MINUTES
OF THE
BOARD OF PENSION COMMISSIONERS
MEETING OF MAY 16, 1991

The Board of Pension Commissioners of the City of Los Angeles met in Room 700, 360 East Second Street, Brunswig Square Building, on Thursday, May 16, 1991.

COMMISSIONERS PRESENT: Paul Hudson, President
Dellene Arthur
Kenyon Chan
Ken Staggs
Dave Velasquez

COMMISSIONERS ABSENT: Leland Wong
Sam Diannitto

DEPARTMENT OF PENSIONS: Gary Mattingly, General Manager
James J. McGuigan, Assistant Manager-Benefits
Allan Moore, Assistant Manager-Fiscal
Dennis Sugino, Chief Investment Officer

CITY ATTORNEY'S OFFICE: Siegfried O. Hillmer, Assistant City Attorney
Eudon Ferrell, Deputy City Attorney

President Hudson called the meeting to order at 9:40 a.m. and referred to Item No. 1 on the Agenda.

DISCUSSION ITEMS

INVESTMENTS

The General Manager, Mr. Gary Mattingly referred to the summary activity reports of stock, bond, short-term and option transactions since the last regular meeting of the Board.

Mr. Mattingly noted that Security Pacific Investment Managers is adding two stocks to their list of potential stock purchases. No Board action is required.

COMMITTEE REPORTS

Benefits/Legislative/Budget/Audit Committee

President Hudson has asked the General Manager to have available at today's meeting the material on ballot measure No. 5 showing the pro and con arguments on this issue. Mr. Mattingly passed out this material to all concerned, stating that basically this is the ballot measure the Mayor signed by accident and tried to withdraw, but the court subsequently ruled that the measure had to appear on the ballot. Mr. Mattingly explained the impact this measure, if passed, will have on commissions. If passed, the City Council will be able to review and even change all actions by commissions. Since the June election is only three weeks away, President Hudson told the General Manager to schedule this on next week's agenda for discussion. Commissioner Chan said he is ready to act today, but what can this commission do. The Assistant City Attorney, Mr. Siegfried O. Hillmer, was then queried as
to the legality of sending out letters to all active and retired members of this system who live in the City of Los Angeles to make them aware of the ramifications this measure will have on their pensions if passed by the electorate. The Board also asked Mr. Mattingly to send letters to all money managers and consultants. President Hudson also has talked with the union representatives, and they indicated they will have a position on this matter by next week. Mr. Ron Clem, Police Protective League, said that he just became aware of this matter yesterday and since his Board meets next Wednesday he will not be able to assist this Board until then. President Hudson directed the General Manager to disseminate information to the money managers, consultants and unions relative to the ramifications and implications of this Charter amendment; and to have Mr. Hillmer review the letters before they are sent. Mr. Mattingly said he will send the letters this afternoon. President Hudson said this matter will stay in Committee for due diligence.

Investment Committee

President Hudson reported on the meeting held earlier this morning. Committee established the criteria for the core bond manager search and established a timetable for bringing a report with a recommendation to the full Board. Committee also reviewed the questions to be sent to the managers who are on the list to receive the RFPs on the emerging bond manager search. The search will be conducted by staff with the assistance of an outside consultant.

BOARD RULE FOR ARTICLE XXXV REQUESTS BY MINOR CHILD FOR FURTHER PENSION BENEFITS

On April 4, 1991, the Board adopted the staff recommendation to consider approving the proposed Board Rule 7.1 through 7.6 to process requests for further pension benefits by a Minor Child under the provisions of Section 521(J) of Article XXXV of the Los Angeles City Charter. The Board directed staff to transmit copies of this proposed Board Rule to all concerned parties to allow submission of written comments prior to final adoption.

Three written replies have been received from the Los Angeles Police Department, the United Firefighters of Los Angeles City, and the Los Angeles Police Protective League. All of these letters indicate approval and support of this proposed Board Rule.

MOTION

Commissioner Chan moved that the Board of Pension Commissioners approve Board Rule 7.1 through 7.6 to process requests for further pension benefits by a Minor Child under the provisions of Section 521(J) of Article XXXV of the Los Angeles City Charter, the motion was seconded by Commissioner Arthur and adopted by the following vote: ayes, Commissioners Arthur, Chan, Staggs, Velasquez, and President Hudson - 5; noes, none.

PURCHASE OF COMPUTER EQUIPMENT

RESOLUTION NO. 911015

Commissioner Chan moved that the Board authorize the General Manager to use Equipment Account savings to purchase a back-up personal computer for the Investment Accounting Section and an Uninterruptible Power Supply for Pensions' Alpha Micro System, which motion was seconded by Commissioner Arthur and adopted by the following vote: ayes, Commissioners Arthur, Chan, Staggs, Velasquez, and President Hudson - 5; noes, none.

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FUTURE AGENDA ITEMS

There were none today.

PUBLIC COMMENTS

There were none today.

CONSENT ITEMS


DISCONTINUE PENSIONS - ARTICLE XVII - 1

Helen Burris Police Widow Retired 08-01-62 Died 04-21-91

SERVICE PENSIONS - ARTICLE XVIII - 2

FIRE

Fire Captain I Appt'd: 04-30-66 25 Years 11 Days 55.0411%
Douglas P. McDonald Eff: 05-11-91 NPB: $5,184.95 $2,853.85

POLICE

Police Deputy Chief I Appt'd: 10-28-63 27 Years 125 Days 61.9781%
William M. Rathburn Eff: 03-02-91 NPB: $9,674.40 $5,996.01

PERMANENT GUARDIANSHIP - ARTICLE XVII - 1

A certified copy of the Letters of Guardianship, issued in the County Court of the State of Texas, County of Grayson, Case Number 91-02-7 G, appointing Norma Smith, permanent Guardian of the Person and Estate of Marguerite Jurgens, Police Widow, on April 26, 1991, has been filed in the office. Pension payments in the amount of $2,446.44 to be paid to Norma Smith.

PARTIAL PAYMENT OF PENSION - ARTICLE XVIII - 3

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Robert L. Calkins, Fire Service Pensioner, to be paid to his former spouse, Sandra Calkins, effective May 1, 1991. Ms. Calkins will receive cost of living increases.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to William M. Rathburn, Police Service Pensioner, to be paid to his former spouse Sara Jane Rathburn, effective March 2, 1991. Ms. Rathburn will receive cost of living increases.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Truman B. Baker, Police Disability Pensioner, to be paid to his former spouse Susan J. Baker, effective May 1, 1991. Ms. Baker will receive cost of living increases.
FINDINGS OF FACT - ARTICLE XVIII - 4

Fire
a. Richard C. Ostoich  b. Ralph Travis

Police
a. Augustine R. Paris  D. David M. Stachowski

The above consent items were approved. Motion made by Commissioner Arthur, seconded by Commissioner Staggs and adopted by the following vote: ayes, Commissioners Arthur, Chan, Staggs, Velasquez, and President Hudson - 5; noes, none.

DISABILITY CASES - REVIEW - ARTICLE XVIII - 2

Andrew J. Mathes  (P)

Continued. Case was taken under submission and rescheduled for the May 23, 1991 agenda. Lt. Ed Gagnon, Medical Liaison, Police Department and Mrs. Berti Mathes testified regarding Mr. Mathes. Mr. Mathes was present and was represented by his attorney, R. Michael Keegan.

Carl E. Algee  (P)

No change, Remain at 50%. Motion made by Commissioner Chan, seconded by Commissioner Staggs and adopted by the following vote: ayes, Commissioners Arthur, Chan, Staggs, Velasquez, and President Hudson - 5; noes, none. Lt. Ed Gagnon, Medical Liaison, Police Department testified regarding Mr. Algee. Mr. Algee was present and was represented by his attorney, Michael T. Roberts.

DISABILITY CASE - REHEARING - ARTICLE XVIII - 1

Michael C. McCormick  (P)

Continued. President Hudson directed that this case be continued to allow time to receive the Dr. Hochman report from Workers' Compensation. Mr. McCormick was not present, nor was his attorney, Edward L. Faunce.

DISABILITY CASE - NEW/EXPEDITED - ARTICLE XVIII - 1

Ronald G. Turner  (P)  Sergeant II (Retired)

Prior Board action of July 12, 1990 granting a service pension at 68.9315% is rescinded and grant a service connected disability pension in the amount of $3,243.20 or 68.9315% of $4,704.96. Motion made by Commissioner Chan, seconded by Commissioner Velasquez and adopted by the following vote: ayes, Commissioners Arthur, Chan, Staggs, Velasquez, and President Hudson - 5; noes, none. Lt. Ed Gagnon, Medical Liaison, Police Department testified regarding Mr. Turner. Mr. Turner was present and was represented by his attorney, Michael T. Roberts.
Non-service connected disability pension granted in the amount of $1,703.11 or 40% of $4,257.78. Motion made by Commissioner Staggs, seconded by Commissioner Arthur and adopted by the following vote: ayes, Commissioners Arthur, Chan, Staggs, Velasquez, and President Hudson - 5; noes, none. Mr. Lorenz was not present, but was represented by his attorney, Michael T. Roberts.

Edwin R. Burns (P) Police Officer II+2

Continued. President Hudson directed that this case be continued to allow the applicant time to obtain legal representation. Mr. Burns was not present, but was represented by Ron Clem of the Los Angeles Police Protective League.

Philip T. Thomas (P) Police Officer III

Continued. President Hudson directed that this case be continued to have Pension doctors review the most recent MRI and submit a supplemental report. Mr. Thomas was present and was represented by his attorney, Michael T. Roberts.

Chester C. Hardaway (P) Police Officer II

Continued. President Hudson directed that this case be continued at the request of the applicant's attorney. Mr. Hardaway was present and was represented by his attorney, Michael T. Roberts.

At this point in the proceeding, President Hudson called for adjournment. The meeting was adjourned at 10:45 a.m.