

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF MAY 2, 2013**

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, May 2, 2013.

COMMISSIONERS PRESENT:     Dean Hansell, President  
                                      Ruben Navarro, Vice President  
                                      George Aliano  
                                      Sam Diannitto  
                                      Gregory Lippe  
                                      Wayne Moore  
                                      Raúl Pérez  
                                      Belinda Vega  
                                      Robert von Voigt

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

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

President Hansell called the meeting to order at 8:31 a.m. All of the above-listed Commissioners were present at the start of the meeting. He indicated that he would begin with the Regular Board meeting, recess, then begin the Special Board meeting. He announced that Commissioner Pérez has been nominated to join the Airports Commission and wished him well. The Mayor nominated a replacement who will go before the City Council within a couple of weeks.

**A. ITEMS FOR BOARD ACTION**

- 1. RETROACTIVE ADJUSTMENTS TO THE INTERIM GENERAL MANAGER SALARY AND POSSIBLE BOARD ACTION**

Ms. Stephanie Clements, Chief Management Analyst, Administrative Operations Division presented the report indicating that the Interim General Manager's salary is not in compliance with the Administrative Code, to be set 15% higher than the position's highest paid subordinate. She provided a brief overview of the Cost of Living Adjustments (COLA).

Commissioner Lippe moved to approve the staff recommendation, seconded by Commissioner Diannitto.

Commissioner Navarro suggested keeping the General Manager salary at the rate approved on April 30, 2013 with the increased COLA only.

Interim General Manager Raggio stated that the board report was completed before the discussion of the April 26, 2013 meeting regarding Ray Joseph. His understanding from the CAO is that the 15% differential is in the Los Angeles Administrative Code (LAAC) and is essentially nondiscretionary versus the COLA which is discretionary and the reason it is on the agenda today.

Ms. Maritta Aspen, Senior Labor Relations Specialist II, CAO, provided background information on the General Manager salary and answered the Board's questions.

Commissioner Pérez moved to amend to grant the non-discretionary increase but not grant the discretionary increase.

Commissioners Lippe and Diannitto approved the amendment.

Commissioner Lippe clarified that the Motion is to approve the third option of the staff recommendation, to increase the salary rate with the COLA's, which was approved at the April 30, 2013 meeting.

Commissioner Pérez withdrew his amendment.

Mr. Ken Buzzell, Director, Los Angeles Retired Fire & Police Association, Inc. gave a public comment.

#### RESOLUTION 13153

Commissioner Lippe moved that the Board authorize:

- 1) The following discretionary retroactive salary adjustments for the Interim General Manager associated with the Retirement Contribution Offset (RCO) of 3% effective January 1, 2013, and the Cost Of Living Adjustment (COLA) of 2.5% effective July 1, 2012; and
- 2) That Staff be authorized to make technical corrections as required, which motion was seconded by Commissioner Diannitto, and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Navarro, Pérez, Vega, von Voigt, and President Hansell – 9; nays, none.

2. CONSENT TO ASSIGNMENT OF ROBECO INVESTMENT MANAGEMENT'S CONTRACT AND POSSIBLE BOARD ACTION

Mr. Rick Rogers, Investment Officer III, Investments Division was before the Board. The board report was approved as submitted.

RESOLUTION 13154

Commissioner Navarro moved that the Board consent to the assignment of Robeco Investment Management's large cap equity contract, and authorize the General Manager to sign the consent on behalf of the Board, which motion was seconded by Commissioner Lippe, and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Navarro, Pérez, Vega, von Voigt, and President Hansell – 9; nays, none.

3. BOARD POLICY FOR ADOPTING INCREASES IN THE MAXIMUM RETIRED SWORN NON-MEDICARE HEALTH SUBSIDY AND POSSIBLE BOARD ACTION

Mr. Gregory Mack, Senior Management Analyst II, Medical and Dental Benefits provided the Board an update of the issue, indicating that the CAO has provided their response and recommendation.

Ms. Maritta Aspen, Senior Labor Relations Specialist II, CAO, suggested that the Board look at the actual cost of the plans versus only considering the medical trend rate.

The Board discussed the issue of the medial trend rate versus the cost of the plans.

Ms. Aspen opined that there was no need to change the Board's policy on the issue.

Commissioner Pérez was concerned that there was no rational, reasonable, relevant, nor reliable judicial authority used in preparing the staff report. He preferred to preserve the Board's discretion and did not support the staff recommendation.

Commissioner Diannitto moved to approve staff Recommendation Number one.

President Hansell clarified if the Board did not take action on the issue it will continue to deal with it as it comes before the Board each year.

Ms. Corina Lee, Vice President, Los Angeles Police Protective League gave a public comment.

Mr. Ken Buzzell, Director, Los Angeles Retired Fire & Police Association, Inc. gave a public comment.

Ms. Elsa Moy gave a public comment.

The Board did not second Commissioner Diannitto's motion. The Board took no action and continued to Item 4.

4. RETIREE HEALTH SUBSIDIES CHANGE FOR FISCAL YEAR 2013-2014 AND POSSIBLE BOARD ACTION

Mr. Gregory Mack was before the Board.

The Board discussed the health subsidy issue of the sworn active members versus the retired members.

President Hansell directed staff to quote the specific Los Angeles Administrative Code (LAAC) language in future reports.

Commissioner Lippe amended the motion to read, "increase the health subsidy by 7%" and delete the dollar amount. The makers of the motion, Commissioners Navarro and von Voigt agreed.

Mr. Alan Manning, Assistant City Attorney addressed Board members' concern that approval of the motion was linked to the staff recommendation and not a board policy. He stated that the staff report is not part of the board resolution, nor part of the recommendation.

Interim General Manager Raggio stated for the record that the recommendation is based on the understanding of the LAAC language versus the proposed policy referenced in the board report.

President Hansell stated to indicate that the motion is an increase of 7%. He asked the Board for a show of hands in favor of the motion. He then took public comment.

Mr. Ken Buzzell, Director, Los Angeles Retired Fire & Police Association, Inc. gave a public comment.

Ms. Corina Lee, Vice President from the Los Angeles Police Protective League gave a public comment.

Mr. Tony Gamboa, Vice President, United Firefighters of Los Angeles City gave a public comment.

RESOLUTION 13155

Commissioner Navarro moved that the Board adopt as amended, the resolution increasing the maximum retired sworn non-Medicare health subsidy by 7%,

WHEREAS, retired members of the Fire and Police Pension Plan, Tiers 1, 2, 3, 4, 5 and 6, have had paid, on their behalf, a health insurance premium subsidy, or have received a reimbursement, in accordance with the provisions of Article 10, Division 4, Chapters 11.5 and 20 of the Administrative Code; and

WHEREAS, the Board of Fire and Police Pension Commissioners has been granted the authority under Section 4.1154(e) of the Administrative Code to increase or decrease the maximum monthly amount of the health insurance subsidy in accordance with the authority conferred in subsections (e) of Sections 1330, 1428, 1518, 1618 and 1718 of the Charter and subsection (e) of 4.2018 of the Administrative Code; and

WHEREAS, the pre-65 actuarial assumed medical trend rate for the 2013-2014 fiscal year as adopted by the Board in the plan's most recent actuarial valuation is 8.5%; and

WHEREAS, the pre-65 actuarial assumed medical trend rate for the 2013-2014 fiscal year as adopted by the Board in the plan's most recent actuarial valuation is greater than 7%;

RESOLVED, that the maximum monthly health insurance premium subsidy as described in Section 4.1154 (e) of the Administrative Code shall be increased by 7% to \$1,256.43, payable on behalf of the members and their eligible dependents (as such term is defined in the Board approved health insurance plans) or received as a reimbursement; and

RESOLVED, that retired members of age 60 and above with 10 or more years of service who retired with an effective date prior to July 1, 1998, and retired members of age 55 and above with 10 or more years of service who retired with an effective date of July 1, 1998 or after, who do not qualify for Part A of Medicare, shall have paid to their respective approved health insurance carriers a monthly health insurance subsidy, or paid directly to the member as a reimbursement, an amount not to exceed \$50.2572 for each whole year of service; said subsidy to apply first to that portion of the premium applicable to the retired member with any remainder to be applied to the dependent(s) of said member; and

RESOLVED, that retired members who do qualify for federally funded Part A of Medicare shall have paid to their respective approved health insurance carriers, on their behalf, a subsidy as provided in Section 4.1154(c) and in addition shall have paid to said insurance carriers, on behalf of their eligible dependents, a subsidy equal to the amount payable on behalf of the dependents of a retired member in the same plan with the same years of service who does not qualify for Parts A or B of Medicare or qualifies for Part B only whichever subsidy amount is greater, providing such subsidy, both member and dependent portions combined, does not exceed the highest subsidy for a retired member of Tiers 1, 2, 3, 4, 5 and 6 with a like number of years of service and who does not qualify for federally funded Part A of Medicare; and

RESOLVED, the health insurance premium subsidy provided herein shall be applied against the June 30, 2013 and subsequent monthly health insurance premiums or at the earliest month thereafter which is administratively feasible, and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the General Manager of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the funds of the Fire and Police Tiers 1, 2, 3, 4, 5 and 6 General Pension Funds to be paid to the service organizations through which health insurance is provided for subsidy payments applying the health insurance premiums to said eligible members in advance of or after the effective date of enrollment or change in coverage, or directly to the member in the case of a reimbursement; providing such subsidy payments have been verified against records kept by the Department of Fire and Police Pensions and the Controller's Office and found to be correct and proper and that individual subsidy amounts are within the limits set forth in the Los Angeles City Administrative Code; which motion was seconded by Commissioner von Voigt, and approved by the following vote: ayes, Commissioners Aliano,

Diannitto, Lippe, Navarro, Pérez, Vega, and von Voigt – 7; nays, Commissioners Moore and President Hansell – 2.

*The Board recessed at 9:35 a.m. (to commence the Special Board meeting).*

*The Board reconvened at 12:40 p.m. Commissioner von Voigt left during the Special Board meeting at 12:15 p.m., and Commissioner Aliano left at the conclusion of the Special meeting at 12:39 p.m.*

5. APPROVAL OF PROPOSED BOARD RULE 5.8: ACCEPTANCE OF ELECTRONIC SIGNATURES

The board report was approved as submitted.

RESOLUTION 13156

Commissioner Pérez moved that the Board approve the proposed Board Policy Section 5.8 - Acceptance of Electronic Signatures, which motion was seconded by Commissioner Lippe, and approved by the following vote: ayes, Commissioners Diannitto, Lippe, Moore, Navarro, Pérez, Vega, and President Hansell – 7; nays, none.

6. DISCUSSION OF BOARD MEETING START TIME AND POSSIBLE BOARD ACTION

This item was postponed.

7. FEEDBACK AND DISCUSSION ON THE 2013 BOARD EDUCATIONAL RETREAT AND POSSIBLE BOARD ACTION

This item was postponed.

B. REPORTS TO THE BOARD

1. President Hansell asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.
2. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.
3. General Manager's Report
  - a. Benefits Actions approved by General Manager on April 18, 2013.

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 – 1

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Raymond C. Bertolo                      Fire Service                      Retired:    09-01-66    Died:    03-12-13

DISCONTINUED PENSIONS – TIER 2 – 11

Ronald P. Marano	Fire Service	Retired:	01-28-90	Died:	03-12-13
John E. Pollock	Fire Service	Retired:	07-11-82	Died:	07-17-12
Eugene Clarke	Police Service	Retired:	03-10-92	Died:	02-28-13
Dennis L. Hall	Police Service	Retired:	02-04-95	Died:	03-10-13
Darrell D. Miller	Police Service	Retired:	02-11-79	Died:	03-16-13
Cleo J. Seymour	Fire Widow	Retired:	01-07-92	Died:	02-22-13
Gloria Tyler	Fire Widow	Retired:	12-30-06	Died:	03-03-13
Barbara Palmer	Police Widow	Retired:	08-31-02	Died:	10-19-12
Esme M. Tarbox	Police Widow	Retired:	02-01-75	Died:	10-01-12
Kathaleen L. Vausbinder	Police Widow	Retired:	08-11-01	Died:	03-02-13
Jeanne M. Walthuis	Police Widow	Retired:	12-25-80	Died:	09-28-12

DISCONTINUED PENSIONS – TIER 3 – 1

Robert S. Parrick                      Fire Disability                      Retired:    02-11-88    Died:    03-05-13

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1

Stephanie A. Wills    Police Service                      Retired:    01-01-01                      Member Died:    03-10-13

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 2 – 4

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Althea E. Marano	Ronald P. Marano	Fire Service	03-13-13
Judith M. Clarke	Eugene Clarke	Police Service	03-01-13
Marsha I. Hall	Dennis L. Hall	Police Service	03-11-13
Donna R. Miller	Darrell D. Miller	Police Service	03-17-13

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 3 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Gwen S. Parrick	Robert S. Parrick	Fire Disability	03-06-13

ELIGIBLE SURVIVOR BENEFIT PURCHASE PROGRAM – TIER 2 – 1 **CORRECTION**

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Sonya Brady	Jerry R. Brady	Fire Disability	03-08-13

MODIFIED PARTIAL PAYMENT OF PENSION – TIER 5 – 2

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Glen W. Olson, Fire Service Pensioner, being withheld for his former spouse, Janis M. Olson, since March 1, 2013, should be released effective April 1, 2013. Ms. Olson will receive cost of living adjustments.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Glen W. Olson, Fire Service Pensioner, being withheld for his former spouse, Ronnie G. Strong, since March 1, 2013, should be released effective April 1, 2013. Ms. Strong will receive cost of living adjustments.

**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 Marsha I. Hall, surviving spouse of deceased Police Service Pensioner, Dennis L. Hall, is to be paid to his former spouse, Stephanie A. Wills, effective March 11, 2013. Ms. Wills will receive cost of living adjustments.

**PARTIAL PAYMENT OF SURVIVING SPOUSE'S PENSION – TIER 5 – 1 CORRECTION**

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the Surviving Spouse Pension payable to Kimberly M. Harrell, surviving spouse of deceased Police Service Pensioner, John D. Harrell, is to be paid to his former spouse, Judith L. Harrell, effective January 2, 2013. Ms. Harrell will receive cost of living adjustments.

**DEFERRED SERVICE PENSION – TIER 3 – 1**

Police

Barry Q. Brooks	Police Officer II	Eff:	02-05-13	19	Years	52	Days
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**SERVICE PENSION – TIER 5 – 2**

Police

John W. King	Lieutenant II	Eff:	03-10-13	24	Years	10	Days
Tammy G. Markel	Detective II	Eff:	03-07-13	26	Years	244	Days

**SERVICE PENSION/DROP – TIER 3 – 1**

Police

Michael R. Slider	Detective II	Eff:	02-11-13	25	Years	91	Days
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**SERVICE PENSION/DROP – TIER 4 – 2**

Police

Michael E. Piesik	Police Officer III	Eff:	02-01-13	25	Years	44	Days
Marc S. Zavala	Detective III	Eff:	03-01-13	30	Years	122	Days

**SERVICE PENSION/DROP – TIER 5 – 19**



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Fire

Gregory A. Sanderson	Firefighter III	Eff:	02-04-13	26	Years	356	Days
Anthony E. Senior	Captain I	Eff:	02-14-13	33	Years	7	Days
Thomas W. Stafford	Captain I	Eff:	02-01-13	26	Years	29	Days

Police

Mark E. Durrell	Sergeant I	Eff:	02-01-13	25	Years	28	Days
David L. Ham	Police Officer III +1	Eff:	02-01-13	25	Years	40	Days
Michel R. Moore	Deputy Chief II	Eff:	02-01-13	31	Years	100	Days
Roseira C. Moreno	Captain II	Eff:	03-01-13	27	Years	199	Days
Stanley K. Morishima	Detective III	Eff:	02-01-13	25	Years	214	Days
Brian R. Owen	Sergeant II	Eff:	02-01-13	25	Years	246	Days
William A. Parmelee	Police Officer III	Eff:	02-01-13	25	Years	16	Days
Auston Price	Police Officer III +1	Eff:	02-01-13	27	Years	346	Days
Daniel S. Putz	Sergeant II	Eff:	02-01-13	27	Years	189	Days
Manuel V. Redruello	Sergeant II	Eff:	02-01-13	25	Years	70	Days
Bret D. Richards	Detective II	Eff:	02-01-13	25	Years	44	Days
Debbie L. Romo	Detective III	Eff:	03-01-13	29	Years	22	Days
John M. Siebert	Police Officer II	Eff:	02-01-13	25	Years	72	Days
Josephine Sokolis	Police Officer II	Eff:	02-05-13	27	Years	96	Days
Renee M. Talavera	Detective I	Eff:	03-01-13	25	Years	147	Days
Raymond Ygual	Police Officer II	Eff:	03-01-13	26	Years	86	Days

DISCONTINUE DROP – TIER 2 – 1

Police

Dewaine K. Fields	Retired:	08-01-08	Exit Close of:	04-30-13
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DISCONTINUE DROP – TIER 4 – 2

Police

Kimberly A. Dammeier	Retired:	04-01-11	Exit Close of:	03-31-13
Michelle D. Robinson	Retired:	11-02-09	Exit Close of:	04-30-13

DISCONTINUE DROP – TIER 5 – 8

Fire

James F. Cairns	Retired:	05-01-08	Exit Close of:	04-30-13
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Police

Felipe L. Amillano	Retired:	05-01-08	Exit Close of:	04-30-13
Bruce L. Bogstad	Retired:	05-01-08	Exit Close of:	04-30-13
Beatriz Cid	Retired:	10-01-08	Exit Close of:	04-30-13
Eloise Jones	Retired:	08-01-08	Exit Close of:	04-30-13
David P. Moyer	Retired:	05-01-08	Exit Close of:	04-30-13
James J. Panek	Retired:	05-01-09	Exit Close of:	04-30-13



1. APPROVAL OF TRAVEL AUTHORITY (NAVARRO) – NASP, 24<sup>TH</sup> ANNUAL PENSION & FINANCIAL SERVICES CONFERENCE

RESOLUTION 13157

Commissioner Pérez moved that the Board authorize Commissioner Navarro to attend the National Association of Securities Professionals (NASP), 24<sup>th</sup> Annual Pension & Financial Services Conference on June 23-26, 2013 at New York, NY (June 23<sup>rd</sup> is a travel day), which motion was seconded by Commissioner Lippe, and approved by the following vote: ayes, Commissioners Diannitto, Lippe, Moore, Pérez, Vega, and President Hansell – 6; nays, none.

2. Findings of Fact – Serial Number 32796 – Tier 5

MOTION

Commissioner Pérez moved that the Board approve the consent items, which was seconded by Commissioner Lippe and approved by the following vote: ayes, Commissioners Diannitto, Lippe, Moore, Pérez, Vega, and President Hansell – 6; nays, none. *Commissioner Navarro stepped out of the board room.*

E. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Pérez discussed with the City Attorney and has requested to receive a briefing regarding the Northern Trust litigation. He previously raised the issue of whether or not LAFPP should have joined the lawsuit. He wanted Commissioners Lippe and Vega to be aware of the issue. Mr. Manning suggested that the issue be discussed in closed session because there is pending litigation.

Commissioner Pérez spoke with Mr. Tom Lopez regarding potential assets we may have with the Koch Brothers, specifically with the firm Oaktree. Mr. Lopez stated he will look into the issue and report to the Board. There have been reports that the Koch Brothers are purchasing the Los Angeles Times. It has raised concerns with the members we serve.

Mr. Jim Napier stated he would convey the information to Mr. Manning.

Interim General Manager Raggio stated that the firearms issue will be discussed at the May 16, 2013 meeting as asked by Commissioner Vega.

F. PUBLIC COMMENTS

There were no public comments at this time.

Interim General Manager Raggio stated that in regards to fiduciary liability insurance, he will check with staff. We are working with the City to secure bids and report back to the Board.

G. DISABILITY CASES

DISABILITY CLAIM – NEW – TIER 5 – 1

Timothy B. Larson

(F)

Firefighter III

Service-connected disability pension is granted at 60% with no foreseeable purpose for review. Motion made by Commissioner Pérez, seconded by Commissioner Navarro and adopted by the following vote: ayes, Commissioners Diannitto, Lippe, Moore, Navarro, Pérez, Vega, and President Hansell – 7; nays, none. Fire Captain II Bernardo Ventura, Medical Liaison Unit, Los Angeles Fire Department testified regarding the applicant. Firefighter Larson was present and represented by his attorney Jeffrey Dauer.

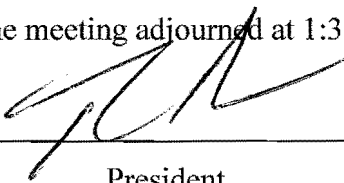
*Assistant City Attorney Alan Manning took the City Attorney Chair at this time.*

H. CLOSED SESSION ITEMS FOR POSSIBLE BOARD ACTION

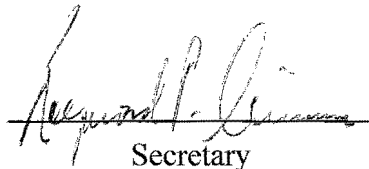
1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8 TO CONFER WITH REAL PROPERTY NEGOTIATOR; Properties: 330 East 2nd Street, 464 & 470 East 3<sup>rd</sup> Street, 701 East 3rd Street, 330 South Alameda Street, 333 South Alameda Street, 400-420 Boyd Street, 244 South San Pedro Street, 360 East 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

Upon reconvening in open session, President Hansell stated there was no public report.

The meeting adjourned at 1:33 p.m.



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President



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Secretary