

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF AUGUST 16, 2012

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met at the LACERS Board Room, located at the Los Angeles Times Building, 202 W. First Street, Suite 500, Los Angeles 90012 on Thursday, August 16, 2012.

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

DEPARTMENT OF FIRE AND William Raggio, Interim General Manager
POLICE PENSIONS: Tom Lopez, Chief Investment Officer
 Robyn Wilder, Chief Benefits Analyst
 Barbara Nobregas, Commission Executive Assistant

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

COURT REPORTER: Diane L. Panicca, U.S. Legal Support

President Hansell called the Special Board meeting to order at 9:01 a.m. All of the above-listed Commissioners were present at the start of the meeting. President Hansell thanked LACERS for the use of the conference room. He confirmed that Commissioner von Voigt posted the agenda in a public location and that his location was compliant with the American Disability Act to conform with the Brown Act requirements for participating telephonically.

A. ITEMS FOR BOARD ACTION

Item A.3 was taken out of order.

3. DISCUSSION AND POSSIBLE ACTION REGARDING THE RECRUITMENT AND APPOINTMENT OF THE GENERAL MANAGER. THE BOARD MAY CONVENE IN CLOSED SESSION PURSUANT

TO GOVERNMENT CODE SECTION 54957(b)(1) TO CONSIDER THE APPOINTMENT OF (A) PARTICULAR INDIVIDUAL(S)

Ms. Maggie Whelan, General Manager, Ms. Gloria Sosa, Assistant General Manager, Mr. Scott DeYoung, Chief Personnel Analyst, from the Personnel Department; Ms. Ruth Perry, Senior Management Analyst II from LACERS, were before the Board.

President Hansell indicated that he and Commissioner von Voigt met with the Mayor's staff. The Mayor's staff asked that LAFPP conduct a national search and that Ms. Whelan be personally involved in the process.

Ms. Whelan provided background information on the personnel department's involvement in prior executive searches and the process of using a national search firm. Ms. Perry provided an overview of prior searches LACERS had done to fill the position for the general manager utilizing the Personnel Department and a national search firm. The Board agreed to bypass the formation of an Ad Hoc Committee and that the full Board will hear the issue. Ms. Sosa provided background information on the pre-approved executive search firms. President Hansell stated the Assistant General Manager will be the point of contact for the personnel department. Mr. DeYoung suggested that the Board request proposals from the firms for the Board's review prior to interviews. President Hansell asked for Ms. Whelan's input on the prior job description for General Manager.

RESOLUTION 13019

Commissioner Navarro moved that the Board approve to interview four executive firms that are pre-approved by the Personnel Department to conduct a national search for the position of General Manager. The firms are: Ralph Andersen, the Waters/Oldani, EFL Associates, (contingent upon the negotiation of fees), and The Hawkins Company, which was seconded by Commissioner Moore and approved by the following vote: ayes, Commissioners, Bernardino, , Lippe, Moore, Navarro, Pérez, von Voigt, and President Hansell- 7; nays, Aliano and Diannitto - 2.

Item H.2 was taken out of order.

H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) TO CONFER OR DISCUSS WITH, OR RECEIVE ADVICE FROM, ITS LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED LOS ANGELES POLICE PROTECTIVE LEAGUE V. BOARD OF FIRE AND POLICE PENSION COMMISSIONERS FOR THE CITY OF LOS ANGELES, ET AL., LOS ANGELES SUPERIOR COURT CASE NO. BC 489113).

Upon reconvening in open session President Hansell stated that Commissioners Navarro and von Voigt, and City Attorney Alan Manning had recused themselves from this matter.

Item A.2 was taken out of order.

A. ITEMS FOR BOARD ACTION

2. DISCUSSION OF ACTUARIAL FUNDING POLICY AND POSSIBLE BOARD ACTION

Ms. Robyn Wilder, Chief Benefits Analyst, Pension Division and Mr. Andy Yeung, Senior Vice President and Associate Actuary from The Segal Company presented the report and answered the Board's questions. The Board discussed the gains and losses and the City's contributions. Interim General Manager Raggio stated the issue is for the Board's consideration and will be brought back at the September 6th meeting.

Ms. Maria Gutierrez, Finance Specialist III from the CAO's Office stated that her office does not have a position on the issue at this time. She has asked the Board to keep in mind the potential impact on the City's contribution in light of the gains they are making to tackle to the City's structural deficit. She asked if staff has additional information, her office would like to review it.

Commissioner Moore requested charts or diagrams to show the levels of impact of various combinations of the current policy and alternatives. By changing various components, what is the magnitude of the City's contribution? Mr. Yeung referred Commissioner Moore to one of the exhibits. The only impact is on the actuarial gains and losses and he quantified that in the March 2012 report.

President Hansell agreed that staff bring the actual policy to the next meeting. The Board did not take action on this item.

Commissioner Lippe left the board room for the remainder of the meeting at 11:10 a.m.

1. REVIEW OF LOOMIS SAYLES & COMPANY, L.P. FIXED INCOME CONTRACT AND POSSIBLE BOARD ACTION

Ms. Erika Tiedge, Investment Officer II and Ms. Susan Liem, Management Analyst II, from the Investment Division, were before the Board. Commissioner Bernardino asked the Board for future consideration on whether the Board should grant more leeway or authority to the investment staff when they are dealing with the asset allocation in relation to high performing firms.

Ms. Elsa Moy gave a public comment on this item.

B. REPORTS TO THE BOARD

1. HEALTH CARE REFORM UPDATE

Mr. Gregory Mack, Senior Management Analyst II, Medical and Dental Benefits and Ms. Dawna Gray, President of Bradawn Inc., the employee benefits consulting firm for the Los Angeles Fire Relief Association (LAFRA) and the Los Angeles Police Relief Association (LAPRA) were before the Board. Mr. Mack stated that the Board invited Ms. Gray to give a presentation on health care reform. As the Board is aware, the Supreme Court's decision was recently announced and upheld most of the Affordable Care Act. The decision did impact Medicaid expansion which does not impact our members. Ms. Gray presented the Health Care Reform presentation and the Federal mandates imposed upon LAFRA and LAPRA. The presentation was for informational purposes; the Board did not take action.

Item G was taken out of order.

Deputy City Attorney John Blair took the City Attorney Chair at this time.

G. DISABILITY CASES

DISABILITY CLAIM – NEW – TIER 3 - 1

Anthony D. Escobar (P) Police Officer III

Service-connected disability pension is granted at 65% with no foreseeable purpose for review. Motion made by Commissioner Diannitto, seconded by Commissioner Aliano and adopted by the following vote: ayes, Commissioners Aliano, Bernardino, Diannitto, Moore, Navarro, Pérez, von Voigt, and President Hansell – 8; nays, none. Officer Escobar was present and represented by his attorney William J. Toppi.

DISABILITY CLAIM – NEW – TIER 5 - 1

THIS IS A CLOSED SESSION DUE TO PERSONNEL MATTERS PURSUANT TO GOVERNMENT CODE SECTION 54957

Philip E. Clarke (P) Police Officer III

Service-connected disability pension was granted at 60% with review in two years. Motion made by Commissioner Aliano, seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Navarro, and von Voigt – 5; nays, Commissioners Bernardino, Pérez, and President Hansell – 3. (Original motion to grant nonservice-connected disability pension at 40% made by Commissioner Pérez and seconded by Commissioner Bernardino was amended to 50% and failed by the following vote: ayes, Commissioner Bernardino, Moore, Perez, and President Hansell – 4; nays,

Commissioners Aliano, Diannitto, Navarro and von Voigt – 4.) Mrs. Karolin Clarke, the applicant’s wife, testified regarding Officer Clarke. Officer Clarke was present and represented by his attorney Michael Treger.

Assistant City Attorney Alan Manning took the City Attorney Chair at this time.

B. REPORTS TO THE BOARD

2. MINORITY AND WOMAN OWNED BROKER USAGE REPORT

Mr. Lopez provided a brief overview of the process that minority and woman owned brokerage firms go through to obtain certification. The board report was received.

Commissioner Pérez left the Board room for the remainder of the meeting at 1:40 p.m.

3. QUARTERLY SUMMARY OF PRIVATE EQUITY COMMITMENTS

Mr. Tom Lopez indicated staff incorporated the Board’s changes. The board report was received.

4. REQUEST FROM LAPD TO ASSIST WITH RETIREMENT SURVEY

Interim General Manager Raggio stated that Fund will pay for mailing the surveys. In return, LAFPP will get information on structuring its pre-retirement seminars. The board report was received.

5. Miscellaneous correspondence from money managers, consultants, etc. – Received.

6. Monthly Report – Received.

7. General Manager’s Report

a. Benefits Actions approved by General Manager on August 2, 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 – 3

Lyndall A. Bowers	Fire Service	Retired:	10-29-61	Died:	07-05-12
W. D. Hollingsworth	Police Disability	Retired:	07-29-68	Died:	02-04-12
Lionel G. Mc Quillon	Police Disability	Retired:	01-09-63	Died:	07-01-12

DISCONTINUED PENSIONS – TIER 2 – 17

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Tony Grimes	Fire Service	Retired:	07-15-79	Died:	06-26-12
Henry E. Niska	Fire Service	Retired:	06-20-76	Died:	06-14-12
Gerald G. Simon	Fire Service	Retired:	06-22-78	Died:	07-01-12
Reno A. Zuliani	Fire Service	Retired:	06-30-79	Died:	06-17-12
Americo Francescon	Police Service	Retired:	01-23-94	Died:	05-14-12
James R. Martin	Police Service	Retired:	01-31-99	Died:	07-09-12
Danny L. Staggs	Police Service	Retired:	09-04-96	Died:	06-18-12
John I. Stolp	Police Service	Retired:	06-01-75	Died:	06-11-12
James V. Patten	Fire Disability	Retired:	12-25-78	Died:	07-04-12
Stephen A. Cordova	Police Disability	Retired:	12-04-98	Died::	05-11-12
Jean Doros	Fire Widow	Retired:	02-18-95	Died:	06-22-12
Rosalind N. Martin	Fire Widow	Retired:	05-03-92	Died:	06-06-12
Emma J. Ramsey	Fire Widow	Retired:	11-02-83	Died:	07-02-12
Sharyl L. Simons	Fire Widow	Retired:	03-30-81	Died:	06-09-12
Zetta L. Sheehan	Fire Widow	Retired:	09-18-04	Died:	12-10-11
Grace G. Lechner	Police Widow	Retired:	08-07-96	Died:	07-06-12
Mary L. Mendenhall	Police Widow	Retired:	01-09-81	Died:	07-08-12

ELIGIBLE SURVIVING SPOUSE'S PENSION -- TIER 1 -- 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Alice A. Bowers	Lyndall A. Bowers	Fire Service	07-06-12

ELIGIBLE SURVIVING SPOUSE'S PENSION -- TIER 2 -- 8

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Mary M. Grimes	Tony Grimes	Fire Service	06-27-12
Frances B. Simon	Gerald G. Simon	Fire Service	07-02-12
Betty U. Zuliani	Reno A. Zuliani	Fire Service	06-18-12
Carmen J. Francescon	Americo Francescon	Police Service	05-15-12
Kelly A. Martin	James R. Martin	Police Service	07-10-12
Diane M. Staggs	Danny L. Staggs	Police Service	06-19-12
Bettye J. Patten	James V. Patten	Fire Disability	07-05-12
Katherine Borning Cordova	Stephen A. Cordova	Police Disability	05-12-12

SURVIVOR BENEFIT PURCHASE PROGRAM -- TIER 3 -- 1

<u>Name</u>	<u>Member's Class</u>	<u>Effective Date</u>	<u>Survivor Benefit %</u>
Gloria S. Sanchez	Police Disability	08-01-12	100%

REACTIVATED SURVIVING SPOUSE'S PENSION -- TIER 1 -- 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Mary F. Hinze	Garland A. Poe	Police Service	01-11-12

SURVIVING CHILD'S PENSION – TIER 5 – 1

Surviving child benefits are now payable to Blake E. Stevens, surviving child of deceased Fire Pensioner, David B. Stevens, effective August 1, 2012, due to the attainment of age 18 and the continuation of his full-time student status. There are no remaining minors.

DECREASE SURVIVING SPOUSE'S PENSION – TIER 5 – 1

Decrease the pension payable to Eileen F. Stevens, surviving spouse of deceased Fire Pensioner, David B. Stevens, due to the attainment of age 18 and full-time student status by Blake E. Stevens, effective August 1, 2012. There are no remaining minors.

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 5 – 1

Discontinue the pension payable to Kimberly L. Vargas, surviving child of deceased Police Pensioner, Lester K. Vargas, effective August 16, 2012, due to the attainment of age 22 on August 17, 2012. There is one remaining minor.

PARTIAL PAYMENT OF SURVIVING SPOUSE'S PENSION – TIER 2 – 1

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the Surviving Spouse Pension payable to Barbara H. Owens, surviving spouse of Police Service Pensioner, Wallace Owens, is to be **withheld** for his former spouse, Bertha P. Owens, effective May 18, 2012. Ms. Owens will receive cost of living adjustments.

CONSERVATORSHIP/GUARDIANSHIP – TIER 2 – 1

A certified copy of the Letters of Permanent Guardianship and Conservatorship for Roy A. Lang, issued in the Superior Court of the State of Arizona, County of Yavapai, Case Number P1300GC201200038, appointing Lindley H. Lang, Guardian and Conservator for Roy A. Lang, retired Police Pensioner, effective June 18, 2012, has been filed with this office.

Pension payments will be paid to Lindley H. Lang for the benefit of Roy A. Lang, effective August 1, 2012.

SERVICE PENSION – TIER 2 – 1

<u>Police</u>							
Gil J. Serafin	Sergeant I	Eff:	07-15-12	32	Years	131	Days

SERVICE PENSION – TIER 3 – 1

Police

Giles C. Smith Detective I Eff: 07-01-12 16 Years 49 Days
 SERVICE PENSION/DROP – TIER 4 – 1

Fire

Michael T. Little Assistant Chief Eff: 04-02-12 26 Years 280 Days
 SERVICE PENSION/DROP – TIER 5 – 2

Police

Raymond S. Jatkowski Sergeant II Eff: 05-01-12 28 Years 189 Days
 Harold V. Marinelli Police Officer II Eff: 03-30-12 27 Years 36 Days
 DISCONTINUE DROP – TIER 5 – 1

Fire

Duane A. Houston Retired: 07-01-09 Exit Close of: 07-17-12
 SERVICE CONNECTED DISABILITY PENSION – TIER 5 – 1

<u>Name</u>	<u>Member's Class</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Gina M. Aguilar	Police Officer III	45.0000%	06-21-12	06-21-12

b. Other business relating to Department operations

Interim General Manager Raggio gave the following updates:

1. He clarified for the record that LACERS did not use an executive search firm for the last general manager that was selected. There was some confusion as LACERS has hired three general managers over the last decade.
2. He noted that he was asked not to attend the Mayor's monthly General Managers meeting. He was also instructed not to attend Citywide training functions.
3. There are a number of disability cases in the works. There will be at least two cases that will be heard at each meeting through October. He will work with President Hansell so that the meetings are not extremely long.
4. This was the last offsite meeting location that the Board will meet at. He will provide a report at the next meeting for approval to use the LACERS location as the permanent meeting location.

Ms. Elsa Moy gave a public comment.

c. Marketing Cessation Information

8. City Attorney's Report

Mr. Alan Manning, Assistant City Attorney had no updates to report.

C. COMMITTEE REPORTS

1. Audit Committee – Last met: 06/21/12; next meeting: TBD
2. Benefits Committee – Last met: 04/05/12; next meeting: TBD
3. Governance Committee – Last met: 07/19/12; next meeting: TBD
4. Ad Hoc Space Planning Committee – Discussion held during closed session with property negotiator

There were no updates to the Committee Reports.

D. CONSENT ITEMS

1. Approval of Travel
 - a. APPROVAL OF TRAVEL AUTHORITY (DIANNITTO) – NCPERS, PUBLIC SAFETY EMPLOYEES PENSION & BENEFITS CONFERENCE
2. Approval of Minutes
 - a. Minutes of the Regular Board meeting of May 17, 2012

Commissioner Bernardino moved that the Board approve the consent items, which was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Aliano, Bernardino, Diannitto, Moore, Navarro, von Voigt, and President Hansell – 7; nays, none.

E. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

F. PUBLIC COMMENTS

There were no public comments.

H. 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, 729 E. Temple 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.

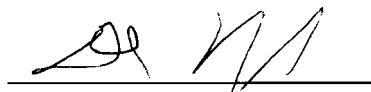
3. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) TO CONFER OR DISCUSS WITH, OR RECEIVE ADVICE FROM, ITS LEGAL COUNSEL REGARDING PENDING LITIGATION IN TWO (2) CASES:

(1) IN RE: TRIBUNE COMPANY FRAUDULENT CONVEYANCE LITIGATION: DEUTSCHE BANK TRUST COMPANY AMERICAS, et al., Plaintiffs, v. FIRST REPUBLIC BANK, et al., Defendants (United States District Court, Southern District of New York, Consolidated Multidistrict Action 11 MD 2296 (WHP))

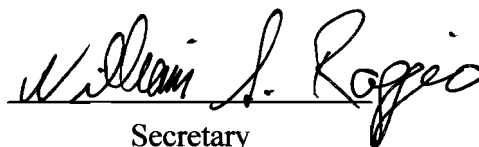
(2) OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TRIBUNE COMPANY, Plaintiff, v. DENNIS J. FITZSIMMONS, et al., Defendants (United States District Court, Southern District of New York, Civil Action No. 12-cv-02652 (WHP))

The Board met in closed session.

The meeting adjourned in memory of Gladys R. Woodruff at 2:05 p.m.



President



Secretary