

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**MEETING OF JUNE 2, 2011**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Thursday, June 2, 2011.

COMMISSIONERS PRESENT: Robert von Voigt, Vice President  
George Aliano  
Sam Diannitto  
Brenda Maull  
Wayne Moore  
Ruben Navarro  
Raúl Pérez  
Adlai Wertman

COMMISSIONER ABSENT: Dean Hansell, President

DEPARTMENT OF FIRE AND POLICE PENSIONS: Michael A. Perez, General Manager  
William Raggio, Assistant General Manager  
Joseph Salazar, Interim Assistant General Manager  
Tom Lopez, Chief Investment Officer  
Barbara Nobregas, Commission Executive Assistant

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

Vice President von Voigt called the regular meeting to order at 9:02 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioners Pérez, who arrived at 9:10 a.m.

A. ITEMS FOR BOARD ACTION

1. RV KUHNS COMMODITY/INFLATION INVESTING PRESENTATION

Ms. Rebecca Gratsinger and Mr. Jim Voytko from RV Kuhns provided education to the Board in regards to commodities. As a conclusion to the education, Ms. Gratsinger stated the board received information on what types of products are available and the different indexes. RV Kuhns will work with staff to prepare a board report and recommendation on the type of commodity and exposure they think makes sense.

2. PROPOSED RENEWAL OF PRINCIPAL GLOBAL INVESTORS INTERNATIONAL EMERGING MARKETS INVESTMENT MANAGEMENT CONTRACT AND POSSIBLE BOARD ACTION

Messrs. Rick Rogers, Investment Officer II and Derek Niu, Investment Officer II, Investments Division came before the Board. The board report was approved as submitted.

RESOLUTION 11102

Commissioner Navarro moved that the Board:

1. Approve the renewal of the investment management contract for international emerging market equities with Principal Global Investors for a three-year term;
2. Authorize the General Manager to review and negotiate the contracts' terms and conditions;
3. Authorize the President of the Board, on behalf of the Board, to execute the contract for International Emerging Markets equity management services, subject to the approval of the City Attorney as to form; and
4. Authorize Staff to negotiate a multi-user fee agreement that would include other City of Los Angeles Pension Funds, which was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Maull, Moore, Navarro, Pérez, Wertman, and Vice President von Voigt – 8; nays, none.

3. DISPOSITION OF AN INTERNATIONAL EMERGING MARKETS PORTFOLIO AND POSSIBLE BOARD ACTION

Messrs. Rick Rogers and Derek Niu came before the Board seeking direction on the disposition of the assets and provided various placement alternatives for the assets. The Board discussed transition costs and fees if the assets were left with Marvin Palmer until a replacement manager was found.

RESOLUTION 11103

Commissioner Diannitto moved that the Board:

1. Approve the transfer of Marvin & Palmer Associates, Inc. account's assets to an emerging markets index account until a replacement manager is hired;
2. Authorize the General Manager to review and negotiate the contract or amendment terms and fees if necessary; and

3. Authorize the President of the Board, on its behalf to execute the contract subject to the approval of the City Attorney as to form; which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Maull, Moore, Navarro, Pérez, Wertman, and Vice President von Voigt – 8; nays, none.

4. UPDATE TO THE ANNUAL AUDIT PLAN AND FORECAST; AND POSSIBLE BOARD ACTION

Ms. Erin Kenney, Internal Auditor IV, stated that the approach of the audits will differ from past audits in that she will review the efficiencies of the operation between LAFPP and the Associations. The board report was approved as submitted.

RESOLUTION 11104

Commissioner Navarro moved that the Board approve the updated 2011 Annual Audit Plan and Forecast, which was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Maull, Moore, Navarro, Pérez, Wertman, and Vice President von Voigt – 8; nays, none.

5. REQUEST TO PAY MARK JORDAN ELKINS' DEPENDENT CHILD BENEFITS TO A SPECIAL NEEDS TRUST AND POSSIBLE BOARD ACTION

Mr. Chris Annala, Senior Management Analyst II and Ms. Lady Smith, Management Aide, Disability Pension Section came before the Board. The board report was approved as submitted.

RESOLUTION 11105

Commissioner Diannitto moved that the Board authorize payment of the retroactive and future dependent child benefits for Mark J. Elkins (“Mark”) to the trustee of the Mark Jordan Elkins Special Needs Trust (“the Special Needs Trust”), having first found that:

1. Kerine Elkins, sister, conservator of the estate of Mark Jordan Elkins, and trustee of the Mark Jordan Elkins Special Needs Trust has requested that Mark’s dependent child benefits be paid to the Special Needs Trust; and,
2. The City Attorney’s office has reviewed the Special Needs Trust and found it complies with the federal provisions set forth in Charter Section 1238; and,
3. Payment to the Special Needs Trust is in Mark’s best interest because this will allow him to continue to be eligible to receive state benefits, which was seconded by Commissioner Aliano and approved by

the following vote: ayes, Commissioners Aliano, Diannitto, Maull, Moore, Navarro, Pérez, Wertman, and Vice President von Voigt – 8; nays, none.

6. PROPOSED BUSINESS INCLUSION PROGRAM LANGUAGE AND POSSIBLE BOARD ACTION

Mr. William Raggio, Assistant General Manager, Administrative Operations Division discussed the Mayor's Executive Directive No.14. He gave an overview of the new process that will be documented through the Los Angeles Business Assistance Virtual Network website to include three new categories: small business enterprises, emerging business enterprises, and disabled veteran business enterprises. Staff sought clarification from the City Attorney's Office to verify if the Program applied to LAFPP.

RESOLUTION 11106

Commissioner Diannitto moved that the Board approve the proposed LAFPP Business Inclusion Program language, which was seconded by Commissioner Moore and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Maull, Moore, Navarro, Pérez, Wertman, and Vice President von Voigt – 8; nays, none.

7. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956(a) TO CONFER WITH COUNSEL REGARDING: THOMAS HEISE, PETITIONER V. BOARD OF FIRE AND POLICE PENSION COMMISSIONERS, RESPONDENT; CASE NO. BS 126963

Vice President von Voigt stated the Board conferred with the City Attorney in closed session.

8. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 TO CONFER WITH REAL PROPERTY NEGOTIATOR; Properties: 1212 South Flower Street, 312 East 1st Street, 330 South Alameda Street, 360 East Second Street; 400-420 Boyd Street, 464 & 470 East 3<sup>rd</sup> Street; Negotiator: David Weiner and Martin Cawley; Negotiating parties: Sentinel Real Estate Corporation; Under negotiation: Instruction to negotiator will concern price

Vice President von Voigt stated the Board conferred with the City Attorney in closed session.

B. REPORTS TO THE BOARD

1. Vice President von Voigt asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.
2. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
3. Minority and Woman Owned Brokerage Usage – Received and Filed.

4. Communication to the Board – City Attorney Report to the Los Angeles City Council Re: LAAC Draft Ordinance 11.5 and 22, Div. 4, Health Benefit Subsidy for Tier 6 Members – Received and Filed.

General Manager Perez stated the communication involves the new pension system, Tier 6 and the actions taken to implement it by July 1, 2011. Mr. Alan Manning commented that several pieces of Tier 6 required implementing Ordinances in order to allow people hired under the new tier to receive health benefits. Tier 6 is scheduled to be implemented by June 30, 2011 as mandated by the City Charter.

5. General Manager's Report

- a. Benefits Actions approved by General Manager on May 19, 2011

Pursuant to Resolution 04008, adopted by the Board of Fire & Police Pension Commissioners on August 2003, the following benefit actions have been approved by the General Manager.

DISCONTINUED PENSIONS – TIER 1 – 3

|                    |              |          |          |       |          |
|--------------------|--------------|----------|----------|-------|----------|
| Audrey L. Albanese | Police Widow | Retired: | 07-10-01 | Died: | 04-28-11 |
| Helen A. Allman    | Police Widow | Retired: | 06-23-95 | Died: | 04-21-11 |
| Sara M. Hill       | Police Widow | Retired: | 09-07-03 | Died: | 02-22-11 |

DISCONTINUED PENSIONS – TIER 2 – 12

|                      |                |          |          |       |          |
|----------------------|----------------|----------|----------|-------|----------|
| William R. Stach     | Fire Service   | Retired: | 11-05-86 | Died: | 04-23-11 |
| Thomas L. Brown, Jr. | Police Service | Retired: | 08-01-69 | Died: | 04-24-11 |
| Gerald A. Jones      | Police Service | Retired: | 01-26-92 | Died: | 04-27-11 |
| Russell K. Norris    | Police Service | Retired: | 07-08-73 | Died: | 01-08-11 |
| James J. Pena        | Police Service | Retired: | 10-01-67 | Died: | 03-08-11 |
| Roland E. Phillips   | Police Service | Retired: | 02-17-74 | Died: | 01-25-11 |
| Charles A. Shaw      | Police Service | Retired: | 11-18-75 | Died: | 07-31-10 |
| S. Stremsterfer      | Police Service | Retired: | 03-01-67 | Died: | 04-07-11 |
| Essie M. Cotterell   | Fire Widow     | Retired: | 01-25-10 | Died: | 02-26-11 |
| Mary S. Tidwell      | Fire Widow     | Retired: | 02-25-09 | Died: | 04-03-11 |
| Virginia Alexander   | Fire Widow     | Retired: | 08-04-05 | Died: | 04-22-11 |
| Emma K. Crawford     | Police Widow   | Retired: | 02-28-09 | Died: | 03-11-11 |

DISCONTINUED PENSIONS – TIER 5 – 1

|                   |                |          |          |       |          |
|-------------------|----------------|----------|----------|-------|----------|
| Scott T. Slinkard | Police Service | Retired: | 02-06-05 | Died: | 04-22-11 |
|-------------------|----------------|----------|----------|-------|----------|

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 3

|                       |                 |                   |                       |
|-----------------------|-----------------|-------------------|-----------------------|
| Mary A. Jones         | Police Service  | Retired: 01-26-92 | Member Died: 04-27-11 |
| Judith L. Rispaud     | Fire Disability | Retired: 10-12-92 | Died: 04-13-11        |
| Sandra Kay Williamson | Fire Disability | Retired: 07-01-09 | Member Died: 02-16-11 |

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 5 – 2

|                      |                |                   |                       |
|----------------------|----------------|-------------------|-----------------------|
| Annabel E. Findley   | Police Service | Retired: 09-17-08 | Died: 04-10-11        |
| Patricia Mc Cullough | Police Service | Retired: 02-01-08 | Member Died: 04-22-11 |

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 2 – 2

| <u>Name</u>        | <u>Deceased Member</u> | <u>Member’s Class</u> | <u>Effective Date</u> |
|--------------------|------------------------|-----------------------|-----------------------|
| Bettie J. Meredith | Herbert C. Meredith    | Police Service        | 10-05-07              |
| Frances F. Shaw    | Charles A. Shaw        | Police Service        | 08-01-10              |

DESIGNATED 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 Patrick K. Findley, Police Service Pensioner, which was paid to his deceased former spouse Annabel E. Findley has been designated to her beneficiaries, Amber Findley and Shannon Findley, effective April 11, 2011. Cost of living adjustments are included.

CONSERVATORSHIP – TIER 2 – 1

A certified copy of the Letters of Conservatorship, issued in the Los Angeles Superior Court, Case Number BP 127086, appointing Los Angeles County Office of the Public Guardian, Conservator for the Person and the Estate of Bettie J. Meredith, surviving spouse of deceased Police Service Pensioner, Herbert C. Meredith, effective March 30, 2011 has been filed with this office. Pension payments will be paid to Los Angeles County Office of the Public Guardian for the benefit of Bettie J. Meredith.

SERVICE PENSION – TIER 3 – 1

| <u>Police</u>  |                   |      |          |          |         |
|----------------|-------------------|------|----------|----------|---------|
| John R. Deegan | Police Officer II | Eff: | 04-16-10 | 22 Years | 29 Days |

SERVICE PENSION – TIER 4 – 2

| <u>Police</u>          |                       |      |          |          |          |
|------------------------|-----------------------|------|----------|----------|----------|
| Michelle A. Blackstone | Sergeant II           | Eff: | 04-24-11 | 22 Years | 204 Days |
| Brian T. Malneritch    | Police Officer II + 2 | Eff: | 04-24-11 | 22 Years | 300 Days |

PARTIAL PAYMENT OF PENSION – TIER 3 – 1

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the pension payable to John R. Deegan, Police Service Pensioner, is to be paid to his former spouse, Mary H. Comstock, effective April 16, 2010. Ms. Comstock will receive cost of living adjustments.

PARTIAL PAYMENT OF PENSION – TIER 5 – 2

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the pension payable to John A. Little, Fire Service Pensioner, is to be paid to his former spouse, Camille M. Little, effective March 1, 2011. Ms. Little will receive cost of living adjustments.

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the pension payable to Craig A. Yoder, Fire Service Pensioner, is to be paid to his former spouse, Linda J. Yoder, effective May 14, 2011. Ms. Yoder will receive cost of living adjustments.

SERVICE PENSION/DROP – TIER 5 – 10

Fire

|                       |                 |      |          |          |     |      |
|-----------------------|-----------------|------|----------|----------|-----|------|
| Fernando De Los Cobos | Firefighter III | Eff: | 03-01-11 | 30 Years | 0   | Days |
| Mark W. Flot          | Firefighter III | Eff: | 02-02-11 | 29 Years | 323 | Days |
| Carlos Gallegos, Jr.  | Inspector I     | Eff: | 02-16-11 | 25 Years | 0   | Days |
| Christopher J. Hare   | Captain II      | Eff: | 02-03-11 | 30 Years | 173 | Days |
| Lionel P. Johnson     | Firefighter III | Eff: | 04-01-11 | 31 Years | 32  | Days |
| David M. Liske        | Firefighter III | Eff: | 04-01-11 | 28 Years | 92  | Days |
| Hugh G. Martin        | Firefighter III | Eff: | 04-02-11 | 26 Years | 136 | Days |

Police

|                  |                    |      |          |          |     |      |
|------------------|--------------------|------|----------|----------|-----|------|
| Lee B. Jett, III | Detective II       | Eff: | 04-07-11 | 28 Years | 193 | Days |
| Thomas Mathew    | Detective II       | Eff: | 04-01-11 | 27 Years | 30  | Days |
| Robert S. Ruiz   | Police Officer III | Eff: | 04-01-11 | 26 Years | 100 | Days |

DISCONTINUE DROP – TIER 5 – 13

Fire

|                     |          |          |                |          |
|---------------------|----------|----------|----------------|----------|
| Dennis W. Barnes    | Retired: | 10-01-06 | Exit Close of: | 05-31-11 |
| Thomas P. Carroll   | Retired: | 10-30-10 | Exit Close of: | 04-29-11 |
| Louis R. Contreras  | Retired: | 05-14-06 | Exit Close of: | 05-13-11 |
| Alfredo G. Gonzales | Retired: | 06-01-06 | Exit Close of: | 05-31-11 |
| Daniel G. Lafarga   | Retired: | 06-01-06 | Exit Close of: | 05-31-11 |
| John A. Little      | Retired: | 03-01-08 | Exit Close of: | 02-28-11 |

|                   |          |          |                |          |
|-------------------|----------|----------|----------------|----------|
| Brian V. Sandwick | Retired: | 06-01-06 | Exit Close of: | 05-22-11 |
| Kenton A. Smith   | Retired: | 06-01-06 | Exit Close of: | 05-31-11 |
| Craig A. Yoder    | Retired: | 05-14-06 | Exit Close of: | 05-13-11 |

Police

|                       |          |          |                |          |
|-----------------------|----------|----------|----------------|----------|
| Daniel Burzumato      | Retired: | 12-01-06 | Exit Close of: | 05-31-11 |
| Charles T. Henry, Jr. | Retired: | 11-01-08 | Exit Close of: | 05-31-11 |
| Peter M. Lopez        | Retired: | 05-14-06 | Exit Close of: | 05-13-11 |
| Gloria J. Wood        | Retired: | 06-01-06 | Exit Close of: | 05-31-11 |

PAYMENT OF DROP FUNDS – TIER 5 – 1

In accordance with the Los Angeles Administrative Code and at the request of Sharon B. Carter, surviving spouse of Kent A. Carter, deceased Police Service Pensioner, the DROP funds payable to Mr. Carter are to be paid to Mrs. Carter, effective May 1, 2011.

PARTIAL PAYMENT OF DROP FUNDS – TIER 5– 1

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the DROP funds payable to John A. Little, Fire Service Pensioner, is to be paid to his former spouse, Camille M. Little, effective February 28, 2011.

ELIGIBLE SURVIVING SPOUSE APPLICATION – TIER 5 – 1

| <u>Name</u>                          | <u>Rank</u>               | <u>Type: % Rate</u>       | <u>Effective Date</u> |
|--------------------------------------|---------------------------|---------------------------|-----------------------|
| Melanie K. Allen<br>(Glenn L. Allen) | Firefighter III/Paramedic | Service Connected:<br>75% | 02-19-11              |

b. Other business relating to Department operations

General Manager Perez gave the following updates:

1. He and Mr. Tom Lopez, Chief Investment Officer, Investments Division met with former Commissioner Maria Contreras-Sweet. She is considering whether to pursue founding a private equity fund for herself. General Manager Perez cautioned the Board about having conversations with Ms. Sweet regarding private equity so as not to disqualify her if she came before the Board in the future. Mr. Alan Manning also cautioned Board members to avoid talking with Ms. Sweet about her projects, specifically related to private equity.
2. General Manger Perez stated he had considered placing on the agenda an Ordinance drafted at the request of the Executive Employees Relations Committee (EERC). EERC recommended that anyone who retires after July 1, 2011 or later or anyone in DROP to have their health subsidy



frozen. The Ordinance was pulled from the City Council agenda. It is a political matter and he chose not to put it on the agenda as asked by Commissioner Aliano. The issue is currently on City Council referral and the City Council did not act on it. Mr. Alan Manning was not able to comment on the issue and stated the City Attorney did not approve to the form and legality of the Ordinance.

c. Marketing Cessation Information

6. City Attorney's Report

Mr. Alan Manning stated he had no further reports other than what he had previously commented on.

C. COMMITTEE REPORTS

1. Benefits Committee

Commissioner Aliano informed Board Members the last day to finish the City Ethics exam is June 5, 2011. General Manager Perez will follow up with the City Ethics notification to Commissioner Wertman and the reason for its delay.

2. Governance Committee

No updates were reported.

3. Audit Committee

No updates were reported.

4. Ad Hoc Space Planning Committee

Vice President von Voigt stated a report was discussed during Item A.8.

5. Ad Hoc Committee on City Attorney's Office

No updates were reported.

6. Ad Hoc Committee on Social Investing

Chair Moore stated the Committee discussed in detail social investing. The Committee requested that the next Request For Proposal issued address a socially responsible investment strategy. Staff will give the Committee a proposal on how to implement the strategy at the next meeting on July 21, 2011.

D. CONSENT ITEMS

1. Approval of Travel

- a. APPROVAL OF TRAVEL AUTHORITY (PÉREZ AND MOORE) – NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS, 22<sup>ND</sup> ANNUAL PENSION AND FINANCIAL SERVICES CONFERENCE, JUNE 13-15, 2011
- b. APPROVAL OF TRAVEL AUTHORITY (NAVARRO) – INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS, 57<sup>TH</sup> ANNUAL EMPLOYEE BENEFITS CONFERENCE AND PRECONFERENCE, OCTOBER 28 - NOVEMBER 2, 2011, NEW ORLEANS, LA

2. Findings of Fact

- a. Christopher R. Charles – Tier 5

Commissioner Diannitto moved that the Board approve the consent items, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Maul, Moore, Navarro, Pérez, Wertman and Vice President von Voigt – 8; nays, none.

E. CONSIDERATION OF FUTURE AGENDA ITEMS

No items were referred.

F. PUBLIC COMMENTS

No public comments were made.

The meeting was adjourned at 10:58 a.m.



President



Secretary