September 18, 2019

Item Name: Proposed Decision – In the Matter of Accepting the Application for Industrial Disability Retirement of MARK R. KRANHOLD and CITY OF SACRAMENTO, Respondents.

Program: Disability and Survivor Benefits Division

Item Type: Action

Parties’ Positions
Staff argues that the Board of Administration should adopt the Proposed Decision. Respondent Mark R. Kranhold’s (Respondent Kranhold) position is included in Attachment C, if any.

Strategic Plan
This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

Procedural Summary
Respondent Kranhold submitted an application for industrial disability retirement based on an orthopedic (right shoulder) condition. CalPERS determined that Respondent Kranhold was ineligible for industrial disability retirement because he had been dismissed from his employment with Respondent City of Sacramento (City) and terminated his employment relationship with City through a settlement agreement, pursuant to the legal precedents set forth in Haywood v. American River Fire Protection District, Smith v. City of Napa, and In the Matter of the Application for Industrial Disability Retirement of Robert Vandergoot. Respondent Kranhold appealed this determination and the matter was heard by the Office of Administrative Hearings on July 15, 2019. Due to City’s failure to appear, the case proceeded as a default under Government Code section 11520, as to that party only. A Proposed Decision was issued on August 6, 2019, affirming CalPERS’ determination and denying the appeal.

Alternatives

A. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System hereby adopts as its own Decision the Proposed Decision dated August 6, 2019,
concerning the appeal of Mark R. Kranhold; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

B. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated August 6, 2019, concerning the appeal of Mark R. Kranhold, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board's Decision shall be made after notice is given to all parties.

C. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated August 6, 2019, concerning the appeal of Mark R. Kranhold, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

D. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System requests the parties in the matter concerning the appeal of Mark R. Kranhold, as well as interested parties, to submit written argument regarding whether the Board's Decision in this matter should be designated as precedential, and that the Board will consider the issue whether to designate its Decision as precedential at a time to be determined.
2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.

RESOLVED, that the Board of Administration of the California Public Employees’ Retirement System, hereby designates as precedential its Decision concerning the appeal of Mark R. Kranhold.

Budget and Fiscal Impacts: Not applicable

Attachments
Attachment A: Proposed Decision
Attachment B: Staff’s Argument
Attachment C: Respondent(s) Argument(s)

Donna Ramel Lum
Deputy Executive Officer
Customer Services and Support