

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF SEPTEMBER 15, 2021

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Wednesday, September 15, 2021.

COMMISSIONERS PRESENT: Brian Pendleton, President (virtual participation)
Ken Buzzell, Vice President (virtual participation)
Sumi Parekh, (virtual participation)
Belinda Vega (virtual participation)
Garrett Zimmon (virtual participation)
Paul Weber (virtual participation)

COMMISSIONERS ABSENT: Adam Nathanson
Ruben Navarro
Pedram Salimpour, MD

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Raymond P. Ciranna, General Manager
William Raggio, Executive Officer
Joseph Salazar, Assistant General Manager
Ray Joseph, 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 8:30 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 8:46 a.m.

A. CALL TO ORDER

1. Roll Call

Introductions of new Commissioner Sumi Parekh, and new members of the Office of the City Attorney: Sheri Cheung and Gina Di Domenico, Deputy City Attorney III's.

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

There were no public comments.

C. REPORTS TO THE BOARD

1. CONSIDERATION OF ASSUMPTIONS FOR THE JUNE 30, 2021 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION

Mr. Greg Mack, Chief Benefits Analyst, Pensions Division gave a brief summary of the report. Messrs. Paul Angelo, Senior Vice President and Actuary, Andy Yeung, Vice President and Actuary, and Ms. Melissa Krumholz, Senior Health Consultant and Actuary of Segal presented and discussed this item with the Board. The report was approved as submitted.

Commissioner Vega joined the meeting at 8:46 a.m.

Resolution 22043

Commissioner Zimmon moved that the Board adopt the retiree health assumptions for the June 30, 2021 Retiree Health Valuation as recommended by Segal,

which was seconded by Commissioner Buzzell and approved by the following vote: ayes, Commissioners Buzzell, Parekh, Vega, Weber, Zimmon, and President Pendleton – 6; nays, none.

2. EDUCATIONAL SESSION ON UNFUNDED ACTUARIAL ACCRUED LIABILITY AMORTIZATION POLICY AND POSSIBLE BOARD ACTION

Messrs. Greg Mack, Chief Benefits Analyst, Pensions Division, Paul Angelo, Senior Vice President and Actuary, and Andy Yeung, Vice President and Actuary of Segal presented and discussed this item with the Board.

Commissioner Vega left the meeting at 9:01 a.m.

Resolution 22044

Commissioner Buzzell moved that the Board direct staff to work with Segal to:

1. Draft amendments to the Board Operating Policies and Procedures Section 10.0: Actuarial Funding Policy for both the Pension and the Health Plans, to reflect layered amortization only by source of Unfunded Actuarial Accrued Liability (UAAL), rather than layered amortization by source and by tier, and to amortize each layer over the payroll for all tiers;
2. Ensure that any proposed changes to the Actuarial Funding Policy do not affect the Tier 5 member contribution rate, as it is contingent on the Pension Plan remaining at least 100% actuarially funded for pension benefits of members from the City (i.e., excluding members from the Harbor Port Police and Airport Police); and

3. Consider a recommendation to shorten the remaining amortization period for the original UAAL base for the Tier 1 Pension Plan from 2037 to 2030,

which was seconded by Commissioner Weber and approved by the following vote: ayes, Commissioners Buzzell, Parekh, Weber, Zimmon, and President Pendleton –5; nays, none.

Commissioner Vega rejoined the meeting at 9:29 a.m.

3. REVIEW OF SEMPER CAPITAL MANAGEMENT, L.P.'S MORTGAGE-BACKED SECURITIES FIXED INCOME INVESTMENT MANAGEMENT SERVICES AND POSSIBLE BOARD ACTION

Ms. Susan Liem, Investment Officer II and Mr. Ray Joseph, Chief Investment Officer of Investments Division presented and discussed this item with the Board. Mr. Gregory Parsons, Chairman of the Investment and Risk Manage Committees of Sempra Capital gave comment along with Rebecca A. Gratsinger, CEO and Senior Consultant of RVK and Ms. Anya Freedman, Assistant City Attorney of The Office of the City Attorney.

Resolution 22045

Commissioner Buzzell moved that the Board:

- ~~1 Decline to renew the contract with Semper Capital Management, LP for Mortgage-Backed Securities fixed income investment management services,~~
- ~~2 Rebalance the proceeds of Semper Capital Management, LP's account to GIA Partners, LLC's Core Plus account; and~~

Approve to extend the contract with Semper Capital Management, LP for one additional year through September 30, 2022,

which was seconded by President Pendleton and approved by the following vote: ayes, Commissioners Buzzell, Parekh, Weber, Zimmon, and President Pendleton – 5; nays, Commissioner Vega – 1.

4. FAIRVIEW CAPITAL PARTNERS, INC. PRIVATE EQUITY SPECIALIZED MANAGER MANDATE REVIEW AND POSSIBLE BOARD ACTION

Mr. Derek Niu, CFA & Investment Officer II, presented and discussed this item with the Board. General Manager Ciranna gave comment. The Board took no action; staff will report back.

5. BOARD EDUCATION – OPTIONS FOR DEPLOYING CASH

Ms. Rebecca A. Gratsinger, CEO and Senior Consultant of RVK presented the report. Mr. Ray Joseph, Chief Investment Officer, Investments Division gave comment. The report was received and filed.

6. QUARTERLY PERFORMANCE REPORT BY RVK

Ms. Rebecca A. Gratsinger, CEO and Senior Consultant of RVK presented the report. Mr. Ray Joseph, Chief Investment Officer, Investments Division gave comment. The report was received and filed.

7. REAL ESTATE PERFORMANCE REVIEW BY THE TOWNSEND GROUP

Messrs. Mike Stark, Associate Partner, Felix Fels, Vice President and Ms. Haya Daawi, Investment Analyst of Townsend Group presented the report. The report was received and filed.

8. REAL ESTATE SEPARATE ACCOUNT PORTFOLIO UPDATE BY AEW

Mr. Mark Morrison, Lead Portfolio Manager, Vice President, Ms. Shirley McCrohan, Vice President and Ms. Gwen Bruno, Vice President of AEW Capital Management presented and discussed this item with the Board. The report was received and filed.

9. CHIEF INVESTMENT OFFICER'S QUARTERLY REPORT OF ASSET ALLOCATION STATUS AND POSSIBLE BOARD ACTION

Mr. Ray Joseph presented and discussed this item with the Board. General Manager Ciranna also gave comment.

Resolution 22046

Commissioner Buzzell moved that the Board:

1. Approve the actual asset allocation of the Fund and Staff's plans for bringing asset classes back within their allocation ranges, ~~and;~~
- ~~2. Approval the corrected wording for the Board resolution on the discontinuance of the loan search and the redirection of the allocation initially intended for the bank loan portfolio to be included in the portfolio of private credit funds allocation,~~

which was seconded by Commissioner Weber and approved by the following vote: ayes, Commissioners Buzzell, Parekh, Vega, Weber, Zimmon, and President Pendleton – 6; nays, none. (Commissioner Weber was present for the roll call vote on this item but failed to affirmatively vote either “yes” or “no,” and therefore is deemed to have voted “yes.” L.A. Admin. Code Sec. 21.19.)

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
3. Benefits Actions approved by General Manager on September 2, 2021

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 2 – 5

Arthur L. Donaher	Fire Service	Retired:	06-01-76	Died:	08-06-21
Doris L. Shelford	Fire Widow	Retired:	08-13-90	Died:	07-15-21
Siria P. Ramirez	Police Widow	Retired:	08-12-84	Died:	07-22-21
Consuelo R. Sandoval	Police Widow	Retired:	06-27-17	Died:	02-08-21
Annie L. Smith	Police Widow	Retired:	09-06-20	Died:	07-09-21

DISCONTINUED PENSIONS – TIER 5 – 2

Robert D. Chacon	Police Service	Retired:	05-01-05	Died:	07-16-21
Loana D. Boyd	Fire Widow	Retired:	07-10-16	Died:	06-16-21

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Eileen M. Mc Millan	Fire Service	Retired:	06-01-05	Died:	07-22-21
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DISCONTINUED PENSIONS FORMER SPOUSE – TIER 5 – 1

Sandra C. Lopez	Police Service	Retired:	05-01-10	ember Died:	07-16-21
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SERVICE PENSION – TIER 3 – 1 CORRECTION

<u>Police</u>									
Shawn A. Beale	Sergeant I*	Eff:	07-07-21	24	Years	190	Days		

SERVICE PENSION – TIER 5 – 1

Police

Axcel E. Mannoury	Police Officer III	Eff: 08-01-21	23	Years	80	Days
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SERVICE PENSION/DROP – TIER 3 – 2

Police

Martin D. Caro	Police Officer II	Eff: 07-30-21	25	Years	2	Days
Douglas A. Pierce	Detective II	Eff: 07-01-21	25	Years	94	Days

SERVICE PENSION/DROP – TIER 5 – 8

Fire

Sean J. Millett	Captain II	Eff: 08-04-21	27	Years	159	Days
Troy P. Westbrook	Firefighter III	Eff: 07-04-21	27	Years	273	Days

Police

Deshon J. Andrews	Detective III	Eff: 08-10-21	25	Years	0	Days
Arthur A. Contreras	Police Officer II	Eff: 08-01-21	26	Years	88	Days
Lyman D. Doster	Detective II	Eff: 08-01-21	25	Years	16	Days
Phillip G. Kirby	Police Officer II	Eff: 08-01-21	25	Years	134	Days
Stacey J. Kunch	Sergeant II	Eff: 08-03-21	25	Years	19	Days
James A. Muniz	Sergeant I	Eff: 07-29-21	27	Years	32	Days

ELIGIBLE SURVIVING SPOUSE APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Type % Rate</u>	<u>Effective Date</u>
Deirdre J. Stewart-Ross (Victor J. Ross)	Detective II	Service Pension Continuance: 80%	04-12-21

4. Other business relating to Department operations

General Manager Ciranna gave the following updates:

- The 115 Trust was approved by the Budget and Finance Committee and will be sent to the full City Council for approval.
- There have been some member deaths due to COVID-19, and their survivors' cases will be processed in the next couple of months.
- Monthly report reflects quite a few DROP entries and exits.
- Investment Policy changes will be discussed and a more comprehensive plan will be provided to the Board.
- Council District 14 recently toured the LAFPP building vacant space.
- Next meeting of October 7, 2021 will include the Strategic Planning Workshop.

Commissioner Vega requested that the agenda for October 7th not be too long since the Strategic Planning Workshops tend to take some time.

Commissioner Vega asked that since the dates for returning to the office and the Board returning in-person keeps changing, whether there are any definite plans as to what they want the Board to do for meetings for the rest of the year. General Manager Ciranna informed her that currently we are continuing the teleconferencing option for Board meetings pursuant to Assembly Bill (AB) 361. He asked Ms. Anya Freedman, Assistant City Attorney if she would like to add anything to which she stated she would email the Commissioners the information. General Manager Ciranna confirmed that the Board room is open.

Commissioners asked if the Strategic Planning Workshop would be held in the Board room and President Pendleton confirmed that it would be but Zoom was still available if they prefer to participate virtually.

F. CONSENT ITEM

1. Approval of Minutes

- a. Regular Board meeting minutes of November 5, and November 19, 2020

Motion

Commissioner Vega moved that the Board approve the consent items, which was seconded by Commissioner Zimmon and approved by the following vote: ayes, Commissioners Buzzell, Parekh, Vega, Weber, Zimmon and President Pendleton – 6; nays, none. (Commissioner Weber was present for the roll call vote on this item but failed to affirmatively vote either “yes” or “no,” and therefore is deemed to have voted “yes.” L.A. Admin. Code Sec. 21.19.)

G. CONSIDERATION OF FUTURE AGENDA ITEMS

1. STATUS OF FUTURE AGENDA ITEM REQUESTS AND POSSIBLE BOARD ACTION

General Manager Ciranna presented and discussed this item with the Board. He stated he would add the request of Commissioner Buzzell that RVK provide non-real estate leverage education.

Commissioner Weber requested that staff look into the Emerging Manager Policy to include persons who are disabled.

Commissioner Vega welcomed new Commissioner Parekh.

President Pendleton asked that future board meetings not be scheduled on holidays, including Jewish holidays, and that the National holidays be identified on the board report for the future meetings calendar. He also requested a report comparing the actuarial medical trend rate assumptions vs. the actual health plan premiums.

President Pendleton recessed the meeting for a break at 11:44 a.m. and reconvened at 11:54 a.m.

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.

2. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED IN RE TRIBUNE COMPANY FRAUDULENT CONVEYANCE LITIGATION, 1:11-MD-02296-WPH (SDNY)

The Board met in closed session.

3. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(B)(1): BOARD REVIEW OF THE CITY ATTORNEY ANNUAL PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

The Board met in closed session.

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

Item G.1 was not voted on before the closed session.

G. CONSIDERATION OF FUTURE AGENDA ITEMS

1. STATUS OF FUTURE AGENDA ITEM REQUESTS AND POSSIBLE BOARD ACTION

Resolution 22047

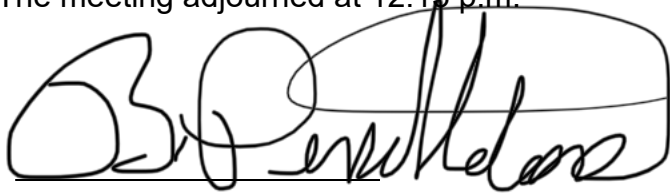
Commissioner Buzzell moved that the Board:

- 1) Approve the status of the attached Future Agenda Item Requests as reflected on summary (Active Projects);
- 2) Approve the status of the attached Future Agenda Item Requests as reflected on summary (Completed Projects); and,

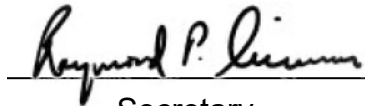
which was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Buzzell, Parekh, Vega, Weber, Zimmon, and President Pendleton – 6; nays, none.

President Pendleton called for public comment to which there was none.

The meeting adjourned at 12:15 p.m.

A large, stylized handwritten signature in black ink, appearing to read "R. Pendleton". The signature is written over a horizontal line.

President

A handwritten signature in black ink, appearing to read "Raymond P. Zimmon". The signature is written over a horizontal line.

Secretary