

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF NOVEMBER 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, November 21, 2019.

COMMISSIONERS PRESENT: Adam Nathanson, President  
Brian Pendleton, Vice President  
Corinne Babcock  
Ken Buzzell  
Ruben Navarro  
Garrett Zimmon

COMMISSIONERS ABSENT: Pedram Salimpour, MD  
Belinda Vega  
Paul M. Weber

DEPARTMENT OF FIRE AND  
POLICE PENSIONS: Raymond P. Ciranna, General Manager  
William Raggio, Executive Officer  
Tom Lopez, Chief Investment Officer  
Rhonda Ketay, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Anya Freedman, Assistant City Attorney

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.

**A. COMMITTEE REPORT**

1. APPROVAL TO ISSUE A REQUEST FOR PROPOSAL FOR INDEPENDENT MEDICAL EXAM SERVICES AND PILOT PROGRAM FOR COLLECTION OF MEDICAL RECORDS AND POSSIBLE BOARD ACTION

Commissioner Zimmon gave a brief update of the Ad Hoc Committee on Disability Pensions meeting held on November 7, 2019 and its recommendations to the Board.

Commissioner Buzzell discussed the difficulties in obtaining medical records with Ms. Lee Tsubaki, Management Analyst, Disability Pensions Section.

### Resolution 20079

Commissioner Pendleton moved that the Board adopt the Ad Hoc Committee's recommendations to:

1. Authorize Staff to issue a Request for Proposal (RFP) for independent medical exam services and record reviews; and
2. Authorize Staff to initiate a pilot program for disability pension applicants to collect and submit all medical records for their disability application and an exception for cases where it would be a hardship for the member (such as a severely incapacitated member), which was seconded by Commissioner Babcock and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Zimmon, and President Nathanson – 6; nays – none.

## **B. REPORTS TO THE BOARD**

### 1. CURRENT TRENDS IN ACTUARIAL ASSUMPTIONS

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division introduced Mr. Andy Yeung, ASA, MAAA, FCA, and EA, and Todd Tauzer, FSA, MAAA, FCA, and CERA from Segal Consulting. Messrs. Yeung and Tauzer presented their report to the Board providing recent trends in public pension actuarial practice. These trends include new public plan-based mortality tables, continued lower investment return assumptions, model funding policies and new standard on risk assessment.

Ms. Elsa Sou Jing Moy provided public comment.

### 2. CONSIDERATION OF THE JULY 1, 2018 TO JUNE 30, 2019 PENSION AND HEALTH BENEFITS VALUATIONS AND POSSIBLE BOARD ACTION

Mr. Andy Yeung, ASA, MAAA, FCA, and EA, and Todd Tauzer, FSA, MAAA, FCA, and CERA from Segal Consulting presented their analysis to the Board.

#### Motion

Commissioner Buzzell moved that the Board request that Segal Consulting revise the analysis to include recent employee salary increases, which was seconded by Commissioner Zimmon.

After a brief discussion period, Commissioner Buzzell withdrew his motion. Commissioner Buzzell discussed the new public safety mortality tables and suggested the actuarial study to include the new mortality assumptions.

### Resolution 20080

Commissioner Buzzell moved that the Board request Segal Consulting (Segal) to amend

the valuation to reflect the new actuarial mortality tables that were discussed previously, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Zimmon, and President Nathanson – 6; nays – none.

#### Resolution 20081

Commissioner Navarro moved that the Board:

1. Adopt the pension and health valuation reports submitted by Segal Consulting (Segal), for plan funding purposes, for the period ending June 30, 2019; and,
  2. Adopt the Governmental Accounting Standards (GAS) 67 and 74 Actuarial Valuations, for plan financial reporting purposes, as of June 30, 2019, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Zimmon, and President Nathanson – 6; nays – none.
3. **MEDICARE PART B PREMIUM REIMBURSEMENT MAXIMUMS FOR 2020 AND POSSIBLE BOARD ACTION**

Ms. Eunice Zordilla, Senior Management Analyst II, Medical and Dental Benefits Section was available for questions the Board. The report was approved as submitted.

#### Resolution 20082

Commissioner Navarro moved that the Board adopt the Resolution continuing a multiple tier Medicare Part B Premium Reimbursement, with a maximum monthly reimbursement amount of \$144.60, effective January 1, 2020,

WHEREAS, Los Angeles City Administrative Code Section 4.1162 provides that the Board of Fire and Police Pension Commissioners will pay reimbursement of Medicare Part B basic premiums for eligible retired members and qualified surviving spouses/domestic partners of the Fire and Police Pension Plan who are eligible to receive health insurance subsidies and enrolled in Medicare Parts A and B; and

WHEREAS, the Medicare Part B basic premiums effective January 1, 2020, are up to \$144.60 per month;

RESOLVED, that eligible members and eligible qualified surviving spouses/domestic partners shall have paid a monthly Medicare Part B premium reimbursement of up to \$144.60; and

RESOLVED, the Medicare premium reimbursement provided herein shall be applied to the December 31, 2019 pension payments and subsequent monthly payments and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the Manager-Secretary of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the 401(h) account of the Fire and Police Pension Plan, to be paid to eligible members and beneficiaries, provided such payments have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper, and individual reimbursement amounts are within the limits as set forth in the Los Angeles City Administrative Code, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Zimmon, and President Nathanson – 6; nays – none.

*President Nathanson recessed the meeting for a break at 10:05 a.m., and reconvened at 10:18 a.m.*

4. 2020 LACERS MEDICAL AND DENTAL PREMIUMS

Ms. Eunice Zordilla, Senior Management Analyst II, and Ms. Christina Torres, Management Assistant from the Medical and Dental Benefits Section presented the report to the Board.

Ms. Elsa Sou Jing Moy provided public comment.

5. MEDICARE BASICS AND SUBSIDY REQUIREMENTS

Ms. Eunice Zordilla, Senior Management Analyst II, and Ms. Christina Torres, Management Assistant from the Medical and Dental Benefits Section presented the report to the Board.

The Board discussed the different types of Medicare plans available for members and the subsidies with Ms. Zordilla.

6. COUNCIL RESOLUTION SUPPORTING H.R. 1384 – MEDICARE FOR ALL ACT OF 2019

Ms. Diana Anderson, Senior Management Analyst II, Special Projects briefly discussed the report with the Board.

7. REVIEW OF HARDING LOVENER L.P.'S CONTRACT FOR EMERGING MARKETS EQUITY MANAGEMENT AND POSSIBLE BOARD ACTION

Mr. Nathaniel Chang, Investment Officer II, Ms. Becky Gratsinger, CEO and Senior Consultant, and Mr. Ryan Sullivan Consultant from RVK discussed the report with the Board. President Nathanson and Commissioner Buzzell discussed fee structures with Mr. Sullivan and Ms. Gratsinger.

Resolution 20083

Commissioner Navarro moved that the Board:

1. Approve a new three-year contract with Harding Loevner L.P. for Emerging Markets Equity advisory services;

2. Authorize the General Manager to review and negotiate the terms and conditions with Harding Loevner L.P. for Emerging Markets Equity advisory services for the period February 1, 2020 through January 31, 2023; and,
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Harding Loevner L.P. for Emerging Markets Equity advisory 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, Buzzell, Navarro, Pendleton, and Zimmon – 5; nays – President Nathanson - 1.

8. REVIEW OF NORTHERN TRUST INVESTMENTS, INC.'S CONTRACT FOR DOMESTIC EQUITY INDEX MANAGEMENT AND POSSIBLE BOARD ACTION

Mr. Nathaniel Chang, Investment Officer II, Ms. Becky Gratsinger, CEO and Senior Consultant, and Mr. Ryan Sullivan Consultant from RVK discussed the report with the Board. President Nathanson discussed fee structures with Mr. Sullivan and Ms. Gratsinger.

Commissioner Babcock stepped out of the board room and did not participate in the vote.

Resolution 20084

Commissioner Navarro moved that the Board:

1. Approve a new three-year contract with Northern Trust Investments, Inc. for domestic equity index equity management services of the STOXX USA 900 Minimum Variance Index and the S&P 500 Equal Weight Index; and
2. Authorize the General Manager to negotiate and approve the terms and conditions of a contract with Northern Trust Investments, Inc. for S&P 500 Equal Weight Index and STOXX USA 900 Minimum Variance index equity management services for the period February 1, 2020 to January 31, 2023; and,
3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Northern Trust Investments, Inc. for S&P 500 Equal Weight Index and STOXX USA 900 Minimum Variance index equity management services, subject to the approval of the City Attorney as to form, which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Buzzell, Navarro, Pendleton, Zimmon, and President Nathanson – 5; nays – none.

9. SMALL CAP DOMESTIC EQUITY EMERGING MANAGER RFP MINIMUM QUALIFICATIONS UPDATE

Mr. Nathaniel Chang, Investment Officer II, Ms. Becky Gratsinger, CEO and Senior Consultant, and Mr. Ryan Sullivan Consultant from RVK discussed the report with the Board.

10. PRESENTATION BY LOS ANGELES CAPITAL MANAGEMENT, DOMESTIC LARGE CAP GROWTH EQUITY MANAGER

Messrs. Thomas Stevens, CFA, Chairman & CEO, Daniel Arche, CFA and Portfolio Manager, and Ms. Soulmaz Zarea, Portfolio Management Analyst from Los Angeles Capital Management presented their report to the Board.

Commissioners Pendleton and Navarro discussed past performance with Mr. Stevens.

11. TRIENNIAL GOVERNANCE POLICIES REVIEW AND POSSIBLE BOARD ACTION

Mr. William Raggio, Executive Officer, Administrative Operations Division presented the report to the Board.

President Nathanson discussed amending the Governance Policy regarding withdrawals of motions with Mr. Raggio, Commissioner Navarro, and Assistant City Attorney Anya Freedman. Commissioner Babcock discussed the reporting of closed session funds to be discussed on the agenda with Mr. Tom Lopez, Chief Investment Officer, Investments Division.

Ms. Elsa Sou Jing Moy provided public comment.

Resolution 20085

Commissioner Navarro moved that the Board:

- 1) Approve the various policy revisions as summarized on Chart A to Governance Policy Sections (1, 3, 4, 5, 6, 7, 8, 10, 11, 13, 14, 16, 17 and 18); and
- 2) Authorize staff to make technical corrections or clarifications to the Governance Policies to effectuate the intent of the Board, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Zimmon, and President Nathanson – 6; nays – none.

**C. COMMUNICATIONS TO THE BOARD**

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

**D. GENERAL MANAGER'S REPORT**

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on November 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 November 7, 2019.

DISCONTINUED PENSIONS – TIER 1 – 3

Barbara L. Beckley	Fire Widow	Retired:	03-21-95	Died:	09-19-19
Rae D. Simmons	Police Widow	Retired:	02-06-14	Died:	09-02-19
Louvisa Stanley	Police Widow	Retired:	08-29-83	Died:	09-24-19

DISCONTINUED PENSIONS – TIER 2 – 24

Vincent G. Braun	Fire Service	Retired:	07-13-80	Died:	09-25-19
Charles J. Callaway	Fire Service	Retired:	05-15-80	Died:	09-21-19
Fred E. Ihde	Fire Service	Retired:	03-02-86	Died:	10-01-19
John R. Baby	Police Service	Retired:	04-30-95	Died:	10-10-19
Thomas E. Barnes	Police Service	Retired:	06-30-78	Died:	10-01-19
Raymond O. Davies	Police Service	Retired:	12-17-00	Died:	09-04-19
Gail G. Draper	Police Service	Retired:	02-04-85	Died:	10-10-19
Donald C. Eggert	Police Service	Retired:	09-29-70	Died:	08-24-19
Munson E. Moser	Police Service	Retired:	06-23-74	Died:	10-01-19
David Oswald	Police Service	Retired:	09-22-69	Died:	08-12-19
Edman R. Ross	Police Service	Retired:	01-06-85	Died:	09-23-19
Harvey D. Glasgow	Fire Disability	Retired:	11-16-78	Died:	09-09-19
Michael K. Mc Osker	Fire Disability	Retired:	12-06-07	Died:	09-28-19
Arnold J. Samardich	Fire Disability	Retired:	03-27-71	Died:	09-22-19
Michael R. Anisman	Police Disability	Retired:	02-27-81	Died:	10-09-19
Margaret E. Ross	Fire Widow	Retired:	11-20-17	Died:	08-03-19
Carol A. Sanders	Fire Widow	Retired:	12-18-16	Died:	09-30-19
Dee Loris M. Schumacher	Fire Widow	Retired:	12-06-09	Died:	09-03-19
Patricia A. Whitson	Fire Widow	Retired:	06-30-09	Died:	08-27-19
Helen O. Arabian	Police Widow	Retired:	03-29-18	Died:	09-02-19
Celestine Green	Police Widow	Retired:	06-27-02	Died:	04-29-19
Mary H. Mc Alpine	Police Widow	Retired:	02-07-07	Died:	07-31-19
Carmella Powers	Police Widow	Retired:	05-28-97	Died:	09-27-19
Joyce M. Wuethrich	Police Widow	Retired:	08-02-02	Died:	09-16-19

DISCONTINUED PENSIONS – TIER 5 – 2

Peter J. Goff Jr.	Fire Service	Retired:	04-04-11	Died:	08-15-18
Patrick L. Marek	Fire Service	Retired:	07-09-06	Died:	09-22-19

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 2

Barbara A. Baby	Police Service	Retired:	04-30-95	Member Died:	10-10-19
Patty A. Draper	Police Service	Retired:	01-01-88	Member Died:	10-10-19

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 Gordon J. Olson, Police Service Pensioner, is to be paid to his former spouse, Rebecca L. Olson, effective November 1, 2019. Ms. Olson 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 Gordon J. Olson, Police Service Pensioner, is to be paid to his former spouse, Sharon Olson, effective November 1, 2019. Ms. Olson will receive cost of living adjustments.

SERVICE PENSION/DROP – TIER 3 – 4

Police

Robert A. Brown	Police Officer III	Eff:	10-02-19	25	Years	134	Days
Rosalind T. Cummings	Detective I	Eff:	10-02-19	27	Years	165	Days
Michael S. Pauley	Police Officer II	Eff:	09-16-19	25	Years	0	Days
Dollie R. Swanson	Detective II	Eff:	09-18-19	25	Years	0	Days

SERVICE PENSION/DROP – TIER 5 – 5

Police

Louis A. Cabrera	Sergeant II	Eff:	10-01-19	25	Years	20	Days
Javier Lara	Sergeant II	Eff:	10-02-19	25	Years	74	Days
Michael Montoya	Detective II	Eff:	06-01-19	31	Years	354	Days
Alejandro Vargas	Lieutenant II	Eff:	10-01-19	25	Years	44	Days
Tami S. Wilson	Sergeant I	Eff:	10-03-19	25	Years	0	Days

ELIGIBLE SURVIVING SPOUSE APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Type % Rate</u>	<u>Effective Date</u>
Janel D. Phillips (Glen R. Phillips)	Engineer	Service Pension Continuance: 100%	09-28-19

SERVICE-CONNECTED DISABILITY PENSION – TIER 4 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Humberto Jaime	Detective III	66%	10-17-19	10-17-19

SURVIVORSHIP PENSION ADJUSTED – TIER 5 – 1



<u>Name</u>	<u>Member's Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Amy L. Moorman (David T. Moorman)	Fire Captain II	From: NSC w/o prejudice: 40% + 1 minor child	02-06-17	04-20-17
		To: Service Connected 75% + 1 minor child	02-06-17	10-17-19

4. Other business relating to Department operations

General Manager Ciranna gave the following updates:

- a. LAFPP's holiday party will be held on December 5, 2019.
- b. The Fisher portfolio should be transitioned to Blackrock and Ballie Gifford by the end of the month.
- c. Inquired whether the Board was interested in holding an off-site educational meeting.
- d. Introduced new staff to the Board.

Ms. Elsa Sou Jing Moy provided public comment.

**E. CONSENT ITEM**

- 1. Findings of Fact
  - a. Humberto Jaime – Tier 4

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 Babcock, Buzzell, Navarro, Pendleton, Zimmon, and President Nathanson – 6; nays – none.

**F. CONSIDERATION OF FUTURE AGENDA ITEMS**

President Nathanson would like a report on best practices for environmental/social practices. Commissioner Babcock requested a report on disclosing the names of private equity closed session funds placed on the agenda. Commissioner Buzzell requested information concerning letters sent to surviving spouses and how to include information regarding applying for benefits.

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

There were no public comments.

*President Nathanson recessed the meeting for a break at 12:06 p.m., and reconvened into closed session at 12:11 p.m.*

**H. CLOSED SESSION**

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 FOUR (4) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION

The Board met in closed session.

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

The meeting was adjourned at 1:08 p.m.



\_\_\_\_\_  
President



\_\_\_\_\_  
Secretary