

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF APRIL 16, 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, April 16, 2020.

COMMISSIONERS PRESENT: Adam Nathanson, President
Brian Pendleton, Vice President
Corinne Babcock (participated telephonically)
Ken Buzzell (participated telephonically)
Ruben Navarro
Belinda Vega (participated telephonically)
Garrett Zimmon (participated telephonically)
Paul Weber (participated telephonically)

COMMISSIONER ABSENT: Pedram Salimpour, MD

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Raymond P. Ciranna, General Manager
William Raggio, Executive Officer
Joseph Salazar, Assistant General Manager
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 8:31 a.m. All the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Buzzell who joined the meeting at 8:41 a.m.

To ensure social distancing, the board room was temporarily closed to members of the public. All speakers, with the exception of select LAFPP staff, attended telephonically.

Item G was taken out of order.

G. DISABILITY CASE

DISABILITY CLAIM – SURVIVING SPOUSE – TIER 5

Carol A. Tucker, Surviving Spouse of (F)
Richard G. Tucker

Firefighter III (deceased)

As recommended by Staff and concurred in by the applicant, the prior Board action of April 18, 2019, granting a nonservice-connected survivor pension is set aside, and a service-connected survivor pension is granted. Motion made by Commissioner Weber, seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Babcock, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 7; nays – none; absent, Commissioners Buzzell and Salimpour. Mrs. Tucker was not present but was represented by Michael Treger, Esq. of Straussner and Sherman.

DISABILITY CLAIM – NEW CLAIM – TIER 3

Brian K. Arnett

(P)

Police Officer III

As recommended by Staff and concurred in by the applicant, a service-connected disability pension is granted at 50% with no foreseeable purpose for review. Motion made by Commissioner Zimmon, seconded by Commissioner Pendleton and approved by the following vote: ayes, Commissioners Babcock, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 7; nays – none; absent, Commissioners Buzzell and Salimpour. Officer Arnett was not present but was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee.

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

A. REPORTS TO THE BOARD

1. OFFICE OF THE CITY CLERK – ELECTION DIVISION'S CERTIFICATION OF THE FIRE DEPARTMENT RETIRED MEMBER OF THE BOARD ELECTION RESULTS AND BOARD DECLARATION OF ELECTED MEMBER AND POSSIBLE BOARD ACTION

Ms. Myo Thedar, Chief Benefits Analyst, Administrative Operations Division presented the report to the Board. The Board congratulated Commissioner Buzzell on his re-election.

Resolution 20157

Commissioner Navarro moved that the Board declare Kenneth E. Buzzell the elected Fire Department Retired Member of the Board of Fire and Police Pension Commissioners for the term beginning July 1, 2020 and ending June 30, 2025, based on the official election results provided by the Office of the City Clerk – Election Division (City Clerk), 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.

2. THIRD QUARTER UPDATE OF THE 2019-20 BUSINESS PLAN AND POSSIBLE BOARD ACTION

Ms. Myo Thedar, Chief Benefits Analyst, Administrative Operations Division presented the report to the Board. The report was approved as submitted.

Resolution 20158

Commissioner Navarro moved that the Board authorize a revision to the Business Plan for Project No. 7 – PARIS (Pension and Retirement Information System) Implementation, to extend a portion of this project to next fiscal year and instruct staff to continue this Project in the 2020-21 Final Business Plan, 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.

3. PROCESS CHANGES FOR FINAL CHECKS AND PLACING QUALIFIED SURVIVORS ON THE PENSION PAYROLL AND POSSIBLE BOARD ACTION

Mr. Kyle Susswain, Senior Management Analyst II, Retirement Services Section presented the report to the Board. Commissioners Buzzell and Zimmon discussed the changes with Mr. Susswain and General Manager Ciranna. The report was approved as submitted.

Resolution 20159

Commissioner Navarro moved that the Board review and approve the proposed process changes regarding final checks due to deceased pensioners and placing qualified survivors on the pension payroll, which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Vega, Weber, Zimmon, and President Nathanson – 8; nays – none.

4. AMENDMENTS TO BOARD OPERATING POLICIES AND PROCEDURES SECTIONS 3.0- PENSION PROCESSING AND 4.0 - HEARINGS AND POSSIBLE BOARD ACTION

Ms. Kristen Rosauer, Senior Management Analyst I, Disability Pensions Section presented the report to the Board. The Board discussed some of the language used in the revisions with Ms. Rosauer and General Manager Ciranna. Commissioners Weber and Zimmon thanked staff for their outreach to representatives. The report was approved as submitted.

Resolution 20160

Commissioner Navarro moved that the Board approve the proposed amendments to the Board Operating Policies and Procedures, Section 3.0 – Pension Processing and Section 4.0 – Hearings, 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.

5. MID-YEAR INVESTMENT POLICIES REVIEW AND POSSIBLE BOARD ACTION

Ms. Annie Chao, Investment Officer II, Investment Division presented the report to the Board. General Manager Ciranna discussed the Environmental, Social, and Governance (ESG) language with the Board. Commissioners Babcock and Vega stated that ESG policy will need to be continuously addressed in the future. Commissioner Navarro said our governance

program has been 'way ahead of the curve' nationally. The report was approved as submitted.

Resolution 20161

Commissioner Navarro moved that the Board:

1. Approve the proposed amendments to Section 2.0 – Private Equity Investments Policy;
2. Approve the proposed amendments to Section 7.0 - Proxy Voting Policy;
3. Approve the proposed amendments to Section 9.0 - Marketing Cessation Policy;
4. Approve the proposed amendments to Section 10.0 – Securities Litigation Policy;
5. Approve the proposed new addition to the Investment Policies; Section 12.0 – Environmental, Social and Governance Policy;
6. Approve all the remaining formatting, grammatical, ordering and clarifying amendments to the overall Board Investment Policies; and,
7. Discuss any other desired amendments to the Investment Policies; and,
8. Authorize Staff to make technical corrections or clarification to the 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, Vega, Weber, Zimmon, and President Nathanson – 8; nays – none.

6. MBE/WBE/DVBE/LGBTQ BROKER USAGE

Ms. Miki Shaler, Investment Officer I, Investments Division presented the report to the Board. Commissioner Babcock discussed actively seeking more women owned businesses. Commissioner Weber asked whether the percentages have increased or decreased and Mr. Tom Lopez, Chief Investment Officer, Investments Division answered that the percentage has increased significantly over past years. The report was received and filed.

7. VERBAL UPDATE ON INVESTMENT PORTFOLIO

Mr. Tom Lopez, Chief Investment Officer, Investments Division discussed the current market conditions and how they have affected the investment portfolio with the Board. Commissioner Pendleton discussed the real estate holdings and Commissioner Vega discussed communications with consultants regarding opportunities to invest with Mr. Lopez. Commissioner Babcock asked about changes in investment styles with the changing financial environment.

8. QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF

Mr. William Raggio, Executive Officer, Administrative Operations Division discussed the travel budget as impacted by the cancellations of events with the Board. The report was received and filed.

President Nathanson recessed the meeting for a break at 9:42 a.m., and reconvened at 9:50 a.m.

9. BOARD EDUCATION ON CYBERSECURITY AND DATA PRIVACY PROGRAM BY FOLEY & LARDNER LLP

Assistant City Attorney Anya Freedman introduced Ms. Jennifer Urban Rathburn, Partner from Foley & Lardner LLP presented their report and discussed recent privacy laws with the Board.

B. COMMUNICATIONS TO THE BOARD

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

C. GENERAL MANAGER’S REPORT

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on April 2, 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 on April 2, 2020.

DISCONTINUED PENSIONS – TIER 2 – 10

William C. Achen	Police Service	Retired:	06-30-79	Died:	02-17-20
William R. Berndt Jr.	Police Service	Retired:	09-23-01	Died:	02-29-20
Kenneth H. Luehmann	Police Service	Retired:	10-19-71	Died:	02-11-20
Hubert G. Much	Police Service	Retired:	11-17-78	Died:	02-13-20
Samuel M. Natow	Police Service	Retired:	07-06-86	Died:	02-14-20
Lester E. Nolte	Police Service	Retired:	10-16-81	Died:	02-26-20
Richard M. Atwood	Police Disability	Retired:	04-29-82	Died:	02-16-20
Wayne A. Bonds	Police Disability	Retired:	06-30-90	Died:	02-08-20
Elizabeth A. Davidson	Police Widow	Retired:	01-21-19	Died:	02-16-20
Sylvia J. Lee	Police Widow	Retired:	07-10-09	Died:	01-15-20

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 5 – 1

Maria O. Atwood	Police Service	Retired:	12-01-98	Member Died:	02-16-20
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PARTIAL PAYMENT OF PENSION – TIER 5 – 5

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Anthony A. Amano, Fire Service Pensioner, is to be withheld for his former spouse, Cynthia L. Amano, effective April 1, 2020. Ms. Amano 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 J. Cueto, Police Service Pensioner, is to be withheld for his former spouse, Yanet Cueto, effective April 1, 2020. Ms. Cueto 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 Terrie L. Lujan Illsley, Police Service Pensioner, is to be withheld for her former spouse, Eugene Rich Illsley, Jr., effective April 1, 2020. Mr. Illsley 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 Floro B. Pinzon, Police Service Pensioner, is to be paid to his former spouse, Myrna U. Lorenzana, effective April 1, 2020. Ms. Lorenzana 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 James N. Thornton, Police Service Pensioner, is to be paid to his former spouse, Sheryl L. Thornton, effective April 1, 2020. Ms. Thornton will receive cost of living adjustments.

SERVICE PENSION/DROP – TIER 3 – 1

Police

Tina H. Matsushita	Detective II	Eff:	02-01-20	25	Years	76	Days
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SERVICE PENSION/DROP – TIER 5 – 8

Police

Sonia S. Amador	Police Officer III	Eff:	03-02-20	25	Years	93	Days
Ara V. Hollenback	Police Officer III	Eff:	02-01-20	25	Years	108	Days
Lawrence A. Martinez	Sergeant I	Eff:	03-03-20	25	Years	145	Days
Timothy W. McCarthy	Police Officer III	Eff:	02-24-20	25	Years	108	Days
Dikran R. Melkonian	Police Officer III	Eff:	03-01-20	25	Years	64	Days
Tina L. Rios	Detective I	Eff:	02-03-20	25	Years	28	Days
Bobby F. Royal	Detective I	Eff:	02-03-20	25	Years	8	Days
Joseph A. Rubert	Police Officer II	Eff:	02-03-20	26	Years	245	Days

DISCONTINUE DROP – TIER 5 – 1

Police

Luke S. Paik	Retired:	11-01-16	Exit Close of:	03-31-20
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SERVICE-CONNECTED DISABILITY PENSION – TIER 5 – 3

<u>Name</u>	<u>Member's Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
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Nikki M. Abskharon	Police Officer II	40%	03-19-20	03-19-20
<u>Name</u>	<u>Member's Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Jillian K. Klee	Sergeant II	60%	03-19-20	03-19-20
<u>Name</u>	<u>Member's Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Kate E. Lopez	Detective I	50%	03-19-20	03-19-20

4. Other business relating to Department operations

General Manager Ciranna gave the following updates:

- a. Discussed COVID-19 related expenditures and department functions.

Commissioner Buzzell asked about a freeze on hiring and the projected budget for next year. General Manager Ciranna referred to recent articles in the L.A. Times, discussed next year's budget, and that the Mayor has instituted a 'hard' hiring freeze on Council controlled Departments. While LAFPP's Departmental preliminary budget has already been submitted, in light of the changed financial environment, General Manager Ciranna will be revisiting the budget.

- b. Even with reductions and political pressure, fiduciary responsibilities and service for our members take precedent.
- c. Nossaman is scheduled for the June 4, 2020 meeting.

D. CONSENT ITEM

1. Approval of Minutes

- a. Regular Board Meeting Minutes of August 15, 2019, September 5 and 19, 2019, October 3 and 17, 2019
- b. Special Board Meeting Minutes of August 15, 2019, October 3 and 17, 2019

2. Findings of Fact

- a. Jillian K. Klee – Tier 5
- b. Kristen C. Krikke – Tier 5

Motion

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

E. CONSIDERATION OF FUTURE AGENDA ITEMS

President Nathanson requested a report from AEW regarding current practices as related to new local and federal laws enacted by the pandemic.

Commissioner Babcock requested a report on ESG.

Commissioner Navarro requested that the General Manager to place on a future agenda, LAPRA's letter concerning its Kaiser plan. Commissioner Navarro also requested the City Attorney report back to the Board on the securities monitoring firms.

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

Ms. Elsa Sou Jing Moy provided public comment.


H. CLOSED SESSION

1. 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 adjourned at 10:59 a.m.



President



Secretary