

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**MEETING OF OCTOBER 20, 2011**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Thursday, October 20, 2011.

COMMISSIONERS PRESENT:     Robert von Voigt, President  
                                      George Aliano  
                                      Rafael Bernardino, Jr.  
                                      Sam Diannitto  
                                      Dean Hansell  
                                      Wayne Moore  
                                      Ruben Navarro  
                                      Raul Pérez

COMMISSIONER ABSENT:     Brenda Maull, Vice President

DEPARTMENT OF FIRE AND     Michael A. Perez, General Manager  
POLICE PENSIONS:             William Raggio, Assistant General Manager  
                                      Joseph Salazar, Interim Assistant General Manager  
                                      Tom Lopez, Chief Investment Officer  
                                      Barbara Nobregas, Commission Executive Assistant

CITY ATTORNEY'S OFFICE:     Alan Manning, Assistant City Attorney  
                                      Jim Napier, Deputy City Attorney

President von Voigt called the regular meeting to order at 8:32 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Moore, who arrived at 8:36 a.m.

**A.   DISABILITY CASES**

Alternative 1

The case of Sergeant I Thomas Wunsch was withdrawn from processing by the applicant prior to the Board Hearing.

Alternative 2

DISABILITY CLAIM – NEW CLAIM – TIER 5 – 1

James E. Satterfield

(F)

Firefighter III

Service-connected disability pension is granted at 60% with no foreseeable purpose for review. Motion made by Commissioner Hansell, seconded by Commissioner Aliano and adopted by the following vote: ayes, Commissioners Aliano, Bernardino, Diannitto, Hansell, Moore, Navarro, Pérez, and President von Voigt – 8; nays, none. Fire Captain II Debra J. Brown, Medical Liaison, Los Angeles Fire Department testified regarding the applicant. The applicant was present and represented by his attorney Thomas J. Wicke.

B. ITEMS FOR BOARD ACTION

1. CLOSE-OUT REPORT ON 2010-13 STRATEGIC PLAN AND POSSIBLE BOARD ACTION

Mr. William Raggio, Assistant General Manager, Administrative Operations Division gave an overview of the Strategic Plan process and indicated that it is a key component of the General Manager's annual evaluation. The Governance Committee approved the General Manager Performance Evaluation at the earlier scheduled meeting today. Commissioners will be receiving information from Mr. Allen Goldstein from The Results Group. Mr. Raggio asked that Commissioners please respond to the survey timely. Last year's strategic plan had 8 projects. The next strategic plan will be presented to the Board in the first quarter of the 2012 calendar year and asked the Board for suggestions. Mr. Raggio and General Manager Perez gave a brief history of auditing the Associations, Project 3 to answer Commissioner Bernardino's questions. General Manager Perez stated he will share the results of the audits of the Associations with the Board. Commissioner Hansell suggested that staff develop a rule for the Board to consider with any entity it contracts with to abide by our rules to have full audit rights, and that it be a rule across the board. To address Commissioner Hansell's question regarding the Payroll Conversion, Project 1, Mr. Raggio stated the backup plan is to back up the data to the OnPoint System with the capability to write reports. General Manager Perez stated going forward, he is looking to have this fixed or to look for outside alternatives. He is meeting with Retirement Services of DWP about their system. Mr. Raggio stated the issue of the contract language going forward on software rights is being tracked on the staff assignments of the Monthly Reports. Mr. Raggio addressed cabinet space, Project 2 frequently used documents are being scanned and he discussed backfile conversion in the future. General Manager Perez commented we currently receive electronic copies of many documents via email.

RESOLUTION 12037

Commissioner Diannitto moved that the Board:

1. Receive and file the Close-Out Report on our 2010-13 Strategic Plan; and,

2. Provide the Staff input on current or new strategic initiatives for inclusion in our next (2012-15) Strategic Plan, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Bernardino, Diannitto, Hansell, Moore, Navarro, Pérez and President von Voigt – 8; nays, none.

2. LEGAL SERVICES MODELS (CF#11-1127) AND POSSIBLE BOARD ACTION

Mr. Raggio gave an overview of the issue. The Board discussed the ability to hire outside counsel and if there is any analysis of the budget impact. General Manager Perez commented on the use of outside counsel and the issue of fiduciary counsel. General Manager Perez also discussed the changing of the cost/billing methodology for City Attorney services. Commissioner Perez requested concrete examples if the recommendation was approved, which General Manager Perez gave where the City Attorney Retirement staff gave advice but was overruled by the City Attorney's Front Office. If the Board wants to move forward, staff will prepare a letter to be signed by the Board President listed with specific information. Mr. Raggio stated this was assigned to the CLA and to the Budget & Finance Committee of the City Council. General Manager Perez informed the Board that it would still utilize the services of the City Attorney. Mr. Manning, Assistant City Attorney stated that they have three clients that they serve: LACERS, DWP and LAFPP and discussed models. Mr. Manning read the City Charter stating that the City Attorney shall be the legal advisor to the City. The Board further discussed the issue.

RESOLUTION 12038

Commissioner Diannitto moved that the Board:

1. Considered the Council Motions and determined that the Board would like to provide a response to the City Council for its consideration; and,
  2. Instructed staff to prepare a report for the November 3, 2011 Board meeting to provide a response to the City Council, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Bernardino, Diannitto, Hansell, Moore, Navarro, Pérez and President von Voigt – 8; nays, none.
3. CONSIDERATION OF SCOTT R. SANDERS' REQUEST TO TRANSFER FROM TIER 3 TO TIER 5 AND POSSIBLE BOARD ACTION

Mr. Thomas Puchalski, Senior Management Analyst II, Active Members Services Section presented the report to the Board. Commissioner Navarro raised the issue of allowing transfers due to legal impediments vs. medical. The Board discussed the issues. Commissioner Navarro moved that the Board grant the transfer from Tier 3 to Tier 5, seconded by Commissioner Diannitto. Mr. Manning asked that the matter be continued to allow him time to research if there was an affirmative duty to inform Mr. Sanders of his right to go to the Board to appeal. Commissioners voiced their opinion on the matter. Commissioner Aliano

amended the motion to have the City Attorney do his legal report prior to making a decision and to continue the matter; Mr. Manning stated that he was not allowed to amend the motion. Commissioner Diannitto withdrew his second. Commissioner Aliano moved that the Board direct the City Attorney to research whether the City had an obligation to provide the applicant with information about appeals, seconded by Commissioner Bernardino in which he later withdrew. President von Voigt directed the City Attorney to research if the applicant was informed of his rights to appeal and bring the issue back. General Manager Perez stated he will research what type of information was provided and how it was disseminated to members when the initial period was opened, as requested by Commissioner Moore.

4. SELECTION OF EMERGING MARKETS EQUITY MANAGER - INTERVIEWS AND POSSIBLE BOARD ACTION

*Commissioner Hansell recused himself from this matter because some members of his law firm have a legal relationship with several of the candidates. He left the board room for the remainder of the meeting.*

Ms. Rebecca A. Gratsinger, CEO and Senior Consultant; Mr. Michael Ford, CFA, and Senior Consultant; and Ms. Jennifer E. Nichols, CFA, and Senior Manager Research Analyst from RV Kuhns provided the Board an overview and summary of the firms. The Board then interviewed the following firms:

Wells Capital Management

Messrs. Christopher A. Alders, Manager Director, Business Development and Jerry L. Zhang, PhD. CFA, Senior Portfolio Manager

Dimensional Fund Advisors

Joseph L. Young, CFA and Vice President and Ms. Karen Umland, Head of Investment Strategies Group

The Boston Company

Messrs. Ryan R. Fitzpatrick, Relationship Manager and D. Kirk Henry, CFA, Senior Managing Director

Discussion/Selection

The Board deliberated on the selection of a manager. Mr. Tom Lopez and Ms. Gratsinger gave their opinions on the matter, as asked by the Board.

MOTION

Commissioner Diannitto moved that the Board hire Wells Capital Management at 65 basis points, as the Emerging Markets Equity Investment Manager, which was seconded by Commissioner Pérez and failed by

the following vote: ayes, Commissioners Navarro and Pérez – 2; nays, Commissioners Aliano, Bernardino, Diannitto, Moore, and President von Voigt – 5.

*Commissioner Pérez left the board room for the remainder of the meeting, after proposing the 2<sup>nd</sup> motion.*

MOTION

Commissioner Pérez moved that the Board hire Dimensional Fund Advisors as the Emerging Markets Equity Investment Manager, which was seconded by Commissioner Diannitto and failed by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, and President von Voigt – 4; nays, Commissioners Bernardino and Navarro – 2.

MOTION

Commissioner Navarro moved that the Board hire The Boston Co. as the Emerging Markets Equity Investment Manager, which was seconded by Commissioner Bernardino and failed by the following vote: ayes, Commissioners Bernardino and Navarro – 2; nays, Commissioners Aliano, Diannitto, Moore, and President von Voigt – 4.

RESOLUTION 12039

Commissioner Navarro moved that the Board select Dimensional Fund Advisors as the Emerging Markets Equity Investment Manager to replace Marvin & Palmer, which was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Navarro, and President von Voigt – 5; nays, Commissioner Bernardino – 1.

C. REPORTS TO THE BOARD

1. Quarterly Summary of Private Equity Commitments – Received and Filed.
2. Monthly Report – Received and Filed.
3. General Manager's Report
  - a. Benefits Actions approved by General Manager on October 6, 2011

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.

DISCONTINUED PENSIONS – TIER 1 – 3

Minutes of the Board of Fire and Police Pension Commissioners

October 20, 2011

Page 6

Ronald J. Nichols	Police Disability	Retired:	09-20-67	Died:	06-18-11
Wally Annas	Police Widow	Retired:	12-27-89	Died:	09-06-11
Frances C. Economides	Police Widow	Retired:	09-15-95	Died:	08-10-11

DISCONTINUED PENSIONS – TIER 2 – 19

Bruce A. Beal	Fire Service	Retired:	06-07-90	Died:	08-25-11
Paul J. Berokoff	Fire Service	Retired:	03-01-77	Died:	09-14-11
Merle E. Delzell	Fire Service	Retired:	05-18-80	Died:	09-04-11
Alvin L. Bauman	Police Service	Retired:	04-30-75	Died:	09-04-11
S. D. Broadhurst	Police Service	Retired:	02-01-76	Died:	09-04-11
Felix P. Estrada, Jr.	Police Service	Retired:	05-03-92	Died:	09-03-11
Paul B. Holmes, Jr.	Police Service	Retired:	10-07-79	Died:	08-17-11
Stanford R. McCaleb	Police Service	Retired:	02-01-74	Died:	08-25-11
Arthur F. Van Court	Police Service	Retired:	10-23-67	Died:	08-26-11
Roy Van Wicklin	Police Service	Retired:	11-04-80	Died:	08-02-11
Theodore Witowich	Police Service	Retired:	08-01-68	Died:	08-14-11
Steven G. Generaux	Fire Disability	Retired:	04-06-01	Died:	08-26-11
Richard C. Kimball	Fire Disability	Retired:	04-11-85	Died:	09-04-11
James R. Boissier	Police Disability	Retired:	04-12-00	Died:	09-07-11
Vivian L. Crow	Fire Widow	Retired:	11-24-06	Died:	08-29-11
Geraldine R. Davidson	Fire Widow	Retired:	06-09-07	Died:	08-05-11
June R. Heitman	Fire Widow	Retired:	09-10-97	Died:	08-24-11
Barbara A. Schultz	Police Widow	Retired:	04-14-01	Died:	08-03-11
Ruth E. Williams	Police Widow	Retired:	06-14-02	Died:	09-03-11

DISCONTINUED PENSIONS – TIER 5 – 1

Paul S. Baernstein	Fire Service	Retired:	09-04-05	Died:	08-19-11
--------------------	--------------	----------	----------	-------	----------

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 5 – 1

Sherri M. Crowley	Fire Service	Effective:	05-01-06	Died:	08-16-11
-------------------	--------------	------------	----------	-------	----------

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 8

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Joy L. Delzell	Merle E. Delzell	Fire Service	09-05-11
Lenore M. Generaux	Steven G. Generaux	Fire Disability	08-27-11
Kathy A. Kimball	Richard C. Kimball	Fire Disability	09-05-11
Gertrude R. Bauman	Alvin L. Bauman	Police Service	09-05-11
Shirley M. Broadhurst	S. D. Broadhurst	Police Service	09-05-11
Joyce M. Estrada	Felix P. Estrada, Jr.	Police Service	09-04-11
Vera M. Holmes	Paul B. Holmes, Jr.	Police Service	08-18-11

Deborah A. Boissier                      James R. Boissier                      Police Disability                      09-08-11

**SURVIVOR BENEFIT PURCHASE PROGRAM TIER 2 – 2**

<u>Name</u>	<u>Member's Class</u>	<u>Effective Date</u>	<u>Survivor Benefit %</u>
Ronald E. Kington	Police Service	10-01-11	50%
George B. Serenbetz	Police Disability	10-01-11	30%

**SURVIVOR BENEFIT PURCHASE PROGRAM VESTED MEMBERS – TIER 2 – 1**

<u>Name</u>	<u>Member's Class</u>	<u>Effective Date</u>	<u>Vested Date</u>	<u>Survivor Benefit %</u>
Michael J. Darling	Police Service	10-01-10	10-01-11	45%

**SURVIVING CHILD'S PENSION – TIER 3 – 1**

Surviving child benefits are now payable to Jeffrey Wilson, Jr., surviving child of deceased Police Officer III Jeffrey Wilson, effective October 7, 2011, due to the attainment of age 18 and the continuation of his full-time student status.

**DECREASE SURVIVING SPOUSE'S PENSION – TIER 2 – 1**

Decrease the pension payable to Bertha A. Gomez, surviving spouse of deceased Police Service Pensioner Alexander J. Gomez, due to the attainment of age 18 by Jennifer L. Gomez, effective September 16, 2011.

**DECREASE SURVIVING SPOUSE'S PENSION – TIER 3 – 1**

Decrease the pension payable to Patricia Wilson, surviving spouse of deceased Police Officer III Jeffrey Wilson, due to the attainment of age 18 and full-time student status by Jeffrey Wilson, Jr., effective October 7, 2011.

**DISCONTINUE MINOR'S PENSION – TIER 2 – 1**

Discontinue the pension payable to Joseph T. Dowling, minor child of deceased Fire Captain II Thomas F. Dowling, effective October 1, 2011, due to attainment of age 18.

**DISCONTINUE SURVIVING CHILD'S PENSION – TIER 3 – 1**

Discontinue the pension payable to Thomas S. Pearce, surviving child of deceased Police Officer II Jon G. Pearce, effective October 20, 2011, due to the attainment of age 22 on October 21, 2011. There are no remaining minors.

**DISCONTINUE SURVIVING CHILD'S PENSION – TIER 5 – 1**

Discontinue the pension payable to Lauren A. Garner, surviving child of deceased Police Service

Pensioner Kenneth O. Garner, effective October 26, 2011, due to the attainment of age 22 on October 27, 2011. There are no remaining minors.

DISCONTINUE GUARDIANSHIP – TIER 3 – 1

Discontinue the pension payable to Glenda Farrell as the Guardian of Brittani C. Heim, minor child of deceased Police Officer III Charles D. Heim, effective October 6, 2011, due to the attainment of age 18 on October 7, 2011.

Pension benefits will be paid to Brittani C. Heim, as she remains a full-time student.

PARTIAL PAYMENT OF PENSION – TIER 5 – 1

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the pension payable to Joseph Curreri, Police Service Pensioner, is to be withheld for his former spouse, Cathye E. Curreri, effective October 1, 2011. Ms. Curreri will receive cost of living adjustments.

SERVICE PENSION/DROP – TIER 2 – 2

Fire

Arthur L. Burgess	Captain I	Eff:	06-04-11	31	Years	90	Days
-------------------	-----------	------	----------	----	-------	----	------

Police

Kirk J. Albanese	Deputy Chief I	Eff:	06-01-11	30	Years	186	Days
------------------	----------------	------	----------	----	-------	-----	------

SERVICE PENSION/DROP – TIER 4 – 1

Police

Kellie M. Castillo	Sergeant II	Eff:	07-14-11	26	Years	223	Days
--------------------	-------------	------	----------	----	-------	-----	------

SERVICE PENSION/DROP – TIER 5 – 13

Fire

William R. Barrera	Firefighter III	Eff:	06-23-11	30	Years	0	Days
Eduardo A. Borrajo	Engineer	Eff:	06-29-11	30	Years	53	Days
Michael A. Bowman	Battalion Chief	Eff:	06-01-11	34	Years	0	Days
Bruce E. Burkhart	Engineer	Eff:	06-02-11	31	Years	0	Days
Timothy R. Crass	Firefighter III	Eff:	06-01-11	30	Years	264	Days

Police

Byron A. Barnes	Police Officer III	Eff:	06-21-11	25	Years	62	Days
Patricia L. Blake	Lieutenant I	Eff:	07-14-11	28	Years	61	Days
Michael A. Brox	Detective III	Eff:	06-01-11	29	Years	7	Days

Russell G. Carr	Sergeant I	Eff:	07-01-11	29	Years	112	Days
Gilbert Curtis	Sergeant I	Eff:	07-14-11	26	Years	141	Days
Jeff G. Tepich	Sergeant II	Eff:	07-06-11	27	Years	36	Days
Larry L. Walker	Sergeant I	Eff:	09-01-11	25	Years	50	Days
Ann E. Young	Captain II	Eff:	07-14-11	29	Years	313	Days

PENSION ADJUSTED -- TIER 4 -- 1

<u>Name</u>	<u>Rank</u>		<u>Type: % Rate</u>	<u>Effective Date</u>	<u>Board Date</u>
Lisa A. Armas	Police Officer II	FROM:	Service-Connected Disability: 60%	05-31-03	11-04-04
		TO:	Service-Connected Disability: 71%	09-15-11	09-15-11

ELIGIBLE SURVIVING SPOUSE APPLICATION -- TIER 3 -- 1

<u>Name</u>	<u>Rank</u>	<u>Type: % Rate</u>	<u>Effective Date</u>
Jeannette A. Ravega (Jesus Ravega)	Detective II	NSC w/o Prejudice: 40% + 2 minors	09-03-11

b. Other business relating to Department operations

General Manager Perez gave the following updates:

1. The Occupy LA organization plans to meet with the General Manager of LACERS and is marching over here this afternoon.
2. There was a brief mention of the Pension Fund in the *Daily News*. It talked about an action the Board took at the last meeting regarding freezing health care benefits. The issue was discussed at the last meeting but the Board took no action on this matter. General Manager Perez called the reporter to follow up on the mistake but the reporter chose not to do a retraction.

c. Marketing Cessation Information

4. City Attorney's Report

Mr. Manning had nothing to report.

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

D. COMMITTEE REPORTS

1. Benefits Committee – Last met: 08/04/11; next meeting: TBD

Chair Aliano had to updates to report.

2. Governance Committee – Last met: 10/20/11; next meeting: TBD

Chair Diannitto stated the Committee met earlier that morning and gave a brief update.

3. Audit Committee – Last met: 07/07/11; next meeting: TBD

There were no updates to report.

4. Ad Hoc Space Planning Committee – Discussion will be held during closed session with property negotiator

President von Voigt stated the item will be heard during closed session.

5. Ad Hoc Committee on City Attorney's Office

There were no updates to report.

6. Ad Hoc Committee on Social Investing – Last met: 07/07/11; next meeting: TBD

There were no updates to report.

E. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Navarro asked that the Board review the policy in regards to Board members speaking to reporters.

F. PUBLIC COMMENTS

There were no public comments.

G. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 TO CONFER WITH REAL PROPERTY NEGOTIATOR; Properties: 330 South Alameda Street, 360 East Second Street; 400-

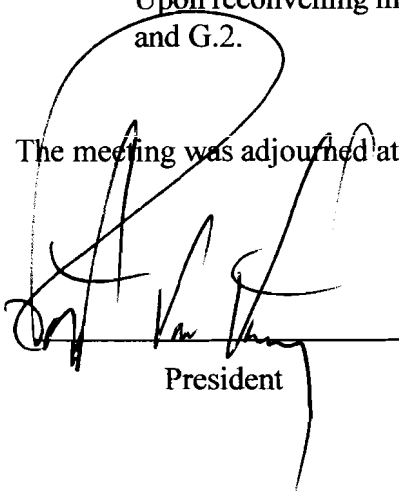
420 Boyd Street, 464 & 470 East 3<sup>rd</sup> Street, 216 South Alameda Street, 1111 West Sunset Blvd.;  
Negotiators: David Weiner, Martin Cawley, Tom Lopez, Erika Tiedge; Negotiating parties: Sentinel Real  
Estate Corporation and LAFPP; Under negotiation: Instruction to negotiator will concern price

The Board met in closed session.

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(b)(1) TO ADDRESS A  
SIGNIFICANT EXPOSURE TO LITIGATION (ONE CASE)

Upon reconvening in open session, President von Voigt stated the Board met in closed session on item G.1  
and G.2.

The meeting was adjourned at 2:10 p.m.



President



Secretary