

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF AUGUST 2, 2012

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met at City Hall, Room 1060, 200 N. Spring Street, Los Angeles 90012 on Thursday, August 2, 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

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

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

President Hansell called the Special Board 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 Bernardino and Pérez, who arrived at 9:37 a.m. and 9:13 a.m. respectively. President Hansell acknowledged Commissioner von Voigt for his service as Board President for the past year.

A. ITEMS FOR BOARD ACTION

1. PROPOSED WORK PLAN FROM RV KUHNS AND POSSIBLE BOARD ACTION

Messrs. Paul Palmer, Investment Officer II; Michael Ford, CFA, Senior Consultant and Stephen Petretto, Associate from RV Kuhns were before the Board. Mr. Ford stated that his firm had been working on the work plan for some time and opened up for questions.

Commissioner Navarro suggested that the Board address the restructuring of asset classes vs. asset allocation. The Board has an issue with commodities and should address that first. If commodities are not included in the restructuring, the Board should decide what to do with the money.

Mr. Ford stated that the issues will be moved up the calendar for consideration. Interim General Manager Raggio stated that the asset allocation review, commodities and fees analysis will be presented at the investment focus meeting on September 20, 2012. The work plan will be provided quarterly.

President Hansell suggested that RV Kuhns provide estimated dates when issues will be presented to the Board. If issues are pushed back, indicate that on the work plan, and mark changes in red.

Commissioner Moore stated that there may be milestones to report in the work plan and to list those in the monthly report. The Board agreed to include the work plan in the monthly report. President Hansell asked Investments staff to document the relationship with the Board's consultant. Staff received direction from the Board to move forward with the work plan; there was no board action.

2. AUTHORIZATION TO BEGIN SEARCH FOR BACK-FILE CONVERSION SCANNING SERVICES

Mr. Gregory Mack, Senior Management Analyst II, Medical and Dental Benefits Section was before the Board. President Hansell suggested accelerating the work on this issue so that the Request for Proposal (RFP) is distributed before December 2012. He preferred the project start sooner.

Interim General Manager Raggio clarified that the RFP will be issued this month and expects to bring a contract to the Board by the end of the calendar year for approval. The plan will be accelerated, as will the imaging of historical records stored on site.

RESOLUTION 13014

Commissioner von Voigt moved that the Board authorize the Interim General Manager to issue a Request for Proposal for back-file conversion scanning services, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Navarro, Pérez, von Voigt, and President Hansell – 8; nays, none.

3. BOARD OPERATING POLICIES AND PROCEDURES MANUAL SECTION 1.7 - REVISIONS TO THE DEPARTMENT'S CONFLICT OF INTEREST CODE AND POSSIBLE BOARD ACTION

The board report was approved without discussion.

RESOLUTION 13015

Commissioner Navarro moved that the Board approve the proposed revisions to the Department's Conflict of Interest Code and direct staff to submit said revisions to the City Ethics Commission, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Navarro, Pérez, von Voigt, and President Hansell – 8; nays, none.

4. IFS AUDIT PLAN ASSIGNMENT FOR BOARD DISPOSITION AND POSSIBLE BOARD ACTION

Ms. Alexandria Castillo, Personnel Analyst I, Administrative Services Section was before the Board. Interim General Manager Raggio stated he would provide the Board a report on the 180 IFS Audit recommendations, listing the disposition of the items at a future meeting. Mr. Tom Lopez, Chief Investment Officer (CIO) gave a brief overview of the IFS audit.

RESOLUTION 13016

Commissioner Lippe moved that the Board:

1. Determine that the status of Independent Fiduciary Services recommendation number 2e/01 be changed from "Implement at a Later Date" to "Completed;" and
2. Approve the updated Governance Committee Audit Plan Assignment Status report, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Navarro, Pérez, von Voigt, and President Hansell – 8; nays, none.

B. REPORTS TO THE BOARD

1. REVIEW OF CITYVIEW SOUTHWEST MULTI-FAMILY PARTNERS FUND BY THE TOWNSEND GROUP

Commissioner Pérez was concerned with the over commitment allocation to multi-family apartments and if the Board should reconsider the allocation. Ms. Micolyn Magee, Principal of the Townsend Group, presented the report and addressed Commissioner Pérez' concerns.

2. COMMUNICATION FROM MEMBER REGARDING MEDICARE SUBSIDY AND SUBSEQUENT STAFF ACTION

Mr. Gregory Mack, Senior Management Analyst II, Medical and Dental Benefits Section came before the Board. The board report was received without discussion.

3. GENERAL MANAGER PERFORMANCE EVALUATION CRITERIA, SURVEY INSTRUMENT AND CONTRACT

Ms. Diana Pointer, Senior Management Analyst I, Administrative Operations indicated that The Results Group is currently on contract. Interim General Manager Raggio stated that the Governance Committee considered the criteria, but did not make any changes to it. The report was received and filed.

4. THE DISTRIBUTION OF THE CITY ATTORNEY ANNUAL EVALUATION

Ms. Myo Thedar, Senior Management Analyst II, Administrative Services Section presented the report. The board report was received and filed.

5. President Hansell asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.

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

7. General Manager’s Report

a. Benefits Actions approved by General Manager on July 19, 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 – 2

Gladys R. Woodruff	Fire Widow	Retired:	10-21-00	Died:	06-03-12
Barbara J. Houtchens	Police Widow	Retired:	08-08-07	Died:	06-06-12

DISCONTINUED PENSIONS – TIER 2 – 6

Felix Bell	Police Service	Retired:	06-30-78	Died:	05-21-12
Jacob E. Guterding	Police Service	Retired:	06-30-78	Died:	06-15-12
Thomas B. Roberts	Police Disability	Retired:	03-26-82	Died:	05-29-12
Janet F. Nielson	Fire Widow	Retired:	12-11-03	Died:	06-19-12
Edith E. Schenkein	Fire Widow	Retired:	03-09-96	Died:	04-29-12
Idella L. Truitt	Police Widow	Retired:	03-29-02	Died:	06-09-12

DISCONTINUED PENSIONS – TIER 5 – 1

Stancil G. Jones Fire Service Retired: 05-01-02 Died: 06-17-12

DISCONTINUED FORMER SPOUSE PENSIONS – TIER 5 – 1

Bette I. Jones Fire Service Retired: 05-16-04 Member Died: 06-17-12

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 2 – 4

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
June M. Bell	Felix Bell	Police Service	05-22-12
Donna L. Guterding	Jacob E. Guterding	Police Service	06-16-12
Sondra L. Hartkopf	Thomas C. Hartkopf	Police Service	06-12-12
Barbara H. Owens	Wallace Owens	Police Service	05-18-12

PARTIAL PAYMENT OF PENSION – TIER 3 – 1 **REVISION**

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the pension payable to Rudy M. Gonzales, Police Service Pensioner, is to be paid to his former spouse, Deborah S. Hughes, effective **June 1, 2012**. Ms. Hughes will receive cost of living adjustments.

Deborah S. Hughes was listed on the December 15, 2011 Controller’s Letter effective October 31, 2009.

GUARDIANSHIP – TIER 2 – 1

The Temporary Letters of Guardianship, issued on May 29, 2012 in the District Court Family Division Clark County, State of Nevada, Case Number G-12-037346-A, appointing Kathleen Buchanan, Clark County Public Guardian of the Person and the Estate of Harvey C. Ebert, retired Police Pensioner, has been filed with this office.

Pension payments will be paid to Kathleen Buchanan for the benefit of Harvey C. Ebert, effective July 1, 2012.

DEFERRED SERVICE PENSION – TIER 5 – 1

Police

David W. McGill Lieutenant II Eff: 07-10-12 25 Years 80 Days

SERVICE PENSION – TIER 3 – 1 **REVISION**

Police

Rudy M. Gonzales Police Officer II Eff: **06-01-12** 22 Years **303** Days

Rudy M. Gonzales was listed on December 15, 2011 Controller’s Letter effective October 31, 2009 with 20 Years and 95 Days.

Minutes of the Board of Fire and Police Pension Commissioners
 Special Board Meeting
 August 2, 2012
 Page 6

SERVICE PENSION – TIER 5 – 1

Police

Meliton Orozco	Detective I	Eff:	03-05-12	25	Years	0	Days
----------------	-------------	------	----------	----	-------	---	------

SERVICE PENSION/DROP – TIER 4 – 1

Police

Tamara L. Sower-Ramirez	Detective I	Eff:	06-01-12	25	Years	0	Days
-------------------------	-------------	------	----------	----	-------	---	------

SERVICE PENSION/DROP – TIER 5 – 10

Fire

Joseph G. Scott	Firefighter III	Eff:	06-01-12	25	Years	21	Days
Mary J. Zahyna	Captain I	Eff:	05-01-12	32	Years	112	Days

Police

Judy L. Acosta	Detective II	Eff:	05-29-12	25	Years	0	Days
Jeffrey L. Anderson	Detective II	Eff:	06-01-12	25	Years	318	Days
Richard Baeza	Sergeant II	Eff:	06-01-12	28	Years	171	Days
Dale M. Miyake	Detective I	Eff:	06-18-12	25	Years	49	Days
Grainne A. Murray	Detective III	Eff:	06-01-12	25	Years	0	Days
Manuel R. Ramirez	Sergeant I	Eff:	06-01-12	25	Years	9	Days
Richard W. Sanchez	Sergeant I	Eff:	05-20-12	29	Years	23	Days
Marianus F. Von Korff	Sergeant II	Eff:	06-01-12	25	Years	248	Days

DISCONTINUE DROP – TIER 2 – 3

Police

Steven J. Flores	Retired:	07-08-07	Exit Close of:	07-07-12
Glenn R. Plahy	Retired:	07-05-07	Exit Close of:	07-04-12
James L. Rahm	Retired:	07-08-07	Exit Close of:	07-07-12

DISCONTINUE DROP – TIER 4 – 2

Police

Timothy C. Harris	Retired:	08-05-07	Exit Close of:	07-31-12
Richard G. Smith	Retired:	04-30-10	Exit Close of:	07-31-12

DISCONTINUE DROP – TIER 5 – 15

Fire

Joe V. Espinoza	Retired:	07-22-07	Exit Close of:	07-21-12
-----------------	----------	----------	----------------	----------

Minutes of the Board of Fire and Police Pension Commissioners
 Special Board Meeting
 August 2, 2012
 Page 7

Charles J. Grube	Retired:	08-05-07	Exit Close of:	07-31-12
Manuel J. Lafarga	Retired:	11-01-08	Exit Close of:	06-30-12
Thomas G. Lambert	Retired:	08-05-07	Exit Close of:	07-31-12
Greg E. Scarborough	Retired:	08-19-07	Exit Close of:	07-31-12
David A. Soto	Retired:	07-22-07	Exit Close of:	07-21-12
Kiyoji K. Terada	Retired:	07-08-07	Exit Close of:	07-07-12

Police

Paul W. Coulter	Retired:	08-05-07	Exit Close of:	07-31-12
Robert Donaldson	Retired:	07-08-07	Exit Close of:	07-07-12
Lyle I. Michelson	Retired:	01-06-09	Exit Close of:	07-31-12
Linda P. Seybert	Retired:	07-01-09	Exit Close of:	06-30-12
Jeffrey D. Siggers	Retired:	08-05-07	Exit Close of:	07-31-12
Mark S. Tappan	Retired:	08-01-08	Exit Close of:	07-31-12
Paul G. Torrence	Retired:	08-05-07	Exit Close of:	07-31-12
Stephen C. Whitelaw	Retired:	08-05-07	Exit Close of:	07-31-12

PAYMENT OF DROP FUNDS – TIER 5 – 1

In accordance with the City of Los Angeles Administrative Code and at the request of Maria Johnson, surviving domestic partner of Joseph C. Satow, deceased Police Service Pensioner, the DROP funds payable to Mr. Satow are to be paid to Ms. Johnson, effective July 1, 2012.

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 Jeffrey D. Siggers, Police Service Pensioner, is to be paid to his former spouse, Gail A. Siggers, effective July 31, 2012.

ELIGIBLE SURVIVING DOMESTIC PARTNER APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Rank</u>	<u>Type: % Rate</u>	<u>Effective Date</u>
Donailah K. Santos (Jerald L. Coates)	Fire Inspector I	Non Service-Connected w/o Prejudice: 40%	05-29-12

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 discussed the fee review update during Item A.1.
2. The next board meeting will be at the new LACERS facility. The Board may decide after meeting at LACERS and various locations where they want to meet on a regular basis. There is no certainty that we will be able to meet consistently at the other locations - the Police Commission Room and City Hall.

c. Marketing Cessation Information

8. City Attorney's Report

Mr. Alan Manning had no updates to report.

C. COMMITTEE REPORTS

1. Audit Committee – Last met: 06/21/12; next meeting: TBD

Chair Navarro had no updates to report.

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

Chair Aliano had no updates to report.

3. Governance Committee – Last met: 07/19/12; next meeting: TBD

Chair Diannitto had no updates to report.

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

This item will be discussed during the Closed Session G1.

D. CONSENT ITEMS

1. Approval of Travel

a. APPROVAL OF TRAVEL AUTHORITY (NAVARRO) – NCPERS, PUBLIC SAFETY

EMPLOYEES PENSION AND BENEFITS CONFERENCE

2. Approval of Minutes

- a. Minutes of the Regular Board meeting of April 5, 2012 and April 19, 2012
- b. Minutes of the Ad Hoc Committee on Investment managers March 22, 2012

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

E. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred.

F. PUBLIC COMMENTS

Ms. Corina Lee, Vice President of the Los Angeles Police Protective League (LAPPL) indicated that the LAPPL board and the membership noted with interest that the Mayor nominated Commissioner Bernardino for appointment to the Board of Police Commissioners on July 20, 2012. Commissioner Bernardino was not present at this time and her questions were directed to him. It is not clear from the Mayor's announcement if Commissioner Bernardino intends to resign from the Fire and Police Pension Board upon his confirmation to the Police Commission, to avoid any appearance of possible conflict of interest. She stated that if Commissioner Bernardino has no intentions of resigning from this Board, she will request a determination from the City Ethics Commission, City Attorney, and relevant City Council Committees on the propriety of him serving on both bodies. LAPPL anticipates clarification on the issue prior to the City Council's consideration of Commissioner Bernardino's nomination to the Board of Police Commissioners.

Interim General Manager Raggio stated it is not typical for commissioners to serve on two boards. President Hansell stated traditionally, commissioners resign from the current board they are serving upon City Council confirmation to the new board. When we get information, we will share it with the Board.

Commissioner Diannitto stated that the Item B.7 benefits actions list showed the passing of Ms. Gladys R. Woodruff who may be the same person who served as General Manager of the Fund. She was married to a firefighter. He suggested that the Board adjourn in her memory.

Ms. Elsa Moy gave a public comment.

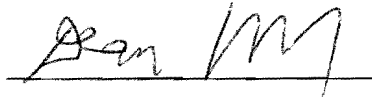
G. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

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.

Upon reconvening in open session Commissioner Hansell stated there was nothing to report.

The meeting adjourned at 10:02 a.m.



President



Secretary