

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF DECEMBER 5, 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, December 5, 2019.

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

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 8:30 a.m. All the above-listed Commissioners were present at the start of the meeting.

A. REPORTS TO THE BOARD

1. REVIEW OF THE TOWNSEND GROUP REAL ESTATE CONSULTANT CONTRACT AND POSSIBLE BOARD ACTION

Ms. Annie Chao, Investment Officer II, and Mr. Paul Palmer, Investment Officer III presented the report to the Board. The report was approved as submitted.

Resolution 20093

Commissioner Navarro moved that the Board:

1. Approve a new three-year contract with Townsend Holdings LLC (formerly The Townsend Group, Inc.) for Real Estate Consulting;
2. Authorize the General Manager to review and negotiate the terms and conditions with Townsend Holdings LLC for Real Estate Consulting 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 Townsend Holdings LLC for Real Estate Consulting, 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, Salimpour, Vega, Weber, Zimmon, and President Nathanson – 9; nays – none.

Item A.3 was taken out of order.

3. THE 2020 ELECTION FOR THE FIRE DEPARTMENT RETIRED MEMBER OF THE BOARD AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 20094

Commissioner Navarro moved that the Board:

1. Authorize the General Manager to provide notification to the Office of the City Clerk (City Clerk) in accordance with Section 23.103.4(a) of the Los Angeles Administrative Code (LAAC) for the 2020 Election for the Fire Department Retired Member of the Board;
2. Designate the date of the Election for Tuesday, March 31, 2020 in accordance with LAAC Section 23.103.2(b);
3. Authorize the General Manager to cause to be prepared, not more than 30 nor fewer than 20 calendar days prior to the Election in accordance with LAAC Section 23.103.4(b), a Notice of Election which shall also include the Sample Ballot and the rules concerning voter eligibility;
4. Authorize the General Manager, in the event a runoff election is needed, to receive and file the communication from the City Clerk certifying the results of the 2020 Election for the Fire Department Retired Member of the Board of Fire and Police Pension Commissioners, and to order the runoff election tentatively scheduled for Tuesday, May 19, 2020, in accordance with LAAC Section 23.103.9(b); and
5. Authorize the General Manager and Staff to perform the necessary administrative work specified in the LAAC; to coordinate the Election and, if necessary, the runoff election process as required with the City Clerk and retired member associations; and to make technical corrections as necessary to effectuate the intent of this report, which was seconded by Commissioner Babcock and approved by the following vote: ayes,

Commissioners Babcock, Buzzell, Navarro, Pendleton, Salimpour, Vega, Weber, Zimmon, and President Nathanson – 9; nays – none.

4. THE 2020 ELECTION FOR THE POLICE DEPARTMENT EMPLOYEE MEMBER OF THE BOARD AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 20095

Commissioner Buzzell moved that the Board:

1. Authorize the General Manager to provide notification to the Office of the City Clerk (City Clerk) and the General Manager of the Personnel Department in accordance with Section 23.102.4(a) of the Los Angeles Administrative Code (LAAC) for the 2020 Election for the Police Department Employee Member of the Board;
2. Designate the date of the Election for Tuesday, March 17, 2020 in accordance with LAAC Section 23.102.2(b);
3. Authorize the General Manager to cause to be prepared, not more than 30 nor fewer than 20 calendar days prior to the Election in accordance with LAAC Section 23.102.4(b), a Notice of Election which shall also include the Sample Ballot and the rules concerning voter eligibility;
4. Authorize the General Manager, in the event a runoff election is needed, to receive and file communication from the City Clerk certifying the results of the 2020 Election for the Police Department Employee Member of the Board of Fire and Police Pension Commissioners, and to order the runoff election tentatively scheduled for Tuesday, May 5, 2020, in accordance with LAAC Section 23.102.9(b); and
5. Authorize the General Manager and Staff to perform the necessary administrative work specified in the LAAC; to coordinate the Election and, if necessary, the runoff election process as required with the City Clerk, Personnel Department, Police Department, and employee organizations; and to make technical corrections as necessary to effectuate the intent of this report, which was seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Salimpour, Vega, Weber, Zimmon, and President Nathanson – 9; nays – none.

5. CONTRACTOR DISCLOSURE REPORT: THIRD QUARTER 2019

Ms. Cynthia Varela, Departmental Audit Manager, Internal Audit Section presented the report to the Board. The report was received and filed.

Item G was taken out of order.

G. DISABILITY CASES

DISABILITY CLAIM – DEPENDENT CHILD – TIER 2

Clay V. Chambers

Dependent Child of Thomas V. Chambers (P)

Detective II (Deceased)

As recommended by Staff and concurred in by the applicant, Clay V. Chambers, Dependent Child status and benefits are granted. Motion made by Commissioner Nathanson, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Salimpour, Vega, Weber, Zimmon, and President Nathanson - 9; nays, none. Mr. Chambers was not present, but was represented by his attorney Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Deputy City Attorney Joshua Geller took the City Attorney Chair at this time.

DISABILITY CLAIM – NEW CLAIM – TIER 5

Cheryl L. Fatool

(P)

Police Officer III

As recommended by Staff, a service-connected disability pension is granted at 30% with no foreseeable purpose for review. Motion made by Commissioner Weber, seconded by Commissioner Nathanson and adopted by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Salimpour, Vega, Weber, Zimmon, and President Nathanson - 9; nays – none. Officer Fatool was present and was represented by her attorney Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

DISABILITY CLAIM – SURVIVING SPOUSE – TIER 5

Deborah E. Kennedy-Stilson

Surviving Spouse of Sean P. Stilson (F)

Fire Captain II (Deceased)

1st motion: The Board re-adopt its action of June 16, 2016, granting a nonservice-connected survivor pension. Motion made by Commissioner Salimpour, seconded by Commissioner Vega and failed by the following vote: ayes, Commissioners Salimpour and Vega - 2; nays, Commissioners Babcock, Buzzell, Navarro, Pendleton, , Weber, Zimmon, and President Nathanson - 7.

2nd motion: The prior Board Action of June 16, 2016 granting a nonservice-connected survivor pension is set aside and a service-connected survivor pension is granted. Motion made by Commissioner Buzzell, seconded by Commissioner Weber and adopted by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Salimpour, Vega, Weber, Zimmon, and President Nathanson - 9; nays – none. Fire Captain II Anthony Navarro, Fire Captain I Bryan Hill, and Firefighter III Jennifer Bailey testified regarding Fire Captain II Stilson. Ms. Kennedy-Stilson was present and was represented by her attorney Michael Treger, Esq. of Straussner and Sherman.

President Nathanson recessed the meeting for a break at 11:18 a.m., and reconvened at 11:22 a.m.

Assistant City Attorney Anya Freedman took the City Attorney Chair at this time.

A. REPORTS TO THE BOARD - CONTINUED

2. PRESENTATION BY REAMS ASSET MANAGEMENT, UNCONSTRAINED FIXED INCOME MANAGER

Messrs. Mark Egan, CFA and Managing Director, and Steve Masarik, CFA and Portfolio Specialist from REAMS Asset Management gave their presentation to the Board. President Nathanson and Commissioner Pendleton discussed performance and fees with Mr. Egan. Mr. Tom Lopez, Chief Investment Officer, Investments Division joined the presenters at the table to provide additional information to the Board.

B. COMMUNICATIONS TO THE BOARD

1. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
2. President Nathanson asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.

C. GENERAL MANAGER’S REPORT

1. General Manager’s Report

a. Benefits Actions approved by General Manager on November 21, 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 21, 2019.

DISCONTINUED PENSIONS – TIER 1 – 1

Shirley J. Sweet Davis	Police Widow	Retired:	12-27-59	Died:	10-12-19
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DISCONTINUED PENSIONS – TIER 2 – 8

Rastine Calhoun Jr.	Police Service	Retired:	08-10-80	Died:	09-27-19
Ronald M. Grosso	Police Service	Retired:	06-30-93	Died:	10-08-19
Terrence L. Johnson	Police Service	Retired:	08-16-98	Died:	09-17-19
William G. Ladner	Police Service	Retired:	07-05-81	Died:	11-01-19
Betty J. Cooper	Fire Widow	Retired:	05-23-15	Died:	10-21-19
Anita N. Curtis	Fire Widow	Retired:	06-03-08	Died:	10-28-19
Betty A. Barlow	Police Widow	Retired:	08-01-77	Died:	10-20-19
Florence R. Davis	Police Widow	Retired:	06-15-01	Died:	10-14-19

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Sharron L. Gabel Fire Service Retired: 09-16-90 Member Died: 09-16-19

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 9

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Lucy M. Callaway	Charles J. Callaway	Fire Service	09-22-19
Edna L. Ihde	Fred E. Ihde	Fire Service	10-02-19
Doris A. Baby	John R. Baby	Police Service	10-11-19
Betty L. Barnes	Thomas E. Barnes	Police Service	10-02-19
Nadine A. Grosso	Ronald M. Grosso	Police Service	10-09-19
Donna S. Ross	Edman R. Ross	Police Service	09-24-19
Teresa M. Glasgow	Harvey D. Glasgow	Fire Disability	09-10-19
Shannon J. Mc Osker	Michael K. Mc Osker	Fire Disability	09-29-19
Barbara J. Samardich	Arnold J. Samardich	Fire Disability	09-23-19

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 5 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Georganne H. Marek	Patrick L. Marek	Fire Service	09-23-19

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 5 – 1

Discontinue the pension payable to Alexis S. Henry, surviving child of deceased Police Officer II, Floyd A. Henry, effective October 1, 2019, due to the discontinuance of full-time student status.

DESIGNATED 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 service pension payable to Lance O. Keeble, Fire Service Pensioner, which was to be paid to his deceased former spouse, Renee E. Keeble, has been assigned to her beneficiary, Kyeshia L. Keeble, effective September 1, 2019.

GUARDIANSHIP – TIER 2 – 1

A certified copy of the Letters of Permanent Full Guardianship for Joan E. Eisentraut, issued in the Eleventh Judicial District Court of the State of Montana, County of Flathead, Case Number DG-18-069 D, appointing Jane E. Jennings, Guardian for Joan E. Eisentraut, surviving spouse of deceased Police Service Pensioner, William Eisentraut, effective October 17, 2019, has been filed with this office.

Pension payments will be paid to Jane E. Jennings for the benefit of Joan E. Eisentraut, effective November 1, 2019.

DEFERRED SERVICE PENSION – TIER 3 – 1

Police

Thomas E. Cleary Police Officer III Eff: 11-05-19 11 Years 29 Days

DEFERRED SERVICE PENSION – TIER 5 – 1

Police

Melissa A. Zak Captain III Eff: 11-01-19 20 Years 281 Days

SERVICE PENSION – TIER 5 – 9

Police

Andrew T. Barkman	Detective I	Eff:	10-13-19	25	Years	10	Days
Joseph F. Fleming	Lieutenant I	Eff:	10-13-19	21	Years	125	Days
Juan M. Franco	Sergeant I	Eff:	09-10-19	25	Years	247	Days
Timothy S. Galli	Police Officer II	Eff:	10-13-19	24	Years	62	Days
Oscar A. Garza	Detective III	Eff:	10-13-19	24	Years	10	Days
Theodore D. Hammond	Detective II	Eff:	10-27-19	29	Years	211	Days
Eric W. Hermann	Police Officer III	Eff:	10-13-19	20	Years	17	Days
Charles B. Joh	Police Officer III	Eff:	10-27-19	23	Years	195	Days
Douglas M. Stice	Detective III	Eff:	10-27-19	25	Years	185	Days

SERVICE PENSION/DROP – TIER 3 – 1

Police

Aaron L. Bankhead Detective I Eff: 10-15-19 2 Years 122 Days

DISCONTINUE DROP – TIER 5 – 8

Police

Andrew G. Barboza	Retired:	05-01-15	Exit Close of:	10-31-19
Madolyn J. Candelaria	Retired:	12-01-14	Exit Close of:	11-30-19
Susan L. Carnahan	Retired:	06-01-15	Exit Close of:	11-30-19
James A. Cummings	Retired:	12-01-14	Exit Close of:	11-30-19
Ronnie B. Kershner Gilder	Retired:	11-16-17	Exit Close of:	11-30-19
Eleanor G. Hill	Retired:	12-01-14	Exit Close of:	11-30-19
Benjamin D. Lopez	Retired:	12-01-14	Exit Close of:	11-30-19
Donald S. Wynne	Retired:	12-02-14	Exit Close of:	11-30-19

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 James A. Cummings, Police Service Pensioner, is to be paid to his former spouse, Celeste L. Cummings, effective November 30, 2019.

DESIGNATED 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 Lance O. Keeble, Fire Service Pensioner, which was to be paid to his deceased former spouse, Renee E. Keeble, has been assigned to her beneficiary, Kyasha L. Keeble, effective August 31, 2019.

b. Other business relating to Department operations

General Manager Ciranna gave the following updates:

1. A status report on the transition of the Fisher Investments funds will be provided to the Board.
2. A recommendation will be provided to the Board at the next meeting to formally adopt the new public safety mortality assumption changes. Segal is working on the revised valuation which should be ready by the second meeting in January 2020. There will be an additional cost for the revised valuation reports and the annual financial statements will be delayed.
3. Provided information regarding a review of investment consultants conducted by Pensions & Investments magazine. RVK was ranked at 6th place with an independent status.

Commissioner Babcock left the board room for the remainder of the meeting at 11:50 a.m.

D. CONSENT ITEMS

1. Findings of Fact

- a. Christine D. Russell, surviving spouse of Edmund J. Russell – Tier 5
- b. David Robles – Tier 5

2. Approval of Minutes

- a. Regular Board Meeting minutes of May 2, 2019 and May 16, 2019
- b. Special Board Meeting minutes of May 16, 2019

Miss Elsa Sou Jing Moy provided public comment.

Motion

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

E. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Navarro inquired about the feasibility of obtaining additional information on suicide-related survivorship cases and would like to discuss these issues at a future Ad Hoc

Committee on Disability Pensions meeting. Commissioner Weber asked how other pensions were processing suicides.

Commissioner Zimmon asked what is legally permissible to be requested in cases involving surviving spouses and asked for a data privacy and cyber security update.

Commissioner Pendleton asked to revisit the process used to select outside legal counsel and requested a report on the transition of the allocated funds from Fisher Investments.

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

There were no public comments.

The meeting was adjourned at 12:18 p.m.



President



Secretary