

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF JUNE 16, 2011

The Benefits 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, June 16, 2011.

COMMITTEE

MEMBERS PRESENT: George Aliano, Chair
 Sam Diannitto
 Brenda Maull
 Robert von Voigt

OTHER MEMBERS:

Dean Hansell
Wayne Moore
Ruben Navarro
Raúl Pérez
Adlai Wertman

BENEFITS COMMITTEE

SUPPORT STAFF: Joseph Salazar, Interim Assistant General Manager

DEPARTMENT OF FIRE AND
POLICE PENSIONS:

Michael Perez, General Manager
William Raggio, Assistant General Manager
Joseph Salazar, Interim Assistant General Manager
Barbara Nobregas, Commission Executive Assistant

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

The Benefits Committee will be noted as a Special Board meeting since more than four Commissioners were present. Commissioner Aliano called the meeting to order at 8:33 a.m. All of the above Commissioners were present at the start of the meeting with the exception of Commissioner Maull, Navarro, Pérez and Wertman who arrived at 8:36 a.m., 8:36 a.m., 9:01 a.m. and 9:03 a.m., respectively.

1. UPDATE ON OPERATIONS AGREEMENT WITH ASSOCIATIONS ADMINISTERING MEDICAL AND DENTAL INSURANCE PLANS

Mr. Gregory Mack, Senior Management Analyst II, Medical and Dental Benefits Section, stated the name of the agreements with the Associations has changed from Memorandum of Understanding to

Operations Agreement. The revised name reflects the document's intended purpose and does not associate it with the negotiations between the unions and the City. He anticipates the Operations Agreements to be approved by the Associations and Unions. President Hansell was concerned that the right to audit the Associations was not mentioned in the Operations Agreement. The Committee discussed ramifications of including or omitting audit language in the Operations Agreement. Staff stated the Audit will go forward and the Associations have agreed to be audited. Mr. Ken Buzzell, Director from the Los Angeles Retired Fire and Police Association, made a public comment regarding the issue. President Hansell was concerned that LAFPP should have the legal right to conduct audits. To address the issue, General Manager Perez stated that the plan in place will allow staff to move forward with the audits.

MOTION

Commissioner Diannitto moved that the Benefits Committee recommend to the Board the approval of the Operations Agreement with the Los Angeles Police Relief Association and the Los Angeles Fire Relief Association, which was seconded by Commissioner von Voigt and approved by the following vote, ayes: Commissioners Diannitto, Maull, von Voigt and Chair Aliano – 4; nays, none.

2. UPDATE ON EARLY RETIREE REINSURANCE PROGRAM FUNDS

Mr. Gregory Mack stated the Committee previously asked staff to obtain a legal opinion to determine who is the proper entity to receive the Early Retiree Reinsurance Program (ERRP) funds as well as whether amending LAFPP's ERRP application to remove all but the LAFPP-administered medical plans would jeopardize current or subsequent claims submitted by the Los Angeles Fire Relief Association, Los Angeles Police Relief Association, United Firefighters of Los Angeles City, or LAFPP. The law firm of Reed Smith opined that all entities were allowed to submit applications and receive their respective funds. Mr. Mack will report back to the Committee on how much money each of the entities receives. Mr. Mack stated the money received has to be used to either reduce premiums or increase benefits for their respective members.

MOTION

Commissioner Diannitto moved that the Committee:


- (1) Advise the Board that Los Angeles Police Relief Association, Los Angeles Firemen's Relief Association and United Firefighters of Los Angeles City are proper entities to submit claims and seek ERRP reimbursements for the LAFPP subsidized medical plans that they administer; and
- (2) Recommend to the Board to direct staff to amend its application so that only the LACERS subgroup medical insurance plans are included in the LAFPP ERRP application, which was seconded by Commissioner von Voigt and approved by the following vote, ayes: Commissioners Diannitto, Maull, von Voigt and Chair Aliano – 4; nays, none.

3. PUBLIC COMMENTS

There were no public comments.

The meeting was adjourned at 9:19 a.m.


Chair


Secretary