

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
MEETING OF APRIL 19, 2012

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Thursday, April 19, 2012.

COMMISSIONERS PRESENT: Robert von Voigt, President
 Dean Hansell, Vice President
 George Aliano
 Rafael Bernardino, Jr.
 Sam Diannitto
 Gregory Lippe
 Wayne Moore
 Ruben Navarro
 Raúl Pérez

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

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

President von Voigt called the regular meeting to order at 9:00 a.m. All of the above-listed Commissioners were present at the start of the meeting. President von Voigt welcomed the newest member to the Board, Mr. Gregory Lippe.

A. ITEMS FOR BOARD ACTION

1. CITY ADMINISTRATIVE OFFICER'S REQUEST FOR TIER 6 TRANSFER COST NEUTRALITY STUDY AND POSSIBLE BOARD ACTION

Ms. Robyn Wilder, Chief Benefits Analyst, Pensions Division stated that the City Administrative Officer (CAO) has submitted a request for LAFPP to have its actuary, The Segal Company, start the preliminary analysis for current active members to transfer to Tier 6. The Tier 6 Charter provision allows the Los Angeles City Council (Council) to adopt ordinances to have a transfer period but the transfer must be cost neutral to the Plan. Members who transfer would have to pay for the full cost of any additional benefits received under Tier 6. The CAO stated they will pay for the cost of the study.

Commissioner Diannitto raised his concern to ensure that the System was going to get reimbursed for the study. General Manager Perez stated that the Board has authorized a previous study and until that study is paid for, LAFPP will not pay for or authorize future studies.

RESOLUTION 12105

Commissioner Navarro moved that the Board:

- 1) Authorize the System's actuary, The Segal Company, to develop the parameters to allow for current members to transfer to Tier 6 on a cost-neutral basis; and,
- 2) Direct staff to seek reimbursement from the Office of the City Administrative Officer (CAO) for the cost of the study, which was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Bernardino, Hansell, Lippe, Moore, Navarro, Pérez, and President von Voigt – 8; nays, none.

2. APPROVAL OF PROPOSED AMENDMENT TO BOARD RULE 7.0: PAYMENT OF ACTUARY STUDIES WITH PLAN ASSETS

Ms. Robyn Wilder stated this item is related to Item A.1. This amends the Board rules and it codifies that if the Plan Sponsor asks for any actuarial studies, they make the request in writing and the Board has to approve the request. The CAO has to pay LAFPP before we pay the actuary. General Manager Perez addressed Commissioner Diannitto's concerns stating that we have a good set of policies. He read the proposed policy and stated this is a good mechanism for us to make sure that the process works. Commissioner Hansell stated that the policy empowers the Board if the Board so chooses to approve an actuarial study for the City.

RESOLUTION 12106

Commissioner Navarro moved that the Board adopt revised Board Rules to allow the City to reimburse the Plan for actuarial studies requested by the City and approved by the Board, which was seconded by Commissioner Hansell and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Bernardino, Hansell, Lippe, Moore, Navarro, Pérez, and President von Voigt – 9; nays, none.

3. BOARD ORDERED REVIEWS OF DISABILITY PENSIONERS AND POSSIBLE BOARD ACTION

Commissioner Aliano stated the Benefits Committee met on the topic and provided an overview of the discussion held on April 5, 2012. The Committee voted unanimously to look at the front end of the disability process.

Commissioner Navarro raised his concern as to why should the Board treat pensioners differently if a member receives a higher disability pension percentage than what the staff recommended. He stated it should be based on what the doctors recommend. Mr. Chris Annala, Senior Management Analyst II was before the Board. The Board continued to discuss the issue. Commissioner Diannitto discussed the history of the specific wording that reads “no further medical review”. Mr. Annala stated the wording was in place before his time by a prior City Attorney.

RESOLUTION 12107

Commissioner Diannitto moved that the Board direct staff to implement a proactive disability review process, whereby disability claims are earmarked for possible review on the ‘front end’ of the disability pension process, which was seconded by Commissioner Hansell and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Bernardino, Hansell, Lippe, Moore, Pérez, and President von Voigt – 8; nays, Commissioner Navarro – 1.

Commissioner Navarro stated he did not understand the motion. President von Voigt stated the recommendation is to have staff implement a proactive disability review process. The process has not yet been defined.

4. REVIEW OF THE STATUS UPDATE TO THE 2011 ANNUAL AUDIT PLAN AND FORECAST AND PROPOSED 2012 ANNUAL AUDIT PLAN AND FORECAST; AND POSSIBLE BOARD ACTION

Ms. Erin Kenney, Departmental Audit Manager, and Mr. James Yeung, Internal Auditor IV, from the Internal Audit Section were before the Board. The board report was approved as submitted.

RESOLUTION 12108

Commissioner Hansell moved that the Board review the status update to the 2011 Annual Audit Plan and Forecast (AAPF) and the 2012 AAPF; and, approve the 2012 AAPF, which was seconded by Commissioner Navarro and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Bernardino, Hansell, Lippe, Moore, Navarro, Pérez, and President von Voigt – 9; nays none.

B. REPORTS TO THE BOARD

1. SUBSIDY PROGRAM AUDIT - MEDICAL PLANS ADMINISTERED BY THE LOS ANGELES FIREMEN'S RELIEF ASSOCIATION

Ms. Erin Kenney and Mr. James Yeung were before the Board. Ms. Kenney presented the subsidy program audit of the medical plans administered by the LAFRA (Fire Relief). She thanked the Medical and Dental, Accounting, Retirement Services, and Systems Sections and Fire Relief and their consultant, Ms. Dawna Gray, President of Bradawn Inc., for their cooperation and assistance throughout the audit. Ms. Kenney

provided an overview of the LAFPP subsidy programs and noted two points. First, the subsidy program was initiated to provide the members with a subsidy comparable to that provided to retired LACERS members and to active sworn employees. Second, prior to 1975, the members were enrolled in plans available through these service organizations including Fire Relief. Fire Relief plans have been available to our employees since the mid 1950's. They predate our subsidy program. She provided background information on Fire Relief. The audit determined that the subsidy program is effective, process efficiency should be improved, and operational processes generally provide expected results with a few exceptions. LAFPP management expressed general agreement with the findings, conclusions and recommendations. Fire Relief's management also expressed general agreement but with exceptions to two recommendations. Both management responses are included as an addendum to the audit. Ms. Kenney stated that Mr. John Jacobsen, President of Fire Relief has asked to address the Board.

Commissioner Navarro asked what has been the model since 2006 and what has changed from then to this current subsidy increase recommendation. Ms. Kenney stated the model has looked at the information presented to the Board but it has been inconsistent. Mr. Greg Mack, Manager of Medical and Dental Benefits stated that when the Los Angeles City Charter (Charter) changed, for the most part the retiree subsidy was behind the actives. Most of the justification when we came to the Board was the fact that retirees were behind the actives. Last year, when we came to the Board the MOU for the actives had not been approved yet and retirees got a seven percent increase for the non-Medicare subsidy. After that was approved, it was found that the active sworn subsidy was not increased. This is the first time we are ahead of the actives. Commissioner Navarro stated that we have been ahead of the actives once before. He tried to understand the methodology. Mr. Mack stated we are trying to come up with a different methodology. Commissioner Navarro understood from legal counsel that the Board's job is to go by the Administrative Code language.

Mr. Mack stated staff tried to look at the original intent of the program when the Board was provided discretion to increase the subsidy, which was to cover a two-party HMO plan. It was a combination of things that was used for the current recommendation. Ms. Kenney provided the history of what was used in the past as the methodology and stated that it has been inconsistent.

General Manager Perez stated when they received an outside opinion related to whether the health subsidy increases are vested, outside counsel looked at the historical information dealing with the subsidy program. In doing so, they found a letter from the CAO written in 2005, which documented that the intent of the subsidy program was to provide two-party HMO coverage. That is not in the Administrative Code, or the Charter and it is what the CAO stated. Recently, we have received information and thought it was relevant as a factor for the Board to consider in developing a recommendation this year. This is a highly political issue. We thought the more information we provide the Board, the better off the Board would be able to increase the subsidy for the members this year. Commissioner Navarro stressed that the Board should go by the Administrative Code.

Commissioner Diannitto stated this should go back to staff since the Board was not provided relevant information. General Manager Perez stated the difference regarding the letter from the CAO. Staff will

address this issue when it returns to the Board.

Commissioner Moore stated if we go by the Administrative Code we have the authority. The point that the Internal Auditor is making is we should establish objective criteria that the Board will use on a consistent basis so we have a frame of reference. He gave examples and suggested the Board establish a methodology and criteria for staff to make an assessment. Board members gave their personal views on the issue. General Manager Perez stated there is a need for policy and to the extent we can, we will bring it to the Board on May 3rd. That will be a good study and there will be discussion. We want to have a resolution in terms of the subsidy increase for this year. The board report was received and filed.

Mr. John Jacobsen, President of LAFRA made a public comment. He indicated that LAFRA is adhering to all the particular things that they should be, that their retirees are getting a great value, and the plan design is the best with the dollars received. Overall, LAFPP should be assured if there were any uncertainties about LAFRA, the audit should clear that up. The LAFRA management generally agreed with the audit with the exception of two issues. The first and foremost is that the LAFPP Board made a resolution last year regarding the approval of suitable plans. Essentially, it is LAFRA's position that our board makes plan design changes and any of those things we put together as a board and association. LAFRA always submits and notifies the LAFPP Board of their intent and general communications. They try to keep the Pensions Department up to date. However, LAFRA does not think the LAFPP Board is in the position to be making those decisions. They have a substantial amount of active employees in our plan but this is not how they want to conduct things. He believes this has been previously discussed. They are an approved plan and something within the parameters of their current plan, they do not believe the LAFPP Board has any standing. He does not believe LAFPP is in the position of managing additional health care plans. The second issue was identified by Ms. Kenney, specifically regarding dependent eligibility. He believes there is a need for control; however, they have one in place. We would be happy to work with LAFPP so there is not a double verification for pensioners. He believes LAFRA is the best point of contact for their members. He is pleased with the overall outcome of the audit.

2. PORTFOLIO REVIEW PRESENTATION BY SENTINEL REAL ESTATE CORPORATION

Mr. Tom Lopez, Chief Investment Officer (CIO) stated that Sentinel Real Estate Corporation was before the Board because they are in town working on the headquarters project. They are giving an overview of the separate account real estate portfolio that Sentinel manages for the Board. Mr. David Weiner, Vice Chairman/Portfolio Manager introduced his colleagues, Messrs. Martin Cawley, Managing Director/Co-Portfolio Manager and in the audience, Jack Granahan, Senior Vice President. Mr. Weiner provided a brief introduction of the firm. Mr. Cawley provided the milestones of the account. They answered the Board's questions related to the appraisal of properties and fees. Mr. Tom Lopez reviewed the fees paid to Sentinel and provided an overview of the fee structure for real estate.

3. MANAGER PRESENTATION BY MORGAN STANLEY INVESTMENT MANAGEMENT

Mr. Theodore R. Bigman, Managing Director and Ms. Christine Chu, Executive Director from Morgan Stanley were before the Board. Mr. Bigman provided an overview of their performance and their plans for improving their track record. Mr. Bigman answered the Board's questions.

4. MANAGER PRESENTATION BY PRINCIPAL GLOBAL INVESTORS

Messrs. William Grayson, Director, Institutional Marketing and Kelly D. Rush, CFA, Head of Real Estate Securities from Principal Global Investors presented the firm's overall performance. Mr. Rush also provided information of the firm and their approach. They answered the Board's questions.

5. QUARTERLY SUMMARY OF PRIVATE EQUITY COMMITMENTS

Mr. Tom Lopez and Ms. Erika Tiedge, Investment Officer II came before the Board. Ms. Tiedge provided the report on Private Equity funds approved in the first quarter. Mr. Lopez provided an overview of how Private Equity investment returns are realized. Commissioner Bernardino requested a list of cash flows/returns for Private Equity.

Ms. Tiedge stated there are no minority firms in the report but there is one in the current time period. She provided a brief history of the minority firms that had been hired. Commissioner Pérez requested as a future agenda item, a comparison with respect of investments in emerging specialized managers in the private equity space between Portfolio Advisors vs. Step Stone. Mr. Lopez stated he would provide the information to Commissioner Perez.

Ms. Tiedge discussed the partnerships brought by Portfolio Advisors last year that are women and Asian-owned. Mr. Lopez explained that minority-owned firms are rare in the private equity space and explained how outreach is performed. Commissioner Moore was concerned that there were no minority-owned firms and to keep them in mind. He stated with regard to format and information, he wanted to know the breakdown between women, Hispanic, African American and Asian, how much money they are getting to invest, how much fees are given to people, and how much fees are flowing outside of California. He stated this is more than just making money. There are a lot of other impacts to consider when making decisions and investing.

Mr. Alan Manning, Assistant City Attorney stated that the primary responsibility of the Board is to the Fund. Commissioner Pérez stated the issues he and Commissioner Moore are aware of that. He stated that when he and Commissioner Moore are asking questions and for information, they are not losing sight of that. General Manager Perez stated from a staff perspective he fully appreciates and understands and agrees with much of what Commissioner Moore stated. When he goes to City Council, they wanted to know why LAFPP is costing the City so much money. How much are LAFPP's returns year-to-date. We are doing the best we can, in terms of managing the responsibilities we have and the expectations. We go to Council and they also asked questions, such as how many minorities does LAFPP have? What are the assets LAFPP has under management that minorities run? What type of outreach does LAFPP do? General Manager Perez'

observations with staff over the years are that they have made a tremendous effort to reach out and Staff continues that effort.

Ms. Tiedge stated that she will be speaking with Portfolio Advisors to discuss the issue of minority and women-owned partnerships as they are of interest to the Board. Portfolio Advisors is aware of the issue and they wish to discuss it, in addition to providing a better means of performance monitoring.

6. QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF

General Manager Perez provided an overview of the checks and balances and the process regarding staff travel as asked by Commissioner Hansell.

We start with the total amount of travel budgeted for the Board and staff. Every section within the budget presentation is done internally and will submit their request for travel for the upcoming year. The individual requests are reviewed by the Assistant General Managers and then by himself. He does not see the travel as a destination but rather as training. The training opportunities deal with the background and subjects that staff needs to do their job, such as in the legislation area, healthcare area, and public administration of pension plans in general. He looks at those specific areas with the exception of due diligence in real estate matters. Mr. Lopez requires his staff when conducting due diligence to combine it with another visit. The process has worked well. General Manager Perez stated he is very mindful, whether it be staff or the Board, that if the press were to look at individual trips, it would be justified. He will continue to be diligent on the matter.

7. FOLLOW UP TO JUNE 30, 2011 AUDITED FINANCIAL STATEMENTS REGARDING CUSTODIAL CREDIT RISK

Ms. Yolanda Huang, Departmental Chief Accountant III and Simpson and Simpson representatives came before the Board. The board report was received and filed.

8. STATUS REPORT ON THE SIMPSON AND SIMPSON AUDIT MANAGEMENT LETTER FOR FISCAL YEAR ENDING JUNE 30, 2011

9. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.

10. Monthly Report

Commissioner Moore questioned the legislation related to the pension reform – the Governor's 12-point plan and a bill that is sitting in the Assembly that merges into some legislative background. He asked if staff has looked into the impacts imposed to our System. Ms. Wilder stated staff is tracking the issue on a daily basis. Staff gets updates from the Attorney General's Office as well as other legislative updates. Staff monitors the amendments and has asked the City Attorney to weigh in on the impact of the Governor's 12-point plan. Commissioner Moore was concerned mostly with payment of fifty percent of the normal costs and whether

or not that would impact us. Mr. Alan Manning stated that there would have to be a State Constitution change in order for them to apply to Charter cities. Under the Constitution of the State of California, charter cities have plenary authority to arrange for the compensation of their officers and employees. The state cannot just pass legislation. There would have to be a constitutional change at the state level or change through the City Charter. General Manager Perez stated he does not believe there is enough force to change the Constitution but staff is tracking the issue. Mr. Bill Raggio stated the issue is being tracked by the Chief Legislative Analyst's Office.

11. General Manager's Report

a. Benefits Actions approved by General Manager on April 5, 2012

Pursuant to Resolution 04008, adopted by the Board of Fire & Police Pension Commissioners on August 7, 2003, the following benefit actions have been approved by the General Manager.

DISCONTINUED PENSIONS – TIER 1 – 4

George R. Roberts	Police Service	Retired:	11-01-66	Died:	01-17-12
Alice A. Gilland	Fire Widow	Retired:	06-25-95	Died:	02-15-11
Juanita L. Polk	Police Widow	Retired:	09-05-94	Died:	12-28-11
L. Eugenia Redmond	Police Widow	Retired:	11-21-06	Died:	02-27-12

DISCONTINUED PENSIONS – TIER 2 – 8

John F. Campbell	Police Service	Retired:	06-01-78	Died:	02-25-12
David Slaff, Jr.	Police Service	Retired:	06-21-78	Died:	03-21-12
Robert H. Smith	Police Service	Retired:	01-04-76	Died:	03-01-12
Donald J. Ross	Fire Disability	Retired:	12-26-75	Died:	07-29-11
Joseph M. Archer	Police Disability	Retired:	05-06-76	Died:	01-31-12
Rebekah L. Hughes	Police Widow	Retired:	02-14-91	Died:	03-09-12
Elizabeth L. Lauritzen	Police Widow	Retired:	06-15-82	Died:	02-22-12
Nanci A. Rudin	Police Widow	Retired:	08-17-06	Died:	09-20-11

DISCONTINUED PENSIONS – TIER 3 – 1

Jon A. Fasana	Fire Service	Retired:	02-13-96	Died:	01-20-12
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DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Angela M. Archer	Police Disability	Retired:	11-01-95	Member Died:	01-31-12
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ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 4

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Darlene W. Morrell	Robert W. Morrell	Police Service	05-05-11
Angela M. Slaff	David Slaff, Jr.	Police Service	03-22-12
Lenora A. Smith	Robert H. Smith	Police Service	03-02-12
Angela M. Archer	Joseph M. Archer	Police Disability	02-01-12

SURVIVOR BENEFIT PURCHASE PROGRAM – TIER 2 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Effective Date</u>	<u>Survivor Benefit %</u>
Jerald R. Zerr	Police Disability	04-01-12	75%

DISCONTINUE GUARDIANSHIP – MINOR'S PENSION – TIER 2 – 1

Discontinue the pension payable to Sarah G. O'Reilly, minor child of Police Service Pensioner, William O'Reilly, effective April 13, 2012, due to the attainment of age 18 on April 14, 2012. There are no remaining minors.

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 3 – 1

Discontinue the pension payable to Brittany J. Gajda, surviving child of deceased Police Officer II, Steve G. Gajda, effective April 3, 2012, due to the attainment of age 22 on April 4, 2012. There are no remaining minors.

PARTIAL PAYMENT OF MINOR CHILDREN'S PENSION – TIER 5 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the Minor Children's pension payable to Gabriella N. Hernandez and Ryan C. Hernandez, surviving children of deceased Police Officer II, Frank N. Hernandez, is to be paid to Mr. Hernandez's former spouse, Cynthia A. Hernandez, effective February 19, 2011. Ms. Hernandez will receive cost of living adjustments.

GUARDIANSHIP – TIER 2 – 1

Letters of Guardianship, issued on September 13, 2011 in the Second Judicial District Court in and for the County of Washoe, State of Nevada, Case Number GR04-00347, appointing Tommy W. Filler and Charlene Welling, Co-Guardians of the Person and the Estate of Dan L. Spring, Police Service Pensioner, has been filed with this office.

Pension payments will be paid to Tommy W. Filler and Charlene Welling for the benefit of Dan L. Spring, effective April 1, 2012.

SERVICE PENSION/DROP – TIER 3 – 1

<u>Police</u>								
Sandra A. Lefler	Detective III	Eff:	02-01-12	25	Years	0	Days	

SERVICE PENSION/DROP – TIER 4 – 1

Police

Josuel M. Gooden Police Officer III Eff: 02-01-12 26 Years 6 Days

SERVICE PENSION/DROP – TIER 5 – 15

Fire

Timothy P. Freeman Captain I Eff: 01-29-12 29 Years 239 Days

Police

Dorrick G. Davis Police Officer III Eff: 07-01-11 27 Years 54 Days
 Elaine R. Dewberry Sergeant I Eff: 02-01-12 25 Years 139 Days
 Douglas J. Dingman Police Officer III +1 Eff: 01-09-12 25 Years 0 Days
 Raymond L. Dorsey, Jr. Sergeant I Eff: 01-03-12 25 Years 40 Days
 Carl E. Frank Lieutenant II Eff: 02-01-12 28 Years 130 Days
 Ulysses M. Gasca Police Officer III +1 Eff: 02-01-12 25 Years 62 Days
 Richard A. Gordon Detective III Eff: 02-01-12 28 Years 129 Days
 Orlando T. Green, II Sergeant I Eff: 07-14-11 26 Years 174 Days
 Wayne K. Guillary Sergeant II Eff: 07-01-11 29 Years 243 Days
 Curtiss E. Heaton Detective II Eff: 02-01-12 29 Years 95 Days
 Kevin S. Jackson Detective II Eff: 02-01-12 25 Years 187 Days
 Billy Joe Police Officer III Eff: 02-01-12 25 Years 119 Days
 Byong K. Kwon Detective I Eff: 02-01-12 25 Years 20 Days
 Hipolito Lizarraga Police Officer II +2 Eff: 11-01-11 25 Years 0 Days

ELIGIBLE MINOR CHILDREN APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Rank</u>	<u>Type: % Rate</u>	<u>Effective Date</u>
Gabriella N. Hernandez	Police Officer II	NSC w/o Prejudice:	02-19-11
Ryan C. Hernandez (Frank N. Hernandez)		30%	

b. Other business relating to Department operations

General Manager Perez gave the following updates:

1. There was a request made a few months back to have staff replace some of the furniture in the Board room ante room. The furniture sits low and is difficult for some of our disabled members to sit in. Staff followed up on the request and the new furniture is expected to be installed in about three months.
2. LACERS has received Council approval to move into the Los Angeles Times Building in July of this

year. This provides opportunities for us to make changes. The board room is leased by LACERS. We currently have to work with LACERS if we want to make changes to the board room. The City Attorney will need to determine where they will be located. They represent WPERP and LACERS and are all based in this building. We will work with the other retirement systems on the City Attorney's location, but ultimately the decision will be made by Mr. Manning. If the City Attorney moves to the Los Angeles Times building there will be vacant space for us to consider. If need be, we will address specific recommendations on resources in the budget. The final budget will come before the Board in June.

3. There has been press information released on the Office of Public Safety. Potentially 60 sworn positions in the General Services Department (GSD) are going to be potentially moved to LAPD. This will increase the number of officers in the City to over 10,000. In the past, sometimes the liability for new employees was absorbed by this System. Staff has been monitoring and attending the meetings and reported that there are no plans for GSD officers to come into this System and bring their years of service. They would have to go through background checks, medical review, and some type of academy training to get into LAPD. If that were to occur, they would be able to buy up to four years of service under a specific program we have. It is costly for the members to buy the credits since the program is cost neutral. We will continue to monitor the issue.

c. Marketing Cessation Information

12. City Attorney's Report

Mr. Alan Manning had no updates to report.

C. COMMITTEE REPORTS

1. Audit Committee – Last met: 03/01/12; next meeting: TBD

Chair Navarro had no updates.

2. Benefits Committee – Last met: 04/05/12; next meeting: TBD

Chair Aliano provided an update earlier in the Board meeting.

3. Governance Committee – Last met: 02/02/12; next meeting: TBD

Chair Diannitto reported no meeting is scheduled.

4. Ad Hoc Space Planning Committee – Discussion held during closed session with property negotiator

President von Voigt stated the issue will be discussed in closed session, Item E.1.

D. PUBLIC COMMENTS

There were no public comments.

Commissioner Pérez referred Cityview Southwest to the Real Estate Consultant. General Manager Perez stated it will be referred to the Townsend Group.

Commissioner Aliano requested a legal opinion on the Mayor's authority to confirm or deny the Board's selection of a General Manager. The Mayor may turn down the Board's selection of a General Manager which is a violation of the Pension Protection Act of 1992. Politics should not be involved with the Department. He would also like it placed on the monthly report to track. General Manager Perez stated as way of background that this was one of the recommendations that the City-hired auditors had for the Board. That was to pursue a legislative change that would take away the Mayor's authority to confirm a general manager appointment that the Board makes or to overturn the firing decision that the Board would have over the general manager. The auditors felt this was a responsibility the Board should have alone. The Board at that time chose not to deal with that recommendation. Commissioner Navarro stated if the Board were to ask for a legal opinion, it is a quicker turn around than an individual Board member requesting an opinion. Mr. Alan Manning disagreed.

E. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 TO CONFER WITH REAL PROPERTY NEGOTIATOR; Properties: 420 East 3rd Street, 464 & 470 East 3rd Street, 701 East 3rd Street, 216 South Alameda Street, 330 South Alameda Street, 333 South Alameda Street, 400-420 Boyd Street, 706 & 711 Ducommun Street, 540 South Santa Fe Avenue, 360 East Second Street; Negotiators: David Weiner, Martin Cawley, Tom Lopez, Erika Tiedge; Negotiating parties: Sentinel Real Estate Corporation and LAFPP; Under negotiation: Instruction to negotiator will concern price

The Board met in closed session.

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(b) TO CONFER WITH LEGAL COUNSEL REGARDING ONE (1) POTENTIAL CASE

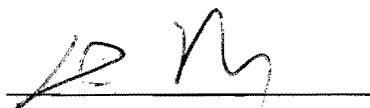
The Board met in closed session.

3. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1) TO CONSIDER APPOINTMENT OF THE GENERAL MANAGER

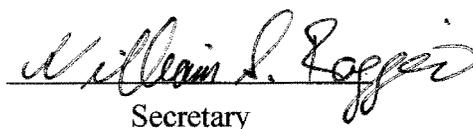
The Board met in closed session.

The Board reconvened in open session, there was nothing to report.

The meeting adjourned at 12:15 p.m.

A handwritten signature in black ink, consisting of stylized initials, positioned above a horizontal line.

President

A handwritten signature in black ink, reading "William S. Foggeri", positioned above a horizontal line.

Secretary