

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**SPECIAL MEETING OF MARCH 3, 2011**

The Audit 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, March 3, 2011.

**COMMITTEE**

**MEMBERS PRESENT:** Brenda Maull  
Wayne Moore  
Ruben Navarro  
Raúl Pérez

**OTHER COMMISSIONERS**

**PRESENT:** President Hansell  
George Aliano  
Robert von Voigt

**AUDIT COMMITTEE**

**SUPPORT STAFF:** Erin Kenney, Internal Auditor IV

**DEPARTMENT OF FIRE AND  
POLICE PENSIONS:**

Michael A. 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 Audit Committee will be noted as a Special Board meeting since more than four Commissioners were present. All of the above Commissioners were present at the start of the meeting with the exception of Commissioner Pérez, who arrived at 8:06 a.m., Commissioner Aliano arrived at 8:04 a.m., President Hansell arrived at 8:10 a.m., and Commissioner von Voigt arrived at 8:40 a.m.

1. 2011-12 PROPOSED STRATEGIC PLAN AND POSSIBLE COMMITTEE ACTION

Mr. William Raggio, Assistant General Manager, Pensions Division presented the details of the strategic plan. He commended staff for the great job they did to ensure the retiree payroll system

project was completed. General Manager Perez had been working on this project for years and the completion of it marked a milestone for the department.

MOTION

Commissioner Maull moved that the Audi Committee recommendation that the Board approve the 2011-12 Proposed Strategic Plan, which covers fiscal years 2011-12, 2012-13 and 2013-14, which was approved by Commissioner Pérez and approved by the following vote: ayes, Commissioners Maull, Moore, Pérez, and Chair Navarro – 4; nays, none.

2. FISCAL YEAR 2011-2012 PROPOSED BUDGET AND POSSIBLE COMMITTEE ACTION

Ms. Diana Pointer, Senior Management Analyst I, and Ms. Myo Thedar, Senior Management Analyst II, Administrative Services Section came before the Committee. Ms. Pointer summarized the report. Commissioner Pérez raised concerns regarding the increase in the unappropriated balance and the City's contribution to the Fund. General Manager Perez stated if the Committee wishes, it may direct staff to go back and find alternatives to address the increase to the unappropriated balance. He anticipates unknown expenses associated with moving, if the System relocates due to the purchase of a building. LAFPP is assisting the City on minimizing the contribution costs it owes the Fund by providing an early payment discount of \$18 million, if the City pays the contribution up front. Staff answered the Committee's questions and explained the increase of costs for various budget items. President Hansell suggested that staff provide clarification by preparing an explanation of increased expenditures from last year. Ms. Laura Guglielmo, Assistant General Manager, Administrative Operations Division stated that the Committee's concerns would be addressed in the report to the full Board which will be forwarded to the Mayor and City Council. It will also demonstrate the Board's concern and questioning of the budget. Commissioner Maull suggested that staff provide a budget justification or narrative to explain significant increases or decreases to budget items. The Committee further questioned various budget increases which staff addressed. President Hansell asked that staff review the budget expenses and propose cost savings to be consistent with what is going on in the world and return to the Committee. Commissioner Moore asked that the Committee meet next month in April to re-review the proposed budget. Ms. Guglielmo stated the City's contribution to the Fund will not change based on the approval of the budget. The City's contribution is determined from the prior year which is the percentage of payroll. Additional monies not spent are returned to the Fund to accrue investment interest.

MOTION

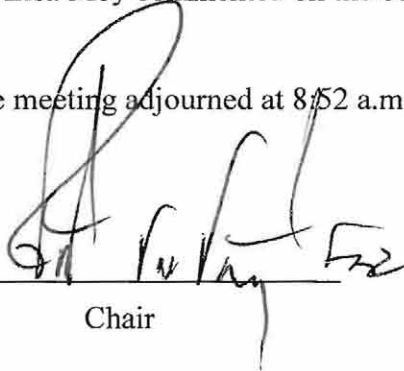
Commissioner Moore moved that the Audit Committee approve the proposed 2011-2012 proposed budget with amendments and submit it to the full Board for consideration, which was approved by

Commissioner Maull and approved by the following vote: ayes, Commissioners Maull, Moore, Pérez, and Chair Navarro – 4; nays, none.

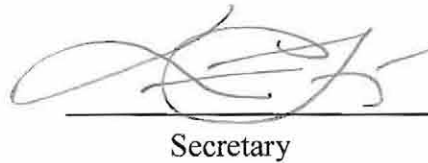
3. PUBLIC COMMENTS

Elsa Moy commented on the budget.

The meeting adjourned at 8:52 a.m.



Chair



Secretary