

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF MAY 21, 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, May 21, 2020.

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

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 8:32 a.m. All the above-listed Commissioners were present at the start of the meeting.

Item G was taken out of order.

G. DISABILITY CASE

DISABILITY CLAIMS – SURVIVING SPOUSE – TIER 5

Caroline J. Boyd, Surviving Spouse of (F)
Jerome A. Boyd

Battalion Chief (deceased)

As recommended by Staff and concurred in by the applicant, the prior Board action of July 20, 2017, granting a nonservice-connected survivor pension is set aside, and a service-connected survivor pension is granted. Motion made by Commissioner Pendleton seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Navarro, Pendleton, Salimpour, Vega, Weber, Zimmon, and President Nathanson – 9; nays – none. Mrs. Boyd is representing herself but was not present.

Item B.5 was taken out of order.

5. LAPRA RESPONSE TO BOARD INQUIRY REGARDING INCREASED KAISER PLAN BENEFITS FOR POLICE RETIREES

Continued to June 4, 2020.

A. GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND PUBLIC COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT

Ms. Elsa Sou Jing Moy provided public comment.

B. REPORTS TO THE BOARD

1. REVIEW OF LOS ANGELES CAPITAL MANAGEMENT DOMESTIC LARGE CAP GROWTH EQUITY CONTRACT AND POSSIBLE BOARD ACTION

Mr. Nathaniel Chang, Investment Officer II, Investments Division presented the report to the Board. Messrs. Tom Stevens, CFA, Chairman and CEO, and Daniel Allen, CFA, President from L.A. Capital Management spoke to the Board. Ms. Becky Gratsinger, from RVK answered questions from the Board concerning active management vs. passive management. Mr. Tom Lopez, Chief Investment Officer, Investments Division discussed Los Angeles Capital Management's historical performance vs. index funds and Mr. Chang discussed transition costs with the Board.

Resolution 20174

Commissioner Navarro moved that the Board:

1. Allow the contract with Los Angeles Capital Management for domestic large cap growth equity investment management services to expire on July 31, 2020; and,
2. Allocate the proceeds of the Los Angeles Capital Management account to the existing AllianceBernstein Russell 1000 Growth Index fund, 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.

2. REVIEW OF ECONOMIC AND NON-ECONOMIC ACTUARIAL ASSUMPTIONS AND POSSIBLE BOARD ACTION

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division gave a brief summary of the staff report to the Board. Commissioner Buzzell requested that Segal also discuss the reduction of the 7.25% annual investment return assumption to 7% in dollar amounts. Messrs. Paul Angelo, Senior Vice President and Actuary, Andy Yeung, Vice President and Actuary, and Todd Tauzer, Vice President and Actuary from Segal Consulting presented their report to the Board. Commissioner Weber asked whether the current economic downturn has impacted the report and was answered that the long-term nature of the assumptions has not changed dramatically. Commissioner Zimmon asked whether the COLA used in the report was local or nationwide and was answered that the CPI index used was based on national inflation. Commissioner Pendleton discussed the long-term impact of leaving the annual investment return assumption at 7.25% instead of reducing it to 7% with Mr. Angelo. Commissioner Navarro stated that the COLA for the past three years averaged 3% and Commissioner Vega stated that fiduciary responsibility requires looking at long term assumptions. General Manager Ciranna discussed trend data with the Board. Commissioner Weber questioned what the impact would be if the action was delayed until next year. Assistant City Attorney Anya Freedman discussed the Board's fiduciary duty to the Plan participants.

Mr. Freddy Escobar, UFLAC, and Ms. Corina Lee, LAPPL provided public comment.

Commissioner Salimpour discussed the impact of a phase-in of the cost of the actuarial assumptions with Mr. Angelo.

Resolution 20175

Commissioner Vega moved that the Board adopt the findings and recommendations of the Actuarial Experience Study conducted by Segal including all economic and non-economic assumptions as recommended by Segal for the period July 1, 2016 through June 30, 2019, to be used beginning with the June 30, 2020 valuation, 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.

3. VOLUNTARY ADDITIONAL CONTRIBUTIONS FOR RETIREE HEALTH

General Manager Ciranna gave a brief summary of the report to the Board. Mr. Joseph Salazar, Assistant General Manager, Pensions Division was available for questions from the Board.

Ms. Elsa Sou Jing Moy provided public comment.

President Nathanson recessed the meeting for a break at 10:40 a.m., and reconvened at 10:47 a.m.

4. PRESENTATION ON HEALTH SAVINGS ACCOUNTS AND HEALTH REIMBURSEMENT ARRANGEMENTS

Ms. Eunice Zordilla, Senior Management Analyst II, Medical and Dental Benefits Section and Mr. Gary Delaney from USI presented the report to the Board. Commissioner Weber stated that HSAs and HRAs may be subject to collective bargaining with the City. Commissioner Zimmon asked that a cover memo be included with future reports to provide some background on the item before the Board.

6. INTRA-DEPARTMENTAL TRANSFER OF FUNDS WITHIN THE FISCAL YEAR 2019-20 ADMINISTRATIVE EXPENSE BUDGET AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 20176

Commissioner Pendleton moved that the Board authorize transfers totaling \$95,300 (\$75,000 from Travel [Account 642130] and \$20,300 from Printing & Binding [Account 642120]) to Salaries, General (Account 641010), to mitigate a shortfall in salaries attributed to actual retroactive payments and the reconciliation of salary projections, 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.

7. FISCAL YEAR 2019-20 BUSINESS PLAN PROJECT NO. 12 - WORKFORCE SUCCESSION PLANNING UPDATE

Mr. James Schiffhauer, Senior Personnel Analyst I, Human Resources Section presented the report to the Board.

C. 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.

D. GENERAL MANAGER'S REPORT

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on May 7, 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 May 7, 2020.

DISCONTINUED PENSIONS – TIER 2 – 27

William Dunsmore	Fire Service	Retired:	03-01-76	Died:	03-06-20
William E. Parker	Fire Service	Retired:	07-04-81	Died:	03-13-20
Donald J. Workman	Fire Service	Retired:	07-09-87	Died:	03-30-20
George N. Beck	Police Service	Retired:	06-01-80	Died:	10-27-19
Dennis K. Darger	Police Service	Retired:	07-20-86	Died:	03-25-20
Guadalupe De La Garza	Police Service	Retired:	02-27-90	Died:	04-01-20
James L. Eastes	Police Service	Retired:	03-01-69	Died:	02-28-20
R. J. Palaszewski	Police Service	Retired:	06-24-78	Died:	04-19-20
Harry R. Skinner	Police Service	Retired:	07-02-92	Died:	04-16-20
Edward A. Slattery	Police Service	Retired:	09-01-72	Died:	04-04-20
Larry E. Tietgen	Police Service	Retired:	10-25-81	Died:	02-08-20
Louis A. Yankey	Police Service	Retired:	03-03-96	Died:	03-13-20
Gerald H. Horwedel	Fire Disability	Retired:	06-29-80	Died:	03-16-20
Jack R. Groendal	Police Disability	Retired:	03-12-77	Died:	04-01-20
Gill Ivask	Police Disability	Retired:	10-31-72	Died:	04-05-20
Kenneth Sorensen	Police Disability	Retired:	09-18-76	Died:	03-28-20
Betty L. Brewster	Fire Widow	Retired:	11-27-09	Died:	03-17-20
Ruth G. Burkhart	Fire Widow	Retired:	04-11-19	Died:	04-12-20
Martha F. Dickens	Fire Widow	Retired:	09-12-17	Died:	04-10-20
Vivien E. Livengood	Fire Widow	Retired:	10-27-14	Died:	03-01-20
Mona M. Renfro	Fire Widow	Retired:	08-19-97	Died:	03-06-20
Dorothe H. Brehove	Police Widow	Retired:	01-21-96	Died:	03-16-20
Sara P. Enge	Police Widow	Retired:	12-01-70	Died:	03-15-20
Margaret G. Hurst	Police Widow	Retired:	05-16-07	Died:	02-16-20
Ruth E. Mogle	Police Widow	Retired:	12-18-06	Died:	03-16-20
Lois K. Proctor	Police Widow	Retired:	03-14-14	Died:	03-29-20
Gertrude Rittmiller	Police Widow	Retired:	10-31-84	Died:	03-12-20

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 3

Juanita Darger	Police Service	Retired:	07-20-86	Member Died:	03-25-20
Susan V. Pettric	Police Service	Retired:	05-20-90	Died:	04-01-20
Marianne M. Burkhart	Fire Widow	Retired:	04-11-19	Widow Died:	04-12-20

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 Scott H. Kennedy, Police Service Pensioner, is to be withheld for his former spouse, Beverly Kennedy, effective May 1, 2020. Ms. Kennedy 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 Lawayne C. Stift, Police Service Pensioner, is to be withheld for his former spouse, Karen K. Stift, effective May 1, 2020. Ms. Stift 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 Kevin E. White, Police Service Pensioner, is to be withheld for his deceased former spouse, Marcella Scott-White, effective May 1, 2020. Ms. White will receive cost of living adjustments.

SERVICE PENSION – TIER 3 – 1 – CORRECTION

Police

Michael A. Kozak Lieutenant II Eff: 03-29-20 29 Years **358** Days

SERVICE PENSION – TIER 5 – 1

Police

Valerye D. Burnam Police Officer III Eff: 04-12-20 25 Years 22 Days

SERVICE PENSION/DROP – TIER 3 – 1

Police

Jaime E. Martin Police Officer III Eff: 03-01-20 26 Years 81 Days

SERVICE PENSION/DROP – TIER 5 – 12

Police

Gregory L. Davis Detective III Eff: 04-01-20 25 Years 0 Days

Gregory A. Fuqua Sergeant I Eff: 04-10-20 26 Years 144 Days

David T. Grimes Captain III Eff: 03-02-20 25 Years 146 Days

Carrie A. Katsumata Detective II Eff: 03-02-20 25 Years 313 Days

Anibal M. Lopez Police Officer III Eff: 03-03-20 25 Years 16 Days

Sergio A. Martinez Detective II Eff: 04-01-20 25 Years 10 Days

Deon L. Montgomery Police Officer III Eff: 04-01-20 25 Years 178 Days

Thomas Penson Detective II Eff: 03-03-20 26 Years 196 Days

Brian L. Preston Sergeant I Eff: 03-02-20 26 Years 73 Days

Isidro T. Rodriguez	Detective III	Eff:	03-02-20	29	Years	167	Days
Anthony D. Stewart	Police Officer II	Eff:	03-01-20	25	Years	21	Days
Humberto Tovar	Detective II	Eff:	03-02-20	26	Years	160	Days

DISCONTINUE DROP – TIER 3 – 1 – **CORRECTION**

Police

Henry L. Miller Retired: 04-15-19 Exit Close of: **03-31-20**

DISCONTINUE DROP – TIER 4 – 1 – **CORRECTION**

Fire

David Sifuentes Retired: 04-07-15 Exit Close of: **04-06-20**

DISCONTINUE DROP – TIER 5 – 3 – **CORRECTION**

Fire

Daniel A. Oropeza Retired: 04-01-15 Exit Close of: 03-31-20

Police

Jeffrey A. Hofmeyer Retired: **05-01-15** Exit Close of: 04-30-20

Sharen S. Stallworth Retired: 05-01-15 Exit Close of: **04-30-20**

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 Donn D. Thompson, Fire Service Pensioner, is to be withheld for his deceased former spouse, Rhonda Auther, effective March 31, 2020.

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>
Cory L. Jackson	Firefighter III	54%	04-02-20	04-02-20

<u>Name</u>	<u>Member’s Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Tyler R. Fox	Police Officer III	60%	04-02-20	04-02-20

<u>Name</u>	<u>Member’s Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Brett E. Goodkin	Police Officer II	60%	08-10-14	04-02-20

DISABILITY PENSION ADJUSTED – TIER 5 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Carol A. Tucker (Richard G. Tucker)	Firefighter III	From: NSC w/o Prejudice 30%	03-13-19	04-18-19
		To: Service Connected 75%	03-13-19	04-16-20

4. Other business relating to Department operations

General Manager Ciranna gave the following updates:

- a. Discussed Departmental expenses incurred due to the COVID-19 pandemic and the Disaster Service Worker Program staff assignments.
- b. The Mayor has asked all Departments to put together a COVID-19 recovery plan.
- c. Approximately 90 employees are currently telecommuting and the Department expects to have approximately 50% of employees continue to telecommute on a permanent basis.
- d. The Communications and Education Section is exploring virtual conferencing with members and working on different approaches for member seminars.
- e. The Governor's temporary partial suspension of the Brown Act is still in effect.
- f. Discussed sanitary methods currently being utilized in the LAFPP building.

Commissioner Navarro left the board room for the remainder of the meeting at 11:18 a.m.

E. CONSENT ITEM

1. Findings of Fact

- a. Brett E. Goodkin – Tier 5
- b. Carol A. Tucker, surviving spouse of Richard G. Tucker – Tier 5
- c. Brian K. Arnett – Tier 3

Commissioner Zimmon discussed the Findings of Fact for Brett E. Goodkin with the Board.

Motion

Commissioner Pendleton moved that the Board approve Items E.1.b and E.1.c and direct staff to revise Item E.1.a, which was seconded by President Nathanson and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Pendleton, Salimpour, Vega, Weber, Zimmon, and President Nathanson – 8; nays – none.

F. CONSIDERATION OF FUTURE AGENDA ITEMS

No items were referred for future consideration.

H. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF TWO (2) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION

The Board met in closed session.

The meeting adjourned at 11:59 a.m.



President



Secretary