



Board of Administration

Agenda Item 8a4

June 15, 2022

Item Name: Proposed Decision – In the Matter of Accepting the Application for Industrial Disability Retirement of RONNY F. CESPEDES, Respondent, and CITY OF MONTCLAIR, Respondent.

Program: Keith Riddle Disability and Survivor Benefits Division

Item Type: Action

Parties' Positions

Staff argues that the Board of Administration should adopt the Proposed Decision, as modified.

Respondent Ronny F. Cespedes's (Respondent Cespedes) position is included in Attachment C, if any.

Respondent City of Montclair's (Respondent City) 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

On June 2, 2014, Respondent City sent Respondent Cespedes notice that it proposed to terminate his employment. On May 10, 2017, following multiple days of hearing in 2015 and 2016, an Arbitrator upheld Respondent Cespedes' termination. Respondent Cespedes' termination was ultimately upheld by the San Bernardino Superior Court in 2019 and the California Court of Appeal in 2021.

In 2016, Respondent Cespedes submitted an application for industrial disability retirement based on an orthopedic condition. CalPERS determined that Respondent Cespedes was ineligible for industrial disability retirement because he had been dismissed from his employment pursuant to the legal precedent set forth in *Haywood v. American River Fire Protection District*. Respondent Cespedes appealed this determination and the matter was heard by the Office of Administrative Hearings on March 14, 2022. Due to Respondent Cespedes and Respondent City's failures to appear, the case proceeded as a default under Government Code section 11520. A Proposed Decision was issued on April 12, 2022, affirming CalPERS' determination and denying the appeal.

Alternatives

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

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, pursuant to Government Code section 11517 (c)(2)(C) which authorizes the Board to "make technical or other minor changes in the proposed decision," hereby modifies the Proposed Decision, by inserting the word "industrial" in front of the words "disability retirement" on page 14; the last line of paragraph 11 of the Proposed Decision, and hereby adopts as its own Decision the Proposed Decision dated April 12, 2022, as modified, concerning the appeal of Ronny F. Cespedes; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

- B. 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 April 12, 2022, concerning the appeal of Ronny F. Cespedes; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

- C. 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 April 12, 2022, concerning the appeal of Ronny F. Cespedes, 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.

- D. 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 April 12, 2022, concerning the appeal of Ronny F. Cespedes, 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.

- E. 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 Ronny F. Cespedes, 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 Ronny F. Cespedes.

Budget and Fiscal Impacts: Not applicable

Attachments

Attachment A: Proposed Decision

Attachment B: Staff's Argument

Attachment C: Respondent(s) Argument(s)

Anthony Suine
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Customer Services and Support