

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
MEETING OF APRIL 5, 2007

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Thursday, April 5, 2007.

COMMISSIONERS PRESENT: Sean Harrigan, President
Mike Carter, Vice President
Elliott Broidy
Sam Diannitto
Steve Juarez
Don Keith
Patricia Means
Louis Moret

COMMISSIONERS ABSENT: George V. Aliano

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Michael A. Perez, General Manager
D. Edward Griffiths, Assistant General Manager
Tom Lopez, Chief Investment Officer
Susan Bautista, Executive Administrative Assistant

CITY ATTORNEY'S OFFICE: Alan Manning, Assistant City Attorney
John Blair, Deputy City Attorney

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

President Harrigan called the regular meeting to order at 9:25 a.m.

All of the above-listed Commissioners were present at the start of the meeting.

1. NEW BUSINESS

- A. President Harrigan asked if any Board member made any expenditure to influence state legislative or administrative action to which their reply was negative.
- B. Response from General Manager to City Council regarding comparisons to San Francisco Retirement System – Received and Filed.

2. COMMUNICATIONS TO THE BOARD

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

3. **COMMITTEE REPORTS**

- A. Benefits Committee

No report at this time.

- B. Governance Committee

Commissioner Diannitto gave a brief report on the Governance Committee that met this morning. President Harrigan asked for a report back to the Governance Committee in one month.

- C. Ad Hoc Space Planning Committee

Commissioner Carter reported that the committee has not met. More site visits are being scheduled with Cushman & Wakefield.

- D. Audit Committee

No report at this time.

President Harrigan presented a commendation to Ms. Carol Tavares, of the Communications Section, LAFPP. President Harrigan read a letter he received from Mr. James Bauer, Special Operations Division, Los Angeles Police Department, regarding the outstanding work Ms. Tavares did at a conference that was given.

4. **APPROVAL OF AMENDMENT TO TRAVEL RESOLUTION**

RESOLUTION 07110

Commissioner Moret moved that the Board approve the amendment to the Travel Resolution as it appears in the department budget for Fiscal Year 2006-07 to include the association of Public Pension Fund Auditors (APPFA) and the Institute of Internal Auditors (IIA) as approved sponsoring organizations, which motion was seconded by Commissioner Carter and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret, and President Harrigan - 8; nays, none.

5. **APPROVAL OF AUDIT PLAN FOR ASSOCIATIONS PROVIDING SWORN RETIREE MEDICAL AND DENTAL PLANS**

Ms. Myo Thedar, Sr. Management Analyst, and Mr. Tom Morrison, of The Segal Company, came before the Board and presented a report on the Audit Plan for Associations Providing Sworn Retiree Medical and Dental Plans.

RESOLUTION 07111

Commissioner Diannitto moved that the Board direct staff to implement the plan developed by The Segal Company (Segal) to audit association sworn retiree medical and dental plans subsidized by Los Angeles Fire and Police Pensions (LAFPP), which motion was seconded by Commissioner Juarez and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret, and President Harrigan - 8; nays, none.

6. APPROVAL OF INCREASE IN RETIREE HEALTH SUBSIDIES

Ms. Myo Thedar reported on the Increase in Retiree Health Subsidies.

RESOLUTION 07112

Commissioner Diannitto moved that the Board adopt the attached resolution increasing the maximum retiree health subsidy to \$837.21, effective July 1, 2007, which motion was seconded by Commissioner Juarez and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan - 8; nays, none.

President Harrigan recused himself from Item #7. Vice-President Carter took over as chair.

7. ACCEPTANCE OF GIFTS OF TRAVEL – NORTHERN TRUST, MILKEN INSTITUTE, AND YUCAIPA COMPANIES

RESOLUTION 07113

Commissioner Moret moved that the Board:

Accept the gift of food and beverage from Northern Trust for its 2007 Client Conference, the gift of registration, food, and beverage from the Milken Institute for its 2007 Global Conference, and the gift of food and beverage from the Yucaipa Companies for its 2nd Annual Limited Partners meeting as gifts to the fund;

Select Board members to attend; and

Delegate to the General Manager the authority to designate Senior Staff and Investment Staff members to attend the Conferences,

which motion was seconded by Commissioner Broidy and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means and Moret - 7; nays, none.

President Harrigan returned to the Boardroom and took over as chair.

8. REVIEW OF BOARD ETHICS POLICY

Commissioner Diannitto reported that the Governance Committee recommended that the Board discuss an Ethics Policy that includes:

- A. Ethics Responsibilities for Board Members and Staff
- B. Commissioner Communication with Consultants
- C. Board Member Involvement in Contracting
- D. Acceptance of Gifts, including Gifts of Travel
- E. Marketing Cessation (Investment contracts)

Commissioner Diannitto thanked Ms. Laura Guglielmo, Chief Management Analyst, on an excellent job with the Policy. Staff was asked to review recommended changes made by the Governance Committee and report back.

9. REVIEW OF PROPOSED CHANGES TO TRAVEL GUIDELINES

Ms. Guglielmo reported that the Governance Committee reviewed the proposed changes to the Travel Guidelines. The following were areas of concern:

- A. Travel and Education Policy
 - 1) Limit of at least five hours of education at a conference
 - 2) Maximum of four Commissioners participating at a conference
- B. Travel Priority List
- C. Ground Transportation
 - 1) Auto insurance on an auto rental
- D. Meals
 - 1) Cost
 - 2) Amount of meals per day

Staff was asked to review recommended changes made by the Governance Committee and report back. President Harrigan thanked staff.

10. REVIEW OF CUSTODIAL BANK CONTRACT AND POSSIBLE BOARD ACTION

RESOLUTION 07114

Commissioner Carter moved that the Board:

- A. Approve a new, three-year contract with the Northern Trust Company;
- B. Authorize the General Manager to review and negotiate terms and conditions with the Northern Trust Company for custodial services for the period October 1, 2007 through September 30, 2010; and
- C. Authorize the President of the Board, on behalf of the Board, to execute the contract with the Northern Trust Company for custodial bank services, subject to the City Attorney as to form and legality,

which motion was seconded by Commissioner Moret and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan - 8; nays, none.

11. UPDATE ON HEDGE FUND CONTRACTS AND TARGET FUNDING DATES

Mr. Rick Rogers, Investment Officer, gave an update on Hedge Fund contracts and target funding dates. President Harrigan requested for the Fund Managers to come back to the Board and stated that there should be more discussion.

12. REAL ESTATE PERFORMANCE MEASUREMENT REPORT BY TOWNSEND, FOURTH QUARTER 2006

Ms. Mycolyn Yalonis, The Townsend Group, came before the Board and made a presentation and answered questions on the Real Estate Performance Measurement, Fourth Quarter 2006.

13. REVIEW OF INVESTMENTS IN CITYVIEW LA URBAN LAND FUND I L.P. AND FORUM ASIAN REALTY INCOME FUND II AND POSSIBLE BOARD ACTION

President Harrigan stated that the Board will only address investments in CityView LA Urban Land I L.P. Forum Asian Realty Income Fund II will be addressed at a later date.

Ms. Mycolyn Yalonis, The Townsend Group, came before the Board and made a presentation and answered questions on investments in CityView LA Urban Land Fund I L.P.

RESOLUTION 07115

Commissioner Carter moved that the Board approve an investment of up to \$25 million in CityView LA Urban Land Fund I L.P., which motion was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and

President Harrigan - 8; nays, none.

14. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54685.8: CONFERENCE WITH URDANG CAPITAL MANAGEMENT, INC. REGARDING THE PROPOSED SALE OF THE DAVENPORT APARTMENTS PROPERTY IN DALLAS, TEXAS AND POSSIBLE BOARD ACTION

RESOLUTION 07116

President Harrigan reported that the Board met in closed session. The Board approved the sale of the Davenport Apartments Property in Dallas, Texas.

15. GENERAL MANAGER'S REPORT

General Manager Perez stated that an Actuary 101 presentation will be given on the April 19 Board meeting.

Mr. Perez notified the Board of the following website updates:

- A. DROP Program
- B. \$3,000.00 Tax exclusion for retirees
- C. Public Service buy back program
- D. Retiree's Contributions – tax (as active employees)

Mr. Perez reported that the Los Angeles City Council took action asking that L.A. Housing, Planning and General Services report back to them on the use of surplus City property for housing opportunities for the sworn members of the City. Mr. Perez stated that he turned this information over to the Townsend Group and Real Estate funds operating in Los Angeles.

16. CONSIDERATION OF FUTURE AGENDA ITEMS

There were none.

17. PUBLIC COMMENTS

Elsa Moy made a comment on Items 11 and 15.

18. CONSENT ITEMS

A. REAL ESTATE CONSULTANT REFERRAL

- 1) GLL PAN EUROPEAN PROPERTY FUND

- 2) INN OF THE GREEN LANTERN
- 3) THE STRAND AT HEADLANDS

B. Approval of Minutes

- 1) Minutes of the Special Board Meeting of February 1, 2007
- 2) Minutes of the Regular Board Meeting of February 15, 2007

A motion to approve the Consent Items was made by Commissioner Diannitto, seconded by Commissioner Carter and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan – 8; nays, none.

Deputy City Attorney John Blair took the City Attorney chair at this time.

19. **DISABILITY CASES**

DISABILITY CLAIM – NEW – TIER 4

Joy D. Argomaniz

(P)

Detective I

Service connected disability pension is granted at 70% with no foreseeable purpose for review. Motion made by Commissioner Juarez, seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan – 8; nays, none. Sergeant Adam Schiffer, Medical Liaison, Los Angeles Police Department and Ramiro Argomaniz, applicant's spouse, testified regarding Detective Argomaniz. Detective Argomaniz was present and represented by Lieutenant Leslie L. Lutz, Los Angeles Police Protective League.

DISABILITY CLAIM – NEW – TIER 5


Andre W. Risse

(P)

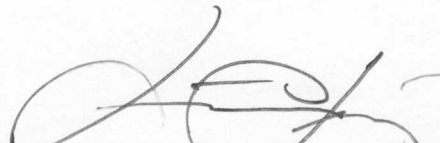
Sergeant I

Service connected disability pension is granted at 70% with no foreseeable purpose for review. Motion made by Commissioner Carter, seconded by Commissioner Keith and adopted by the following vote: ayes, Commissioners Broidy, Carter, Juarez, Keith, Means, Moret and President Harrigan – 7; nays, Commissioner Diannitto – 1. (Original motion to grant a service connected disability pension at 65% with no foreseeable purpose for review was made by Commissioner Moret, seconded by Commissioner Diannitto and failed by the following vote: ayes, Commissioners Broidy, Diannitto, Juarez and Moret – 4; nays, Commissioners Carter, Keith, Means and President Harrigan – 4.) Sergeant Adam Schiffer, Medical Liaison, Los Angeles Police Department, testified regarding Sergeant Risse. Sergeant Risse was present and represented by his attorney, Thomas L. Hoegh.

The meeting was adjourned at 12:15 p.m.



President



Secretary