

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL MEETING OF JANUARY 20, 2011

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

COMMITTEE

MEMBERS PRESENT: Sam Diannitto, Chair
Dean Hansell
Ruben Navarro
Adlai Wertman

OTHER MEMBERS: George Aliano
Wayne Moore
Raúl Pérez
Robert von Voigt

GOVERNANCE COMMITTEE

SUPPORT STAFF: Laura Guglielmo, Assistant General Manager

DEPARTMENT OF FIRE AND
POLICE PENSIONS:

Michael Perez, General Manager
Laura Guglielmo, Assistant General Manager
William Raggio, Assistant General Manager
Tom Lopez, Chief Investment Officer
Barbara Nobregas, Commission Executive Assistant

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

The Governance Committee will be noted as a Special Board meeting since more than four Commissioners were present. Chair Diannitto called the meeting to order at 8:34 a.m. All of the above Commissioners were present at the start of the meeting with the exception of Commissioner Pérez who arrived at 8:44 a.m.

1. STATUS OF GOVERNANCE COMMITTEE AUDIT PLAN ASSIGNMENTS RELATED TO THE BILLING OF TIME AND EXPENSES FOR THE CITY ATTORNEY LEGAL SERVICES

Ms. Laura Guglielmo, Assistant General Manager, Administrative Operations Division presented background information specifically relating to issues 2g/05 and 2g/06 regarding the billing for City Attorney services. Staff believes LAFPP pays more for services rendered to the Fund, compared to LACERS and DWP. Ms. Guglielmo proposed a draft Memorandum of Understanding (MOU) with LACERS and DWP for City Attorney services rendered and timeline for implementing the MOU effective July 1, 2011. Ms. Guglielmo answered the Board's questions regarding the current and future billing process if the MOU is not implemented. Staff received direction from the Committee to move forward with a recommendation to the full Board that the City Attorney's Office bill for services rendered, and that LAFPP no longer pay two thirds of the bill effective July 1, 2011. In addition, the Committee requested staff to report the progress of the City Attorney billing issue to the Board or Committee, and that the City Attorney address the Board or Committee on the issue. Ms. Guglielmo stated that the Committee asked to see the review of completion to recommendation 2a/16, as asked by President Hansell. Staff plans to bring the item to the next Committee meeting to report the status of the policies. Ms. Guglielmo explained the current policy review process.

2. STATUS OF BOARD REQUEST TO CONSIDER DIRECTLY FUNDING TRAVEL-RELATED EXPENSES FROM FUND ASSETS

Ms. Guglielmo presented a summary of the issues indicating staff has sought the informal advice from the City Attorney. The Controller's Office believes that it is their sole and exclusive responsibility under the City Charter to process the expenditures for active employees including travel and views Commissioners as active employees. The City Attorney stated the Controller has certain authority under the City Charter that they cannot abdicate on behalf of the Fund. Staff does not have clear advice from the City Attorney. It was staff's understanding that if the Controller had objections to the policy, staff would not press the issue. General Manager Perez recommended that the Board not move forward on the issue. There are other sections of the City Attorney's Office that gives advice to the Controller's Office that can over-rule our attorneys. The Committee discussed the issue of being active employees. The Committee decided to drop the issue of directly funding travel for the Board from Fund assets. Ms. Guglielmo stated if Commissioners have travel issues, please inform staff. There are circumstances that cause reimbursement delays and staff will continue to work for prompt reimbursement for Commissioners.

3. PUBLIC COMMENTS

There were no public comments.

The meeting was adjourned at 9:03 a.m.


Chair


Secretary