

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**MEETING OF MARCH 5, 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, March 5, 2009.

COMMISSIONERS PRESENT: Mike Carter, Vice President (Acting President)  
George V. Aliano  
Maria Contreras-Sweet  
Sam Diannitto  
Steve Juarez (participating telephonically)  
Patricia Means  
Robert von Voigt

COMMISSIONERS ABSENT: Sean Harrigan, President  
Elliott Broidy

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

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

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

Vice President Carter called the regular meeting to order at 9:09 a.m. All of the above-listed Commissioners were present at the start of the meeting, with the exception of Commissioner Contreras-Sweet who arrived at 9:36 a.m.

1. **NEW BUSINESS**

Vice President Carter 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 update.

B. **Governance Committee**

Chair Diannitto reported the next meeting will be held on March 19 to discuss the travel and ethics policies.

C. **Audit Committee**

Chair Means reported the Committee met on February 19. There are 4 items on the agenda today to be discussed.

D. **Ad Hoc Committee on Emerging Managers**

Chair Means reported the next meeting will be held on April 2 at 8:00 a.m.

E. **Ad Hoc Space Planning**

Chair Carter reported the Committee interviewed two firms last week. The Committee recommendation will come before the Board on March 19. Staff is preparing the due diligence on both firms and will coordinate to with Townsend to be present at the Board meeting.

4. **APPROVAL OF STEVEN R. MEYER'S REQUEST FOR RETROACTIVE HEALTH INSURANCE PREMIUM REIMBURSEMENT AND POSSIBLE BOARD ACTION**

The board report was approved as submitted.

RESOLUTION 09094

Commissioner Diannitto moved that the Board grant a one-time exception to Board Policy 8.1F and allow Steven R. Meyer to receive a retroactive health insurance premium reimbursement for premiums paid during the entire calendar year of 2007, which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Juarez, Means, von Voigt and Vice President Carter – 6; nays, none.

5. APPROVAL OF RISK ASSESSMENT REPORT

Ms. Caroline Dinu, Senior Management Analyst II, Internal Audit Section, and Mr. Dean Gheewalla, Manager of Accretive Solutions who participated telephonically, presented the Risk Assessment Report.

6. REVISED CONSOLIDATED AUDIT PLAN AND POSSIBLE BOARD ACTION

Ms. Caroline Dinu, Senior Management Analyst II, Internal Audit Section, and Mr. Dean Gheewalla, Manager of Accretive Solutions who participated telephonically, presented the Risk Assessment Report. Upon hearing the Risk Assessment Report which is the basis for the consolidated audit plan presented, the Board moved to approve the audit plan.

RESOLUTION 09095

Commissioner Diannitto, upon hearing the Risk Assessment Report which is the basis for the consolidated audit plan presented, moved that the Board:

1. Adopt the Audit Committee's recommendation to approve the audit plan;
2. Direct the Committees to review and determine the proper status disposition and prioritization of their respective audit plan assignments; and
3. Direct the Committees to review the assignments with Staff and return to the full Board with recommendations.

which motion was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Juarez, Means, von Voigt and Vice President Carter – 6; nays, none.

7. REQUEST TO BEGIN SEARCH FOR AN EXTERNAL AUDITOR AND POSSIBLE BOARD ACTION

Ms. Laura Guglielmo, Assistant General Manager, Administrative Operations, reported that the City requires a Request for Proposal (RFP) to be released every three years on contracts.

RESOLUTION 09096

Commissioner Diannitto moved that the Board authorize the General Manager to issue a Request for Proposals for the Department's external auditor, and report back with a recommendation including cost information, which motion was seconded by Commissioner Means and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Juarez, Means, von Voigt and Vice President Carter – 6; nays, none.

8. FISCAL YEAR 2009 -10 PROPOSED BUDGET AND POSSIBLE BOARD ACTION

Ms. Myo Thedar, Senior Management Analyst II, Administrative Services, came before the Board. Commissioner Diannitto asked what action was being taken to reduce the cost of investment managers who are performing poorly. General Manager Perez reported a firm was recently terminated because of poor performance. He stated that the Chief Investment Officer will bring to the Board's attention the poor performance of firms as their contracts expire and firms that are not adding value to the fund. He also reported that the Chief Investment Officer had submitted a report to the Board about 2 ½ years ago discussing the conversion of failed active managers to index funds. Commissioner Diannitto requested a copy of the report.

RESOLUTION 09097

Commissioner Diannitto moved that the Board approve and instruct staff to submit the 2009-10 Proposed Budget to the City Administrative Officer (CAO) and the Mayor's Office for inclusion in the Mayor's Proposed Budget, which motion was seconded by Commissioner Means and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Juarez, Means, von Voigt and Vice President Carter – 6; nays, none.

Commissioner Contreras-Sweet arrived at the meeting at 9:36 a.m.

9. PROPOSED MULTI-YEAR STRATEGIC PLAN – JULY 1, 2009 THROUGH JUNE 30, 2012 AND POSSIBLE BOARD ACTION

Ms. Laura Guglielmo, Assistant General Manager, Administrative Operations, came before the Board to present the Multi-Year Strategic Plan. She discussed 2 items that were recommended by the Audit Committee. The first recommendation was that the Board be more actively involved in the planning process for the Strategic Plan. Ms. Guglielmo recommended that the Audit Committee review Section 15 - Strategic Plan process included in the Governance Manual and make necessary recommendations to the Board. Chair Means agreed to review the policy at the next Audit Committee meeting. The second recommendation was to describe

managements overarching approach to addressing challenges. Ms. Guglielmo reported the issue of key staff members who may take the early retirement incentive that is currently being discussed. The Board discussed staff positions and the City's lay off process.

RESOLUTION 09098

Commissioner Diannitto moved that the Board approve the proposed multi-year strategic plan for the period July 1, 2009 through June 30, 2012, which motion was seconded by Commissioner Juarez and approved by the following vote: ayes, Commissioners Aliano, Contreras-Sweet, Diannitto, Juarez, Means, von Voigt and Vice President Carter – 7; nays, none.

10. APPROVAL OF TRAVEL AUTHORITY – WOMEN'S PRIVATE EQUITY SUMMIT – 2ND ANNUAL WOMEN'S PRIVATE EQUITY – MARCH 11-13, 2009, HALF MOON BAY, CA

The board report was approved as submitted.

RESOLUTION 09099

Commissioner Diannitto moved that the Board authorize Commissioner Patricia Means to attend the 2<sup>nd</sup> Annual Women's Private Equity Summit from March 11-13, 2009, in Half Moon Bay, CA (March 11, 2009 is a travel day), which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Contreras-Sweet, Diannitto, Juarez, Means, von Voigt and Vice President Carter – 7; nays, none.

11. APPROVAL OF TRAVEL AUTHORITY – MILKEN INSTITUTE – GLOBAL CONFERENCE 2009 – APRIL 27-29, 2009, BEVERLY HILLS, CA

The board report was approved as submitted.

RESOLUTION 09100

Commissioner Diannitto moved that the Board authorize Commissioner Maria Contreras-Sweet to attend the Global Conference 2009 from April 27-29, 2009, in Beverly Hills, CA, which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Contreras-Sweet, Diannitto, Juarez, Means, von Voigt and Vice President Carter – 7; nays, none.

12. GENERAL MANAGER'S REPORT

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

DISCONTINUED PENSIONS – TIER 1 – 2

Avon K. Koenig	Police Widow	Retired:	04-25-99	Died:	01-26-09
Mary E. Shann	Police Widow	Retired:	11-01-65	Died:	12-10-08

DISCONTINUED PENSIONS – TIER 2 – 11

Ralph C. Linville	Fire Service	Retired:	09-01-70	Died:	12-23-08
George H. Lyman, Jr.	Fire Service	Retired:	07-01-68	Died:	12-29-08
Ned W. Shafer	Fire Service	Retired:	10-01-67	Died:	01-11-09
Michael K. Anderson	Police Service	Retired:	02-28-99	Died:	01-08-09
Robert L. Kjorlien	Police Service	Retired:	02-13-77	Died:	01-12-09
Darwin J. Nielsen	Fire Disability	Retired:	05-20-76	Died:	01-09-09
Gerald T. Mahoney	Police Disability	Retired:	06-01-67	Died:	01-24-09
Mary J. Wilson	Fire Widow	Retired:	05-21-08	Died:	01-24-09
Pauline A. Dascenzi	Police Widow	Retired:	12-24-07	Died:	12-24-08
Betty L. Hayes	Police Widow	Retired:	07-23-07	Died:	01-12-09
Peggy J. Rapier	Police Widow	Retired:	05-01-74	Died:	12-17-08

DISCONTINUED PENSIONS – TIER 5 – 1

Joseph C. Schaller	Fire Service	Retired:	02-03-03	Died:	01-18-09
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SERVICE PENSIONS – TIER 5 – 1

Maria T. Yamamoto	Police Officer III	Eff:	02-07-09	24 Years	267 Days
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ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 5

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Beverly A. Anderson	Michael K. Anderson	Police Service	01-09-09
Patricia A. Fredrickson	R. M. Fredrickson	Police Service	12-16-08
Jacqueline M. Kjorlien	Robert L. Kjorlien	Police Service	01-13-09
Faye O. Nielsen	Darwin J. Nielsen	Fire Disability	01-10-09
Patricia M. Mahoney	Gerald T. Mahoney	Police Disability	01-25-09

MINOR'S PENSION – GUARDIANSHIP – TIER 2 – 1

Pension payments are payable for the benefit of Joe S. Lewis III, minor child of deceased Police Detective III Joe S. Lewis, Jr., effective October 4, 2008.

The Letters of Full Guardianship, issued December 4, 2008, in the Second Judicial District Court of the State of Nevada, County of Washoe, Case Number GR08-00370, appointing Illya Lewis, Full Guardian of the Estate of Joe S. Lewis III, minor child of Joe S. Lewis, Jr., has been filed with this office.

REINSTATE SURVIVING CHILD'S PENSION – TIER 5 – 1

Pension reinstated payable to Russell P. Harris, surviving child of deceased Fire Pensioner Bret H. Harris, effective February 9, 2009. Documentation has been submitted for full-time student status.

DECREASE SURVIVING SPOUSE'S PENSION – TIER 5 – 1

Decrease the pension payable to Lori A. Harris, Fire Department Surviving Spouse, due to the reinstatement of Russell P. Harris and full-time student status effective February 9, 2009. There are four remaining minors.

MODIFIED PARTIAL PAYMENT OF PENSION – TIER 5 – 1

In accordance with the City Attorney's advice, the designated proportion of the community property interest of the pension payable to Rodney K. Gregson, Police Service Pensioner, being withheld for his former spouse Diane Gregson since April 29, 2007, should be released effective February 1, 2009.

SERVICE PENSION/DROP – TIER 5 – 11

Fire

Ruben J. De La Torre	Firefighter III	Eff:	12-17-08	25 Years	0 Days
John J. Durso, Jr.	Captain II	Eff:	12-28-08	28 Years	128 Days
William F. Hazard	Engineer	Eff:	08-01-08	33 Years	0 Days

Police

Efrain Baeza	Police Detective III	Eff:	01-05-09	27 Years	113 Days
Sean P. Hart	Police Sergeant I	Eff:	01-04-09	27 Years	218 Days
Gregory Jones	Police Lieutenant II	Eff:	01-15-09	27 Years	118 Days
Lyle I. Michelson	Police Officer III	Eff:	01-06-09	25 Years	22 Days
Robert L. Nobile	Police Officer III	Eff:	01-07-09	25 Years	23 Days
Max C. Phillips	Police Detective I	Eff:	10-02-08	29 Years	262 Days
Thomas J. Stepan	Police Detective I	Eff:	01-06-09	28 Years	258 Days
Phillip S. Trotter	Police Captain II	Eff:	01-05-09	27 Years	246 Days

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

Police

Chad M. Wetzel	Police Detective II	Eff:	03-02-08	<b>29 Years</b>	<b>36 Days</b>
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**Correction to member's years of service to include completed Public Service Purchase**

DISCONTINUE DROP – TIER 5 – 23

Richard L. Cooper	Retired:	03/07/04	Exit Close of:	02/28/09
William P. Ernst	Retired:	02/22/04	Exit Close of:	02/21/09
Benjamin Gonzalez	Retired:	03/07/04	Exit Close of:	02/28/09
Howard P. Lewis	Retired:	03/07/04	Exit Close of:	02/28/09
Richard A. Male	Retired:	02/22/04	Exit Close of:	02/21/09
Ronald J. Roemer	Retired:	03/07/04	Exit Close of:	02/28/09
Mark A. Villasenor	Retired:	02/22/04	Exit Close of:	02/21/09
Reginald J. Williams	Retired:	03/21/04	Exit Close of:	02/28/09



Police

Thomas E. Cunningham	Retired: 03/07/04	Exit Close of:	02/28/09
Christopher Figueroa	Retired: 09/04/05	Exit Close of:	02/28/09
Jose M. Flores	Retired: 03/09/04	Exit Close of:	02/28/09
Louis H. Gray	Retired: 03/07/04	Exit Close of:	02/28/09
Phillip L. Jackson	Retired: 03/07/04	Exit Close of:	02/28/09
Benny Lee	Retired: 03/07/04	Exit Close of:	02/28/09
George L. Leiker	Retired: 04/07/04	Exit Close of:	02/28/09
Theodore P. Maillet	Retired: 02/08/04	Exit Close of:	02/07/09
Gregory W. Mangiagli	Retired: 06/13/04	Exit Close of:	02/28/09
Stephen A. Miller	Retired: 02/22/04	Exit Close of:	02/21/09
Frank C. Montelongo, Jr.	Retired: 03/07/04	Exit Close of:	02/28/09
Annette D. Olivas	Retired: 07/08/07	Exit Close of:	02/18/09
Kenneth L. Spain	Retired: 03/07/04	Exit Close of:	02/28/09
William W. Sweeney	Retired: 04/01/07	Exit Close of:	02/28/09
Juan Valencia	Retired: 03/07/04	Exit Close of:	02/28/09

DEPENDENT CHILD BENEFITS GRANTED – TIER 5 – 1, February 5, 2009

Elaine R. Harrison Effective 09-29-08  
Conservator of Dependent Child, Aaron M. Harrison  
(David J. Harrison)

B. Other business relating to Department operations

General Manager Perez gave the following updates:

1. He reported the City's projected contribution in 2010 discussion at the Budget and Finance Committee and the Board's authority to modify the smoothing period. Staff will be giving a presentation to the Budget & Finance Committee regarding the issue and will emphasize the importance of the funding methodology used. Staff will also relay to the Budget and Finance Committee that the Board is working on the City's contribution issue. The Actuary will make a presentation to the Board and the issue will be referred to the Board's fiduciary counsel.
2. He discussed the details of the ballot measure regarding the re-marriage provision. A discussion was held regarding an Actuary study. General Manager Perez will report to the Board a timeframe on the status of implementing the project. Information will be posted at LAFPP's website for members.

3. He reported the Fund size is 9.6 billion. Staff will return to the Board regarding the issue of cash relating to the payroll.
4. The Board briefly discussed bonuses for asset managers. General Manager Perez reported LAFPP's involvement and support of Council of Institutional Investors.

13. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Diannitto requested an Actuary study regarding the remarriage issue.

14. PUBLIC COMMENTS

There were no comments from the public.

15. CONSENT ITEMS

A. Approval of Minutes

1. Minutes of the Regular Board Meeting of January 7, 2009
2. Minutes of the Regular Board Meeting of January 8, 2009

B. Finding of Facts – Tier 5 – 3

1. Armando Berumen, Jr.
2. Aaron M. Harrison
3. Frank J. Mendoza

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 Aliano, Contreras-Sweet, Diannitto, Juarez, Means, von Voigt and Vice President Carter – 7; nays, none.

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

16. **DISABILITY CASES**

DISABILITY CLAIM – NEW – TIER 3 – 1

Peter H. Lee (P) Police Officer III

As recommended by staff and concurred in by the applicant, service connected disability pension is granted at 70% with no foreseeable purpose for review. Motion made by Commissioner Diannitto, seconded by Vice President Carter and adopted by the following vote: ayes, Commissioners Aliano, Contreras-Sweet, Diannitto, Means, von Voigt, and Vice President Carter – 6; nays, none. Officer Lee was not present but was represented by his attorney, Thomas J. Wicke.

DISABILITY CLAIM – REVIEW – REQUESTED BY PENSIONER – TIER 2 – 1

Commissioner Aliano left the boardroom to recuse himself from the case.

Robert E. Harvey, Jr. (P) Police Investigator (Retired)

As recommended by staff and concurred in by the applicant, prior Board Action of January 9, 1974 granting a service connected disability pension at 60% has been adjusted to 70% with no scheduled review. Motion made by Commissioner Diannitto, seconded by Commissioner von Voigt and adopted by the following vote: ayes, Commissioners Contreras-Sweet, Diannitto, Means, von Voigt, and Vice President Carter – 5; nays, none. Mr. Harvey was not present but was represented by his attorney, Thomas J. Wicke.

DISABILITY CLAIM – NEW – TIER 5 – 1

Commissioner Aliano returned to the boardroom.

Ken M. Furuta (P) Sergeant I

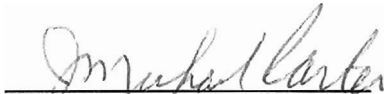
As recommended by staff and concurred in by the applicant, service connected disability pension is granted at 60%. Motion made by Commissioner Means, seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Aliano, Contreras-Sweet, Diannitto, Means, von Voigt, and Vice President Carter – 6; nays, none. Sergeant Furuta was not present but was represented by his attorney, Thomas J. Wicke.

DISABILITY CLAIM – NEW – TIER 2 – 1

Bruce O. Christensen (P) Police Officer II

Service connected disability pension is granted at 70% with no scheduled review. Motion made by Commissioner Aliano, seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Aliano, Contreras-Sweet, Diannitto, von Voigt, and Vice President Carter – 5; nays, Commissioner Means – 1. Sergeant Adam Schiffer, Medical Liaison, Sergeant II Eric Lee, Incident Management Support Division, and Lieutenant II Brian Johnson, Personnel Division, Los Angeles Police Department testified regarding Officer Christensen. Officer Christensen was present and was represented by his attorney, Thomas J. Wicke.

The meeting was adjourned at 11:33 a.m.



President



Secretary