

AD HOC COMMITTEE ON DIVERSITY, EQUITY AND INCLUSION

AGENDA

Board of Fire and Police Pension Commissioners

Ruben Navarro
Brian Pendleton
Belinda Vega
Paul Weber

August 20, 2020

**10:00 a.m. or as soon thereafter as the
Board adjourns its regular meeting**

Sam Diannitto Boardroom
Los Angeles Fire and Police Pensions Building
701 East 3rd Street, Suite 400
Los Angeles, CA 90013

Important Message to the Public: In conformity with the Governor's Executive Order N-29-20 (March 17, 2020) and due to the public health concerns over COVID-19, this meeting of the Board of Fire and Police Pension Commissioners will be conducted via telephone and/or videoconferencing.

PLEASE NOTE: The Board Room will be closed during this meeting.

To provide public comment telephonically, please call (669) 900-9128 or (346) 248-7799 and enter Meeting ID 895 8975 2970# (Please note: Toll charges may apply.)

If you do not want to make a public comment, you may stream the meeting from the website (www.lafpp.com) or call any of the following numbers to access the Council Phone system and listen to live coverage: (213) 621-CITY (Downtown), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

Please refer to www.lafpp.com for more information.

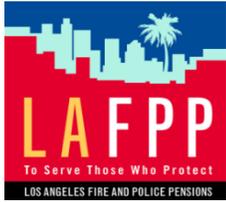
An opportunity for the public to address the Board or Committee about any item on today's agenda for which there has been no previous opportunity for public comment will be provided before or during consideration of the item. Members of the public who wish to speak on any item on today's agenda are requested to use the telephone number provided above.

Notice to Paid Representatives: If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq.* More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 978-1960 or ethics.commission@lacity.org

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board or applicable Committee of the Board in advance of their meetings may be viewed by clicking on LAFPP's website at www.lafpp.com. In addition, if you would like a copy of any record related to an item on the agenda, please contact the Executive Administrative Assistant, at (213) 279-3037 or by e-mail at evange.masud@lafpp.com.

Sign language interpreters, communication access real-time transcription, assistive listening devices, Telecommunication Relay Services (TRS) or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days notice is strongly recommended. For additional information, please contact the Department of Fire and Police Pensions, (213) 279-3000 voice or (213) 628-7713 TDD.

1. GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION
2. ELECTION OF AD HOC COMMITTEE CHAIR AND VICE-CHAIR
3. [BACKGROUND ON TRACKING DIVERSITY AND INCLUSION IN INVESTMENTS](#)
4. PRESENTATION FROM INSIGHT PARTNERS



SPECIAL MEETING

AGENDA

Board of Fire and Police Pension Commissioners

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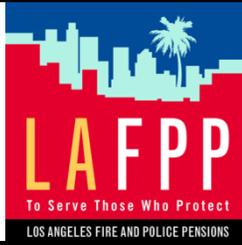
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2. ELECTION OF AD HOC COMMITTEE CHAIR AND VICE-CHAIR
3. BACKGROUND ON TRACKING DIVERSITY AND INCLUSION IN INVESTMENTS
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DEPARTMENT OF FIRE AND POLICE PENSIONS

701 E. 3rd Street, Suite 200
Los Angeles, CA 90013
(213) 279-3000

REPORT TO THE AD HOC COMMITTEE ON DIVERSITY, EQUITY AND INCLUSION

DATE: AUGUST 20, 2020

ITEM: 3

FROM: RAYMOND P. CIRANNA, GENERAL MANAGER

SUBJECT: BACKGROUND ON TRACKING DIVERSITY AND INCLUSION IN INVESTMENTS

THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.

BACKGROUND

The Board formed an Ad Hoc Committee to discuss the Board's goals in pursuing diversity, equity and inclusion amongst all LAFPP's contractors and investment managers. In advance of the kick-off meeting, this report serves to provide information on past and current efforts taken to track inclusion and diversity regarding LAFPP's investment managers.

DISCUSSION

EEO - Affirmative Action

The legal authority for the administration of the City's Nondiscrimination, Equal Employment Opportunity (EEO) and Affirmative Action Program (AAP) by the Office of Contract Compliance (OCC) is provided in Sections 10.8 et. seq., 10.13 and 22.359.1 of the Los Angeles Administrative Code (LAAC).

The LAAC provides that the requirements of the program shall, as far as practicable, be like those adopted in applicable Federal Executive Orders. Such requirements are codified in the Code of Federal Regulations, Title 41, Chapter 60 and Executive Order 11246.

Prior to 2016, every non-construction contract involving an expenditure of more than \$5,000 of City funds was required to submit an Affirmative Action Plan including completion of the Ethnic Composition of Total Work Force form (Attachment I). The form broke down a contractor's work force by gender, ethnic origin and occupation. As of June 26, 2016, the Office of Contract Compliance (OCC) no longer requires completion of the form, although OCC and/or the Awarding Authority (in this case LAFPP) may request the information at any time during the contract period.

CA proposition 209 was passed by the electorate in 1996 and imposed a ban on race and gender considerations across a wide swath of government decisions including contracting. CA measure ACA5, which would repeal proposition 209, will be placed on the November 2020 ballot and CA voters

can approve it by a simple majority. It is currently unclear how repeal of this measure may affect future City contracting.

MBE/WBE/DVBE/LGBTQ Business Enterprises

Per Mayor Riordan's Executive Directive No. 2001-26 instituted on February 8, 2001, it is the policy of the City of Los Angeles to provide Minority Business Enterprises (MBE), Women Business Enterprises (WBE) and Disabled Veteran Business Enterprises (DVBE) (per Mayor Villaraigosa's Executive Directive No. 14 dated January 12, 2011), an equal opportunity to participate in all city contracts.

Businesses may obtain certification and register on the City's Business Assistance Virtual Network (BAVN). When a Request for Proposal (RFP) is registered with a NAICS code that matches the business' expertise, the business is alerted of the opportunity. LAFPP posts its RFPs and searches on BAVN. Additionally, we post investment manager searches on the LAFPP website and in public pension investment publications and eblasts.

LAFPP Investments staff does track and report to the Board on an annual basis on the usage of MBE/WBE/DVBE/LGBTBE brokers by the Board's managers.

Private Equity Managers

Portfolio Advisors (PA), one of the Board's private equity consultants, began informally tracking information on the diversity of our private equity General Partners (GPs) in 2015. In September/October of 2018, they created a modified diversity matrix (Attachment II) that they ask GPs, who have funds that PA is planning to bring before the Board for approval, to voluntarily complete. The form breaks down the sponsor's workforce by occupation, gender identity, and ethnic background and includes LGBTQX, Disabled and Veteran employees. Currently, PA has compiled diversity information on approximately 40-45 private equity funds.

LAFPP Emerging Manager Program

LAFPP's Emerging Manager program began in 1987 with the goal of providing access to investment managers who may not have access to institutional investors because of their size and experience as a firm. The program expanded on the City's policies on Business Enterprises stated above and LAFPP extended its outreach criteria to include firms owned by minorities, women, disabled veterans and/or Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) individuals. To date, the Plan has invested in 33 emerging managers across the public equity, real estate and fixed income asset classes.

The Emerging Manager program also includes the Private Equity Specialized Manager program that makes private equity commitments to funds that have one or more of the following characteristics including: a first, second or third-time institutional fund with a stated size of approximately \$500 million or less that may also have funds with managers that include one or more minorities, women, LGBTQ and or disabled veterans at the GP level, and/or funds that serve or invest in underserved communities, and/or funds that invest in companies located in Los Angeles or California. Since 2007, LAFPP has committed over \$620 million to 63 managers.

Staff have provided above both past and present efforts to collect diversity information from contractors. If the Committee is interested in staff pursuing more robust data collection concerning investment manager diversity efforts, or different data, staff would request feedback from the Committee regarding specific data points of interest. Staff will then compile and formulate a potential template that could be used to collect diversity information. The Committee and staff will work with legal counsel to ensure that the programs the Committee develops achieve the goals of promoting diversity, equity, and inclusion in a manner that also complies with applicable laws. However, staff is wholeheartedly supportive of the Board's goal is to promote diversity in all areas of LAFPP's business practices.

This report was prepared by:

Miki Shaler, Investment Officer
Investments Division

RPC:TL:PP:MS

Attachments I: OCC Form – Ethnic Composition of Total Work Force
 II: PA Form – Sponsor Diversity Matrix

ETHNIC COMPOSITION OF TOTAL WORK FORCE

Indicate below the number of employees in each occupational category for each of the ethnic groups listed below or your firm's total work force located at _____ as of _____.

Address

Date

EMPLOYMENT BY ETHNIC ORIGIN, OCCUPATION, AND SEX														
OCCUPATIONS	Total All Employees	MALE EMPLOYEES					FEMALE EMPLOYEES					Total Minority	Percent Minority	Percent Female
		Total Males	MINORITY GROUPS				Total Females	MINORITY GROUPS						
			Black	Hispanic	Asian	American Indian Aleuts		Black	Hispanic	Asian	American Indian Aleuts			
Officials and Managers														
Professionals														
Technicians														
Sales Workers														
Office and Clerical														
Skilled Craft														
Semiskilled														
Laborers (Unskilled)														
Service Workers														
Total														

(Figures for the following classifications shall also be included in the appropriate category above the "Total" line.)

Apprentices														
On-The Job Trainees	White Collar													
	Productions													

EMPLOYMENT STATISTICS WERE OBTAINED FROM

AVAILABLE RECORDS

VISUAL CHECK

OTHER (Specify)

The contractor by his signature affixed hereto declares under penalty of perjury that:

1. He has read the above LOS ANGELES CITY AFFIRMATIVE ACTION Requirements for Nonconstruction Contracts
2. He shall accept the requirements contained therein as the basic Affirmative Action Plan for all his operations within the County of Los Angeles or the applicable workforce recruitment area of the contractor if the contractor is located outside the County of Los Angeles.
3. The information contained herein is true and correct.

Date: _____

COMPANY NAME

SIGNATURE

ADDRESS

NAME AND TITLE

CITY, COUNTY, STATE, ZIP\

Sponsor Name:

Date Completed:

Portfolio Advisors, LLC is an investment advisor to certain clients who are committed to diversity initiatives. With the foregoing in mind, Portfolio Advisors requests completion of the attached workforce diversity matrix. Portfolio Advisors does not evaluate investment opportunities on the basis of race, ethnicity, gender, sexual orientation or disability. Completion of this questionnaire is entirely voluntary.

Red Highlight indicates data input cell

WORKFORCE DIVERSITY - FULL TIME EMPLOYEES																
	African American A	Asian American B	Native American C	Hispanic D	Caucasian E	Unknown or Prefer Not to Respond F	Total A+B+C+D+E+F	Minority A+B+C+D	% Minority	Gender Male Female		% Female	Declared LGBTQ ²	Disabled	Veteran	% LGBTQ, Disabled or Veteran
Investment Professionals¹																
Partners, Principals, Owners, Managing Directors & Comparable Level	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!	0	0	0	#DIV/0!
Senior Vice Presidents, Vice Presidents & Comparable Level	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!	0	0	0	#DIV/0!
Senior Associates, Associates, Analysts, Comparable Level & Other	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!	0	0	0	#DIV/0!
Sub-Total	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!	0	0	0	#DIV/0!
Other Professionals																
Legal, Accounting/Finance, Investor Relations/Marketing & Comparable Level	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!	0	0	0	#DIV/0!
Support Staff																
Clerical, Information Technology, Human Resources, Comparable & Other	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!	0	0	0	#DIV/0!
Total	0	0	0	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!	0	0	0	#DIV/0!

¹ Investment Professionals includes professionals employed by the Sponsor that are directly involved in the investment process which includes sourcing, due diligence, closing, and the management and monitoring of investments.

² LGBTQ - Lesbian, Gay, Bisexual, Transgender, Questioning or Gender X