

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF SEPTEMBER 18, 2008

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East 2nd Street, Los Angeles 90012 on Thursday, September 18, 2008.

COMMISSIONERS PRESENT: Sean Harrigan, President
Mike Carter, Vice President
George Aliano
Elliott Broidy
Maria Contreras-Sweet
Steve Juarez (participated telephonically)
Don Keith
Patricia Means

COMMISSIONER ABSENT: Sam Diannitto

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Laura Guglielmo, Assistant General Manager
Tom Lopez, Chief Investment Officer
Barbara H. Nobregas, Commission Executive Assistant

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

President Harrigan called the meeting to order at 9:10 a.m. All the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Contreras-Sweet who arrived at 9:50 a.m.

President Harrigan noted the LAPD elections. Commissioner Keith will be leaving DROP at the end of November and introduced his replacement for the Board, Mr. von Voigt.

1. **COMMUNICATIONS TO THE BOARD**

- A. Miscellaneous correspondence from money managers, consultants, etc. - Received and Filed
- B. Communication received September 8, 2008 from the City Attorney re: Amicus Curiae Brief in the *Lexin* case. Mr. Alan Manning, Assistant City Attorney noted how many other amicus curiae briefs were filed and stated that any Board Member may review the other memos. President Harrigan was interested in viewing CALPERS brief.
- C. Communication received September 18, 2008 from The Townsend Group re: Consultant

Referral Updates – Received and Filed.

D. Monthly Report - Received and Filed

2. **COMMITTEE REPORTS**

A. Benefits Committee

Chair Aliano stated the Committee met earlier and recommended that staff continue to send out the seventh month or older letter every six months. The committee discussed the proposed charter amendment request to change the method of crediting interest on active member contributions and the proposed charter change to allow disabled dependent children who marry to continue to receive benefits.

B. Governance Committee

Ms. Laura Guglielmo, Assistant General Manager reported that future items will include changes to the travel policy and items from the IFS Audit.

C. Space Planning Committee

Chair Carter asked Ms. Guglielmo for a timeline and she reported that a letter was sent to C&W. Staff is looking at other sites and is waiting for the termination of the C&W contract.

D. Audit Committee

Chair Means reported that the September 11, 2008 meeting was cancelled. President Harrigan asked if the training was videotaped for Board Members to review. Ms. Guglielmo reported the training was videotaped and is available.

3. **CHIEF INVESTMENT OFFICER'S QUARTERLY REPORT OF ASSET ALLOCATION STATUS AND POSSIBLE BOARD ACTION**

Mr. Tom Lopez, Chief Investment Officer, Investments Division and Ms. Sarah Bernstein, PCA presented the report and answered questions from the Board.

RESOLUTION 09034

Commissioner Carter moved that the Board approve the actual asset allocation of the Fund, and Staff's plans for bringing asset classes currently outside of their target allocation ranges back within their allocation ranges, which was seconded by Commissioner Broidy and approved by the following vote: ayes, Commissioners Aliano, Broidy, Carter Juarez, Keith, Means, and President Harrigan – 7; nays – none.

4. BENCHMARK CHANGES AND POSSIBLE BOARD ACTION

Mr. Paul Palmer, Investment Officer, Investments Division and Ms. Sarah Bernstein, PCA were available for questions from the Board. The report was approved as submitted.

RESOLUTION 09035

Commissioner Carter moved that the Board:

1. Add to the Investment Policy, the Barclay's US Government Inflation-Linked Bond Index as the benchmark for Treasury Inflation Protected Securities (TIPS); and
2. Change the Fund of Fund hedge fund portfolio benchmark from T-Bills +5% to T-Bills +4%, which was seconded by Commissioner Keith and approved by the following vote: ayes, Commissioners Aliano, Broidy, Carter, Juarez, Keith, Means, and President Harrigan – 7; nays – none.

5. PORTFOLIO PERFORMANCE REPORT FOR 2ND QUARTER 2008

Mr. Tom Lopez, Chief Investment Officer, Investments Division and Ms. Sarah Bernstein, PCA discussed the report with the Board.

Commissioner Contreras-Sweet joined the meeting at 9:50 a.m.

6. PROPOSED LEGISLATION FOR THE CITY'S 2009 STATE AND FEDERAL LEGISLATIVE PROGRAM AND POSSIBLE BOARD ACTION

Mr. William Raggio, Chief Management Analyst presented the report to the Board.

RESOLUTION 09036

Commissioner Carter moved the that Board:

1. Endorse the proposed legislation for the City's 2009 State and Federal Legislative Program; and
2. Direct the General Manager to communicate the Board's endorsement to the Mayor, which was seconded by Commissioner Keith and approved by the following vote: ayes, Commissioners Aliano, Boidy, Carter, Contreras-Sweet, Juarez, Keith, Means, and President Harrigan – 8; nays – none.

7. LETTER FROM RETIRED POLICE OFFICER JUDIE S. CALLAN

Mr. William Raggio, Chief Management Analyst discussed the report with the Board. The report was received and filed.

8. TRAVEL AUTHORITY-NATIONAL ASSOCIATION OF INVESTMENT COMPANIES, - NAIC TRUSTEE AND PLAN SPONSOR SYMPOSIUM, OCTOBER 19-21, 2008, SCOTTSDALE, AZ

The report was approved as submitted.

RESOLUTION 09037

Commissioner Aliano moved that the Board authorize Commissioner Means to attend the NAIC Trustee and Plan Sponsor Symposium from October 19 – 21, 2008 (October 19 is a travel day), which was seconded by Commissioner Carter and approved by the following vote: ayes, Commissioners Aliano, Broidy, Carter, Contreras-Sweet, Juarez, Keith, Means, and President Harrigan – 8; nays – none.

9. GENERAL MANAGER'S REPORT

A. Benefits actions approved by General Manager on September 4, 2008

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 September 4, 2008.

DISCONTINUED PENSIONS – TIER 1 – 1

Laura A. Marlow	Police Widow	Retired:	05-15-88	Died:	08-07-08
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DISCONTINUED PENSIONS – TIER 2 – 11

Robert L. Koenig	Fire Service	Retired:	07-01-75	Died:	08-02-08
Lawrence R. Korchak	Fire Service	Retired:	01-02-72	Died:	07-27-08
Edwin W. Blanke	Fire Service	Retired:	01-29-68	Died:	07-27-08
Jesse E. Brown	Police Service	Retired:	07-25-93	Died:	07-23-08
Clifford M. Dixon	Police Service	Retired:	05-01-79	Died:	07-10-08
Laurance Hardesty	Police Service	Retired:	10-01-67	Died:	08-04-08
Herbert C. Meredith	Police Service	Retired:	06-27-82	Died:	10-04-07
Clifford C. Risher	Police Service	Retired:	03-01-78	Died:	07-17-08
Hazel F. Kirkman	Fire Widow	Retired:	12-12-90	Died:	07-18-08
Katherine Lawrence	Fire Widow	Retired:	04-01-76	Died:	07-06-08
Betty C. Boeck	Police Widow	Retired:	05-06-81	Died:	07-12-08

DISCONTINUED PENSIONS – TIER 5 – 2

Edmond Burns, Jr.	Police Service	Retired:	06-01-03	Died:	07-08-08
Michael H. Callan	Police Disability	Retired:	12-24-05	Died:	06-22-08

SERVICE PENSIONS – POLICE – TIER – 5 – 1

Leo J. Kerchenske	Detective II	Eff:	08-31-08	24 Years	287 Days
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ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 2 – 5

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Theresa P. Koenig	Robert L. Koenig	Fire Service	08-03-08
Laura G. Korchak	Lawrence R. Korchak	Fire Service	07-28-08
Shirley Brown	Jesse E. Brown	Police Service	07-24-08
Dorothy M. Hardesty	Laurance Hardesty	Police Service	08-05-08
Therese J. Risher	Clifford D. Richer	Police Service	07-18-08

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 5 – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member’s Class</u>	<u>Effective Date</u>
Bobbie D. Burns	Edmond Burns, Jr.	Police Service	07-09-08

INCREASE SURVIVING SPOUSE’S PENSION – TIER 5 – 1

Increase the pension payable to Susan J. Ortega, Surviving Spouse of deceased Firefighter III Robert M. Ortega, effective January 1, 2008 due to discontinuance of full-time student status by Samuel R. Ortega. There is one remaining minor.

CONSERVATORSHIP – TIER 2 – 1

A certified copy of the Letters of Conservatorship, issued in the Superior Court of California, County of Riverside, Case Number 81164, appointing Lawrence S. Selby, Conservator of the Person and the Estate of Lynn R. Selby, retired Police Pensioner, effective September 24, 2003, has been filed with this office. Pension payments will be paid to Lawrence S. Selby for the benefit of Lynn R. Selby.

SERVICE PENSION/DROP – TIER 2 – 4

Fire

Jon K. Bullock	Fire Inspector I	Eff:	05-25-08	28 Years	33 Days
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Police

Dewayne K. Fields	Police Detective III	Eff:	08-01-08	27 Years	283 Days
Paul H. Lawson	Police Sergeant I	Eff:	08-01-08	27 Years	243 Days
Carey J. Ricard	Police Detective III	Eff:	08-01-08	31 Years	129 Days

SERVICE PENSION/DROP – TIER 3 – 1

Police

Ted W. Lockhart	Police Officer II	Eff:	08-01-08	25 Years	227 Days
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SERVICE PENSION/DROP – TIER 4 – 1

Police

Troy A. Bybee	Police Detective III	Eff:	07-26-08	25 Years	0 Days
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SERVICE PENSION/DROP – TIER 5 – 28

Fire

Robert A. Barocas	Firefighter III	Eff:	03-01-08	28 Years	47 Days
Mark S. Goodwin	Firefighter III	Eff:	03-01-08	27 Years	65 Days
Ernesto J. Navarro	Firefighter III	Eff:	05-16-08	25 Years	2 Days
Allen N. Norman	Battalion Chief	Eff:	02-14-08	33 Years	139 Days
Glen W. Olson	Fire Captain I	Eff:	03-01-08	27 Years	261 Days
Paul M. Ortega	Engineer	Eff:	03-02-08	30 Years	30 Days
Paul F. Porter	Fire Inspector II	Eff:	04-01-08	27 Years	60 Days
Paul T. Semerjian	Firefighter III	Eff:	05-01-08	25 Years	15 Days
Dean J. Stivason	Fire Captain I	Eff:	03-30-08	25 Years	17 Days
Phillip J. Weireter	Firefighter III	Eff:	03-01-08	30 Years	89 Days

Police

Carol J. Aborn-Khoury	Police Captain III	Eff:	08-01-08	25 Years	0 Days
Joseph L. Acosta	Police Sergeant I	Eff:	08-01-08	30 Years	175 Days
Juan E. Baello	Police Detective III	Eff:	07-06-08	27 Years	232 Days
David S. Carter	Police Sergeant II	Eff:	08-01-08	27 Years	279 Days

Donna M. Cox	Police Sergeant II	Eff:	08-01-08	25 Years	0 Days
Victor L. Dennis	Police Lieutenant II	Eff:	08-01-08	25 Years	0 Days
Robert V. Fox	Police Lieutenant II	Eff:	08-01-08	25 Years	0 Days
William J. Hart	Police Lieutenant II	Eff:	08-01-08	25 Years	0 Days
Andy Heredero	Police Lieutenant II	Eff:	08-01-08	33 Years	350 Days
Lauro V. Montes	Police Officer II	Eff:	08-01-08	26 Years	67 Days
Engelbert R. Quechenberger	Police Officer II + 2	Eff:	08-01-08	25 Years	74 Days
Maria E. Rivas	Police Detective III	Eff:	08-01-08	25 Years	0 Days
Yasmin B. Saade	Police Detective I	Eff:	08-01-08	27 Years	123 Days
Mark S. Tappan	Police Lieutenant II	Eff:	08-01-08	25 Years	121 Days
Mark W. Thompson	Police Sergeant II	Eff:	08-01-08	26 Years	140 Days
David Trujillo	Police Officer II	Eff:	08-03-08	27 Years	99 Days
Donald E. Watkins	Police Detective I	Eff:	08-01-08	29 Years	129 Days
Jerilyn Weinstein	Police Captain III	Eff:	07-25-08	25 Years	0 Days

PENSION GRANTED – DISABILITY – TIER 3 – 1, July 24, 2008

<u>Name</u>	<u>Years</u>	<u>Days</u>	<u>Effective Date</u>
Walter A. Schick	10	212	07-02-08

PENSION GRANTED – DISABILITY – TIER 3 – 1, August 21, 2008

<u>Name</u>	<u>Years</u>	<u>Days</u>	<u>Effective Date</u>
Brian Bassler	11	83	07-16-08

B. Other business relating to Department operations

Ms. Laura Guglielmo, Assistant General Manager gave the following updates:

1. The semi-annual Statement of Economic Interests are due no later than October 1, 2008.

10. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Aliano requested a written response from the City Attorney regarding Proposition 162.

Commissioner Keith requested a timely response from the City Attorney regarding Police Officer Judie S. Callan's letter.

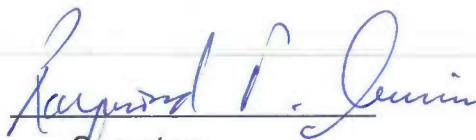
11. PUBLIC COMMENTS

Ms. Elsa Moy provided public comment.

The meeting was adjourned at 10:57 a.m.



President



Secretary