

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
MEETING OF DECEMBER 3, 2009

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Thursday, December 3, 2009.

COMMISSIONERS PRESENT: George V. Aliano, President
 Sam Diannitto
 Ruben Navarro
 Raúl Pérez
 Robert von Voigt
 Adlai Wertman

COMMISSIONERS ABSENT: Dean Hansell

DEPARTMENT OF FIRE AND Michael A. Perez, General Manager
POLICE PENSIONS: Laura Guglielmo, Assistant General Manager
 D. Edward Griffiths, Assistant General Manager
 Tom Lopez, Chief Investment Officer
 Barbara Nobregas, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Brian Cheng, Deputy City Attorney
 Mary Jo Curwen, Deputy City Attorney

COURT REPORTER: Diane L. Panicca, U.S. Legal Support

President Aliano called the regular meeting to order at 9:05 a.m. All of the above-listed Commissioners were present at the start of the meeting.

President Aliano announced changes to the agenda. Item 8 will be continued to January 21, 2010 and the Alternative 2 disability case of Ms. Purefoy will be continued. The December 17, 2009 meeting is canceled.

1. **NEW BUSINESS**

President Aliano asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.

2. **COMMUNICATIONS TO THE BOARD**

- A. Miscellaneous correspondence from money managers, consultants, etc. - Received and Filed

3. **COMMITTEE REPORTS**

A. Benefits Committee

Chair Aliano reported no meeting.

B. Governance Committee

Chair Diannitto reported no meeting.

C. Audit Committee

Chair Diannitto reported the Committee met earlier and discussed the Audited Financial Statements; the status of the 2009-2010 Audit Plan and the status of the Department Audit Manager. Staff will review the Financial Statements and present to the Board with a recommendation on March 2010. General Manager Perez stated the Audited Financial Statements will be presented to the full Board at the next meeting for approval.

D. Ad Hoc Space Planning Committee

Chair Wertman reported no meeting.

4. **THE FIRE DEPARTMENT RETIRED BOARD MEMBER ELECTION AND POSSIBLE BOARD ACTION**

Ms. Diana Pointer, Senior Management Analyst I, Administrative Services came before the Board. The board report was approved as submitted.

RESOLUTION 10065

Commissioner Wertman moved that the Board:

1. Authorize the General Manager to provide notification to the Office of the City Clerk (City Clerk) regarding the general election for Fire Department Retired Board Member scheduled tentatively for May 4, 2010;
2. Authorize the General Manager to cause to be prepared, not more than 30 nor less than 20 days before the election, a Notice of Election which document shall also include the Sample Ballot and the rules concerning eligibility to vote; and

3. Authorize the General Manager and Staff to perform the necessary administrative work specified in the Los Angeles Administrative Code (LAAC) and to coordinate the election process as required with the City Clerk and retired member associations, which was seconded by Commissioner Pérez and approved by the following vote: ayes, Commissioners Diannitto, Navarro, Pérez, von Voigt, Wertman and President Aliano – 6; nays, none.

5. THE POLICE DEPARTMENT ACTIVE BOARD MEMBER ELECTION AND POSSIBLE BOARD ACTION

Ms. Diana Pointer, Senior Management Analyst I, Administrative Services came before the Board. The board report was approved as submitted.

RESOLUTION 10066

Commissioner Wertman moved that the Board:

1. Authorize the General Manager to provide notification to the Office of the City Clerk (City Clerk) and the General Manager of the Personnel Department regarding the general election for Police Department Active Employee Member of the Board of Fire and Police Pension Commissioners scheduled tentatively for April 27, 2010;
2. Authorize the General Manager to cause to be prepared, not more than 30 nor less than 20 days before the election, a Notice of Election which document shall also include the Sample Ballot and the rules concerning eligibility to vote; and
3. Authorize the General Manager and Staff to perform the necessary administrative work specified in the Los Angeles Administrative Code (LAAC) and to coordinate the election process as required with the City Clerk, Police Department, Personnel Department and Employee Organizations, which was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Diannitto, Navarro, Pérez, von Voigt, Wertman and President Aliano – 6; nays, none.

6. RECOMMENDATION FOR THE SELECTION OF A HEALTH SERVICES CONSULTANT AND POSSIBLE BOARD ACTION

Mr. Greg Mack, Senior Management Analyst II, Medical and Dental Benefits, Pensions Division presented the report. He provided the Board background information and compared the three firms that responded to the Request for Proposal (RFP). General Manager Perez stated the advantages to the RFP process.

RESOLUTION 10067

Commissioner Diannitto moved that the Board:

1. Approve the selection of The Segal Company to provide health consulting services;
 2. Authorize the General Manager to review and negotiate the terms and conditions of the contract with The Segal Company; and
 3. Authorize the President of the Board, on behalf of the Board, to execute the contract with The Segal Company to provide health benefits consulting services, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Diannitto, Navarro, Pérez, von Voigt, Wertman and President Aliano – 6; nays, none.
7. PROPOSED MODIFICATIONS TO THE TRAVEL POLICY AND POSSIBLE BOARD ACTION

Ms. Laura Guglielmo, Assistant General Manager, Administrative Operations Division presented the modifications to the travel policy as recommended by the Governance Committee.

RESOLUTION 10068

Commissioner Diannitto moved that the Board amend Section 2.3, Continuing Education to encourage Board members to attend at least two but not more than six conferences for educational purposes each fiscal year, not counting the one-day CALAPRS Trustee Roundtables, which was seconded by Commissioner Wertman and approved by the following vote: ayes, Commissioners Diannitto, Navarro, Pérez, von Voigt, Wertman and President Aliano – 6; nays, none.

8. EXPLANATION OF INVESTMENT FEE STRUCTURE AND POSSIBLE BOARD ACTION

President Aliano announced this item is continued to the January 21, 2010 meeting. Commissioner Hansell requested the information, but was absent.

9. PROPOSED RENEWAL OF SEPARATE ACCOUNT REAL ESTATE MANAGEMENT CONTRACTS WITH HEITMAN CAPITAL MANAGEMENT, SENTINEL REAL ESTATE CORPORATION AND URDANG CAPITAL MANAGEMENT AND POSSIBLE BOARD ACTION

Mr. Tom Lopez, Chief Investment Officer and Ms. Erika Tiedge, Investment Officer II from the Investments Division presented the report. Ms. Tiedge summarized the report regarding extending the contract with Heitman, Sentinel and Urdang, three Individual Managed Accounts. Mr. Lopez, Ms. Tiedge and Ms. Jennifer Young, Consultant from the Townsend Group answered the Board's questions.

RESOLUTION 10069

Commissioner Wertman moved that the Board

1. Approve new contracts with Heitman Capital Management, Sentinel Real Estate Corporation and Urdang Capital Management for three-year terms;
2. Authorize the General Manager to negotiate and approve the terms and conditions of the contracts with Heitman Capital Management, Sentinel Real Estate Corporation and Urdang Capital Management for separate account real estate management services;
3. Authorize the President of the Board, on behalf of the Board, to execute the contracts with Heitman Capital Management, Sentinel Real Estate Corporation and Urdang Capital Management for separate real estate management services, subject to the approval of the City Attorney as to form and legality; and
4. Place Heitman Capital Management, Sentinel Real Estate Corporation and Urdang Capital Management on watch for underperforming their benchmark, the NCREIF Index, which was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Diannitto, Navarro, von Voigt, Wertman and President Aliano – 5; nays, Commissioner Pérez – 1.

Deputy City Attorney Mary Jo Curwen took the City Attorney chair at this time.

10. CLOSED SESSION PER GOVERNMENT CODE SECTION 54957(b)(1): GOVERNANCE COMMITTEE RECOMMENDATION REGARDING THE GENERAL MANAGER 2008-09 PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

The Board met in closed session regarding this item.

11. CONSIDERATION OF THE GENERAL MANAGER'S MERIT PAY AND POSSIBLE BOARD ACTION

President Aliano stated that the Board met in closed session to discuss the recommendation from the Governance Committee regarding the General Manager's performance evaluation. The Board approved that the General Manager deserves a merit increase of 5%. The Board also accepts the General Manager's decision to make his own personal decision regarding accepting or rejecting the increase at the time he deems necessary. General Manager Perez reported that, due to the current fiscal situation, he prefers that the merit increase of 5% only be added to his salary base upon his retirement and to receive confirmation from LACERS if that it is acceptable. He thanked the Board for their support. He also thanked staff for their tremendous work which reflects on him.

RESOLUTION 10064

Commissioner Diannitto moved that the Board, in accordance with Section 12.0 of the Governance Manual:

1. In closed session, determined that the General Manager's performance for 2008-09 met or exceeded expectations; and
2. Grant the General Manager a merit pay increase to his salary base of 5 percent, retroactive to July 1, 2009, with the understanding that, so long as his right to retirement benefits shall continue to be based upon the full salary that the Board has established for his position, the General Manager wishes to voluntarily waive payment of the increased amount in light of the City's fiscal situation, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Diannitto, Navarro, Pérez, von Voigt, Wertman and President Aliano – 6; nays, none.

12. GENERAL MANAGER'S REPORT

A. Benefits actions approved by General Manager on November 19, 2009

Pursuant to Resolution 04008, adopted by the Board of Fire & Police Pension Commissioners on August 7, 2003, the following benefit actions have been approved by the General Manager on November 19, 2009.

DISCONTINUED PENSIONS – TIER 2 – 9

Jack K. Littleford	Fire Service	Retired: 10-01-76	Died: 10-02-09
Harry P. Stires	Fire Service	Retired: 05-18-74	Died: 10-19-09
Elmo L. Williams	Police Service	Retired: 07-05-87	Died: 10-06-09
Augustus E. Farmer	Police Disability	Retired: 08-16-78	Died: 10-17-09
Beverly J. Case	Fire Widow	Retired: 11-09-06	Died: 07-07-09
Alberta Warnock	Fire Widow	Retired: 12-22-95	Died: 09-03-09
Willie W. Jones	Police Widow	Retired: 04-04-91	Died: 09-17-09
Katherine L. Mann	Police Widow	Retired: 02-11-77	Died: 10-19-09
Jeannette E. Matthys	Police Widow	Retired: 01-27-07	Died: 09-27-09

DISCONTINUED PENSIONS – TIER 5 – 1

Phillip L. Jackson	Police Service	Retired: 03-07-04	Died: 09-29-09
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DISCONTINUED FORMER SPOUSE – TIER 5 – 1

Randee J. Jackson	Police Service	Retired: 03-01-09	Member Died: 09-29-09
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SERVICE PENSIONS – POLICE – TIER 4 – 1

Robert L. Snedden Sergeant II Eff: 11-08-09 22 Years 357 Days

DEFERRED SERVICE PENSIONS – POLICE – TIER 3 – 2

Osmund C. Bouligny Police Officer II Eff: 11-05-09 20 Years 7 Days
 Deborah L. Broker Detective I Eff: 12-04-03 16 Years 74 Days

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 2 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Sharon A. Williams	Elmo L. Williams	Police Service	10-07-09

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 5 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Cherie L. Townsend–Jackson	Phillip L. Jackson	Police Service	09-30-09

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 5 – 1 (CORRECTION)

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Ellen Goodwin	James G. Goodwin	Police Service	10-03-09

INCREASE SURVIVING SPOUSE’S PENSION – TIER 5 – 1

Increase the pension payable to Lori A. Harris, Surviving Spouse of deceased Fire Pensioner Bret H. Harris, effective October 1, 2009 due to marriage of Russell P. Harris. There are four remaining minors.

DISCONTINUE SURVIVING CHILD’S PENSION – TIER 3 – 1

Discontinue the pension payable to LeAnne A. Acosta, Surviving Child of deceased Police Officer II Jose G. Acosta, effective September 1, 2009 due to discontinuance of full-time student status. There are no remaining minors.

DISCONTINUE SURVIVING CHILD’S PENSION – TIER 5 – 1

Discontinue the pension payable to Russell P. Harris, Surviving Child of deceased Fire Pensioner Bret H. Harris, effective October 1, 2009 due to marriage of Russell P. Harris. There are four remaining minors.

DISCONTINUE/REINSTATE SURVIVING CHILD PENSION – TIER 5 – 1

Discontinue the pension payable to Andrew S. Walters, surviving child of deceased Fire Captain John C. Walters, effective July 1, 2009 due to the termination of his full-time student status.

Reinstate the pension payable to Andrew S. Walters effective September 1, 2009 due to his current enrollment as a full-time student.

SERVICE PENSION/DROP – TIER 2 – 1

Police

Steven K. Stranak	Police Sergeant I	Eff:	10-01-09	29 Years	214 Days
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SERVICE PENSION/DROP – TIER 5 – 10

Fire

Raul Miranda	Fire Captain I	Eff:	09-01-09	28 Years	52 Days
Jorge O. Ostrovsky	Firefighter III	Eff:	09-02-09	28 Years	177 Days
Bassanio Peters, Jr.	Fire Captain II	Eff:	07-29-09	31 Years	156 Days
Gary F. Zieger	Engineer	Eff:	09-01-09	29 Years	20 Days

Police

John M. Del Vecchio II	Police Lieutenant II	Eff:	07-01-09	28 Years	216 Days
Ralph A. Morales	Police Sergeant II	Eff:	10-01-09	26 Years	63 Days
William W. Railey	Police Sergeant I	Eff:	09-01-09	29 Years	175 Days
Edward A. Trujillo	Police Officer II	Eff:	10-01-09	26 Years	148 Days
Laura R. Villegas	Police Officer II	Eff:	10-02-09	26 Years	141 Days
Mark L. Ziemba	Police Lieutenant II	Eff:	09-25-09	25 Years	0 Days

SERVICE PENSION/DROP – TIER 5 – 1 (**CORRECTION**)

Fire

Edward A. Rivas	Firefighter III	Eff:	09-03-06	30 Years	64 Days
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Correction to member's years of service due to City settlement.

DISCONTINUE DROP – TIER 5 – 8

Police

Steve G. Crane	Retired:	03-01-08	Exit Close of:	11-30-09
Dwight D. Crosley	Retired:	12-01-04	Exit Close of:	11-30-09
Faryl V. Fletcher	Retired:	12-01-04	Exit Close of:	11-30-09

Yoichi Ikuta	Retired:	12-01-04	Exit Close of:	11-30-09
Danny C. Jimenez	Retired:	05-01-08	Exit Close of:	11-30-09
Gregory S. Rodriguez	Retired:	12-01-05	Exit Close of:	11-30-09
Stanley Salas	Retired:	12-01-04	Exit Close of:	11-30-09
Clarence W. Speer	Retired:	12-02-04	Exit Close of:	11-30-09

B. Other business relating to Department operations

General Manager Perez gave the following updates:

1. Ms. Angela Reddock withdrew her nomination for consideration to the Board.
2. The Board Retreat is scheduled on January 7, 2010. Staff has met with scheduled speakers.
3. There is a possibility of a charter amendment that would add a new tier to LAFPP. It would apply to new employees. The City Council must review it by February to be placed on the June 2010 ballot.
4. It was noted that former Board Member Elliott Broidy entered a guilty plea in New York State related to the unfolding bribery scandal at the New York Common Fund.. Responding to Commissioner Wertman's question regarding CIM, General Manager Perez indicated the New York Attorney General and SEC have interviewed Mr. Broidy and are continuing their investigation. As there is further information he will inform the Board.
5. The Department Holiday party will be held at the conclusion of the meeting. He wished the Board Members Happy Holidays on behalf of the staff.

C. Marketing Cessation Information

13. CONSIDERATION OF FUTURE AGENDA ITEMS

No future agenda items were reported.

14. PUBLIC COMMENTS

Ms. Elsa Moy commented on the investment fee structure and suggested the Jennison mutual fund as an option for Deferred Retirement Option Plan participants.

15. **CONSENT ITEMS**

A. Approval of Minutes

1. Minutes of the Regular Board Meeting of August 6, 2009 and August 20, 2009

B. Findings of Fact – Tier 3 – 2

1. Darren C. Costi
2. Daniel A. Schmidt

Commissioner Diannitto moved that the Board approve the consent items, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Diannitto, Navarro, Pérez, von Voigt, Wertman and President Aliano – 6; nays, none.

16. **DISABILITY CASES**

DISABILITY CLAIM – REVIEW – REQUESTED BY PENSIONER – TIER 3 – 1

Marsha Purefoy (F) Paramedic III (Retired)

Hearing continued. President Aliano directed that this claim be continued at the request of the applicant's attorney. Ms. Purefoy was not present, but was represented by her attorney, Thomas J. Wicke.

Commissioner Pérez left the Boardroom for the remainder of the cases and returned at the end of the Board Meeting.

DISABILITY CLAIM – REQUEST FOR REHEARING – TIER 3 – 1

Anthony P. Vilardo (P) Police Officer III

Hearing continued. President Aliano directed that this claim be continued due to an unobtainable majority vote. Motion to deny the request for rehearing made by President Aliano, seconded by Commissioner Diannitto, failed by the following vote: ayes, Commissioners Diannitto, von Voigt, Wertman and President Aliano – 4; nays, Commissioner Navarro – 1. Lieutenant II Leonard Cross, Police Medical Liaison, and Management Assistant Donna Baylosis, Return to Work Section, Los Angeles Police Department testified regarding Officer Vilardo. Officer Vilardo was present and represented by his attorney, Thomas J. Wicke.

Deputy City Attorney Brian Cheng took the City Attorney chair at this time.

DISABILITY CLAIM – REVIEW – REQUESTED BY PENSIONER – TIER 3 – 1

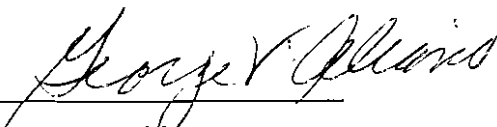
John T. Mares

(P)


Police Officer II (Retired)

Prior board action of August 12, 1999 granting a service connected disability pension is adjusted from 50% to 60% with no foreseeable purpose for review. Motion made by Commissioner von Voigt, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Diannitto, Navarro, von Voigt, Wertman and President Aliano – 5; nays, none. (Original motion to adjust service connected disability pension from 50% to 55%, made by Commissioner Diannitto, seconded by Commissioner Wertman, failed by the following vote: ayes, Commissioners Diannitto, Navarro, Wertman and President Aliano – 4; nays, Commissioner von Voigt – 1.) Mr. Mares was not present but was represented by his attorney, Thomas J. Wicke.

The meeting was adjourned at 11:18 a.m.



President



Secretary