M I N U T E S

OF THE

BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

BOARD MEETING OF DECEMBER 6, 2012

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, December 6, 2012.

COMMISSIONERS PRESENT:  Dean Hansell, President
                           George Aliano
                           Sam Diannitto (participated telephonically)
                           Gregory Lippe
                           Wayne Moore
                           Belinda Vega
                           Robert von Voigt

COMMISSIONERS ABSENT:  Ruben Navarro, Vice President
                        Raúl Pérez

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

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

President Hansell called the Board meeting to order at 8:37 a.m. All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Moore who arrived at 8:48 a.m. President Hansell welcomed Ms. Belinda Vega to the Board who replaced Mr. Rafael Bernardino. President Hansell stated that Commissioner Lippe was leaving the meeting early to receive the 20th Annual Harmon Ballin Community Service Award from The Valley Industry & Commerce Association (VICA).

Item G was taken out of order.

G.  DISABILITY CASES

   DISABILITY CLAIM – NEW – TIER 5 - 2
Derek K. Vehling  (F)  Fire Captain I

As recommended by staff and concurred in by the applicant, service-connected disability pension is granted at 90% with no foreseeable purpose for review. Motion made by Commissioner Diannitto, seconded by Commissioner von Voigt and adopted by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Vega, von Voigt and President Hansell – 6; nays, none. Fire Captain Vehling was not present but was represented by Mr. Kenneth E. Buzzell.

Christopher Montoya  (P)  Sergeant I

Hearing continued. This claim is continued at the request of the applicant’s attorney.

A. ITEMS FOR BOARD ACTION

1. DISCUSSION AND POSSIBLE ACTION REGARDING GENERAL MANAGER RECRUITMENT RELATED QUESTIONNAIRES

Ms. Myo Thedar, Senior Management Analyst II, Administrative Services and Mr. Scott De Young, Chief Personnel Analyst, Personnel Department came before the Board. Staff received clarification from the Board on specific aspects of the initial screening process, distribution of questionnaire and regret letters. The information will be passed on to the consultant.

2. PROPOSED RENEWAL OF SEPARATE ACCOUNT REAL ESTATE MANAGEMENT CONTRACTS WITH HEITMAN CAPITAL MANAGEMENT AND SENTINEL REAL ESTATE CORPORATION, AND THE EXTENSION OF THE SEPARATE ACCOUNT REAL ESTATE MANAGEMENT CONTRACT WITH URDANG CAPITAL MANAGEMENT, AND POSSIBLE BOARD ACTION

Mr. Rick Rogers, Investment Officer II and Ms. Melissa Soo Hoo, Management Assistant from the Investment Division presented the report. Mr. Rogers stated the process of transitioning the management of actual properties would require some time to accomplish.

RESOLUTION 13078

Commissioner Diannitto moved that the Board:

1. Approve new three-year contracts with Heitman Capital Management and Sentinel Real Estate Corporation;

2. Approve an extension of the contract with Urdang Capital Management for up to six months to facilitate the transition of the Urdang-managed properties to another advisor’s management;
3. Authorize the General Manager to negotiate and approve the terms and conditions of the contracts with Heitman Capital Management, Sentinel Real Estate Corporation and Urdang Capital Management for separate account real estate management services;

4. Authorize the President of the Board, on behalf of the Board, to execute the contracts with Heitman Capital Management, Sentinel Real Estate Corporation and Urdang Capital Management for separate account real estate management services, subject to the approval of the City Attorney as to form; and,

5. Authorize the General Manager to transition the management of the Urdang-managed separate account properties to Heitman Capital Management and Sentinel Real Estate Corporation as best indicated by individual property characteristics and advisor expertise, which motion was seconded by Commissioner Moore and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Vega, von Voigt, and President Hansell – 7; nays, none.

3. PROPOSED 2012/2013 LAFPP REAL ESTATE INVESTMENT RECOMMENDATIONS AND ACTIONS BY THE TOWNSEND GROUP, AND POSSIBLE BOARD ACTION

Ms. Jennifer Young, Consultant, and Mr. Nicholas Rittenhouse, Associate, from the Townsend Group were before the board. Ms. Young provided an overview of the real estate portfolio and presented the Jamestown investment. She discussed Townsend’s internal systems to mitigate risk related to the structure of investment properties. President Hansell directed Townsend to follow up on flood insurance for the properties.

RESOLUTION 13079

Commissioner Aliano moved that the Board approve The Townsend Group’s recommendation that LAFPP commit $60 million to Jamestown Premier Property Fund, which motion was seconded by Commissioner Moore and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Vega, von Voigt, and President Hansell – 7; nays, none.

Ms. Young provided an overview of the Starwood property. She specifically addressed Starwood’s personnel and answered the Board’s questions. Mr. Rick Rogers addressed the issue stating that staff approved the recommendation.

RESOLUTION 13080

Commissioner von Voigt moved that the Board approve The Townsend Group’s recommendation that LAFPP commit $30 million to Starwood Distressed Opportunity Fund IX, which motion was seconded by Commissioner Lippe and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Vega, von Voigt, and President Hansell – 7; nays, none.

4. HEDGE FUND STRUCTURAL CHANGE AND POSSIBLE BOARD ACTION
Mr. Tom Lopez, Chief Investment Officer (CIO); Mr. Derek Niu, Investment Officer II; and Ms. Melissa Soo Hoo, Management Assistant from the Investments Division were before the Board. Ms. Soo Hoo presented new information that staff received regarding the fees and indicated it would not change the staff recommendation.

Messrs. Mark S. Zucker and Michael J. Halpern, co-founders and CIOs from Dorchester gave a public comment.

RESOLUTION 13081

Commissioner Diannitto moved that the Board approve the redemption of the investment management shares with Dorchester Capital Advisors, LLC (Dorchester), which motion was seconded by Commissioner Moore and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, Commissioner Lippe – 1.

Mr. Tom Lopez stated the options of investing the funds and the redemption process. Commissioner Moore requested that staff explore the options of reducing fees for hedge funds. President Hansell stated to hold off on deciding where to place the funds.

Mr. Mark S. Zucker gave a public comment.

RESOLUTION 13082

Commissioner Aliano moved that the Board approve redemption from Dorchester and hold off dispersing the allocations to allow staff to conduct research on placement options, which motion was seconded by Commissioner von Voigt and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Vega, von Voigt, and President Hansell – 7; nays, none.

5. PRINCIPAL GLOBAL INVESTORS UPDATE AND POSSIBLE BOARD ACTION

Messrs. Paul Palmer, Investment Officer II and Michael Ford, RV Kuhns came before the Board.

Messrs. Bill Grayson and Scott Liberton, Principal Global Investors gave a public comment.

RESOLUTION 13083

Commissioner Diannitto moved that the Board place Principal Global Investors on the Watch List, which motion was seconded by Commissioner Lippe and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Vega, von Voigt, and President Hansell – 7; nays, none.
MOTION

Commissioner Lippe moved that the Board choose Alternative 4, to monitor the Principal portfolio and make a decision about the account at a later time, seconded by Commissioner Diannitto.

Messrs. Paul Palmer and Michael Ford discussed the issue regarding the staff departures and answered the Board’s questions. The Board Members stated their preference on whether or not to conduct a search for an emerging markets equity manager. Mr. Tom Lopez provided the Board options to consider.

Commissioners Lippe and Diannitto withdrew their motion.

RESOLUTION 13084

Commissioner Moore moved that the Board direct RV Kuhns to conduct a search for an International Emerging Markets manager, which motion was seconded by Commissioner Vega and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Lippe, Moore, Vega, von Voigt, and President Hansell – 7; nays, none.

6. APPROVAL OF PROXY VOTING SERVICES CONTRACT AND POSSIBLE BOARD ACTION

The board report was approved as submitted.

RESOLUTION 13085

Commissioner von Voigt moved that the Board:

1. Approve a three-year contract with Glass Lewis & Company;

2. Authorize the General Manager to negotiate and approve the terms and conditions of a contract with Glass Lewis & Company for services; including the incorporation of the Board’s Contractor Disclosure Policy for the period January 1, 2013 through December 31, 2015; and,

3. Authorize the President of the Board, on behalf of the Board, to execute the contract with Glass Lewis & Company for proxy voting services, subject to the approval of the City Attorney as to form, which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.

7. NEW MEDICARE SUBSIDY, QUALIFIED SURVIVING SPOUSE/DOMESTIC PARTNER SUBSIDY, DENTAL INSURANCE SUBSIDY AND MEDICARE PART B PREMIUM REIMBURSEMENT MAXIMUMS FOR 2013 AND POSSIBLE BOARD ACTION
Mr. Gregory Mack, Senior Management Analyst II, Medical and Dental Benefits Section presented the
report. The board report was approved as submitted.

RESOLUTION 13086A

Commissioner von Voigt moved that the Board adopt the resolution increasing the maximum Medicare
Health Insurance Subsidy to $452.93 per month effective January 1, 2013 as follows:

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 section 4.1154 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,
respectively; and

WHEREAS, the Board of Administration of the Los Angeles City Employees' Retirement System
(LACERS) has negotiated a rate of $452.93 for its highest monthly premium of an approved plan
supplemental to Part A of Medicare;

RESOLVED, that the maximum monthly health insurance premium subsidy as described in Section
4.1154 (e) of the Administrative Code shall be $1,174.23, 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 $46,969.2 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 of $452.93 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 does not exceed the highest subsidy
for the dependent of a retired member with a like number of years of service and enrolled in a health plan available to retired members of the Los Angeles City Employees' Retirement System, in which case the latter shall be the subsidy for the dependents; and

RESOLVED, the health insurance premium subsidy provided herein shall be applied against the December 31, 2012 pension payments 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 Manager-Secretary 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 and Service 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 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 Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.

RESOLUTION 13086B

Commissioner von Voigt moved that the Board adopt the resolution increasing the maximum Qualified Surviving Spouse/Domestic Partner (Qualified Survivor) Non-Medicare Health Insurance Subsidy to $681.72 per month effective January 1, 2013 as follows:

WHEREAS, eligible surviving spouses/domestic partners of Tiers 1, 2, 3, 4, 5 and 6 of the Fire and Police Pension Plan have had paid, on their behalf, a health insurance premium subsidy in accordance with the provisions of Section 4.1161 of the Administrative Code; and

WHEREAS, the Board of Fire and Police Pensions Commissioners has been granted the authority under Sections 1330, 1428, 1518, 1618 and 1718 of the City Charter and Section 4.2018 of the Administrative Code to increase or decrease the maximum monthly amount of the health insurance subsidy; and

WHEREAS, active members of the Fire and Police Pension Plan have been granted a maximum monthly subsidy of $1,113.57 which is sufficient to pay the member's premium and a part or all of the premium for dependents; and
WHEREAS, the Board of Administration of the Los Angeles City Employees’ Retirement System has negotiated a rate of $681.72 in 2013 for its Kaiser single-party premium for retired members without Parts A and B of Medicare; and

WHEREAS, it is the desire of this Board to exercise its authority to provide a health insurance subsidy for eligible qualified surviving spouses/domestic partners within the limits of the Administrative Code, i.e., no more than active members of the Fire and Police Pension Plans or the single party premium for civilian retirees without Parts A and B of Medicare;

RESOLVED, that eligible qualified surviving spouses/domestic partners who do not qualify for Part A of Medicare, shall have paid to their respective approved health insurance carriers, a monthly health insurance subsidy not to exceed $681.72 in accordance with the subsidy entitlements based on years of service of the member, pursuant to Section 4.1161 of the Administrative Code, said subsidy to be used for the premium cost for the qualified surviving spouse/domestic partner only; and

RESOLVED, that qualified surviving spouses/domestic partners 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 4.1161(d) and (e), said subsidy to be used for the premium cost for the qualified surviving spouse/domestic partner only; and

RESOLVED, the health insurance premium subsidy provided herein shall be applied on the December 31, 2012 pension payments and subsequent monthly payments, and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, the Manager-Secretary of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the General Pension Funds of Tiers 1, 2, 3, 4, 5 and 6 to be paid to the service organizations and health insurance carriers through which health insurance is provided for subsidy payments. However, such subsidy payments must have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper, and individual subsidy amounts must be within the limits as set forth in the Los Angeles City Administrative Code; which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.

RESOLUTION 13086C

Commissioner von Voigt moved that the Board adopt the Resolution decreasing the maximum Dental Insurance Subsidy to $42.80 per month effective January 1, 2013 as follows:

WHEREAS, Section 4.1164 of the Los Angeles Administrative Code provides that the Board of Fire and Police Pension Commissioners will pay subsidies toward certain dental benefit costs for certain eligible retired members of the Fire and Police Pension Plan; and
WHEREAS, the Board of Fire and Police Pension Commissioners has been granted the authority under Section 4.1164 of the Administrative Code to increase or decrease the maximum monthly amount in accordance with the authority conferred in subsections (e) of Sections 1330, 1428, 1518, 1618 and 1718 of the Charter and subsection (e) of Section 4.2018 of the Administrative Code, respectively; and

WHEREAS, the Board of Administration of the Los Angeles City Employees’ Retirement System (LACERS) has granted a maximum monthly dental subsidy of $42.80 for 2013; and

WHEREAS, active members of the Fire and Police Pension Plan have been granted maximum monthly dental subsidies in excess of $42.80;

RESOLVED, that eligible members shall have paid to their respective approved employee service organizations, a monthly dental insurance subsidy not to exceed $42.80 in accordance with the subsidy entitlements based on years of service of the member pursuant to subsection (a) of Section 4.1164 of the Administrative Code, said subsidy to be used for the premium cost for the member only; and

RESOLVED, the dental insurance premium subsidy provided herein shall be applied against the December 31, 2012 pension payments and subsequent monthly dental insurance premiums, and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the Manager-Secretary of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the General Pension Funds of the Fire and Police Pension Plan, Tiers 1, 2, 3, 4, 5 and 6, to be paid to the service organizations through which dental insurance is provided for subsidy payments, applying to dental insurance premiums of said eligible members, providing such subsidy payments have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper and that individual subsidy amounts are within the limits as set forth in the Los Angeles City Administrative Code; which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.

RESOLUTION 13086D

Commissioner von Voigt moved that the Board adopt the resolution increasing the basic Medicare Part B Premium Reimbursement to $104.90 per month effective January 1, 2013 as follows:

WHEREAS, Los Angeles City Administrative Code Section 4.1162 provides that the Board of Fire and Police Pension Commissioners will pay reimbursement of Medicare Part B basic premiums for eligible retired members and qualified surviving spouses/domestic partners of the Fire and Police Pension Plan who are eligible to receive health insurance subsidies and enrolled in Medicare Parts A and B; and

WHEREAS, the Medicare Part B basic premium effective January 1, 2013, is $104.90 per month;
RESOLVED, that eligible members and eligible qualified surviving spouses/domestic partners shall have paid a monthly Medicare Part B premium reimbursement of $104.90; and

RESOLVED, the Medicare premium reimbursement provided herein shall be applied to the December 31, 2012 pension payments and subsequent monthly payments and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the Manager-Secretary of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the General Pension Funds of the Fire and Police Pension Plan, Tiers 1, 2, 3, 4, 5 and 6, to be paid to eligible members and beneficiaries, provided such payments have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper and that individual reimbursement amounts are within the limits as set forth in the Los Angeles City Administrative Code; which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.

8. POSSIBLE ADOPTION OF AMENDMENT TO BOARD POLICIES AND PROCEDURES SECTION 5.3: CONTRIBUTIONS OWED TO THE SYSTEM

Ms. Robyn Wilder, Chief Benefits Analyst, Pensions Division was before the Board. The board report was approved as submitted.

RESOLUTION 13087

Commissioner Moore moved that the Board approve the proposed amendment to Board Policy Section 5.3, Contributions Owed to the System, which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.

9. POSSIBLE ADOPTION OF AMENDMENT TO BOARD POLICIES AND PROCEDURES SECTION 3.10: RECOVERY OF ERRONEOUS PAYMENTS

The board report was approved as submitted.

RESOLUTION 13088

Commissioner Moore moved that the Board approve the proposed amendment to Board Policy Section 3.10, Recovery of Erroneous Payments, which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.
10. APPROVAL OF CONTRACT FOR GRAPHIC DESIGN SERVICES

Ms. Erika Robinson, Management Assistant, Communications and Special Projects Section was before the board. The board report was approved as submitted.

RESOLUTION 13089

Commissioner von Voigt moved that the Board:

1) Approve Staff’s selection of FiftyX, Inc. (FiftyX) to provide graphic design services for a three-year term, with a total contract amount not to exceed $180,000; and,

2) Authorize the General Manager to negotiate and execute the terms and conditions of the contract; and,

3) Authorize the President of the Board, on behalf of the Board, to execute the contract, subject to the approval of the City Attorney, as to form, which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.

11. REVIEW OF IFS STATUS REPORT FOR BOARD DISPOSITION AND POSSIBLE BOARD ACTION

Ms. Caroline Dinu, Senior Management Analyst II from the Internal Audit Section stated the three remaining IFS audit recommendations, if approved, will close out the total 168 IFS audit recommendations. Interim General Manager Raggio stated the audit is conducted every 5 years; the next audit will begin January 2013.

RESOLUTION 13090

Commissioner von Voigt moved:

1) That the Board determine that the status of Independent Fiduciary Services (IFS) recommendation number 2f/07 remain as “Implement at a Later Date” until the next general investment consultant contract is awarded;

2) That the Board determine that the status of IFS recommendation numbers 2c/21 and 3f/01 be changed from “Implement at a Later Date” to “Completed;”

3) Approve the IFS Status Report, which motion was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell – 6; nays, none.

B. REPORTS TO THE BOARD
1. UPDATE ON NEW DEFINED CONTRIBUTION PLAN: AMENDMENTS TO EXISTING RETIREMENT PLANS - INITIATIVE CHARTER AMENDMENT

Commissioner Aliano stated that he is withdrawing his request for an actuarial study. The board report was received and filed.

2. CONTRACTOR DISCLOSURE POLICY - QUARTERLY REPORT

The board report was received and filed.

3. President Hansell asked if any Board Member made any expenditure to influence State legislative or administrative action to which their reply was negative.

4. Miscellaneous correspondence from money managers, consultants, etc. – Received and Filed.

5. General Manager’s Report

a. Benefits Actions approved by General Manager on November 15, 2012

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 – 3

<table>
<thead>
<tr>
<th>Name</th>
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<tr>
<td>Kenneth G. Skersick</td>
<td>Fire Service</td>
<td>02-03-62</td>
<td>10-07-12</td>
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<tr>
<td>Dorothy F. Pond</td>
<td>Police Widow</td>
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<td>10-09-12</td>
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<td>Mildred Trukke</td>
<td>Police Widow</td>
<td>06-19-81</td>
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DISCONTINUED PENSIONS – TIER 2 – 14

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<th>Name</th>
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<tr>
<td>Richard H. Downey</td>
<td>Fire Service</td>
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<td>David L. Megorden</td>
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<td>Clarence Woodburn</td>
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<td>Jan Van Leeuwen, Jr.</td>
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<td>Edward D. Willis</td>
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<td>Charles F. Nielsen</td>
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<td>Robert A. Luxford</td>
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<td>Genevieve B. Kientz</td>
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<td>Betty L. Marineau</td>
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<td>Ruth Waller</td>
<td>Fire Widow</td>
<td>08-05-95</td>
<td>09-05-12</td>
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</table>
Nona Y. Barker  Police Widow  Retired: 11-24-11  Died: 09-30-12
Jessie E. Malone  Police Widow  Retired: 02-02-97  Died: 10-20-12
Joan G. Peterson  Police Widow  Retired: 09-12-07  Died: 09-13-12

DISCONTINUED PENSIONS FORMER SPOUSE – TIER 2 – 1
Barbara Luxford  Police Disability  Retired: 07-10-94  Member Died: 10-21-12

ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 1 – 1

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<thead>
<tr>
<th>Name</th>
<th>Deceased Member</th>
<th>Member’s Class</th>
<th>Effective Date</th>
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<tbody>
<tr>
<td>Marie E. Skersick</td>
<td>Kenneth G. Skersick</td>
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ELIGIBLE SURVIVING SPOUSE’S PENSION – TIER 2 – 6

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<th>Name</th>
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<td>Helen L. Megorden</td>
<td>David L. Megorden</td>
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<td>Jean F. Orduna</td>
<td>Paul A. Orduna</td>
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<td>Wilbur L. Clingan</td>
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<td>Ann M. Willis</td>
<td>Edward D. Willis</td>
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<td>Shirley A. Nielsen</td>
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<td>Patricia K. Luxford</td>
<td>Robert A. Luxford</td>
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</table>

INCREASE SURVIVING SPOUSE’S PENSION – TIER 3 – 1

Increase the pension payable to Beth A. Heim, surviving spouse of deceased Police Officer III, Charles D. Heim, effective July 1, 2012, due to the discontinuance of Brittani C. Heim’s full-time student status. There is one remaining minor.

DISCONTINUE SURVIVING CHILD’S PENSION – TIER 3 – 3

Discontinue the pension payable to Brittani C. Heim, surviving child of deceased Police Officer III, Charles D. Heim, effective July 1, 2012, due to the discontinuance of full-time student status.

Discontinue the pension payable to Armando Rodriguez, III, surviving child of deceased Police Officer III, Armando Rodriguez, Jr., effective August 23, 2012, due to the discontinuance of full-time student status.

Discontinue the pension payable to Joslyn A. Young, surviving child of deceased Police Officer III, Robert E. Young, effective July 1, 2012, due to the discontinuance of full-time student status.

PARTIAL PAYMENT OF PENSION – TIER 5 – 1
In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the pension payable to Samuel E. Mark, Police Service Pensioner, is to be paid to his former spouse, Annie B. Mark, effective December 1, 2012. Ms. Mark 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 Patricia K. Luxford, surviving spouse of Police Disability Pensioner, Robert A. Luxford, is to be paid to his former spouse Barbara Luxford, effective October 22, 2012. Ms. Luxford will receive cost of living adjustments.

DEFERRED SERVICE PENSION – TIER 3 – 1

Fire
Douglas R. Rogers Firefighter III Eff: 11-16-12 17 Years 319 Days

SERVICE PENSION/DROP – TIER 3 – 2

Police
William Carter Sergeant II Eff: 08-01-12 30 Years 23 Days
Alberto F. Gonzalez Detective I Eff: 10-03-12 25 Years 58 Days

SERVICE PENSION/DROP – TIER 4 – 1

Police
Yolanda Bybee Detective I Eff: 09-01-12 28 Years 254 Days

SERVICE PENSION/DROP – TIER 5 – 11

Fire
Shawn L. Dean Inspector I Eff: 08-01-12 25 Years 172 Days
Jose Moreno Captain I Eff: 10-01-12 29 Years 179 Days

Police
Arthur Aguirre Police Officer III Eff: 07-05-12 25 Years 209 Days
Cheryl A. Baratta Lieutenant II Eff: 08-01-12 25 Years 0 Days
Joseph L. Barnes Police Officer II +2 Eff: 09-01-12 25 Years 24 Days
Robert E. Barnes Police Officer III Eff: 08-01-12 25 Years 2 Days
Timothy R. Brausam Detective III Eff: 09-10-12 30 Years 1 Day
Daniel Ellerson Sergeant I Eff: 09-01-12 30 Years 47 Days
Derek A. Fellows Detective II Eff: 09-04-12 25 Years 16 Days
Jose M. Garcia Police Officer III Eff: 08-13-12 25 Years 75 Days
Mario L. Gonzalez Police Officer III +1 Eff: 08-01-12 25 Years 1 Day
DISCONTINUE DROP – TIER 5 – 5

Fire
Edwin F. Mitchell Retired: 02-08-11 Exit Close of: 11-30-12
Xavier J. Vigil Retired: 03-01-08 Exit Close of: 11-30-12

Harbor
Alfred Guerrero Retired: 12-01-07 Exit Close of: 11-30-12

Police
Kent C. Ridenour Retired: 12-01-07 Exit Close of: 11-30-12
Samuel E. Mark Retired: 12-01-07 Exit Close of: 11-30-12

PARTIAL PAYMENT OF DROP FUNDS – TIER 5 – 1

In accordance with the City Attorney’s advice, a designated proportion of the community property interest of the DROP funds payable to Samuel E. Mark, Police Service Pensioner, is to be paid to his former spouse, Annie B. Mark, effective November 30, 2012.

PENSION ADJUSTED SURVIVING SPOUSE – TIER 5 – 1

<table>
<thead>
<tr>
<th>Name</th>
<th>Member’s Class</th>
<th>Type: % Rate</th>
<th>Effective Date</th>
<th>Board Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veronica Conrado</td>
<td>Detective II</td>
<td>FROM: Non-Service Connected w/o Prejudice: 40%</td>
<td>12-29-10</td>
<td>02-17-11</td>
</tr>
<tr>
<td>(Enrique R. Conrado)</td>
<td></td>
<td>TO: Service-Connected w/o Prejudice: 75%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b. Other business relating to Department operations

Interim General Manager Raggio gave the following updates:

1. He recently attended a CalPERS Emerging Manager forum and provided an overview of the program. He networked with the diversity organizations from various investment companies and will be working with them over the next few weeks to improve the System’s Emerging Manager Program. He will bring forth the information to the Ad Hoc Committee. He spoke with Councilmember Krekorian, Chair of the Budget and Finance Committee on his return flight. Interim General Manager Raggio will meet with the Councilmember and his staff in January to go over the actuarial report and explain the process. This will enable the Councilmember to have a better understanding of how it will impact the City contributions for next fiscal year.

2. The IFS Management Audit has been wrapped up. Hewitt EnnisKnupp has been selected to audit our System for the next management audit. The entrance conference is scheduled in January. Previously,
IFS has met with Board Members. If the new auditors wish to meet with the Board, staff will schedule the meetings. Ms. Kenney was sharing the IFS board report with a former IFS member. He was delighted that the 168 recommendations were acted on. Interim General Manager Raggio commend the Board and former General Manager Perez’s leadership, and staff’s participation. He intends to prepare a close out report before the next management firm comes in.

3. He previously updated the Board on the IRS determination letter process. The Plan submitted a determination letter and voluntary compliance program application in February 2009 to the IRS, as part of their cycles of reviewing public pension plans. The IRS reviews our plan documents, policies and procedures, and how we administer and implement those plan documents to ensure we are complying with the IRS and plan provisions. His understanding is that the determination letter is imminent. Ms. Wilder and Mr. Salazar have worked on this for a couple of years. The process now is that the IRS wants to have determination letters regularly issued to the pension plans. The last one was dated 2001. Once the current one is complete, we will have some ordinances sent to City Council to change the City Administrative Code in order to comply with Internal Revenue Code (IRC) provisions. We have also made changes to our health program in order to make it compliant with IRC Section 401(h). We will provide a report to the Board with the Ordinances in order to forward them to the City Council.

Ms. Robyn Wilder and Mr. Joseph Salazar provided an update of the tax and health code regulations as requested by President Hansell.

Ms. Wilder stated that as far as the IRS compliance, we are operationally in compliance with all the current tax legislation. The only issue is that our plan document does not reflect the current IRS regulations. The Ordinances are to ensure the document matches our day-to-day practices. We have not had any plan failures. The only issue was the health subsidy account and that was corrected three years ago. We have been doing it according to the IRC Section 401(h) for the last three years. It is a matter of getting the plan document updated with the latest regulations.

Mr. Salazar stated that as far as the health reform integration with our health plans, we have staff in our Medical and Dental Benefits Section that is closely monitoring it and working with the Relief Associations. We will continue to update the Board through the Benefits Committee. We have a pending report on how the funds are being spent from the Early Retiree Reinsurance Program. That will come to the next Benefits Committee to be scheduled in January or February.

4. He also reported that former Board Member Mr. Elliot Broidy paid an $18 million fine and his sentence was reduced to a misdemeanor.

c. Marketing Cessation Information

6. City Attorney’s Report
Mr. Alan Manning, Assistant City Attorney had no updates to report.

C. COMMITTEE REPORTS

1. Audit Committee – Last met: 10/18/12; next meeting: TBD
2. Benefits Committee – Last met: 04/05/12; next meeting: Tentative: Jan. 2013
3. Governance Committee – Last met: 07/19/12; next meeting: TBD
4. Ad Hoc Emerging Investment Managers – next meeting: 11/8/12
5. Ad Hoc Managers Fees Committee – Last meeting: 11/15/12; next meeting: TBD
6. Ad Hoc Space Planning Committee – Discussion held during closed session with property negotiator
7. Ad Hoc Strategic Planning Committee – next meeting: TBD

There were no committee report updates.

D. CONSENT ITEMS

1. Approval of Minutes
2. Findings of Fact

Commissioner von Voigt moved that the Board approve the consent items, which was seconded by Commissioner Aliano and approved by the following vote: ayes, Commissioners Aliano, Diannitto, Moore, Vega, von Voigt, and President Hansell– 6; nays, none.

E. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

F. PUBLIC COMMENTS
Ms. Elsa Moy gave a public comment.

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 3rd 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

The Board met in closed session. Upon reconvening in open session, President Hansell stated there was no public report.

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) TO CONFER OR DISCUSS WITH, OR RECEIVE ADVICE FROM, ITS LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED LOS ANGELES POLICE PROTECTIVE LEAGUE, UNITED FIREFIGHTERS OF LOS ANGELES CITY V. BOARD OF FIRE AND POLICE PENSION COMMISSIONERS FOR THE CITY OF LOS ANGELES, ET AL., LOS ANGELES SUPERIOR COURT CASE NO. BC 489113

This item was continued.

The meeting adjourned at 10:28 a.m.

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President

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Secretary