

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF FEBRUARY 6, 2020

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, February 6, 2020.

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

COMMISSIONER ABSENT: Paul 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 with the exception of Commissioner Salimpour who arrived at 11:17 a.m.

A. REPORTS TO THE BOARD

1. STATUS REPORT ON OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS AND POSSIBLE BOARD ACTION

Ms. Cynthia Varela, Departmental Audit Manager, Internal Audit Section presented the report to the board. The report was approved as submitted.

Resolution 20111

Commissioner Babcock moved that the Board review, receive, and file the Status Report on Outstanding Internal Audit Recommendations, which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Zimmon, and President Nathanson – 7; nays – none.

2. CONTRACT AMENDMENT WITH SIMPSON & SIMPSON CERTIFIED PUBLIC ACCOUNTANTS FOR EXTERNAL FINANCIAL AUDIT SERVICES AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 20112

Commissioner Navarro moved that the Board:

1. Approve an amendment to the existing contract with Simpson & Simpson Certified Public Accountants to extend the contract for an additional one-year period; and,
 2. Increase the contract expenditure authority by an amount not to exceed \$87,163 to provide external financial audit services, consistent with the current contract, which was seconded by Commissioner Babcock and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Zimmon, and President Nathanson – 7; nays – none.
3. MISSED VOLUNTARY ADDITIONAL CONTRIBUTIONS FOR RETIREE HEALTH AND POSSIBLE BOARD ACTION

Commissioners Buzzell and Navarro discussed the report with Assistant City Attorney Anya Freedman and General Manager Ciranna.

Resolution 20113

Commissioner Navarro moved that the Board:

- 1) Grant a one-time exception to Board Operating Policies and Procedures Section 5.3: Contributions Owed to the System, to allow a group of ten members whose Voluntary Additional Contributions for Retiree Health were never initiated, to pay back these missed contributions into their retirement, in a payment period not to exceed their life expectancy per the Social Security Administration's *Retirement & Survivors Benefits: Life Expectancy Calculator*; and
- 2) Authorize staff to collect said missed contributions from members without any interest charges, which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Zimmon, and President Nathanson – 7; nays – none.

4. REQUEST FOR PROPOSALS FOR OUTSIDE FIDUCIARY COUNSEL AND POSSIBLE BOARD ACTION

Assistant City Attorney Anya Freedman, City Attorney's Office discussed the memorandum with the Board.

Commissioner Buzzell discussed the current contracts with Ms. Freedman. Commissioner Vega stated that the Board should interview several firms, not just the minimum desired.

Resolution 20114

Commissioner Navarro moved that the Board:

1. The City Attorney's Office to publish a Request for Proposals (RFP) for outside law firms with expertise in fiduciary law (Outside Fiduciary Counsel), substantially in the form attached as Exhibit A;
 2. The City Attorney's Office and the General Manager and/or his designee(s) to review written proposals and conduct panel interviews as appropriate in coordination with the Water and Power Employees' Retirement Plan (WPERP) and the Los Angeles City Employees' Retirement System (LACERS); and
 3. The General Manager, in coordination with the City Attorney's Office, to recommend to the Board multiple highly qualified law firms to be interviewed as finalists, and selected by the Board for three-year contracts with the Plan, subject to the consent of the City Attorney as required by Charter Section 275, which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Zimmon, and President Nathanson – 7; nays – none.
5. IN-HOUSE PARKING AND TRANSIT SUBSIDY PROGRAM AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 20115

Commissioner Buzzell moved that the Board direct staff to:

- 1) Work with the relevant City departments to implement an in-house program to directly administer the staff parking and transit subsidy programs;
- 2) Recognize that the revenues from the program will help offset the initial cost to purchase the Neptune Building and adjacent parking lot; and,
- 3) Direct staff to report back to the Board with the necessary Administrative Policies and Procedures to implement the program by June 30, 2020, 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.

6. MEDICAL BENEFIT COMPARISONS AND BENCHMARKING BY USI

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division introduced Messrs. Gary Delaney, CEBS and Senior Vice President and Hector Jaramillo, Senior Account Executive from USI who presented their report to the Board.

The Board discussed single party use for the report which excluded two party groups and variance in cost with Mr. Delaney. President Nathanson gave direction from the Board to include two-party plan coverage in future reports. Commissioner Zimmon asked if the report could be amended to include the terms “retires, police, and fire”.

Ms. Dawna Gray, President of Bradawn Inc., and Mr. Jeff Cawdrey, President of LAFRA provided public comment.

President Nathanson recessed the meeting for a break at 10:41 a.m., and reconvened at 10:49 a.m.

Item G was taken out of order.

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

G. DISABILITY CASES

DISABILITY CLAIM – NEW CLAIM – TIER 5

Tyler R. Fox

(P)

Police Officer III

First Motion: Service-connected disability pension is granted at 60% with no foreseeable purpose for review. Motion made by Commissioner Navarro, seconded by Commissioner Buzzell and failed by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, and Zimmon – 4; nays, Commissioners Pendleton, Vega, and President Nathanson - 3; absent, Commissioners Salimpour and Weber. Lieutenant II Roger B. Murphy testified regarding Officer Fox. Officer Fox was present and was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Second Motion: Service-connected disability pension is granted at 55% with no foreseeable purpose for review. Motion made by Commissioner Buzzell, seconded by Commissioner Navarro and failed by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, and Zimmon – 4; nays, Commissioners Pendleton, Vega, and President Nathanson - 3; absent, Commissioners Salimpour and Weber. Lieutenant II Roger B. Murphy testified regarding Officer Fox. Officer Fox was present and was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Third motion: Nonservice-connected disability pension is granted at 50% with no foreseeable purpose for review. Motion made by President Nathanson, seconded by Commissioner

Pendleton and failed by the following vote: ayes, Commissioners Pendleton, Vega, and President Nathanson - 3; nays, Commissioners Babcock, Buzzell, Navarro, and Zimmon – 4; absent, Commissioners Salimpour and Weber. Lieutenant II Roger B. Murphy testified regarding Officer Fox. Officer Fox was present and was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

Hearing continued at the request of the Board.

President Nathanson recessed the meeting for a break at 11:10 a.m., and reconvened at 11:19 a.m. Commissioner Salimpour joined the meeting at 11:17 a.m.

DISABILITY CLAIM – SURVIVING SPOUSE – TIER 5

Judith Ann Slater, Surviving Spouse of
Charles E. Slater IV (P) Sergeant II (Deceased)

As recommended by Staff, the Board re-adopted its action of March 2, 2017, granting a nonservice-connected survivorship pension. Motion made by Commissioner Babcock, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Salimpour, Vega, Zimmon, and President Nathanson – 8; nays, none; absent, Commissioner Weber. Ms. Riley M. Slater testified regarding Sergeant Slater. Mrs. Slater was present and represented by her attorney Michael Treger, Esq. of Strausner and Sherman.

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

7. SEMI-ANNUAL REVIEW OF CORE AND SPECIALIZED MANAGER PRIVATE EQUITY PROGRAMS AND THE COMMODITIES ALLOCATION TO PRIVATE EQUITY BY PORTFOLIO ADVISORS

Messrs. Todd Hughes, CFA and Managing Director, and Gregory Garrett, Managing Director from Portfolio Advisors presented their report to the Board.

The Board asked how many of the accounts are included in Portfolio Advisors Fund of Funds and was answered eight out of ten.

8. STRATEGIC PLAN UPDATE BY PORTFOLIO ADVISORS

Messrs. Todd Hughes, CFA and Managing Director, and Gregory Garrett, Managing Director, from Portfolio Advisors presented their report to the Board.

The Board discussed Portfolio Advisors recommendations for an increase of \$100 million per year in the annual commitment pace to \$650 million from \$550 million, a range of \$600 million to \$700 million of commitments per annum; and an increase in the maximum commitment size that an advisor can recommend to \$60 million from the current \$50 million with Messrs. Hughes and Garrett. Commissioner Navarro requested a report on discretionary spending and co-investment.

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

9. SEMI-ANNUAL REVIEW OF SPECIALIZED MANAGER PRIVATE EQUITY PROGRAM BY FAIRVIEW CAPITAL

Ms. Lesley Nettles, Principal, Ms. Cynthia Tseng, CFA and Partner, and Mr. Alan Mattamana, Partner from Fairview Capital presented their report to the Board.

The Board requested specific information on whether the investments fall under the Board's directive to actively pursue MBE/WBE/LGBTQ ownership and would like to see more Los Angeles based managers. President Nathanson asked about Fairview's Fund of Funds and requested that Fairview disclose if they are investors in any investments presented to the Board.

B. COMMUNICATIONS TO THE BOARD

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

C. GENERAL MANAGER'S REPORT

1. Benefits Actions approved by General Manager on January 16, 2020

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.

DISCONTINUED PENSIONS – TIER 1 – 1

Warren P. Schmit	Police Disability	Retired:	02-01-67	Died:	12-14-19
------------------	-------------------	----------	----------	-------	----------

DISCONTINUED PENSIONS – TIER 2 – 11

Marion O. Carroll	Fire Service	Retired:	06-30-79	Died:	12-13-19
Don A. Nelson	Fire Service	Retired:	03-10-86	Died:	12-27-19
John E. Rookstool	Fire Service	Retired:	05-18-80	Died:	12-12-19
Norman D. Marean	Police Service	Retired:	06-19-90	Died:	12-08-19
Richard A. Metz	Police Service	Retired:	02-06-94	Died:	11-25-19
Milton D. O Dell	Police Service	Retired:	07-07-96	Died:	12-11-19
Gilbert A. Sandoval	Police Service	Retired:	01-16-77	Died:	11-04-19
Michael M. Kirmer	Fire Disability	Retired:	01-06-89	Died:	12-09-19
James J. Okray	Fire Disability	Retired:	03-07-81	Died:	12-13-19
Loraine L. Brewer	Fire Widow	Retired:	08-18-06	Died:	10-08-19

Grace Lewis Police Widow Retired: 09-20-92 Died: 11-27-19

DISCONTINUED PENSIONS – TIER 5 – 1

William R. Douglass Police Service Retired 12-01-02 Died: 12-07-19

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

P. Karine O Dell Police Service Retired: 06-01-03 Member Died: 12-11-19

ELIGIBLE GOINS WIDOW PENSION – TIER 1 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Jayne R. Hendricks	Dennis S. Hendricks	Police Disability	10-28-19

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 10

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Joan M. Nelson	Don A. Nelson	Fire Service	12-28-19
Carol J. Rookstool	John E. Rookstool	Fire Service	12-13-19
Elaine L. Marean	Norman D. Marean	Police Service	12-09-19
Angela A. Morris	Robert H. Morris	Police Service	11-28-19
Patricia K. O Dell	Milton D. O Dell	Police Service	12-12-19
Marlene A. Sandoval	Gilbert A. Sandoval	Police Service	11-05-19
Louise N. Sauro	Arnold J. Sauro	Police Service	11-18-19
Ann B. Wright	Charles A. Wright, Jr.	Police Service	11-06-19
Sandra J. Kirmer	Michael M. Kirmer	Fire Disability	12-10-19
Shirley A. Jones	Edward J. Jones	Police Disability	12-20-19

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 5 – 3

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Vickie L. Douglass	William R. Douglass	Police Service	12-08-19
Rosa M. Olivera De Mason	Ernest E. Mason	Police Service	12-14-19
Valerie C. Wright	George R. Wright	Police Service	12-08-19

ELIGIBLE SURVIVOR BENEFIT PURCHASE PROGRAM PENSION – TIER 2 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Walaiporn Baumgartner	Robert O. Baumgartner	Police Disability	12-29-19

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 5 – 1

Discontinue the pension payable to Troy R. Urquiza, surviving child of deceased Firefighter III, Ralph D. Urquiza, effective January 15, 2020, due to the attainment of age 22 on January 16, 2020.

DESIGNATED 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 Zachary Williams, Police Service Pensioner, which was paid to his deceased former spouse, Kathleen Williams, has been designated to her beneficiary, Arie Z. Williams, effective May 19, 2019. Mr. Williams 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 Thomas R. Vincello, Police Disability Pensioner, which was paid to his deceased former spouse, Lois Vincello, has been designated to her beneficiary, Deanna Longo, effective October 23, 2019. Ms. Longo will receive cost of living adjustments.

MODIFIED 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 Richard Szabo, Police Disability Pensioner, has been modified and increased to 32.5% of the community property interest payable to his former spouse, Mary C. Szabo, effective January 1, 2020. Ms. Szabo continues to receive cost of living adjustments.

MODIFIED PARTIAL PAYMENT OF PENSION – TIER 3 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Kendall L. Morrison, Fire Service Pensioner, being withheld for his former spouse, Sheron Rice Morrison, since June 10, 2009 should be released, effective January 1, 2020. Ms. Rice Morrison will receive cost of living adjustments.

MODIFIED 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 pension payable to Luther D. Sherman, Fire Service Pensioner, being withheld for his former spouse, Janae Sherman, since January 28, 2019, should be released to Luther D. Sherman, effective January 1, 2020.

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 Leo C. Mc Namara, Police Service Pensioner, which was being paid to his former spouse, Pearl M. Mc Namara, has been discontinued due to her death on October 31, 2019. Ms. Mc Namara's portion reverts to the member, effective November 1, 2019.

DISCONTINUE 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 pension payable to Michael H. Hargreaves, Police Disability Pensioner, which was being paid to his former spouse, Elizabeth A. Hargreaves, has been discontinued. Ms. Hargreaves' portion reverts to the member, effective January 1, 2020.

CONSERVATORSHIP – TIER 2 – 1

A certified copy of the Letters of Conservatorship for the Person and the Estate of Ruth M. Gibbs, issued in the Superior Court of California, County of Los Angeles, Case Number 17STPB00726, appointing Jeffrey Siegel, Conservator for the Person and the Estate of Ruth M. Gibbs, surviving spouse of deceased Fire Service Pensioner, Earl D. Gibbs, effective October 25, 2019, has been filed with this office.

Pension payments will be paid to Jefferey Siegel for the benefit of Ruth M. Gibbs, effective January 1, 2020.

DEFERRED SERVICE PENSION – TIER 5 – 1

Police

Sonny Garcia Detective I Eff: 01-03-20 20 Years 224 Days

SERVICE PENSION – TIER 3 – 1

Police

Robert C. Runnels Detective I Eff: 12-08-19 25 Years 10 Days

SERVICE PENSION – TIER 4 – 1

Police

Ramon E. Muniz Police Officer II Eff: 12-09-19 20 Years 8 Days

SERVICE PENSION – TIER 5 – 2

Fire

Janet R. Cline Apparatus Operator Eff: 12-22-19 26 Years 256 Days

Police

Robert F. Falconer Police Officer II Eff: 12-22-19 24 Years 253 Days

SERVICE PENSION/DROP – TIER 3 – 2

Police

Alison C. Cate Police Officer III Eff: 11-05-19 25 Years 208 Days
Steve Zavala Sergeant I Eff: 11-12-19 25 Years 1 Day

SERVICE PENSION/DROP – TIER 5 – 3

Police

Duc J. Cao Detective I Eff: 12-03-19 25 Years 44 Days
Ursula Guillory Detective III Eff: 11-22-19 25 Years 6 Days
Windle L. Hawkins Police Officer III Eff: 11-01-19 30 Years 354 Days