

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BENEFITS COMMITTEE MEETING OF AUGUST 4, 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, August 4, 2011.

COMMITTEE

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

COMMITTEE

MEMBERS ABSENT: Brenda Maull

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

Chair Aliano called the meeting to order at 8:05 a.m. All of the above Commissioners were present at the start of the meeting.

1. UPDATE ON EARLY RETIREE REINSURANCE PROGRAM FUNDS AND POSSIBLE COMMITTEE ACTION

Mr. Gregory Mack, Senior Management Analyst II, Medical and Dental Benefits section provided the history and status of the Early Retiree Reinsurance Program (ERRP). He discussed the ERRP funds to be paid to the Associations. Staff intends to invite the Associations to a Committee meeting to discuss how they intend to use the ERRP funds they have received. The monies may be used to increase benefits or decrease premiums only.

MOTION

Commissioner Diannitto moved that the Benefits Committee direct staff to return at the next Committee meeting with an update on ERRP funds received to date by the Los Angeles Police Relief

Association, Los Angeles Firemen's Relief Association, and United Firefighters of Los Angeles City, and approved by the following vote: ayes, Commissioners Diannitto, von Voigt and Chair Aliano – 3 nays, none.

2. LAFPP AND LACERS AGREEMENT CONCERNING HEALTH AND DENTAL PLAN SUBGROUPS AND POSSIBLE COMMITTEE ACTION

Mr. Gregory Mack provided a brief history of the agreement between LAFPP and the Los Angeles City Employees' Retirement System (LACERS) regarding LAFPP administration of LACERS health and dental plans. On an annual basis, LACERS and their consultant will review the impact of LAFPP members in their plans, whether it is positive or negative. If LACERS determines that LAFPP members have a negative impact on their plans experience, LAFPP members may be excluded. Staff will inform the Board if LACERS decides to exclude LAFPP members. LACERS requested notification if LAFPP anticipates a five percent increase or more in membership.

MOTION

Commissioner Diannitto moved that the Benefits Committee recommend to the Board to authorize the General Manager to sign the revised three-year agreement between LAFPP and LACERS regarding LAFPP administration of LACERS health and dental plans, seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Diannitto, von Voigt and Chair Aliano – 3 nays, none.

3. UPDATE ON OPERATIONS AGREEMENTS WITH UNIONS ADMINISTERING MEDICAL AND DENTAL INSURANCE PLANS AND POSSIBLE COMMITTEE ACTION

Mr. Gregory Mack provided the status of the Operations Agreements with Los Angeles Police Protective League and United Firefighters of Los Angeles City. He answered the Committee's questions regarding fees.

MOTION

Commissioner Diannitto moved that the Benefits Committee recommend to the Board the approval of the Operations Agreements with the Los Angeles Police Protective League and United Firefighters of Los Angeles City, seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Diannitto, von Voigt and Chair Aliano – 3 nays, none.

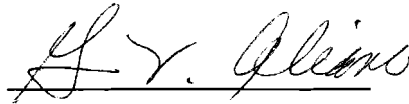
4. PUBLIC COMMENTS

Ms. Elsa Moy gave a public comment.

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Chair Aliano commented on the vested health subsidy issue. General Manager Perez discussed the opt-in period for members that was agreed between the City and the Unions. There will be two groups of members in the Plan, those who are paying two percent and those who are not. It has yet to be determined if the increase is a vested benefit. Staff is reviewing the form that members fill out whether they opt to pay the two percent. Staff is meeting with the CAO's Office and Unions regarding this issue. It is important that the language on the form is accurate and that members are informed of the dispute between the City and the Unions.

The meeting was adjourned at 8:20 a.m.



Chair



Secretary