fiscal Year 2019-20 Fund 804, Dept 64, Account 643040 (Contractual Services) as delineated in the table below, and;

<b>TRANSFER FROM</b>		
<b>FISCAL YEAR</b>	<b>ACCOUNT / ENCUMBRANCE NO.</b>	<b>AMOUNT</b>
2015-16	643040, Xerox / MSACO16626PENM	\$684,628.05
2016-17	643040, Conduent / MSACO17626PENM	\$329,242.50
2017-18	643040, Conduent / CO18626PENM	\$1,378,222.36
2018-19	643040, Conduent / CO19626PENM	\$714,082.07
	<b>TOTAL</b>	<b>\$3,106,174.98</b>
<b>TRANSFER TO</b>		
<b>FISCAL YEAR</b>	<b>ACCOUNT</b>	<b>AMOUNT</b>
2019-20	643040, Avenu Insights & Analytics	\$3,106,174.98
	<b>TOTAL</b>	<b>\$3,106,174.98</b>

- 2) Authorize staff to make technical corrections or changes to the reappropriation instructions to effectuate the intent of the Board, which was seconded by Commissioner Weber and approved by the following vote: ayes, Commissioners Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 7; nays – none.

5. RESULTS FROM THE INVESTMENT CONSULTANT EVALUATION SURVEY AND POSSIBLE BOARD ACTION

Mr. Paul Palmer, Investment Officer III discussed the report with the Board. Mr. Tom Lopez, Chief Investment Officer, Investments Division joined him at the table to answer questions from the Board.

Resolution 20043

Commissioner Buzzell moved that the Board review the results of the General Investment Consultant Survey and discuss the results with the Board’s General Investment Consultant, RVK, Inc., which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 7; nays – none.

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

Mr. Tom Lopez, Chief Investment Officer, Investments Division presented the report to the Board.

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

#### Resolution 20044

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 Zimmon and approved by the following vote: ayes, Commissioners Buzzell, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 6; nays – none.

*President Nathanson recessed the meeting for a break at 9:41 a.m. and reconvened the meeting at 9:49 a.m.*

*Commissioner Babcock joined the meeting at 9:45 a.m.*

## B. REPORTS TO THE BOARD

### 1. REAL ESTATE SEPARATE ACCOUNT PORTFOLIO UPDATE BY AEW

Ms. Maureen Joyce, Senior Portfolio Manager and Mr. Mark Morrison, Lead Portfolio Manager from AEW gave their presentation to the Board.

### 2. OVERVIEW OF CREDIT INVESTING

Messrs. Derek Niu, Investment Officer, and Tom Lopez, Chief Investment Officer, Investments Division gave the presentation to the Board.

### 3. DISABILITY PENSION PROCESS

Ms. Kristen Rosauer, Senior Management Analyst I, and Ms. Lee Tsubaki, Management Analyst, Disability Pensions Section gave the presentation to the Board.

Ms. Corina Lee, LAPPL provided public comment.

### 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 September 5, 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 September 5, 2019.

DISCONTINUED PENSIONS – TIER 1 – 2

Richard A. Deeb	Police Disability	Retired:	05-01-64	Died:	02-18-17
Marlene Y. Artl	Fire Widow	Retired:	10-18-14	Died:	03-23-19

DISCONTINUED PENSIONS – TIER 2 – 24

Harold A. Gilbert	Fire Service	Retired:	07-03-89	Died:	06-27-19
Robert P. Lutz	Fire Service	Retired:	04-02-72	Died:	07-29-19
William R. Majek	Fire Service	Retired:	02-11-93	Died:	07-15-19
Larry D. Bird	Police Service	Retired:	01-23-94	Died:	07-25-19
John A. Blackmon	Police Service	Retired:	01-02-90	Died:	08-08-19
David J. Butler	Police Service	Retired:	01-10-93	Died:	12-23-18
Theodore O. Covey	Police Service	Retired:	08-23-92	Died:	02-18-19
John R. Ferguson	Police Service	Retired:	02-28-99	Died:	07-25-19
George J. Fernandez	Police Service	Retired:	03-06-94	Died:	11-29-18
Andrew Ketterer	Police Service	Retired:	07-04-70	Died:	07-27-19
John G. Konstanturos	Police Service	Retired:	06-08-82	Died:	07-18-19
Stanley E. Smith	Police Service	Retired:	06-26-76	Died:	07-24-19
Michael A. Wolf	Police Service	Retired:	06-27-93	Died:	05-31-19
Dennis C. Wuethrich	Police Service	Retired:	07-14-02	Died:	07-27-19
Stanley W. Dean	Fire Disability	Retired:	03-13-82	Died:	01-31-19
Carroll D. Ayers	Police Disability	Retired:	05-24-73	Died:	07-05-19
Roger K. Niles	Police Disability	Retired:	01-08-92	Died:	08-06-19
Warren H. Pickens	Police Disability	Retired:	12-31-86	Died:	06-26-19
Kenneth E. Vogl	Police Disability	Retired:	07-18-91	Died:	07-30-19
Margaret J. Eggers	Fire Widow	Retired:	11-24-11	Died:	03-30-19
Rose A. Ortega	Fire Widow	Retired:	10-08-10	Died:	07-24-19
Lucille M. Adams	Police Widow	Retired:	04-23-06	Died:	08-10-19
Audrey Degroff	Police Widow	Retired:	03-04-98	Died:	04-29-18
Bette L. Greene	Police Widow	Retired:	11-03-99	Died:	07-09-19

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 3

Charlene B. Blackmon	ice Service	Retired:	01-02-90	Member Died:	08-08-19
Marlene Fernandez	ice Service	Retired:	03-06-94	Member Died:	11-29-18
Muriel Wuethrich	ice Service	Retired:	07-14-02	Member Died:	07-27-19

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 Darrell P. Belthius, Police Service Pensioner, is to be withheld for his former spouse, Angela M. Belthius, effective September 1, 2019. Ms. Belthius 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 D. Hunt, Police Service Pensioner, is to be withheld for his former spouse, Connie A. Aceti, effective July 18, 2019. Ms. Aceti 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 Sean A. Mahoney, Police Service Pensioner, is to be withheld for his former spouse, Abigail Melo, effective September 1, 2019. Ms. Melo will receive cost of living adjustments.

SERVICE PENSION/DROP – TIER 3 – 2

Police

Thomas K. Gracey	Police Officer II	Eff:	08-01-19	25	Years	0	Days
Traci L. Love	Police Officer II	Eff:	08-01-19	27	Years	288	Days

SERVICE PENSION/DROP – TIER 4 – 2

Police

Cristina I. Korne	Lieutenant II	Eff:	07-11-19	25	Years	0	Days
John M. Tabares	Police Officer III	Eff:	08-12-19	25	Years	0	Days

SERVICE PENSION/DROP – TIER 5 – 1 **CORRECTION**

Fire

Ray W. Peirce	Engineer	Eff:	01-21-19	<b>30</b>	<b>Years</b>	<b>7</b>	<b>Days</b>
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SERVICE PENSION/DROP – TIER 5 – 19

Fire

Armando R. Hogan	Deputy Chief	Eff:	04-15-19	35	Years	327	Days
Derrick B. Lockhart	Inspector I	Eff:	08-01-19	25	Years	4	Days
Lance V. Matthews	Inspector I	Eff:	08-01-19	25	Years	93	Days
Geoffrey G. Maye	Firefighter III	Eff:	05-01-19	25	Years	19	Days
Carl S. Moskovitz	Captain I	Eff:	07-01-19	26	Years	249	Days
Jose R. Silva	Engineer	Eff:	08-02-19	33	Years	15	Days

<u>Police</u>							
Bruce M. Adam	Police Officer III	Eff:	08-01-19	25	Years	5	Days
Gilbert W. Esquibel	Detective II	Eff:	07-01-19	25	Years	10	Days
Luis R. Gasca	Detective I	Eff:	07-02-19	25	Years	94	Days
Andrea H. Grossman	Lieutenant II	Eff:	01-31-19	27	Years	77	Days
Jose D. Hurtado	Police Officer II	Eff:	08-01-19	25	Years	162	Days
Michael W. Ling	Lieutenant II	Eff:	08-01-19	27	Years	313	Days
Daniel Mendoza	Sergeant I	Eff:	07-21-19	25	Years	58	Days
Barry K. Montgomery	Sergeant II	Eff:	06-01-19	25	Years	8	Days
Daniel J. Nee	Detective III	Eff:	04-08-19	30	Years	165	Days
Clarence J. Perkins	Sergeant II	Eff:	07-01-19	30	Years	185	Days
Anna M. Rivera	Detective II	Eff:	08-01-19	25	Years	0	Days
Becky V. Strong	Police Officer II	Eff:	08-01-19	25	Years	0	Days
Michael T. Wang	Police Officer III	Eff:	06-14-19	25	Years	79	Days

d. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. The Monthly Report and Update is a snapshot of what has occurred during the past month along with updates on MyLAFPP, the LAPD Administrative Order No. 1, direct deposit transition, and PARIS.
2. The City of Los Angeles (City) is in the process of replacing its payroll system for active employees. The CAO billed proprietary and special funds departments and LAFPP received a bill for \$27,000.
3. The City convened a Revenue Commission last year that, among other items, has focused on pension management expenses. Former LAFPP Commissioner Wayne Moore wants to move investment management in-house to eliminate fees, which may not be cost-effective.
4. A Motion was filed in City Council yesterday to direct pension funds to divest from private prisons.
5. General Manager Ciranna made a presentation to Orange County Employees Retirement System (OCERS) regarding the City of Los Angeles' DROP program.
6. The Mayor sent his expectations to the General Manager for Fiscal Year 2019-20this year.

C. CONSENT ITEMS

1. Approval of Minutes

- a. Minutes of the Regular Meetings on January 17, 2019, February 7, 2019, and February 21, 2019
- b. Minutes of the Special Meetings on January 17, 2019 and March 7, 2019

Motion

Commissioner Zimmon moved that the Board approve consent item C.1.a, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Zimmon, and President Nathanson – 7; nays – none.

Motion

Commissioner Babcock moved that the Board approve consent item C.1.b, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 8; nays – none.

D. CONSIDERATION OF FUTURE AGENDA ITEMS

1. Commissioner Weber would like information on whether direct deposit can be mandated for retirees.
2. Commissioner Pendleton would like to review the process of Board surveys.
3. Commissioner Navarro would like Mr. Tom Lopez, Chief Investment Officer, to discuss value added on real estate.
4. Commissioner Buzzell requested that Board members be given the ability to review all comments while completing the online evaluation surveys.

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

There were no public comments.

F. CLOSED SESSION

Item F.2 was taken out of order.

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

The Board met in closed session.

*Commissioner Pendleton left the board room for the remainder of the meeting at 12:08 p.m.  
Commissioner Weber recused himself from the following item and left the board room for the remainder of the meeting at 12:08 p.m.*

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 (Case Nos. BC489113 and BC672034) AND POSSIBLE BOARD ACTION

The Board met in closed session.

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

President Nathanson announced that the Fire and Police Pension Fund has a worldwide ranking of 199<sup>th</sup> place.

The meeting was adjourned at 12:19 p.m. in memory of retired Sergeant Gabriel Valdez and retired Detective Ben Devender.



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President



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Secretary