

City of Los Angeles
Board of Pension Commissioners
Meeting of July 9, 1981

The Board of Pension Commissioners of the City of Los Angeles met in Room 155, City Hall South, on Thursday, July 9, 1981, at 10:05 a.m.

- COMMISSIONERS PRESENT: Ronald S. W. Lew, President
Arthur Burdorf
Sam Diannitto
Olga Marcus
Garo Minassian
- COMMISSIONERS ABSENT: Bert Cohen
Karl L. Moody
- CENTURY CAPITAL ASSOCIATES: Richard Ehrman
- SECURITY PACIFIC NAT. BANK: Steven Warheit
William Hibschman
- MARTIN E. SEGAL CO. Jim Laws
- FIRE DEPARTMENT: Thomas Stires, Medical Liaison
- POLICE DEPARTMENT: David Brath, Medical Liaison
- MAYOR'S OFFICE: Valerie Fields
- OTHERS ATTENDING: Marshall Latiner, CSR
Dean Ward, Retired Fire & Police Assoc.
O. R. Allen, Retired Fire & Police Assoc.
Marshall Prindle, UFLAC, Local #112
Helen Robles, Police Protective League
Kenneth Staggs, Police Protective League
M. Lewis Thompson, Pension Consultant
Garry Pinney, Chief Leg. Anal. Office
R. C. Helms, Police Protective League
Siegfried O. Hillmer, Asst. City Attorney
Mary Jo Curwen, Deputy City Attorney
Wilma M. Stroud, Legal Secretary III
- DEPARTMENT OF PENSIONS: James S. Muhlstein, Manager-Secretary
Wm. S. Hutchison, Assistant Manager
James J. McGuigan, Assistant Manager
Jerry Bardwell, Investment Officer
Thomas Lopez, Jr. Admin. Assistant
Steve Ballweber, Sr. Admin. Assistant
Lorraine Osuna, Jr. Admin. Assistant
Doug McFadgen, Sr. Admin. Assistant
Marilynn Hildebrandt, Jr. Admin. Assistant
Jack Campbell, Jr. Admin. Assistant
Susan McTigue, Jr. Admin. Assistant
Pat Hertzfeldt, Principal Clerk Steno
Georgene Koppelman, Sr. Clerk Typist

INVESTMENTS

Century Capital Associates

President Pro Tem Marcus invited Mr. Richard Ehrman of Century Capital Associates, investment counsel to the Board, to come forward for presentation of investment recommendations. President Pro Tem Marcus gave the opening prices.

STOCK PURCHASE RESOLUTION NO. 82017
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner Burdorf that upon the advice of Investment Counsel, the Manager-Secretary be authorized to purchase the following capital stock in an amount not to exceed:

<u>SHARES</u>	<u>ISSUE</u>
51,000	Citicorp
16,000	Cities Service
21,000	Coastal Corporation (The)
27,000	Norfolk & Western Company
15,500	Revlon, Inc.
32,000	Sony Corporation
37,000	Union Oil Company (California)
15,000	CBS, Inc.

at the market, plus commission and charges and that this authorization for the purchase be in effect for not to exceed 30 business days after this date, which motion was seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

STOCK SALE RESOLUTION NO. 82018
2525 NEW SYSTEM GENERAL PENSION FUND

After further discussion, it was moved by Commissioner Diannitto that the Manager-Secretary be authorized to sell the following capital stock in an amount not to exceed:

<u>SHARES</u>	<u>ISSUE</u>
20,000	Cameron Iron Works, Inc.
7,500	Superior Oil Company
22,000	DuPont (E.I.) DeNemours & Company
73,000	McDermott, Inc.

at the market, less commission and charges and that the authorization for sale be in effect for not to exceed 30 business days from this date, and that the Manager-Secretary be authorized to execute on behalf of, and in the name of the Board of Pension Commissioners of the City of Los Angeles, the stock powers upon stock certificates representing the shares owned by the Board in the above said companies, which motion was seconded by Commissioner Burdorf and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

Wright Investors' Service

President Pro Tem Marcus stated that Wright Investors' Service had no recommendations for this meeting and therefore would not be present.

Chemical Bank

President Pro Tem Marcus stated that Chemical Bank had no recommendations for this meeting and therefore would not be present.

At this point, President Pro Tem Marcus informed Mr. William Hutchison, Assistant Manager-Benefits, that the Board members had complained about the small type on the disability fact sheets, and Mr. Hutchison explained the situation. He said the department had acquired a new photocopy machine which has not yet been installed and the old photocopy machine was not in operation, so the reports had to be run off in another office and that this was just a one-time occurrence.

Security Pacific National Bank

President Pro Tem Marcus then invited Messrs. Steven Warheit and William Hibschman of Security Pacific National Bank, investment counsel to the Board, to come forward for presentation of investment recommendations.

STOCK SALE RESOLUTION NO. 82008
2525 NEW SYSTEM GENERAL PENSION FUND

After further discussion, it was moved by Commissioner Diannitto that the Manager-Secretary be authorized to sell the following capital stock in an amount not to exceed:

27,500 shares Du Pont (E.I.) DeNemours & Company

at the market, less commission and charges and that the authorization for sale be in effect for not to exceed 30 business days from this date, and that the Manager-Secretary be authorized to execute on behalf of, and in the name of, the Board of Pension Commissioners of the City of Los Angeles, the stock powers upon stock certificates representing the shares owned by the Board in the above said companies, which motion was seconded by Commissioner Moody and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

STOCK PURCHASE RESOLUTION NO. 82009
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner Diannitto that upon the advice of Investment Counsel, the Manager-Secretary be authorized to purchase the following capital stock in an amount not to exceed:

18,500 shares Celanese Corporation

at the market, plus commission and charges and that this authorization for the purchase be in effect for not to exceed 30 business days after this date, which motion was seconded by Commissioner Moody and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

BOND EXCHANGE RESOLUTION NO. 82010
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner Moody that upon the advice of Investment Counsel, the Manager-Secretary be authorized to sell:

\$8,000,000 Northwest Industries
7% Debentures
due 3/15/11

and to purchase:

\$7,700,000 International Telephone & Telegraph
7 1/2% Debentures
due 7/1/11

provided that the proceeds from the bonds sold, excluding accrued interest, exceed the cost of the bonds purchased, excluding accrued interest, by at least \$16,152.00 and to pay all applicable charges and accrued interest, and that this authorization be in effect for not to exceed fifteen business days after this date, which motion was seconded by Commissioner Burdorf and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

BOND EXCHANGE RESOLUTION NO. 82011
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner

Burdorf that upon the advice of Investment Counsel, the Manager-Secretary be authorized to sell:

\$2,000,000 Union Oil Co. of Calif.
8 1/2% Notes
due 3/30/86

and to purchase:

\$2,750,000 Government National Mortgage Ass'n.
8% Pass-through certificates

provided that the cost of the bonds purchased, excluding accrued interest, does not exceed the proceeds from the bonds sold, excluding accrued interest, by more than \$34,482.50 and to pay all applicable charges and accrued interest, and that this authorization be in effect for not to exceed fifteen business days after this date, which motion was seconded by Commissioner Moody and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

BOND SALE RESOLUTION NO. 82012
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner Moody that the Manager-Secretary be authorized to sell the following security at a price of 83.50 to yield 14.01% in an amount not to exceed:

\$1,000,000 U.S. Treasury Notes
10 3/4% Notes
due 8/15/90

plus interest to date of settlement, less commission and charges, and that this authorization for sale be in effect for not to exceed fifteen business days after this date, which motion was seconded by Commissioner Burdorf and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

BOND PURCHASE RESOLUTION NO. 82013
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner Moody that upon the advice of Investment Counsel, the Manager-Secretary be authorized to purchase the following security at a maximum price of 78.501 to yield at least 14.46% in an amount not to exceed:

\$1,000,000 Georgia-Pacific Corporation
10.10% Notes
due 6/15/90

plus charges and accrued interest, and that this authorization for the purchase be in effect for not to exceed fifteen business days after this date, which motion was seconded by Commissioner Burdorf and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

BOND SALE RESOLUTION NO. 82014
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner Minassian that the Manager-Secretary be authorized to sell the following security at a price of 84.343 to yield 15.10% in an amount not to exceed:

\$2,525,000 CIT Financial Corporation
4.375% Promissory Notes
due 4/1/83

plus interest to date of settlement, less commission and charges, and that this authorization for sale be in effect for not to exceed fifteen business days after this date, which motion was seconded by Commissioner Burdorf and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

BOND PURCHASE RESOLUTION NO. 82015
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner Minassian that upon the advice of Investment Counsel, the Manager-Secretary be authorized to purchase the following security at a maximum price of 87.28125 to yield at least 15.25% in an amount not to exceed:

\$2,500,000 Federal National Mortgage Association
7.30% Debentures
due 6/10/83

plus charges and accrued interest, and that this authorization for the purchase be in effect for not to exceed fifteen business days after this date, which motion was seconded by Commissioner Burdorf and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

BOND EXCHANGE RESOLUTION NO. 82016
2525 NEW SYSTEM GENERAL PENSION FUND

After discussion by the Board, it was moved by Commissioner Diannitto that upon the advice of Investment Counsel, the Manager-Secretary be authorized to sell:

\$7,570,000 Exxon Pipeline
8.25% Debentures
due 3/1/01

and to purchase:

\$10,425,000 International Telephone & Telegraph
6 1/2% Debentures
due 7/1/01

provided that the cost of the bonds purchased, excluding accrued interest, does not exceed the proceeds from the bonds sold, excluding accrued interest, by more than \$1,075.65 and to pay all applicable charges and accrued interest, and that this authorization be in effect for not to exceed fifteen business days after this date, which motion was seconded by Commissioner Moody and adopted by the following vote: ayes, Commissioner Burdorf, Diannitto, Moody and President Pro Tem Marcus - 4; noes, none.

President Pro Tem Marcus excused Messrs. Warheit and Hibschman from the Board room. She stated that the Manager-Secretary had asked that Item No. 2 on the agenda, Actuarial Assumptions for June 30, 1981, Valuation, be delayed until he and President Lew arrive at the Board meeting.

At this point in the proceedings, Commissioner Minassian entered the Board room.

OLD BUSINESS

The Acting Manager-Secretary, Mr. James J. McGuigan, asked Mr. Hutchison to report to the Board about the Police, Fire and Public Safety Committee meeting he had attended yesterday, July 8, 1981. Mr. Hutchison stated the meeting dealt with the manner in which the psychological testing standards are applied, particularly to Police Department recruits. Mr. Hutchison said it was deemed some tests were too severe, so modifications were made, and because of these modifications police hirings were halted for awhile and another Committee decided the testing process was adequate. Mr. Hutchison stated that Lyle Hall, president of United Firefighters of Los Angeles City, was present at the meeting and was quite concerned that some of the candidates who had been recommended for disqualification had subsequently been hired, and some of them had had drug problems. Lyle Hall stated that of 404 people who were disqualified, 91 were subsequently accepted by the Personnel Department. Howard Zuck, Assistant General Manager of Personnel Department, also present at the meeting, justified the hirings, saying that testing standards were often too rigid. After the above report, President Pro Tem Marcus excused Mr. Hutchison.

The Acting Manager-Secretary reported that on Monday, July 6, the City Council had considered the report of the Finance Committee which recommended that the City Council keep open the option of putting on the ballot in 1981 Charter changes which would cut pension benefits for current Firefighters and Police Officers. It was the consensus of the City Council that these cuts were too drastic to take without thorough consideration, and the matter was referred to the Ad Hoc Committee on Revisions to the Pension Systems for further study. If a decision is not made by July 16, 1981, it will be too late to place this matter on the ballot in November. There was a comment by Councilman Bernardi that the Committee would not be able to get the matter back before the full Council by that date. Commissioner Diannitto stated he had also attended the meeting, and that this is a matter of major concern for the Fire and Police Departments, and that the hall outside the meeting room that day was filled with Firefighters and Police Officers. Commissioner Diannitto said the problem is serious and that the Pension Board should take an aggressive posture on this issue.

The Acting Manager-Secretary stated he had nothing further to report under Old Business. Commissioner Burdorf inquired about the Board of Administration meeting which took place July 8, 1981, regarding investing in real estate. Mr. McGuigan reported that staff had taped the meeting and that there was a lot of material handed out at the meeting. President Pro Tem Marcus directed Mr. McGuigan to edit the material and provide it to the Board.

Commissioner Diannitto requested verbatim transcripts of the Fire Commission meeting that took place June 4, 1981, because of negative comments that had been directed at this Board during that meeting. This subject meeting was regarding the paramedics wanting to be added to the Fire and Police Pension System. The Acting Manager-Secretary reported that he had attended the above meeting and stated that Bill Mercer, from the City Administrative Office, was also there and that Mr. Mercer had explained to the Fire Commission the reasons for putting Proposition "G" on the ballot last June. Mr. McGuigan stated that the Fire Commission had requested that representatives from both the CAO and the Pensions Department attend the meeting, and that he (Mr. McGuigan) had also given a statement to the Fire Commission. Commissioner Diannitto requested a cost impact study be done on adding paramedics to this system. He suggested that staff monitor these meetings and that the Board members be given the opportunity to have presentations made by an individual Commissioner who would be speaking for the whole Board. President Pro Tem Marcus asked Mr. McGuigan to have staff report monthly to the Board on all meetings that are of concern to the Board.

NEW BUSINESS

President Pro Tem Marcus asked if staff or Commissioners had anything to report under New Business, and there was nothing.

SERVICE PENSIONS - ARTICLE XVIII

The Acting Manager-Secretary reported that the individuals reported below had completed the number of years service required for retirement provided in Section 190.11 of the Charter and filed their applications, the statements in which have been verified by proper authority. After review of the facts contained in these applications, it was moved by Commissioner Diannitto that the following individuals, having completed the number of years service as provided in Section 190.11 of the City Charter, be retired from active service as of the dates indicated:

Name	Service Yrs.	Days	Normal Pension Base	Rate %	Effective Date	Amount
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FIRE

Inspector II L. F. Casalicchio	25	2	\$3,118.08	55.0000	07-04-81	\$1,714.94
Inspector II William E. Parker	25	1	\$3,118.08	55.0000	07-04-81	\$1,714.94
Inspector I Henry L. McClelland	30	1	\$2,952.78	70.0000	07-04-81	\$2,066.95

POLICE

Police Officer III Edward R. Brehove	25	133	\$2,596.08	56.0931	06-14-81	\$1,456.22
Police Officer III Phillip M. Kingsbury	25	16	\$2,469.06	55.1315	05-31-81	\$1,361.23

which motion was seconded by Commissioner Minassian and adopted by the following vote: ayes, Commissioner Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

PENSIONS DISCONTINUED

Account of Death - Article XVII

The Acting Manager-Secretary reported that death certificates had been filed in this office to the effect that the following beneficiaries of the Fire and Police Pension System died on the dates indicated in such certificates. It was moved by Commissioner Minassian that the pension which had been granted to the following beneficiaries be discontinued as of the dates indicated:

Name	Class	Date Discontinued
George W. Fischer, Sr.	Fire Service	Close of June 11, 1981
Nellie E. Kennedy	Police Widow	Close of May 14, 1981
Thelma C. Smith	Police Widow	Close of June 6, 1981
Jennie P. Dunphy	Police Widow	Close of June 9, 1981

which motion was seconded by Commissioner Moody and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

PENSIONS DISCONTINUED

Account of Death - Article XVIII

The Acting Manager-Secretary reported that death certificates

had been filed in this office to the effect that the following beneficiaries of the Fire and Police Pension System died on the dates indicated in such certificates. It was moved by Commissioner Moody that the pension which had been granted to the following beneficiaries be discontinued as of the dates indicated:

Name	Class	Date Discontinued
Edward L. Quinn	Fire Service	Close of May 20, 1981
Emil O. Swartz	Police Service	Close of June 9, 1981

which motion was seconded by Commissioner Burdorf and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

ELIGIBLE SURVIVING SPOUSE'S PENSION - ARTICLE XVIII

The Acting Manager-Secretary reported that an application had been filed in this office by the following eligible surviving spouse of a retired member of the Fire and Police Pension System and had been determined to be an eligible surviving spouse for benefits in accordance with the provisions of Article XVIII of the City Charter. After review of the facts contained in this application, it was moved by Commissioner Burdorf that this application be granted and such eligible surviving spouse be paid from the New System General Pension Fund a monthly pension as listed below:

Name	Member's Class	Normal Pension Base	Rate %	Effective Date	Monthly Amount
Beverly Quinn (Edward L. Quinn)	Fire Service	\$2,168.05	55%	05-21-81	\$1,192.43
				Member's C/L	327.92
				Total	\$1,520.35

during her lifetime or until she again marries, which motion was seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioner Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

DECREASE PARTIAL PAYMENT OF PENSION

William Gilliland - Article XVII

The Acting Manager-Secretary reported on September 18, 1980, \$200.00 of the pension payable to William Gilliland be paid to his former wife, Joan M. Gilliland for the support, maintenance or education of their two children and that payment be reduced to \$100.00, effective at the close of July 17, 1981, on account of Michael Kevin Gilliland will attain age 21 on July 18, 1981.

After discussion by the Board, it was moved by Commissioner Diannitto that \$200.00 of the pension payable to William Gilliland, Fire Disability Pensioner being paid to his former wife, Joan M. Gilliland for the support, maintenance or education of their two children be reduced to \$100.00, effective at the close of July 17, 1981, on account of Michael Kevin Gilliland will attain age 21 on July 18, 1981, which motion was seconded by Commissioner Minassian and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

CONSIDERATION OF FINDINGS OF FACT - ARTICLE XVII

The Board next considered proposed findings of fact relative to the following:

<u>Name</u>	<u>Date of Hearing</u>	<u>Type of Hearing</u>
Daniel A. Bales	5-07-81	Review
Michael T. Dicks	5-07-81	Widow
Thorald F. Stemmer	5-07-81	Review

It was moved by Commissioner Minassian that the findings be adopted as presented, which motion was seconded by Commissioner Moody and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

CONSIDERATION OF FINDINGS OF FACT - ARTICLE XVIII

The Board next considered proposed findings of fact relative to the following:

<u>Name</u>	<u>Date of Hearing</u>	<u>Type of Hearing</u>
Donal J. Bunker	5-14-81	Disability
Warren E. Miller	5-14-81	Disability
John J. Harbridge	5-14-81	Review
Andrew S. Kappes	5-07-81	Disability
Daniel E. Lund	5-07-81	Disability
Ernest A. Pineda	5-07-81	Disability
Gerald B. Rabidou	5-14-81	Disability
Ronald C. Roark	5-14-81	Disability
Lehman F. Smith	5-07-81	Disability
Ralph G. Tello	5-14-81	Disability
Richard A. Warren	5-07-81	Disability

It was moved by Commissioner Moody that the findings be adopted as presented, which motion was seconded by Commissioner Burdorf and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

REQUEST OF JOHN R. WALTON, SERVICE PENSIONER, FOR REACTIVATION TO THE POLICE DEPARTMENT.

President Pro Tem Marcus asked if there was anyone present from the Police Department that would like to speak on the issue of John R. Walton, Service Pensioner, being reactivated to the Police Department. Lieutenant Brath, Medical Liaison, stated the Police Department would like to have John R. Walton return to duty.

After discussion by the Board, it was moved by Commissioner Burdorf that John R. Walton, Service Pensioner, be reactivated in the Police Department which motion was seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

At this point in the proceedings, President Pro Tem Marcus called for a recess which lasted approximately 25 minutes.

DAVID B. MARMION

No Change in Pension - Article XVIII

The Acting Manager-Secretary presented medical reports regarding the disability of David B. Marmion, retired member of the Police Department.

Mr. Marmion was present.

After discussion by the Board of the medical findings, it was moved by Commissioner Marcus that no change be made and that no further medical examinations be requested in this case, which motion was seconded by Commissioner Moody and adopted by the following vote: ayes, Commissioners Burdorf, Marcus, Minassian, Moody and President Pro Tem Diannitto - 5; noes, none.

KENNETH N. HENDERSON

Pension Granted - Article XVIII

The Acting Manager-Secretary present the petition of Kenneth N. Henderson, member of the Police Department, for the allowance of a disability pension in accordance with Article XVIII of the Charter, together with medical reports, as well as reports from the Police Department and the Medical Services Division of Personnel Department.

Mr. Henderson was present and was represented by Kenneth Staggs, Police Protective League. Captain Mark Stevens, Mr. Henderson's Commanding Officer, testified regarding Mr. Henderson.

Original motion for a service-connected disability pension of 50% was amended.

After consideration of all the evidence submitted, it was moved by Commissioner Minassian that based on the above findings, Kenneth N. Henderson has become so physically disabled by reason of injuries received or illness incurred in and aggravated by the performance of his duties in the Police Department as to render necessary his retirement from active service in the Department, and the degree of disability be established at 55% and he be retired from active service in the Department, and the effective date of such pension be July 9, 1981, and thereafter or until such time as such disability ceases, he be paid from the New System General Pension Fund a monthly pension of \$1,323.53, being the sum equal to 55% of the normal pension base at the time of his retirement, to-wit: \$2,406.42, plus cost of living increments, and that no further medical examinations be requested in this case, which motion was seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Minassian, Moody and President Pro Tem Marcus - 5; noes, none.

At this point in the proceedings, President Pro Tem Marcus referred to the new instruction sheet for use of Pension Department psychiatrists, prepared by Dr. Judd Marmor, and asked the Commissioners if they had any comments. The other Commissioners had not seen this form, and so Mrs. Marcus asked staff to make copies of the said instruction sheet and distribute it to all Board members.

At this point in the proceedings, the Manager-Secretary and President Lew entered the Board meeting. President Lew called the meeting back to order and drew the attention of the Board members to Item No. 2 on the agenda.

ACTUARIAL ASSUMPTIONS FOR JUNE 30, 1981, VALUATION

Present for this discussion were Jim Laws of Martin E. Segal Co., the Department's actuary, M. Lewis Thompson, Consultant to the Board, and Garry Pinney of the Chief Legislative Analyst's Office. President Lew called Messrs. Laws and Thompson forward and asked Mr. Thompson to address a point which had previously been brought up by Commissioner Diannitto concerning the statement made by Councilman Bernardi in the newspaper that this Pension System is overfunded. Mr. Thompson said he believed that overfunding had originated from the Pension Board's adoption of the actuarial investigation report for the four years ending June 30, 1979, and so he had gone to see Councilman Bernardi that another actuarial study be done. Mr. Thompson explained to the Board how other cities are operating their pension systems and what actuarial spreads they are utilizing. Mr. Thompson had proposed to Councilman Bernardi that another actuary take a look at the experience record and economic conditions of this system and prepare a report on that, and a motion was adopted by the Council to do so, it is now in limbo. Commissioner Diannitto called forward Garry Pinney from the Chief Legislative Analyst's Office to comment on this. Mr. Pinney stated that the matter of another actuarial study is before the Ad Hoc Committee on Revisions to the Pension Systems, but nothing has been scheduled yet. After much discussion, the Board consensus was that if another actuarial study is conducted which does not concur with the present one, then it would be necessary to have a third study done. Mr. Jim Laws recommended no effective change in the spread for the upcoming June 30, 1981, actuarial valuation. Assistant City Attorney Siegfried Hillmer was asked whether or not the Board could at this point legally go back and change the assumed interest rate utilized in the June 30, 1980 actuarial report which affected the 1981-82 budget adopted in June. Mr. Hillmer stated that he thought the Board could amend the budget previously adopted if a new actuarial report is done, but doubted that new economic assumptions could be adopted without a new report. He stated clearly that he would prefer to report back later on the legality of this proposed change. The Manager-Secretary stated that changing the adopted budget now would be a problem and the System has already published its annual report, and adopted the auditor's report, both of which have been filed with the Controller of the State of California. President Lew directed staff to have this subject repeated on next week's agenda, and for the Assistant City Attorney to have available the necessary legal information.

After the discussion of the foregoing agenda item, President Lew recessed the meeting for lunch. The meeting resumed at 2:05 p.m.

DONALD R. GOODSPEED

Pension Granted - Article XVIII

The Manager-Secretary presented the petition of Donald R. Goodspeed, member of the Fire Department, for the allowance of a disability pension in accordance with Article XVIII of the Charter, together with medical reports, as well as reports from the Fire Department and the Medical Services Division of Personnel Department.

Mr. Goodspeed was present with his attorney, Michael Roberts. Captain Thomas Stires, Medical Liaison, Fire Department, testified regarding Mr. Goodspeed.

Original motion which called for a review in two years and three medical examinations was amended.

After consideration of all the evidence submitted, it was moved by Commissioner Moody that based on the above findings, Donald R. Goodspeed has become so physically disabled by reason of injuries received or illness incurred in and aggravated by the performance of his duties in the Fire Department as to render necessary his retirement from active service in the Department, and the degree of disability be established at 60% and he be retired from active service in the Department, and the effective date of such pension be June 10, 1981, and thereafter or until such time as such disability ceases, he be paid from the New System General Pension Fund a monthly pension of \$1,366.03, being the sum equal to 60% of the normal pension base at the time of his retirement, to-wit: \$2,276.72, plus cost of living increments, and that no further medical examinations be requested in this case, which motion was seconded by Commissioner Diannitto and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Marcus, Minassian, Moody and President Lew - 6; noes, none.

MICHAEL A. YARO

Pension Granted - Article XVIII

The Manager-Secretary presented the petition of Michael A. Yaro, member of the Police Department, for the allowance of a disability pension in accordance with Article XVIII of the Charter, together with medical reports, as well as reports from the Police Department and the Medical Services Division of Personnel Department.

Mr. Yaro was present with his attorney, Michael Roberts. Lieutenant David Brath, Medical Liaison, and Captain David Dolson, Mr. Yaro's supervisor, Police Department, testified regarding Mr. Yaro.

After consideration of all the evidence submitted, it was moved by Commissioner Marcus that based on the above findings, Michael A. Yaro has become so physically disabled by reason of injuries received or illness incurred in and aggravated by the performance of his duties in the Police Department as to render necessary his retirement from active service in the Department, and the degree of disability be established at 50% and he be retired from active service in the Department, and the effective date of such pension be July 9, 1981, and thereafter or until such time as such disability ceases, he be paid from the New System General Pension Fund a monthly pension of \$1,112.73, being the sum equal to 50% of the normal pension base at the time of his retirement, to-wit: \$2,225.46, plus cost of living increments, and that no further medical examinations be requested in this case, which motion was seconded by Commissioner Minassian, and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Marcus, Minassian, Moody and President Lew - 6; noes, none.

DIANE V. MURPHY

Pension Granted - Article XVIII

The Manager-Secretary presented the petition of Diane V. Murphy, member of the Police Department, for the allowance of a disability pension in accordance with Article XVIII of the Charter, together with medical reports, as well as reports from the Police Department and the Medical Services Division of Personnel Department.

Ms. Murphy was present with her attorney, Edward Faunce. Captain Jack Smith, Ms. Murphy's Commanding Officer and Lieutenant David Brath, Medical Liaison, Police Department, testified regarding Ms. Murphy.

After consideration of all the evidence submitted, it was moved by Commissioner Burdorf that based on the above findings, Diane V. Murphy has become so physically disabled by reason of injuries received or illness incurred in and aggravated by the performance of her duties in the Police Department as to render necessary her retirement from active service in the Department, and

the degree of disability be established at 50% and she be retired from active service in the Department, and the effective date of such pension be December 31, 1980, and thereafter or until such time as such disability ceases, she be paid from the New System General Pension Fund a monthly pension of \$1,083.15, being the sum equal to 50% of the normal pension base at the time of her retirement, to-wit: \$2,166.30, plus cost of living increment, and that no further medical examinations be requested in this case, which motion was seconded by Commissioner Moody and adopted by the following vote: ayes, Commissioners Burdorf, Diannitto, Marcus, Minassian, Moody and President Lew - 6; noes, none.

At this point in the proceedings, President Lew called for a break which lasted approximately 10 minutes.

ROBERT A. SILAGY

Action Continued - Article XVIII

President Lew directed that the case of Robert A. Silagy be continued and instructed the staff to obtain one additional orthopedic and one additional psychiatric examinations. The staff was further instructed to obtain from the Police Department, a description of the job to which Mr. Silagy might be assigned and to provide this description to the two additional pension doctors.

At this point in the proceedings, President Lew called for adjournment. The meeting adjourned at 3:45 p.m.

[Handwritten Signature]

 Manager-Secretary

[Handwritten Signature]

 Acting Manager-Secretary
 4-23-82

[Handwritten Signature]

 President Pro Tem

[Handwritten Signature]

 President