

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF AUGUST 20, 2020

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, August 20, 2020.

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

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
Evangalina Masud, Commission Executive Assistant

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

President Pendleton 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 Vega who joined the meeting at 9:06 a.m.

A. GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION

Ms. Elsa Sou Jing Moy provided public comment.

President Pendleton recognized several DROP/Service Pensions Section employees for their outstanding work providing DROP member services during the current pandemic. He also commended the Investment Division staff on LAFPP's investment portfolio increasing to \$24.0 billion.

B. COMMITTEE REPORT

1. ADDITION OF NONSERVICE-CONNECTED DISABILITY RATING SCALE TO THE DISABILITY RATING WORKSHEET AND POSSIBLE BOARD ACTION

Ms. Kristen Rosauer, Senior Benefits Analyst I, Disability Pensions Section provided a summary and the report that was approved as submitted.

President Pendleton noted that it is a "Committee Recommendation."

Corina Lee, LAPPL provided public comment.

Resolution 21022

Commissioner Nathanson moved that the Board approve the recommendation of the Ad Hoc Committee on Disability Pensions to change the Disability Rating Worksheet to add a nonservice-connected disability rating scale and *change the title to "Disability Rating Guidelines"*, which was seconded by Commissioner Babcock and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Nathanson, Navarro, Weber, Zimmon, and President Pendleton – 7; nays, none.

C. REPORTS TO THE BOARD

1. REVISION TO GOVERNANCE POLICY SECTION 16.0, AUTHORITY TO EXECUTE CONFLICT COUNSEL CONTRACTS WITH APPROVED FIRMS, INTERVIEW REED SMITH FOR CONSIDERATION AS OUTSIDE INDEPENDENT CONFLICT COUNSEL, AND POSSIBLE BOARD ACTION

Mr. William Raggio, Executive Officer, Administrative Operations Division presented the report to the Board. The report was approved as submitted.

The Commissioners' thanked the City Attorney's Office for helping to resolve this matter.

Resolution 21023

Commissioner Zimmon moved that the Board:

- 1) Adopt the proposed revisions to Governance Policy Section 16.0;
- 2) Authorize the Board President to execute, on behalf of the Board, three-year contracts between the Board and the firms selected to serve as conflict counsel; and,
- 3) Interview ReedSmith and determine if the firm should be engaged as conflict counsel for the Board, which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Nathanson, Navarro, Weber, Zimmon, and President Pendleton – 7; nays, none

Commissioner Vega joined the meeting at 9:06 a.m.

The Board proceeded in interviewing with Mr. Harvey Leiderman, and Ms. Maytak Chin of ReedSmith LLP.

Resolution 21024

Commissioner Vega moved that the Board:

1. Select Reed Smith LLP to be engaged as outside independent conflict counsel by the Plan for a three-year contract; and
2. Authorize the Board President to execute, on behalf of the Board, a three-year contract with the selected firm subject to final business and legal review, which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Nathanson, Navarro, Vega, Weber, Zimmon, and President Pendleton – 8; nays, none.

Commissioner Vega left the meeting at 10:00 a.m.

2. UFLAC PRESENTATION OF ANTHEM BLUE CROSS HDHP (HSA) PPO, ANTHEM BLUE CROSS HMO, ANTHEM BLUE CROSS MEDICARE ADVANTAGE HMO, AND ANTHEM BLUE CROSS MEDICARE ADVANTAGE PPO PLAN

Freddy Escobar, President of UFLAC and Jennifer Lincicum, President Fickewirth Benefit Consultant, gave a presentation on the medical plans and an update on how COVID-19 has affected the plans. Anthem Blue Cross has provided a 10% premium credit for the month of April as a result to limited access to medical services (commercial plan only). The credit was for April but was not received until August.

General Manager Ciranna inquired as to the dollar amount of the 10% credit and how many enrollees were in that plan. The Board discussed the credit issued to UFLAC for the medical subsidy. Mr. Escobar stated their position is not to refund or credit the pension for that money to LAFPP but to use it for the next round of premiums next year.

3. UFLAC PRESENTATION OF METLIFE DPPO, METLIFE DHMO, AND METLIAFE DIRECT REIMBURSEMENT NETWORK PLANS

Jennifer Lincicum, President Fickewirth Benefit Consultant, gave her presentation. The Board took no action; the report was received and filed.

4. APPROVAL TO AMEND THE PRINT SERVICES CONTRACT WITH NORTHERN TRUST COMPANY AND POSSIBLE BOARD ACTION

Mr. Alfredo Domagat Jr., Senior Systems Analyst II, Systems Division was available for questions. presented the report to the Board. The report was approved as submitted.

The report was approved as submitted.

Resolution 20125

Commissioner Navarro moved that the Board:

1. Determine that a new search for a third-party check printing vendor at this time is undesirable and impractical;
 2. Authorize the General Manager to amend the Print Services contract with Northern Trust Company to extend the term for an additional three (3) years, beginning October 5, 2020 and ending October 4, 2023;
 3. Instruct staff to return to the Board in June 2022 to request authority to issue a Request for Proposal (RFP) for third-party check printing services; and,
 4. Authorize the President of the Board, on behalf of the Board, to execute the contract amendment 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 Babcock, Buzzell, Nathanson, Navarro, Weber, Zimmon, and President Pendleton – 7; nays, none.
5. APPROVAL OF INTEREST RATE TO BE CREDITED TO ACTIVE MEMBERS ACCOUNTS AS OF JUNE 30, 2020 AND POSSIBLE BOARD ACTION

Ms. Yolanda Huang, Departmental Chief Accountant, Accounting Section was available for questions. The report was approved as submitted.

Resolution 21026

Commissioner Navarro moved that the Board:

Direct the General Manager to credit the interest rate of 1.16% to active members accounts as of June 30, 2020, which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Nathanson, Navarro, Weber, Zimmon, and President Pendleton – 7; nays, none.

6. LEGAL UPDATE REGARDING CALIFORNIA SUPREME COURT DECISION IN *ALAMEDA COUNTY DEPUTY SHERIFF'S ASS'N V. ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASS'N* (S247095)

Mr. Miguel Bahamon, Deputy City Attorney presented the report. The report was received and filed.

7. 2019-20 BOARD EDUCATION REPORT

Mr. William Raggio, Executive Officer, Administrative Operations Division presented the report to the Board. The report was received and filed.

8. PRIVATE CREDIT PRESENTATION BY RVK

Mr. Ryan Sullivan of RVK gave his presentation. The report was received and filed.

9. ASSET ALLOCATION FOLLOW-UP AND POSSIBLE BOARD ACTION

Mr. Jim Voytko, President and Senior Consultant, RVK presented the report.

The board discussed underperforming funds and whether it is a manager level issue or an asset allocation issue.

Resolution 20126

President Pendleton moved that the Board:

Adopt a new asset allocation for the Fund, Mix D from the RVK report – which reduces commodities by 4%, and adds 2% each to Private Equity and Private Credit, which was seconded by Commissioner Babcock and approved by the following vote: ayes, Commissioners Babcock, Buzzell, Nathanson, Navarro, Weber, Zimmon, and President Pendleton – 7; nays, none.

10. REGISTRATION JURISDICTION FOR PRIVATE EQUITY FUNDS

Mr. Derek Niu, Investment Officer II, Investments Division presented the report to the Board. The report was received and filed.

D. COMMUNICATIONS TO THE BOARD

1. President Pendleton 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.

E. GENERAL MANAGER'S REPORT

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on August 6, 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 July 16, 2020.

DISCONTINUED PENSIONS – TIER 1 – 1

Marjorie A. Nelson	Police Widow	Retired:	04-16-01	Died:	06-04-20
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DISCONTINUED PENSIONS – TIER 2 – 9

Russell B. Weck, Jr.	Fire Service	Retired:	04-05-93	Died:	06-27-20
Millard B. Glenn	Police Service	Retired:	03-01-76	Died:	06-29-20
Diane L. Sweet	Police Service	Retired:	07-03-83	Died:	06-12-20
Katherine J. Foyle	Fire Widow	Retired:	10-13-97	Died:	06-16-20
Leona M. Littlefield	Fire Widow	Retired:	08-11-06	Died:	05-22-20
Kay B. Piper	Fire Widow	Retired:	07-07-19	Died:	06-25-20
Lynn R. Schenk	Fire Widow	Retired:	11-24-19	Died:	07-09-20
Patricia N. Brunner	Police Widow	Retired:	07-07-11	Died:	07-19-20
Joan E. Eisentraut	Police Widow	Retired:	09-03-17	Died:	07-05-20

DISCONTINUED PENSIONS – TIER 3 – 1

Darlene D. Mc Kay Butler	Police Service	Retired:	01-05-97	Died:	06-20-20
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DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Linda Weck	Fire Service	Retired:	04-05-93	Died:	06-27-20
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SERVICE PENSION/DROP – TIER 3 – 3

Police

Robert Kim	Police Officer II	Eff:	06-22-20	25	Years	147	Days
Patrick J. Rudolf	Police Officer III	Eff:	07-06-20	25	Years	247	Days
Brian T. Schmider	Police Officer III	Eff:	06-01-20	25	Years	51	Days

SERVICE PENSION/DROP – TIER 5 – 10

Fire

Juan M. Achan	Captain II		07-01-20	29	Years	122	Days
Brian E. Humphrey	Firefighter III	Eff.	06-09-20	33	Years	317	Days
Kenneth S. Miller	Battalion Chief	Eff.	07-03-20	29	Years	350	Days

Police

Rose M. Angel Rummer	Detective III	Eff.	07-01-20	26	Years	0	Days
Yvonne Enriquez	Police Officer III	Eff.	06-02-20	25	Years	153	Days
Ross Y. Hay	Detective III	Eff.	07-01-20	26	Years	86	Days
Anthony L. Pack	Police Officer III	Eff.	07-01-20	25	Years	56	Days
Joseph J. Pelayo	Police Officer III	Eff.	07-01-20	25	Years	38	Days

Gerardo S. Terrazas	Police Officer II	Eff.	07-01-20	25	Years	10	Days
Silvina M. Yniguez	Detective III	Eff.	06-12-20	25	Years	102	Days

ELIGIBLE SURVIVING SPOUSE APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Type</u>	<u>% Rate</u>	<u>Effective Date</u>
Lisa D. Van Blarcom (Ray E. Van Blarcom)	Fire Captain I	NSC	w/o Prejudice: 40%	04-29-17

4. Other business relating to Department operations.

General Manager Ciranna gave the following updates:

1. Congratulated Evangelina Masud on her promotion to Commission Executive Assistant.
2. The Board granted a service-connected disability retirement to Cheryl Fatool. She has filed a writ against the Board with goal of setting aside the rating of 30%. The City Attorney Office will report back.
3. Engaged Korn Ferry to conduct the Chief Investment Officer search and they will be reaching out to the Board as part of the process, which will probably begin in late September. Due to the Civilian Separation Incentive Program (CSIP), the search will extend into the first quarter of 2021.
4. LACERS requested to borrow two LAFPP employees to assist with CSIP process. Most other regular retirements will be pushed back until CSIP retirees are processed.
5. The Pilot Program for Disability Medical Records Collection started on August 1, 2021 for new applicants.
6. General Manager Ciranna asked for public comment on any item and there were no public comments.

Commissioner Zimmon inquired about the monthly report, page 19, Network Security regarding staff preferred solutions in February 2020, which the Board had already acted on. General Manager Ciranna commented that was out-dated language and apologized and thanked him for reading the monthly report.

President Pendleton mentioned that if anyone wanted to make a public comment to please dial *6 and no public comments were made.

Commissioner Weber inquired who in our department is the Racial Equity Officer and the Gender Equity Liaison and General Manager Ciranna informed him that Myo Thedar and James Schiffhauer were assigned those roles, respectively. He also noted that the draft Racial Equity Plan submitted to the Mayor's Office has not been commented on by the Mayor's Office.

7. Reminder that AEW coming up for contract renewal, they are part of the marketing cessation period.

F. CONSIDERATION OF FUTURE AGENDA ITEMS

No items referred.

President Pendleton recessed the meeting for a break at 11:49 a.m., and reconvened at 11:57 a.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
2. RECONSIDERATION OF JULY 16, 2020 BOARD AGENDA ITEM H.1 – CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF ONE (1) PARTICULAR, SPECIFIC INVESTMENT AND POSSIBLE BOARD ACTION

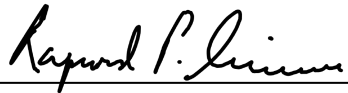
The Board met in closed session.

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

The meeting adjourned at 12:34 p.m.



President



Secretary