

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
MEETING OF JUNE 19, 2008

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met in Room 800, 360 East Second Street, on Thursday, June 19, 2008.

COMMISSIONERS PRESENT: Sean Harrigan, President
Mike Carter, Vice President
Elliot Broidy
Sam Diannitto
Steve Juarez
Don Keith
Patricia Means
Louis Moret

COMMISSIONERS ABSENT: George V. Aliano

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Michael A. Perez, General Manager
D. Edward Griffiths, Assistant General Manager
Laura Guglielmo, Assistant General Manager
Tom Lopez, Chief Investment Officer
Barbara Nobregas, Commissioner Executive Assistant

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

President Harrigan called the regular meeting to order at 8:45 a.m.

All of the above-listed Commissioners were present at the start of the meeting with the exception of Commissioner Diannitto who arrived at 8:47 a.m., Commissioner Juarez arrived at 8:45 a.m. and Commissioner Moret arrived at 9:00 a.m.

1. COMMUNICATIONS TO THE BOARD

- A. Miscellaneous correspondence from money managers, consultants, etc. - Received and filed.
- B. Monthly Report - Received and filed.

2. COMMITTEE REPORTS

A. Benefits Committee

No update was reported.

B. Governance and Planning Committee

No update was reported.

Ad Hoc Space Planning Committee

President Harrigan reported that there has been dialogue among LAFPP, LACERS Board President, General Manager Perez and the incoming General Manager of LACERS. President Harrigan stated that there is a common vision between both Departments. A meeting will be scheduled very soon with General Managers of LAFPP and LACERS, Chair Mike Carter and a LACERS representative to discuss representation and other details.

Audit Committee

President Harrigan reported the Risk Management Training is scheduled for July 14th.

3. 2008 PRIVATE EQUITY STRATEGIC STUDY BY ALDUS EQUITY PARTNERS

Messrs. Thomas Henley, Partner, Aldus Equity; Saul Meyer, Partner, Aldus Equity; Brett Perry, Associate, Aldus Equity; Ms. Molly Byrnes, Associate, Aldus Equity; Ms. Asieh Mansour, Chief Economist and Strategist, RREEF; and John Rocchio, Managing Director, Newstone Capital Partners came before the Board to present the private equity strategic study. Ms. Mansour gave an overview of the global economy. The Aldus staff discussed the overview of the various markets and the portfolio among other things. Mr. Rocchio gave his comments. President Harrigan asked Mr. Jose Fernandez from Stepstone if he agreed with the presentation. Mr. Fernandez replied that he agreed with Aldus and they took Stepstone's comments into consideration. President Harrigan thanked Mr. Henley, Mr. Rocchio and the entire team for their work.

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

Mr. Tom Lopez, Chief Investment Officer, came before the Board and presented the quarterly report.

RESOLUTION 08169

Commissioner Diannitto moved that the Board approve the actual asset allocation of the Fund, Staff's plans for bringing any asset classes currently outside of their target allocation ranges back within their allocation ranges, which motion was seconded by Commissioner Carter and approved by the following vote: ayes, Commissioners Carter, Diannitto, Juarez, Keith, Means and President Harrigan – 6; nays, none. *Commissioner Broidy and Moret were out of the Board room during this vote.*

5. EMERGING MANAGER POLICY REVIEW BY PENSION CONSULTING ALLIANCE AND POSSIBLE BOARD ACTION

Ms. Sarah Bernstein, Principal, Pension Consulting Alliance (PCA), and Mr. Tom Lopez, Chief Investment Officer, came before the Board to discuss the Emerging Manager Policy. A discussion was held regarding the various recommended changes. President Harrigan suggested that PCA review other models of public pension fund emerging manager policies, include comments from the Board and return to the Board with a reasonable policy.

6. EMERGING FUND OF HEDGE FUNDS SEARCH PROCESS RECOMMENDATIONS BY PENSION CONSULTING ALLIANCE AND POSSIBLE BOARD ACTION

Ms. Sarah Bernstein, Principal, Pension Consulting Alliance (PCA), and Mr. Tom Lopez, Chief Investment Officer, came before the Board to discuss the emerging fund of hedge funds search. After much discussion, the Board amended PCA's report as follows:

RESOLUTION 08170

Commissioner Moret moved that the Board approve the amended Initial Search Criteria and that PCA return to the Board with a list of 10-15 manager candidates for the Board to consider as semi-finalists, which motion was seconded by Commissioner Juarez and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan – 8; nays, none.

Initial Search Criteria:

1. Two years of audited financial results or more, or three years of verifiable audited results transported from a prior firm with the team in place.
2. Five years investment management experience in hedge funds.
3. The portfolio manager(s) assigned to the Pensions account must each have a minimum of five years of experience in investment management.
4. As of the date of the search, the firm must have under management \$150 million which must be in

- the proposed investment style.
5. The amount invested by the Fund with the managers will be no more than 20% of the manager's assets in the product selected.
 6. The firm must have at least two tax-exempt accounts under management or one public pension fund account under management.
 7. There should be less than \$700 million under product management in firm-wide products; and
 8. The investment manager should be a registered investment advisor.

"The investment manager should not be the subject of any pending SEC investigation" should be listed on the questionnaire.

7. PROPOSED RISK ASSESSMENT SCOPE EXPANSION AND POSSIBLE BOARD ACTION

Ms. Caroline Dinu, Senior Management Analyst II, and Ms. Sandra Bensworth, Vice President, Accretive Solutions came before the Board. Ms. Dinu reported that the additional hours listed in the report should read 120 hours, not 80 hours. President Harrigan commented on the additional cost, not to exceed \$24,000 to expand the scope, was extremely costly. Ms. Bensworth reported that only one to two hours would be spent interviewing additional Board Members but most of the time would be spent on the additional write ups, the review process, and the accumulation of the results. President Harrigan asked if this process was important to the Board since risk management is the ultimate responsibility of the Board. Commissioner Juarez suggested redefining the process. President Harrigan suggested the Board approve the item with modifications.

RESOLUTION 08171

Commissioner Moret moved to approve the risk assessment scope expansion from Accretive Solutions at a cost not to exceed \$24,000, and that the General Manager, the Audit Committee Chair and an Accretive Solutions representative meet to determine what areas the Board can provide valuable feedback to cut back costs significantly less than the maximum cost, which motion was seconded by Commissioner Juarez and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan – 8; nays, none.

8. BOARD APPROVAL TO USE THE RESULTS GROUP FOR GENERAL MANAGER 2007-08 PERFORMANCE REVIEW AND 2008-09 PERFORMANCE GOALS

The General Manager's report was approved as submitted.

RESOLUTION 08172

Commissioner Diannitto moved that the Board:

1. Authorize The Results Group to provide assistance to the Board, at a cost not to exceed \$8,600 plus the cost of travel estimated to be \$1,200, in the General Manager 2007-08 Performance Review and 2008-09 Performance Goals.
2. Authorize the Board President, on behalf of the Board, to approve and execute the attached Amended Contract #471 with The Results Group to assist in the General Manager annual performance evaluation and performance goals and extend the term two years for a total term of three years.

which motion was seconded by Commissioner Broidy and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan – 8; nays, none.

9. STATUS OF DOCUMENT MANAGEMENT SYSTEM IMPLEMENTATION PLAN AND POSSIBLE BOARD ACTION

Ms. Laura Guglielmo, Assistant General Manager of Administrative Operations Division and Jennifer Huang-Leifeste, came before the Board to discuss the document management system implementation plan. Commissioner Juarez asked if the previous 2007-2008 budget cost of \$208,000 would apply to the current 2008-2009 budget cost of \$335,000. Ms. Guglielmo stated that the project would not cost more and that it will give staff control of the project. The Staff report was approved as submitted.

RESOLUTION 08173

Commissioner Juarez moved that the Board:

1. Authorize the General Manager to negotiate a contract with EMC/Documentum (EMC) to assist with the implementation of an Electronic Content Management System (ECMS) for a three-year term at a cost not to exceed \$335,000; and
2. Authorize the President of the Board, on behalf of the Board, to execute the contract with EMC, subject to approval of the City Attorney as to form and legality; and
3. Amend the 2008-09 Strategic Plan, Project Number 2, Imaging System, to limit the scanning and indexing of new day forward documents owned by Investments, Executive and Administrative Services sections to contracts, correspondence and personnel documents.

which motion was seconded by Commissioner Carter and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan – 8; nays, none.

10. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.8: REGARDING THE PROPOSED SALE OF THE AMERICAN BUSINESS CENTER AND WHITE WATER BUSINESS CENTER ("ABC/WW") IN ATLANTA, GEORGIA BY URDANG CAPITAL MANAGEMENT, INC. AND POSSIBLE BOARD ACTION

President Harrigan reported that the Board met in closed session. The Board approved the sale amount of the American Business Center and White Water Business Center by Urdang Capital Management, Inc.

RESOLUTION 08174

Commissioner Moret moved that the Board authorize Urdang Capital Management, Inc. to reduce the previously approved sales price for the American Business Center and White Water Business Center for a minimum sale amount set by the Board less closing costs and expenses.

which motion was seconded by Commissioner Diannitto and approved by the following vote: ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan – 8; nays, none.

11. GENERAL MANAGER'S REPORT

A. Benefits actions approved by General Manager on June 5, 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 on June 5, 2008.

DISCONTINUED PENSIONS – TIER 1 – 4

Frances L. Bice	Fire Widow	Retired:	01-27-86	Died:	04-06-08
Bette G. Duncan	Police Widow	Retired:	03-13-85	Died:	04-22-08
Alice M. Healy	Police Widow	Retired:	03-01-77	Died:	04-25-08
Geraldine F. Helm	Police Widow	Retired:	08-22-83	Died:	01-17-08

DISCONTINUED PENSIONS – TIER 2 – 18

Bob B. Bolls	Fire Service	Retired:	02-20-94	Died:	04-26-08
Delroy E. Buzzell	Fire Service	Retired:	02-26-78	Died:	05-11-08
Edgar B. Clemens	Fire Service	Retired:	08-05-67	Died:	04-30-08
Oliver Sprenger	Fire Service	Retired:	09-01-75	Died:	04-22-08
Benjamin H. Ruckel	Fire Service	Retired:	06-01-78	Died:	02-08-08
Fred A. Benavidez	Police Service	Retired:	05-01-75	Died:	04-22-08
John G. Ernst	Police Service	Retired:	11-01-74	Died:	04-05-08
R. T. Gilmore, Jr.	Police Service	Retired:	07-01-73	Died:	04-26-08
Patrick D. McClure	Police Service	Retired:	10-05-85	Died:	04-27-08
John B. Merrill	Police Service	Retired:	03-01-68	Died:	05-07-08
Howard D. Miller	Police Service	Retired:	02-24-92	Died:	04-24-08
Robert M. Muis	Police Service	Retired:	06-01-68	Died:	04-24-08
William H. Welsch	Police Service	Retired:	10-01-76	Died:	04-11-08
Julia I. Gougar	Fire Widow	Retired:	08-01-77	Died:	05-10-08
Dorothy M. Holloway	Fire Widow	Retired:	10-23-05	Died:	03-12-08
Mayra Moore	Fire Widow	Retired:	11-30-06	Died:	04-30-08
Juanita R. Mazingo	Police Widow	Retired:	03-15-97	Died:	03-25-08
Hazel M. Smith	Police Widow	Retired:	08-03-83	Died:	04-28-08

SERVICE PENSIONS – POLICE – TIER 4 – 1

Jose A. Pascual Sergeant I Eff: 05-25-08 23 Years 244 Days

ELIGIBLE SURVIVING SPOUSE'S PENSION – TIER 2 – 7

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Effective Date</u>
Juanita M. Clemens	Edgar B. Clemens	Fire Service	05-01-08
Dorothy E. Benavidez	Fred A. Benavidez	Police Service	04-23-08
Florine E. Ernst	John G. Ernst	Police Service	04-06-08
Dolores McClure	Patrick D. McClure	Police Service	04-28-08
Jacklynn C. Miller	Howard D. Miller	Police Service	04-25-08
Marjorie A. Muis	Robert M. Muis	Police Service	04-25-08
Fidelia Welsch	William H. Welsch	Police Service	04-12-08

INCREASE SURVIVING SPOUSE'S PENSION – TIER 3 – 1

Increase the pension payable to Dean L. Munson, Surviving Spouse of deceased Sergeant I Melissa J. Munson, effective June 3, 2008 due to the attainment of age 22 by Sigrid A. Munson.

INCREASE SURVIVING CHILD'S PENSION – TIER 5 – 1

Increase the pension payable to Timothy M. Falco II, Surviving Child of deceased Police Officer Timothy M. Falco, effective June 5, 2008 due to the attainment of age 22 by Lysie J. Falco.

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 3 – 1

Discontinue the pension payable to Sigrid A. Munson, Surviving Child of deceased Sergeant I Melissa J. Munson, effective June 3, 2008 due to the attainment of age 22. There is one Dependent Child.

DISCONTINUE SURVIVING CHILD'S PENSION – TIER 5 – 1

Discontinue the pension payable to Lysie J. Falco, Surviving Child of deceased Police Officer Timothy M. Falco, effective June 5, 2008 due to the attainment of age 22. There is one remaining surviving Child.

PARTIAL PAYMENT OF PENSION – TIER 5 – 2

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Phillip D. Gibson, Fire Service Pensioner, is to be paid to his former spouse Richelle Gibson, effective June 1, 2008. Ms. Gibson will receive cost of living increases.

In accordance with the City Attorney's advice, a designated proportion of the community property interest of the pension payable to Daniel J. Ruiz, Police Service Pensioner, is to be paid to his former spouse Judith D. Ruiz, effective June 1, 2008. Ms. Ruiz will receive cost of living increases.

MINOR CHILDREN'S APPLICATION – TIER 5 – 1

<u>Name</u>	<u>Rank</u>	<u>Type:</u> <u>%Rate</u>	<u>Effective</u> <u>Date</u>
Tiffany Clair, Guardian of Nina Hernandez and Cameron Hernandez (Alfredo Hernandez –deceased member)	Fire Engineer	Minor Child NSC: 30%	02-21-08

GUARDIANSHIP APPOINTMENT –TIER 5 – 1

A certified copy of Letters of Guardianship issued in the Superior Court of California, County of Los Angeles, case number GP013672, appointing Tiffany Clair guardian of the estate of Nina Hernandez and Cameron Hernandez on May 14, 2008 has been filed in this office.

PENSION GRANTED – DISABILITY – TIER 3 – 1 - May 15, 2008

<u>Name</u>	<u>Years</u>	<u>Days</u>	<u>Rate %</u>	<u>Effective Date</u>
Pablo P. Vitar	9	338	90.0000	09-05-06

PENSION ADJUSTED – SURVIVING SPOUSE – TIER 3 – 1

Gail Vitar
 (Pablo P. Vitar) Effective 01-30-08

	<u>Type</u>	<u>% Rate</u>
From:	NSC	30.0000
To:	SC	75.0000

PENSION ADJUSTED – SURVIVING SPOUSE – TIER 5 – 1

Joyce Correll
 (Harry R. Correll) Effective 10-11-07

	<u>Type</u>	<u>% Rate</u>
From:	NSC	55.0000
To:	SC	75.0000

B. Other business relating to Department operations

General Manager Perez reported that staff has collected all the monies from the Harbor Department, which is over \$5 million dollars and that it was collected from the new

members.

Mr. Perez stated that all LAFPP Board meetings are recorded and made available to the Board Members. General Manager Perez introduced two new staff members: Ms. Silvia Aroche, assigned to the DROP Section and Ms. Shafia Mir, assigned to the Administrative Operations Division.

Mr. Perez reported a recent change in the City Administrative Code. The General Managers of the Retirement Systems: LACERS, LAFPP and DWP will all be members of the Deferred Compensation Board. The first meeting General Manager Perez will attend is on July 15th. President Harrigan asked who else will be on the Board. Mr. Perez indicated an elected representative from Police & Fire, a City employee elected representative, a Union representative, 3 retirement Board Members, and the head of the Personnel Department.

12. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Juarez reported that he has taken a new position as the Director of State Government Relations for the University of California and will start in a few weeks.

President Harrigan reported that Commissioner Moret's term expires on June 30, 2008. He and Commissioner Moret are unsure of the Mayor's plan to re-appoint him. President Harrigan thanked Commissioner Moret for his 17 years of service and he has served 3 or 4 mayors. President Harrigan stated Commissioner Moret has done a great job and appreciates his service to the members and his commitment to the Board.

13. PUBLIC COMMENTS

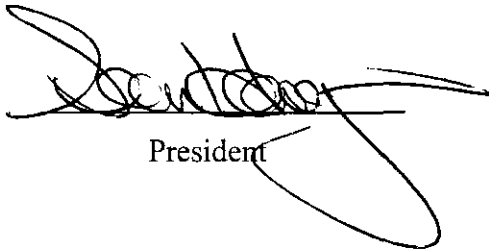
Ms. Elsa Moy commented on the monthly report and Item 14B.

14. CONSENT ITEMS


- A. APPROVAL OF TRAVEL AUTHORITY – WORLD PENSION FORUM – THE FUTURE IS NOW: HIGH TECH, IT, THE NEW MEDIA, AUGUST 10-14, 2008 – MARTHA'S VINEYARD, MA
- B. APPROVAL OF MINUTES OF THE REGULAR BOARD MEETING OF APRIL 3, 2008

A motion to approve the Consent Items was made by Commissioner Diannitto, seconded by Commissioner Moret and approved by the following vote; ayes, Commissioners Broidy, Carter, Diannitto, Juarez, Keith, Means, Moret and President Harrigan - 8; nays, none.

The meeting was adjourned at 12:10 p.m.



President



Secretary