

AGENDA

BOARD OF FIRE AND POLICE PENSION

COMMISSIONERS

July 17, 2025
8:30 a.m.

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 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 at the [Meetings](#) page of [LAFPP's website](#), at [LAFPP's offices](#), or at the scheduled meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the Commission Executive Assistant, at (213) 279-3178 or by e-mail at pensions@lafpp.com.

Members of the public who wish to attend the Board or Committee meeting in person must provide government issued photo identification. Alternatively, members of the public will have the opportunity to observe the meeting via livestream. Please refer to the Top Stories section of [LAFPP's website](#) during the week of the Board meeting to access the livestreaming link.

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 attend in person and wish to speak on any item on today's agenda are requested to complete a speaker card for each item they wish to address and present the completed card(s) to the Commission Executive Assistant. Speaker cards are available at the Commission Executive Assistant's desk. Members of the public who observe via livestream and wish to speak on any item on today's agenda are requested to call (669) 900-9128 or (346) 248-7799 and enter Meeting ID 898 405 2575 and Passcode 501554 (Please note: Toll charges may apply).

Request for Services: As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities. Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), Language Translation and Interpretation Services, 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 language translation and interpretation services, please submit your request, including the language required, as soon as possible to allow time for scheduling; you will receive a confirmation reply if an interpreter is available. For additional information or to make requests for any of the above accommodations, please contact the Department of Fire and Police Pensions: (213) 279-3000 voice; (213) 628-7713 TDD; and/or email pensions@lafpp.com.

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.

A. CALL TO ORDER

1. Roll Call
2. Consideration of Notices and Requests for Remote Participation pursuant to AB 2449
 - a. Just Cause – receive and file
 - b. Emergency Circumstance and possible Board action

B. PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION AND ANY SPECIFIC AGENDA ITEMS

C. DISABILITY CASES

Alternative 1

1. Retired Police Officer III R. Maggie R. Luquin. Ms. Luquin will be represented by Corina Lee, 911 Benefits, LLC.
2. Police Officer II Kyle J. Olson. Mr. Olson will be represented by Michael D. Treger, Esq. of Straussner Sherman Lonné Treger Helquist Krupnik.

D. CONSENT ITEMS

1. QUARTERLY STATUS REPORT OF FUTURE AGENDA ITEM REQUESTS AND POSSIBLE BOARD ACTION
2. QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF
3. QUARTERLY LEGISLATION TRACKING REPORT
4. Approval of Minutes

Special Board meeting minutes of June 18, 2025

E. REPORTS TO THE BOARD

1. ELECTION OF BOARD OFFICERS (PRESIDENT AND VICE PRESIDENT) PURSUANT TO CITY CHARTER SECTION 503(A) AND BOARD GOVERNANCE POLICIES
2. APPROVAL OF THREE-YEAR CONTRACT EXTENSION WITH LOOMIS, SAYLES & COMPANY L.P. FOR GLOBAL CREDIT FIXED INCOME INVESTMENT MANAGEMENT SERVICES AND POSSIBLE BOARD ACTION
3. RESULTS FROM THE INVESTMENT CONSULTANT EVALUATION SURVEY AND POSSIBLE BOARD ACTION

4. INTERNAL AUDIT SECTION'S QUALITY ASSURANCE SELF ASSESSMENT FOR FY 2024-25 AND POSSIBLE BOARD ACTION

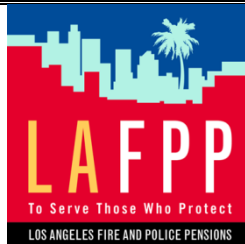
F. GENERAL MANAGER'S REPORT

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on July 3, 2025
4. Other business relating to Department operations

G. CONSIDERATION OF FUTURE AGENDA ITEMS

H. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF TWO (2) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION



DEPARTMENT OF FIRE AND POLICE PENSIONS

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

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JULY 17, 2025

ITEM: D.1

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: QUARTERLY STATUS REPORT OF FUTURE AGENDA ITEM REQUESTS AND
POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board approve the status of the Future Agenda Item Requests as reflected on Attachments I (Active Items) and II (Completed Items).

BACKGROUND

On September 2, 2021, the Board considered a report providing a status update on all Future Agenda Items requested since July 2020. The Board approved the status of the items and asked that a status report be provided at every meeting, with "Completed" items separated to focus on the "Active" items. On October 6, 2022, the Board directed staff to provide the report once per month during the first Board meeting of each month. On November 2, 2023, the Board approved reducing the frequency of this report to once per quarter. This report is responsive to that request.

DISCUSSION

Attachment I reflects the status of all active items. Attachment II reflects items that have been completed within the last twelve months.

BUDGET

There is no budgetary impact related to this report.

POLICY

There are no policy revisions associated with this report.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Brandon Chung, Management Assistant
Administrative Services and Human Resources Section

JS:MTS:WKP:JMS:EJH:BTC:ADMN260001

Attachments: I. Status of Future Agenda Items – Active Items
II. Status of Future Agenda Items – Completed Items

**FUTURE AGENDA ITEMS
QUARTERLY STATUS REPORT
AS OF JULY 3, 2025**

Attachment I
(1 of 2)

STATUS OF FUTURE AGENDA ITEMS - ACTIVE ITEMS (AS OF 07/03/25)					
Item No.	Request Date	Description of Requested Item	Requesting Commissioner	Status*	Disposition*
1	07/03/25	Workplace Culture Assessment	Ambriz	Pending	Commissioner Ambriz requested that staff report back on ways to survey staff to assess the workplace culture and environment.
2	07/03/25	Investments in Los Angeles	Jenkins	Pending	Commissioner Jenkins asked to look at ways to increase investments in Los Angeles across various asset classes. Staff will report back on Los Angeles-focused investments.
3	04/17/25	Overview on Robert's Rules of Order	Perez	Completed	Commissioner Perez requested an overview of procedures for motions and voting in order to reconsider a vote on a motion that has already been decided. Staff's report to the Board on 05/15/25 included discussion on three relevant motions, as well as administrative and investment recommendation-related concerns for consideration.
4	02/06/25	LAFD Payroll Pension Deduction Issues	Buzzell	Completed	Commissioner Buzzell requested a report on the pension deduction issues that LAFD is having due to the implementation of the new City payroll system, Workday. This issue was addressed via the May 2025 General Manager's Monthly Report.
5	11/21/24	Expanded Private Equity Portfolio Performance Reporting	Liu	Completed	Commissioner Liu requested that the next Private Equity Portfolio Performance review include: 1) comparison to public benchmark for the same time period, 2) expanding the sector and sub-sector performance by vintage year, and 3) adding another public pension plan of similar Assets Under Management (AUM) (i.e., San Francisco Employees' Retirement System) to the peer comparison. Staff worked with the Consultant to incorporate Commissioner Liu's feedback on the Private Equity Portfolio Performance review presented on 06/18/25.
6	11/07/24	Request for Information from LAFD Medical Liaison Unit (LAFD MLU)	Buzzell	Pending	Commissioner Buzzell requested information from the LAFD MLU regarding: 1) light duty assignments, 2) statement of no job available for applicants, and 3) policy on members who move out of state and apply for disability pensions. Staff will reach out to LAFD MLU to gather the information requested.

**FUTURE AGENDA ITEMS
QUARTERLY STATUS REPORT
AS OF JULY 3, 2025**

Attachment I
(2 of 2)

STATUS OF FUTURE AGENDA ITEMS - ACTIVE ITEMS (AS OF 07/03/25)					
Item No.	Request Date	Description of Requested Item	Requesting Commissioner	Status*	Disposition*
7	05/18/23	MBE/WBE/DOBE/VBE/LGBTQ broker usage increase and expanded reporting	Ambriz/Perez	Completed	During the MBE/WBE/DOBE/VBE/LGBTQ broker usage report at the 05/18/23 Board meeting, Commissioner Ambriz asked how we can increase the usage. Commissioner Perez asked to expand the report so that each broker is listed. Report was presented at the 05/02/24 Board meeting. Commissioner Ambriz requested additional information on other pension plans' MBE/WBE/DOBE/VBE/LGBTQ broker usage. Staff presented the findings at the 05/01/25 Board meeting.

* Yellow highlighted cells indicate updates since the last Board report.

Status	Count	% of Total
Completed	4	57.1%
Pending	3	42.9%
Ongoing	0	0.0%
Scheduled	0	0.0%
TOTAL	7	100.0%

**FUTURE AGENDA ITEMS
QUARTERLY STATUS REPORT
AS OF JULY 3, 2025**

Attachment II
(1 of 1)

STATUS OF FUTURE AGENDA ITEMS - COMPLETED ITEMS (AS OF 07/03/25)

Item No.	Request Date	Date of Disposition*	Description of Requested Item	Requesting Commissioner	Status	Disposition
1	11/07/24	02/20/25	Workers' Compensation	Ambriz/Zimmon	Completed	Commissioner Ambriz requested information on possible savings to LAFPP if there were no Workers' Compensation (WC) liens; as well as, what is the cost to the City to increase the WC Division's budget as requested in the 11/07/24 letter to the Mayor. Commissioner Zimmon requested information on roadblocks to retirees getting treatment from WC third party administrators. Tyrone Spears, the head of Personnel Department's Workers' Compensation Division, came to the 02/20/25 Board meeting to answer questions from the Commissioners. Staff also presented an estimate of the potential savings to the plan on health subsidies if recovered Workers' Compensation claims had not been treated via the retiree health plans.
2	11/07/24	12/19/24	Measure FF - LACERS to LAFPP Tier 6 transfer	Buzzell	Completed	Staff provided the Board with a report on Measure FF and the transfer to Tier 6.
3	06/01/23	11/21/24	Global macro look at ESG	Chun	Completed	During the private credit policy discussion, Commissioner Chun said that ESG metrics were unclear and requested a global macro look at ESG. On 11/21/24 staff coordinated an educational presentation to the Board by AllianceBernstein.
4	03/21/24	11/21/24	Follow-Up on DEI Survey	Ambriz	Completed	During the presentation on the DEI Survey results of investment managers and consultants, Commissioner Ambriz requested more detail on the investment managers and consultants who did not respond. Staff brought a follow-up report to the Board for the 11/21/24 meeting.
5	11/02/23	11/07/24	Outstanding Workers' Compensation claims and their impact on retiree health plan costs.	Zimmon	Completed	Staff provided the Board a report on 11/07/24 and the Board approved sending a letter to the Mayor's office requesting additional funding for the City's Workers' Compensation Program.
6	04/20/23	11/07/24	ILPA DAI Signatory Follow-Up	Ambriz	Completed	Staff provided a follow-up report to the Board at the 11/07/24 meeting.

* Items highlighted in red are more than one-year old and will be removed in next report.

Status	Count	% of Total
Completed	6	100.0%



DEPARTMENT OF FIRE AND POLICE PENSIONS

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

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JULY 17, 2025

ITEM: D.2

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF

THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.

DISCUSSION

Staff provides the Board quarterly updates on travel expenditures for both Commissioners and staff. For Fiscal Year (FY) 2024-25, the department budgeted \$142,300 for Travel Expense. Through June 30, 2025, the department recorded total travel expenditures of \$64,136 of which \$14,491 was spent for Commissioners and \$49,645 was spent for staff (Attachment I).

In October 2019, the Board directed staff to include comparison data for the past three fiscal years, which is provided on Attachment II of this report.

BUDGET

There is no budget impact associated with this report.

POLICY

There are no policy changes associated with this report.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information associated with this report.

This report was prepared by:

Blas Rafols, Principal Accountant II
Administrative Operations Division

JS:MTS:MC:BR

Attachments: I) Fiscal Year to Date Travel Expenditures Summary for Commissioners & Staff
II) LAFPP Travel Quarterly Expense Trend (FY 2022 – FY 2025)

DEPARTMENT OF FIRE AND POLICE PENSIONS
COMMISSIONERS & STAFF TRAVEL REPORT
SUMMARY FOR FISCAL YEAR 2024-25 (JULY 1, 2024 TO JUNE 30, 2025)

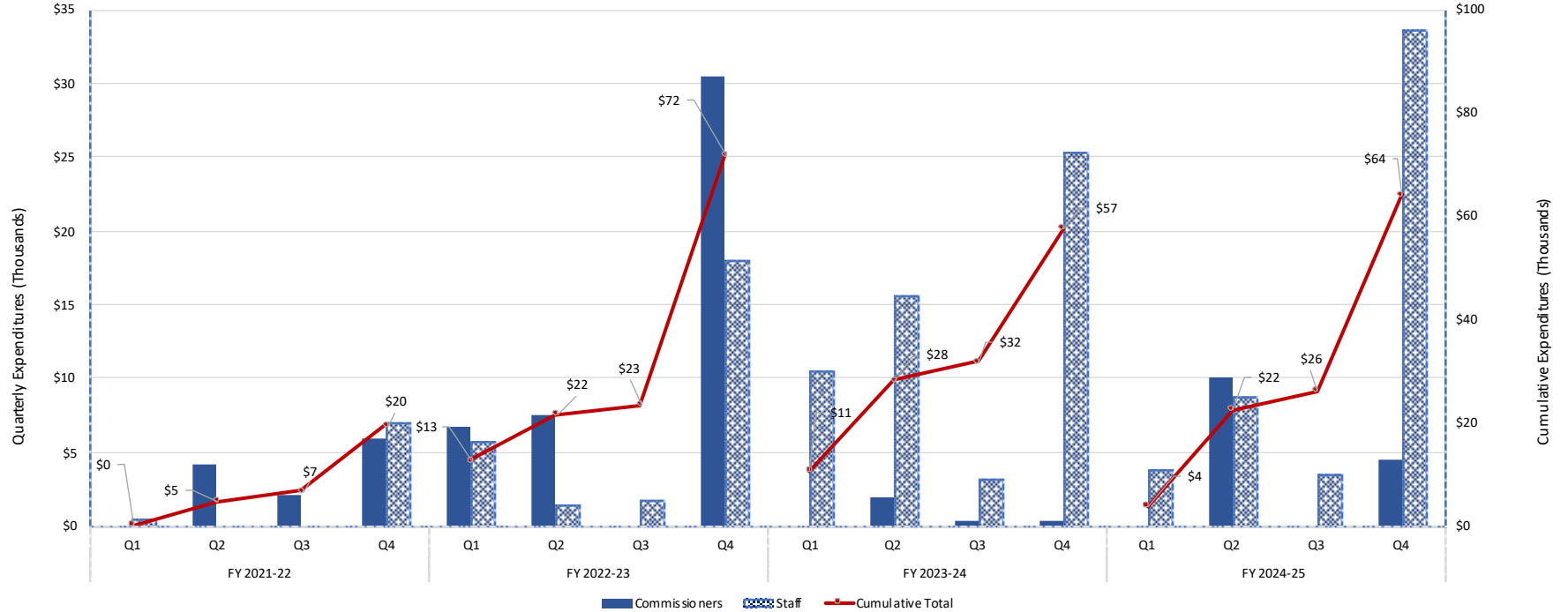
Commissioner Name	Location	Travel Dates		Estimated Expenses	Actual Expenses*	Notes	Date Submitted to Accounting	Date Approved by Accounting in FMS	# of Business Processing Days	Event/Organization**	Remarks
Arellano, Rigoberto	Indian Wells, CA	10/27/24	10/30/24	\$ 2,232	\$ 2,206		09/19/24	09/20/24	1	NCPERS Public Safety Conference	Paid
Arellano, Rigoberto	San Diego, CA	11/08/24	11/13/24	5,800	5,606		09/04/24	09/04/24	0	IFEBP 70th Employee Benefits Conference	Paid
Arellano, Rigoberto	Honolulu, HI	11/09/25	11/12/25	2,898	2,898	(a)	05/20/25	05/21/25	1	IFEBP 71th Employee Benefits Conference	Paid
Perez, Raul	Sacramento, CA	05/12/25	05/13/25	1,533	1,603		06/05/25	06/05/25	0	CalPERS - Catalyst Forum	Paid
Zimmon, Garrett	Indian Wells, CA	10/27/24	10/30/24	2,252	2,178		09/19/24	09/20/24	1	NCPERS Public Safety Conference	Paid
TOTAL COMMISSIONERS TRAVEL EXPENDITURES		\$ 14,491									
Staff Name	Location	Travel Dates		Estimated Expenses	Actual Expenses*	Notes	Date Submitted to Accounting	Date Approved by Accounting in FMS	# of Business Processing Days	Event/Organization**	Remarks
STAFF											
Chao, Annie	Austin, TX	09/11/24	09/12/24	\$ 1,153	\$ 1,081		10/04/24	10/07/24	1	Bar W Due Diligence Trip	Paid
Chao, Annie	Seattle, WA	12/16/24	12/18/24	1,542	1,234		01/10/25	01/13/25	1	Tacoma Logistics Due Dilligence Trip	Paid
Chao, Annie	Nashville, TN	06/24/25	06/26/25	372	372					Lockwood Glen Property Site Visit	
Chih, Randy	Philadelphia, PA	05/12/25	05/15/25	9,482	9,482					IFEBP Wharton Portfolio Concepts & Management	
Diaz, Oscar	San Diego, CA	09/05/24	09/07/24	1,059	939		09/27/24	10/01/24	2	LA Police Protective League Delegates Conference 2024	Paid
Domagat, Alfredo	Memphis, TN	04/13/25	04/16/25	3,250	3,087		05/27/25	05/29/25	2	PRISM Conference	Paid
Fujita, Bryan	New York, NY	06/15/25	06/19/25	3,712	3,712					NCPERS CIO Summit 2025	
Lee, Madeline	Indianapolis, IN	10/26/24	10/30/24	2,836	2,649		11/07/24	11/27/24	13	Public Pension Financial Forum	Paid
Liem, Susan	Phoenix, AZ Coral Gables, West Palm Beach, and Miami, FL	03/03/25	03/07/25	2,012	1,874		04/16/25	04/17/25	1	Women's Private Equity Summit, Gridiron Annual General Meeting, & 3 Private Equity Manager Meetings	Paid
Liem, Susan	Sacramento and San Mateo, CA	05/12/25	05/16/25	2,283	2,210		06/06/25	06/10/25	4	Catalyst: CA's Emerging & Diverse Investment Manager Forum	Paid
Magallanes, Claire	Austin, TX	09/11/24	09/12/24	1,012	858		10/04/24	10/07/24	1	Bar W Due Diligence Trip	Paid
Magallanes, Claire	Seattle, WA	12/14/24	12/18/24	1,628	1,468		01/16/25	01/17/25	1	Tacoma Logistics Due Dilligence Trip	Paid
Magallanes, Claire	Boston, MA	06/10/25	06/15/25	2,714	2,714					Visions, Insights & Perspective Infrastructure & AEW Mgr Meeting	
Ortiz, Bernice	San Diego, CA	09/05/24	09/07/24	1,017	897		10/03/24	10/04/24	1	LA Police Protective League Delegates Conference 2024	Paid
Perez, Adam	Scottsdale, AZ	10/21/24	10/23/24	1,408	1,372		02/21/25	02/24/25	1	TPG Capital Annual Investors Meeting	Paid
Perez, Adam	New York, NY	11/11/24	11/14/24	2,880	2,007		03/11/25	03/13/25	2	ILPA Summit 2024	Paid
Perez, Adam	Monterey, CA	04/30/25	05/02/25	1,303	1,290		05/29/25	05/29/25	0	2025 Leonard Green & Partners Investor Conference	Paid

**DEPARTMENT OF FIRE AND POLICE PENSIONS
COMMISSIONERS & STAFF TRAVEL REPORT
SUMMARY FOR FISCAL YEAR 2024-25 (JULY 1, 2024 TO JUNE 30, 2025)**

Perez, Adam	Chicago, IL	06/03/25	06/05/25	2,160	2,160					ILPA Members' Conference for Limited Partners	
Reyes, Ana Velen	Washington, DC	06/28/25	07/06/25	3,000	3,000					GFOA Annual Conference	
Shaler, Marion	Phoenix, AZ	03/03/25	03/05/25	1,624	1,638		05/02/25	05/05/25	3	Women's Private Equity Summit	Paid
Shaler, Marion	Chicago, IL	05/12/25	05/15/25	1,704	1,588		06/17/25	06/17/25	0	11th Annual Redefining Fixed Income & Private Credit Forum	Paid
Shaler, Marion	Chicago, IL	06/08/25	06/11/25	2,344	2,344					Women's Private Credit Summit	
Takahashi, Rebecca	Minneapolis, MN	05/02/25	05/07/25	1,988	1,669		05/27/25	05/29/25	2	ALGA 2025 Annual Conference	Paid
TOTAL STAFF TRAVEL EXPENDITURES				\$ 49,645							
TOTAL TRAVEL EXPENDITURES				\$ 64,136							
AVERAGE NO. OF PROCESSING DAYS (BUSINESS DAYS) FROM DATE ACCOUNTING RECEIVES TO FMS APPROVAL DATE											1.8
*If PES is not yet submitted, the amount used is an estimate.											
**Event/Organization Acronym Guide											
ALGA	Association of Local Government Auditors										
IFEBP	International Foundation of Employee Benefit Plans										
GFOA	Government Finance Officers Association										
ILPA	Institutional Limited Partners Association										
PRISM	Public Retirement Information Systems Management										
NCPERS	National Conference on Public Employee Retirement Systems										
Notes:											
(a)	Resolution 25139 authorized prepayment of registration fee, hotel deposit, and airfare of \$2,898 from FY 24-25 budget.										

LAFPP TRAVEL QUARTERLY EXPENSE TREND (FY 2022 - FY 2025)

	FY 2021-22				FY 2022-23				FY 2023-24				FY 2024-25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Commissioners	\$ -	\$ 4,154	\$ 2,068	\$ 5,899	\$ 6,787	\$ 7,531	\$ -	\$ 30,360	\$ -	\$ 1,977	\$ 327	\$ 310	\$ -	\$ 9,990	\$ -	\$ 4,501
Staff	\$ 492	-	-	6,962	5,813	1,496	1,752	18,038	10,602	15,641	3,230	25,386	3,775	8,730	3,512	33,628
Quarterly Total	\$ 492	\$ 4,154	\$ 2,068	\$ 12,861	\$ 12,600	\$ 9,027	\$ 1,752	\$ 48,398	\$ 10,602	\$ 17,618	\$ 3,557	\$ 25,696	\$ 3,775	\$ 18,720	\$ 3,512	\$ 38,129
Cumulative Total	\$ 492	\$ 4,646	\$ 6,714	\$ 19,575	\$ 12,600	\$ 21,627	\$ 23,379	\$ 71,777	\$ 10,602	\$ 28,220	\$ 31,777	\$ 57,473	\$ 3,775	\$ 22,495	\$ 26,007	\$ 64,136
Adopted/Adjusted Budget	\$ 92,500	\$ 92,500	\$ 92,500	\$ 92,500	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 122,200	\$ 122,200	\$ 122,200	\$ 122,200	\$ 142,300	\$ 142,300	\$ 142,300	\$ 142,300
Remaining Balance	\$ 92,008	\$ 87,854	\$ 85,786	\$ 72,925	\$ 87,400	\$ 78,373	\$ 76,621	\$ 28,223	\$ 111,598	\$ 93,980	\$ 90,423	\$ 64,727	\$ 138,525	\$ 119,805	\$ 116,293	\$ 78,164
% of Budget Expended	0.5%	5.0%	7.3%	21.2%	12.6%	21.6%	23.4%	71.8%	8.7%	23.1%	26.0%	47.0%	2.7%	15.8%	18.3%	45.1%





DEPARTMENT OF FIRE AND POLICE PENSIONS

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(213) 279-3000

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JULY 17, 2025

ITEM: D.3

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: QUARTERLY LEGISLATION TRACKING REPORT

THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.

Pursuant to Board Governance Policy 9.17, Staff provides quarterly updates highlighting pension and healthcare benefit-related legislation introduced within and progressing through the State legislature and U.S. congressional chambers. This report provides the second quarter's activity for the 2025 calendar year.

DISCUSSION

State Legislation

SB 707 – Open Meetings: Meeting and Teleconference Requirements

SB 707 would revise and recast alternative teleconferencing provisions to uniformly apply certain noticing, accessibility, and public commenting provisions. The bill would require a legislative body of a local agency that elects to use teleconferencing pursuant to these alternative teleconferencing provisions to comply with specified requirements, including that the legislative body provides at least either two-way audiovisual platform or two-way telephonic service and a live webcasting of the meeting as a means by which the public may, among other things, remotely hear and visually observe the meeting, and that a member of the legislative body who participates in a teleconference meeting from a remote location is listed in the minutes of the meeting. The bill would require the local agency to identify and make available to legislative bodies a list of meeting locations that the legislative bodies may use to conduct their meetings.

In the latest round of amendments, the provisions related to subsidiary bodies and teleconferencing that were in SB 239 have been added into SB 707. Therefore, SB 239 will no longer move forward.

Federal Legislation

H.R. 3327 – Public Safety Retirees Healthcare Protection Act of 2025

H.R. 3327 would amend the Internal Revenue Code of 1986 to increase the amount excluded from gross income by reason of distributions from governmental retirement plans for health and long-term care insurance for public safety officers. If passed it would increase the exclusion amount from \$3,000 to \$6,000 per year starting with the 2026 tax year.

Details about these bills and additional legislative activity are included in the attached report. Staff will continue to monitor any updates regarding State and Federal legislation.

BUDGET

No budget impact associated with this report.

POLICY

No policy changes associated with this report.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Nashamah Freeman, Management Analyst
Communications & Education Section

JS:GFM:KR:ABH:NF

Attachment – Legislation Tracking

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
Statewide Legislation: 2025-2026			
AB 339 (01/28/25)	Ortega	<p>AB 339 - Local public employee organizations: notice requirements</p> <p>Existing law, the Meyers-Milias-Brown Act, contains various provisions that govern collective bargaining of local represented employees and delegates jurisdiction to the Public Employment Relations Board to resolve disputes and enforce the statutory duties and rights of local public agency employers and employees. Existing law requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations.</p> <p>This bill would require the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 60 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.</p>	06/18/25 - From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on L., P.E., & R.
AB 814 (02/19/25)	Schiavo	<p>AB 814 - Personal Income Tax Law: exclusions: law enforcement retirement.</p> <p>The Personal Income Tax Law, in conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income.</p> <p>This bill, for taxable years beginning on or after January 1, 2025, and before January 1, 2030, would exclude from gross income qualified payments received by a taxpayer during the taxable year. The bill would define qualified payments to mean either amounts received from a pension plan the taxpayer is the beneficiary of based on services performed as a peace officer, as defined, or amounts received as the beneficiary of an annuity plan set up for the surviving spouse</p>	05/05/25 - In committee: Set, second hearing. Held under submission.

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
Statewide Legislation: 2025-2026			
		or dependent of a person that lost their life in services as a peace officer, as specified.	
SB 239 (01/30/25)	Arreguin	<p>SB 239 - Open meetings: teleconferencing: subsidiary body.</p> <p>Senate Bill 239 allows a subsidiary body of a local agency to teleconference their meetings without having to notice and make publicly accessible each teleconference location or have at least a quorum participate from locations within the boundaries of the agency. The measure defines “subsidiary body” to mean:</p> <ul style="list-style-type: none"> • An advisory body that meets the Brown Act’s definition of a legislative body; • Serves exclusively in an advisory capacity; and • Is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements. <p>To use this flexibility, the legislative body that created the subsidiary body must approve the subsidiary body’s use with a 2/3 vote and make findings on the need for this flexibility by majority vote before the subsidiary body can use SB 239’s teleconferencing provisions. They have to renew these findings every 12 months. These findings must include that:</p> <ul style="list-style-type: none"> • The legislative body has considered the circumstances of the subsidiary body; • Teleconference meetings of the subsidiary body would enhance public access to meetings of the subsidiary body; and • Teleconference meetings of the subsidiary body would promote the attraction, retention, and diversity of subsidiary body members. 	06/03/25 - Ordered to inactive file at the request of Senator Arreguin, as provisions related to allowing teleconferencing for subsidiary bodies have been added into SB 707.
SB 470 (02/19/25)	Laird	<p>SB 470 - Bagley-Keene Open Meeting Act: teleconferencing.</p> <p>This bill removes the January 1, 2026, sunset date on certain provisions of law that authorize a state body to meet via teleconference, if specified conditions are met, without requiring each teleconference</p>	06/09/25 - Referred to Com. on G.O.

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
Statewide Legislation: 2025-2026			
		location to be identified in the notice and agenda, without requiring those locations to be accessible to the public and requiring agendas be posted at all teleconference locations, thereby extending these provisions indefinitely. The bill would also remove the requirement that any state body that is an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body meet via teleconferencing if a quorum of the members are physically present at the primary physical location. Instead, it would only require at least one staff member of the state body to be present.	
SB 707 (02/21/25)	Durazo	<p>SB 707 - Open meetings: meeting and teleconference requirements.</p> <p>This bill would revise and recast alternative teleconferencing provisions to uniformly apply certain noticing, accessibility, and public commenting provisions. The bill would require a legislative body of a local agency that elects to use teleconferencing pursuant to these alternative teleconferencing provisions to comply with specified requirements, including that the legislative body provides at least either two-way audiovisual platform or two-way telephonic service and a live webcasting of the meeting as a means by which the public may, among other things, remotely hear and visually observe the meeting, and that a member of the legislative body who participates in a teleconference meeting from a remote location is listed in the minutes of the meeting. The bill would require the local agency to identify and make available to legislative bodies a list of meeting locations that the legislative bodies may use to conduct their meetings.</p> <p>In the latest round of amendments, the provisions related to subsidiary bodies and teleconferencing that were in SB 239 have been added into SB 707. SB 239 will no longer move forward.</p>	06/09/25 - Referred to Com. on L. GOV.

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
Federal Legislation – 119th Congress 2025-2026			
H.R. 1040 (02/06/25)	Massie	H.R. 1040 – Senior Citizens Tax Elimination Act To amend the Internal Revenue Code of 1986 to repeal the inclusion in gross income of Social Security benefits.	02/06/25 – Introduced in House and referred to the House Committee on Ways and Means.
H.R. 2041 (03/11/25)	Courtney	H.R. 2041 - Hidden Fee Disclosure Act of 2025 To amend the Employee Retirement Income Security Act of 1974 to clarify and strengthen the application of certain employer-sponsored health plan disclosure requirements.	03/11/25 - Introduced in House and referred to the House Committee on Education and Workforce.
H.R. 2045 (03/11/25)	Doggett	H.R. 2045 - Medicare Dental, Vision, and Hearing Benefit Act of 2025 To amend title XVIII of the Social Security Act to provide for coverage of dental, vision, and hearing care under the Medicare program.	03/11/25 - Introduced in House and Referred to the Committee on Energy and Commerce.
H.R. 2067 (03/11/25)	Moolenaar	H.R. 2067 – Protecting Americans’ Retirement Savings Act To amend the Employee Retirement Income Security Act of 1974 to prohibit plan investments in foreign adversary and sanctioned entities, require disclosures of existing investments in such entities, and for other purposes.	03/11/25 – Introduced in the House and referred to the House Committee on Education and Workforce.
H.R. 2988 (04/24/25)	Allen	H.R. 2988 – Protecting Prudent Investment of Retirement Savings Act To amend the Employee Retirement Income Security Act of 1974 to specify requirements concerning consideration of pecuniary (related to or consisting of money) and non-pecuniary factors, and for other purposes.	06/25/25 – Ordered to be Reported (Amended).
H.R. 3327 (05/13/25)	Bacon	H.R. 3327 - Public Safety Retirees Healthcare Protection Act of 2025 To amend the Internal Revenue Code of 1986 to increase the amount excluded from gross income by reason of distributions from governmental retirement plans for health and long-term care insurance for public safety officers.	05/13/25 – Introduced in the House and referred to the House Committee on Ways and Means.

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
Federal Legislation – 119th Congress 2025-2026			
H.R. 3514 (05/20/25)	Kelly	H.R. 3514 - Improving Seniors' Timely Access to Care Act of 2025 To amend title XVIII of the Social Security Act to establish requirements with respect to the use of prior authorization under Medicare Advantage plans.	05/20/25 – Introduced and referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
S. 237 (01/23/25)	Klobuchar	S. 237 - Honoring Our Fallen Heroes Act of 2025	05/20/25 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 78.
H.R. 1269 (02/12/25)	Scanlon	To amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide public safety officer benefits for exposure-related cancers, and for other purposes.	
S. 527 (02/11/25)	Grassley	S. 527 – Prescription Pricing for the People Act of 2025 To require the Federal Trade Commission to study the role of intermediaries in the pharmaceutical supply chain and provide Congress with appropriate policy recommendations, and for other purposes.	04/10/25 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 42.
S. 1040 (03/13/25)	Cornyn	S. 1040 – Drug Competition Enhancement Act To amend the Federal Trade Commission Act to prevent pharmaceutical companies from engaging in product hopping to delay generic competition. Product hopping is a strategy where a brand-name pharmaceutical company seeks to shift demand from a brand-name drug that faces generic competition to newly patented and/or exclusivity protected drugs that do not face generic competition.	04/10/25 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 43.

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
Federal Legislation – 119th Congress 2025-2026			
S. 1563 (05/01/25)	Klobuchar	S. 1563 - Retired Law Enforcement Officers Continuing Service Act To amend the Omnibus Crime Control and Safe Streets Act of 1968 to establish a grant program to help law enforcement agencies with civilian law enforcement tasks, and for other purposes.	05/20/25 - Placed on Senate Legislative Calendar under General Orders. Calendar No. 83.
S. 1797 (05/15/25)	Barrasso	S. 1797 - Expanding Seniors Access to Mental Health Services Act To amend title XVIII of the Social Security Act to improve access to mental health services under the Medicare program.	05/15/25 - Read twice and referred to the Committee on Finance.

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
SPECIAL BOARD MEETING OF JUNE 18, 2025

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Wednesday, June 18, 2025.

COMMISSIONERS PRESENT: Garrett W. Zimmon, President
Andrea Ambriz, Vice President
Rigoberto Arellano
Kenneth E. Buzzell
Carlton J. Jenkins
Nanxi Liu
Raul Perez

COMMISSIONERS ABSENT: William Chun
Brian J. Churchill

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Joseph Salazar, General Manager
Myo Thedar, Executive Officer
Gregory Mack, Assistant General Manager
Annie Chao, Deputy Chief Investment Officer
Tiffany West, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Joshua Geller, Supervising Attorney

President Zimmon called the meeting to order at 8:31 a.m. All the above-listed Commissioners were present at the start of the meeting.

A. CALL TO ORDER

1. Roll Call

Ms. Tiffany West announced there was a quorum, with seven commissioners participating in-person from the Boardroom. Commissioners Chun and Churchill were absent.

2. Consideration of Notices and Requests for Remote Participation pursuant to AB 2449

- a. Just Cause – receive and file
- b. Emergency Circumstance and possible Board action

There were no Notices and Requests for Remote Participation for consideration.

B. PUBLIC COMMENT ON MATTERS WITHIN THE BOARD'S JURISDICTION AND ANY SPECIFIC AGENDA ITEMS

There were no public comments.

C. REPORTS TO THE BOARD

1. PRIVATE EQUITY PERFORMANCE REVIEW BY PORTFOLIO ADVISORS FOR 4Q 2024

Commissioner Perez left the Boardroom at 8:44 a.m.

Messrs. Geoff Kelleman, Managing Director, and Payton Brooks, Managing Director of Portfolio Advisors presented and discussed this item with the Board. The report was received and filed.

2. PRIVATE CREDIT PERFORMANCE REVIEW BY STEPSTONE GROUP FOR 4Q 2024

Commissioner Perez returned to the Boardroom at 9:13 a.m.

Mr. Elijah McGowen, Senior Manager and Ms. Austin Head-Jones, Director of Private Debt of StepStone presented and discussed this item with the Board. The report was received and filed.

3. 2025-26 FINAL ANNUAL PLAN AND POSSIBLE BOARD ACTION

Mr. Brandon Chung, Management Assistant of the Administrative Services and Human Resources Section, presented this item to the Board. The report was approved as submitted.

Resolution 25162

Commissioner Buzzell moved that the Board approve the 2025-26 Final Annual Plan (Attachment I),

which was seconded by Commissioner Ambriz and approved by the following vote: ayes, Commissioners Ambriz, Arellano, Buzzell, Jenkins, Liu, Perez, and President Zimmon – 7; nays, none.

4. 2025-26 FINAL BUDGET AND POSSIBLE BOARD ACTION

Messrs. JC De La Cruz, Management Analyst and James Pineda, Management Analyst of the Administrative Services and Human Resources Section, presented and discussed this item with the Board. General Manager Salazar provided additional comments. The report was approved as submitted.

Resolution 25163

Commissioner Ambriz moved that the Board:

1. Adopt the 2025-26 Final Budget (Budget) and authorize the General Manager to transmit the Budget to the Mayor, City Administrative Officer (CAO), and the Controller for their record;
2. Adopt the 2025-26 Personnel Resolution and 2025-26 Travel Resolution (2025-26 Final Budget Schedules 7 and 10, respectively);
3. Delegate to the General Manager the authority to approve intra-departmental transfers within the 2025-26 Administrative Expense Budget, commensurate with the limit released by the CAO each year pursuant to Charter Section 343, and direct the General Manager to report to the Board on such transfers in the Budget Compliance Report to be provided quarterly; and,
4. Authorize Staff to make any technical corrections or clarifications to the 2025-26 Final Budget to effectuate the intent of the above-mentioned recommendations,

which was seconded by Commissioner Jenkins and approved by the following vote: ayes, Commissioners Ambriz, Arellano, Buzzell, Jenkins, Liu, Perez, and President Zimmon – 7; nays, none.

5. 2024-25 ANNUAL AUDIT PLAN STATUS AND PROPOSED 2025-26 ANNUAL AUDIT PLAN AND POSSIBLE BOARD ACTION

Ms. Rebecca Takahashi, Departmental Audit Manager, presented and discussed this item with the Board. General Manager Salazar provided additional comments. The report was approved as submitted.

Resolution 25164

Commissioner Ambriz moved that the Board:

1. Review the status report to the 2024-25 Annual Audit Plan; and,
2. Review and approve the proposed 2025-26 Annual Audit Plan,

which was seconded by Commissioner Liu and approved by the following vote: ayes, Commissioners Ambriz, Arellano, Buzzell, Jenkins, Liu, Perez, and President Zimmon – 7; nays, none.

D. GENERAL MANAGER'S REPORT

1. Monthly Report

2. Marketing Cessation Information

3. Benefits Actions approved by General Manager on June 5, 2025

Pursuant to Resolution 04008, adopted by the Board of Fire and Police Pension Commissioners on August 7, 2003, the following benefits actions have been approved by the General Manager. Any conservatorships or community property divisions contained herein have been determined following a review by the Office of the City Attorney.

DISCONTINUED PENSIONS – 10

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Died</u>
David D. Barnes	Fire Service	5	04-02-15	04-19-25
John T. Harris	Fire Service	2	11-01-71	04-25-25
Edward L. Reed	Fire Service	2	06-28-93	04-15-25
Kenneth T. Sparkman	Fire Service	2	07-07-89	02-18-25
Donna L. Francis	Fire Widow	2	09-30-08	03-18-25
Persis H. Tiner	Fire Widow	2	02-01-05	05-08-25
James E. Meskan	Police Disability	1	11-12-64	04-17-25
Florine E. Ernst	Police Widow	2	04-06-08	03-31-25
Lavona Robinson	Police Widow	2	08-12-23	04-20-25
Linda R. Walker	Police Widow	2	08-06-98	04-15-25

DISCONTINUED PENSIONS FORMER SPOUSE – 2

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Member Died</u>	<u>Died</u>
Donna Foster	Fire Service	5	07-01-02		04-28-25
Judith L. Sparkman	Fire Service	2	07-07-89	02-18-25	

SERVICE PENSION/DROP – 26

FIRE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Manuel J. Castaneda II	Captain I	5	05-30-24	30.000000
Marcus D. Law	Inspector II	5	07-05-24	34.891781
Christopher P. Manzo	Apparatus Operator	5	06-01-24	30.000000
Cindy A. Struck	Inspector I	5	05-01-24	32.602740

POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
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Erick N. Barrera	Police Officer II	5	07-01-24	27.405377
David R. Bluestein	Lieutenant II	5	05-01-24	26.160001
Carlos E. Camacho	Detective II	5	08-01-24	28.364384
Creighton M. Dawson	Police Officer II	5	05-05-24	25.000549
Oscar Duenas	Police Officer III	4	05-01-24	25.784932
William Fernandez	Police Officer III	5	07-05-24	26.212603
Hilda E. Garcia	Detective I	5	06-01-24	25.715069
Jon K. Kakita	Detective II	5	06-20-24	25.000000
Charles P. Kim	Police Officer II	5	06-03-24	25.058083
David M. Manning	Police Officer II	5	06-01-24	25.783493
Jaime Mejia	Police Officer III	5	05-01-24	27.249658
Demetrio V. Mendoza	Police Officer III	5	08-01-24	28.095411
Aquiles H. Morales	Sergeant II	5	07-01-24	28.055377
Gerardo Morales	Detective I	3	07-02-24	28.001679
Mario Morales	Police Officer III	5	03-11-24	27.439041
Mark E. Odonnell	Detective III	3	06-10-24	28.000000
Peter B. Paramo	Police Officer II	5	07-01-24	27.156576
Derrick D. Prude	Police Officer II	5	07-01-24	25.493426
Raul Soto	Detective II	5	08-01-24	25.038083
Justin C. Stewart	Sergeant II	5	06-03-24	28.477318
Rabin Surendranath	Sergeant II	5	07-01-24	30.049315
Jason M. Veiga	Sergeant II	5	06-03-24	28.640254

ELIGIBLE SURVIVING SPOUSE APPLICATION – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Tier</u>	<u>Type % Rate</u>	<u>Effective Date</u>
Christine Lane (Patrick C. Lane)	Detective II	5	Nonservice-Connected Death w/o prejudice: 30%	04-17-25

SERVICE-CONNECTED DISABILITY PENSION – 2

<u>Name</u>	<u>Member's Rank</u>	<u>Tier</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Michael G. Chafe	Police Officer II	5	56%	05-09-25	05-15-25
Farah V. Lopez-Quiroz	Police Officer II	5	60%	05-15-25	05-15-25

ELIGIBLE DEPENDENT CHILD APPLICATION – 1

<u>Member</u>	<u>Member's Rank</u>	<u>Tier</u>	<u>Eff Date</u>	<u>Type % Rate</u>	<u>Action</u>
Joseph A. de Martino (Ricardo F. de Martino)	Lieutenant II	5	06-23-24	Survivorship Pension: Additional 25% of Qualified Survivor Pension	Released

4. Other business relating to Department operations

General Manager Salazar provided the following updates:

1. Fund total is at \$33.5 billion this week.
2. Survey Reminders

The General Manager Annual Performance Evaluation survey is due this Friday. The City Attorney Annual Performance Evaluation is due at the end of June. Each Board member should have received the survey instruments via email from Tiffany West on June 6.

The results of the General Manager Performance Evaluation survey will be presented to the Board at the July 3 Board meeting to assist the Board in its evaluation of the General Manager.

The results of the City Attorney Performance Evaluation survey will be shared with the Board prior to the July 17 Board meeting. Subsequently, the Board President and the General Manager will present the Board evaluation to the Supervising Attorney in a confidential manner, and the Board President will sign a written summary evaluation to be presented to the Office of the City Attorney.

If Commissioners have any questions about the surveys or need additional time to complete the surveys, please speak to Wilson Poon or Myo Thedar after the meeting.

3. Tentative Agenda Items for July 3:
 - City Contribution True-up Policy Discussion

E. CONSENT ITEMS

1. Approval of Minutes

Regular Board meeting minutes of March 20, April 3 and 17, May 1 and 15, 2025

2. Findings of Fact
 - a. Michael G. Chafe – Tier 5
 - b. Farah V. Lopez-Quiroz – Tier 5
 - c. Derek R. Miller – Tier 5

Commissioner Buzzell moved that the Board approve the consent items, which was seconded by Commissioner Arellano and approved by the following vote: ayes, Commissioners Ambriz, Arellano, Buzzell, Jenkins, Liu, Perez, and President Zimmon – 7; nays, none.

F. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

President Zimmon recessed the meeting for a break at 10:03 a.m. and reconvened at 10:17 a.m.

G. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF TWO (2) PARTICULAR, SPECIFIC INVESTMENTS AND POSSIBLE BOARD ACTION

The Board met in closed session.

2. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER THE PURCHASE OF ONE (1) PARTICULAR, SPECIFIC INVESTMENT AND POSSIBLE BOARD ACTION

The Board met in closed session.

3. CITY ATTORNEY SEMIANNUAL LITIGATION UPDATE

- A. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASES ENTITLED:

- 1) SAM ET AL. V. KWAN ET AL. (LASC, CASE NO. BC721121; CAL. APP. CT. 2D CASE NO. B315773)
- 2) IN RE CVS HEALTH CORPORATION SECURITIES ACT LITIGATION, (U.S.D.C., D. RHODE ISLAND, CASE NO. 19-CV-00434; U.S. COURT OF APPEALS, 1ST CIR., CASE NO. 25-1230)
- 3) WILLIAMS V. CITY OF LOS ANGELES (U.S.D.C., C.D. CAL., CASE NO. 24-CV-08458)
- 4) DOWNTOWN CRENSHAW RISING AND MEMBERS AGAINST ANTI-BLACK RACISM AT PUBLIC PENSION FUNDS V. DEUTSCHE BANK ET AL. (U.S.D.C., C.D. CAL., CASE NO. 24-CV07266)

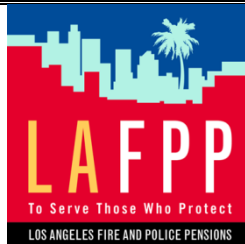
The Board met in closed session.

Upon reconvening in open session, President Zimmon stated there was no public report.

The meeting ended at 11:16 a.m.

President

Secretary



DEPARTMENT OF FIRE AND POLICE PENSIONS

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

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JULY 17, 2025 **ITEM:** E.1

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: ELECTION OF BOARD OFFICERS (PRESIDENT AND VICE PRESIDENT)
PURSUANT TO CITY CHARTER SECTION 503(a) AND BOARD GOVERNANCE
POLICIES

RECOMMENDATION

That the Board elect a commissioner to fill the office of President and a commissioner to fill the office of Vice President of the Board.

DISCUSSION

In compliance with the City Charter, an election shall be conducted to elect officers of the Board as defined in Article V, Section 503.

Sec. 503. Organization of the Board.

(a) **Officers.** Each of the boards created in the Charter shall elect one of its members President and one Vice-President. Officers shall hold office for one year and until their successors are elected, unless their membership on the board expires sooner. Elections shall be held during its last meeting in July of each year, but the board may fill the unexpired term of any vacancy occurring in the office of President or Vice-President at any meeting.

Sections 7.1, 8.1, and 14.2 of the Board Governance Policies state that members of the Board of Fire and Police Pension Commissioners shall not serve more than one term consecutively as President or Vice President; the President is prohibited from being elected to the Office of Vice President immediately upon completion of their term as President; and shall decide those positions by majority vote.

BUDGET

There is no impact to the budget.

POLICY

There is no policy change associated with this report.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Tiffany West
Commission Executive Assistant II

JS:MT:TW

Attachment: Summarized Board Governance Policies 7.1, 8.1, and 14.2

**SUMMARIZED BOARD GOVERNANCE
POLICIES 7.1, 8.1 AND 14.2**

Los Angeles Fire & Police Pension System

7.0 – DUTIES AND RESPONSIBILITIES-PRESIDENT⁶

INTRODUCTION

- 7.1 Consistent with the City Charter, the Board shall elect one of its members President and that member shall hold office for a term of one year or until a successor has been elected. Elections shall be held during the Board's last meeting in July of each year, but the Board shall, by election, fill the unexpired term of any vacancy occurring in the office of President within 30 days of the date the vacancy occurs. In addition to the Charter requirement, members of the Board of Fire and Police Pension Commissioners:
- A. Shall not serve more than one term consecutively as President or Vice President;
 - B. The President is prohibited from being elected to the Office of Vice President immediately upon completion of their term as President; and
 - C. Shall decide those positions by majority vote.

The term limit provision is added to ensure that no one individual member have undue influence over, or be perceived as having control over, the entire Board.
(Revised 12/19/13; 09/20/18; and 11/21/19)

Los Angeles Fire & Police Pension System

8.0 – DUTIES AND RESPONSIBILITIES-VICE PRESIDENT⁷

INTRODUCTION

- 8.1 Consistent with the City Charter, the Board shall elect one of its members Vice-President and that member shall hold office for a term of one year or until a successor has been elected. Elections shall be held during the Board's last meeting in July of each year, but the Board shall, by election, fill the unexpired term of any vacancy occurring in the office of Vice-President within 30 days of the date the vacancy occurs. In addition to the Charter requirement, members of the Board of Fire and Police Pension Commissioners:
- A. Shall not serve more than one term consecutively as President or Vice President;
 - B. The President is prohibited from being elected to the Office of Vice President immediately upon completion of their term as President; and
 - C. Shall decide those positions by majority vote.

The term limit provision is added to ensure that no one individual member have undue influence over, or be perceived as having control over, the entire Board.
(Revised 12/19/13; 09/20/18; and 11/21/19)

**SUMMARIZED BOARD GOVERNANCE
POLICIES 7.1, 8.1 AND 14.2**

Los Angeles Fire & Police Pension System

14.0 - BOARD OPERATIONS POLICY

Board Officers

- 14.2 In accordance with the City Charter, the Board shall elect one of its members President and one Vice-President. Elections shall be held during the Board's last meeting in July of each year. [Section 503(a)] In addition to the Charter requirement, members of the Board. (Revised 01/21/16 & 09/20/18):
- A. Shall not serve more than one term consecutively as President or Vice President;
 - B. The President is prohibited from being elected to the Office of Vice President immediately upon completion of their term as President;
 - C. Shall decide those positions by majority vote; and,
 - D. The Board shall, by election, fill the unexpired term of any vacancy occurring in these offices within 30 days of the date the vacancy occurs.



DEPARTMENT OF FIRE AND POLICE PENSIONS

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

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JULY 17, 2025

ITEM: E.2

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: APPROVAL OF THREE-YEAR CONTRACT EXTENSION WITH LOOMIS, SAYLES & COMPANY L.P. FOR GLOBAL CREDIT FIXED INCOME INVESTMENT MANAGEMENT SERVICES AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

1. Approve a three-year contract extension with Loomis, Sayles & Company L.P. for active Global Credit Fixed Income investment management services;
2. Authorize the General Manager to negotiate and approve the terms and conditions of the contract extension with Loomis, Sayles & Company L.P. for active Global Credit Fixed Income investment management services for the period August 1, 2025 through July 31, 2028; and,
3. Authorize the General Manager, on behalf of the Board, to execute the contract extension with Loomis, Sayles & Company L.P. for active Global Credit Fixed Income investment management services, subject to the approval of the City Attorney as to form.

BACKGROUND

At the November 18, 2021 meeting, LAFPP's general investment consultant, RVK, presented their Fixed Income Structure Review and recommended that the Board allocate 12.5% of the total fixed income portfolio to a new global credit mandate. The Board approved the new mandate at the December 2, 2021 meeting as part of a broader strategy to increase portfolio diversification, reduce downside risk, enhance flexibility to invest outside traditional core fixed income, and improve the overall risk-return profile of the fixed income portfolio. At the subsequent meeting, the Board authorized a manager search. At the May 19, 2022 meeting, the Board interviewed the finalists and selected Loomis, Sayles & Company L.P. (Loomis Sayles) to implement the mandate (referred to by Loomis Sayles as the World Credit Asset strategy). The account was initially funded with \$775 million in August 2022. The current contract is set to expire on July 31, 2025.

DUE DILIGENCE REVIEW

As part of the due diligence process, Staff asked Loomis Sayles to complete a comprehensive questionnaire covering ownership, personnel, assets under management, investment style, and investment performance. In addition, Staff and RVK met in person with Loomis Sayles at their Boston headquarters on June 13, 2025, to better understand the firm's Global Credit Asset strategy

investment process, philosophy, and the infrastructure that supports the strategy. As part of the due diligence review, Staff and RVK also met with Loomis Sayles' Compliance and Operations teams virtually on June 30, 2025.

OWNERSHIP

The firm was originally established in 1926 by Robert H. Loomis and Ralph T. Sayles in Boston, Massachusetts. Loomis Sayles is now a wholly owned subsidiary of Natixis Investment Managers, L.L.C. (Natixis Investment), the U.S.-based subsidiary of Natixis, which is a multinational financial services firm based in Paris, France.

There are no pending changes to the ownership structure of the firm.

PERSONNEL

Kevin Kearns, Head of Alpha Strategies, and Andrea DiCenso have co-managed the World Credit Asset strategy since the inception of the Board's account. In June 2024, they were joined by Co-Portfolio Manager Tom Stolberg and Associate Portfolio Manager Peter Yanulis. Mr. Stolberg succeeded Tom Fahey, who stepped down from his portfolio manager role on the strategy to become Co-Director of Global Macro Strategies.

The portfolio management team is supported by the Key Support group, which includes three product strategists, an applied integrated quantitative analyst, a dedicated investment analyst, two portfolio specialists, and extensive resources that provide comprehensive research and trading coverage across major global bond market sectors. Investment decisions are made collaboratively, with the co-portfolio managers making final decisions based on input from the product team, which synthesizes insights from the sector teams.

The portfolio management team remained stable throughout the current contract period. During this time, the Key Support team added four analysts and one portfolio specialist, while two associate directors, two quantitative analysts, and two portfolio specialists either left the firm or transitioned to other roles. Additionally, Chris Gootkind, Co-Director of Credit Research, announced his retirement effective June 30, 2025. He will be succeeded by Shannon O'Mara, who brings 27 years of experience at Loomis Sayles and has worked closely with Mr. Gootkind for many years.

ASSETS UNDER MANAGEMENT

As of May 31, 2025, Loomis Sayles managed approximately \$3.8 billion in assets under management (AUM) in the World Credit Asset strategy for 33 institutional clients. This represents an increase of about \$1 billion in AUM and one additional institutional client compared to approximately \$2.8 billion in AUM for 32 institutional clients as of August 1, 2022.

The Board's account with Loomis Sayles was initially funded with \$775 million in August 2022. As of June 30, 2025, the portfolio's value had grown to \$1.06 billion, an increase of approximately \$289 million. This growth reflects additional contributions of \$150 million in April 2024 and \$75 million in September 2024, as well as capital appreciation, partially offset by \$108.1 million in interest income withdrawals over the contract period as of June 30, 2025. Loomis Sayles also manages the Board's Long Duration Fixed Income account, valued at \$746 million as of June 30, 2025.

INVESTMENT STYLE

The Loomis Sayles World Credit Asset strategy seeks to maximize risk-adjusted returns by investing across a wide range of global credit sectors—including investment grade, high yield, bank loans, securitized assets, and emerging market debt. Asset allocation is guided by an assessment of the global credit cycle and the relative attractiveness of each sector. Portfolio construction combines bottom-up security and sector selection with top-down macroeconomic analysis. The strategy prioritizes individual security selection over market timing and seeks to build a diversified portfolio of the team's most compelling investment ideas.

The World Credit Asset strategy has a duration range between 0 and 7 years. Derivatives, including futures, forwards, options and swaps, are primarily used to hedge interest rate, credit, and currency risks. As of June 30, 2025, the portfolio's U.S. exposure was 55.75% and non-U.S. exposure was 44.25%.

INVESTMENT PERFORMANCE

The benchmark for the Global Credit mandate is the Global Credit Custom Index, which consists of 50% Bloomberg Global Aggregate Bond Index (USD Hedged) and 16.67% each to the ICE BofAML Developed Markets High Yield Constrained Index (USD Hedged), JPMorgan Emerging Markets Bond Global Diversified Index (USD, Total Return), and S&P UBS Leveraged Loan Index. As of June 30, 2025 (unaudited), the strategy delivered a strong quarter, both gross and net of fees, outperforming the custom benchmark. This strong quarterly performance contributed to a one-year net return of 8.04%, outperforming the benchmark by 8 basis points (bps). While the strategy has underperformed the benchmark by 12 bps net of fees since inception, this marks a meaningful improvement from March 2025, when it lagged the benchmark across all time periods.

While the performance history is still short of a full market cycle, typically five to seven years, the account began during a particularly challenging environment for global credit managers, marked by elevated inflation, an anticipated but unrealized recession, and ongoing tariff concerns. The strategy's initial defensive positioning, combined with security selection in emerging market debt and high yield during 2023 and 2024, contributed to earlier underperformance. The recent rebound reflects more favorable fixed income market conditions.

Despite the underperformance relative to the custom index, the strategy's longer-term return remains competitive versus peers. It outperformed net of fees by 323 bps and ranks in the 46th percentile of the IM Global Fixed Income (SA+CF) universe since inception as of March 31, 2025.

Attachment I provides Loomis Sayles' performance since inception of the account.

CONCLUSION

Since 2022, the global credit strategy has faced difficulties due to rising interest rates, wider credit spreads, and a strong U.S. dollar, all of which have been particularly challenging for high yield and emerging market bonds. This strategy usually performs better when interest rates are steady or falling and when the global economy is more stable.

The blended management fee is approximately 27 bps, or \$2.8 million, based on the June 30, 2025 market value of \$1.06 billion. This fee ranks in the 25th percentile of the eVestment Global Multi-

Sector Fixed Income universe for separate accounts of comparable size, where the median fee is 31 bps.

Loomis Sayles' current contract has not yet completed a full market cycle, and only two years of performance data are available to assess how the strategy performs under varying market conditions. Considering the ongoing and unusually high volatility across both fixed income and equity markets, Staff and RVK believe the prudent approach is to continue monitoring the strategy over an additional three-year period to assess the strategy over a full market cycle. Given the stability of the investment team's leadership, investment process, depth of resources, and lower fees, Staff recommends extending Loomis Sayles' contract for active Global Credit Fixed Income investment management services for an additional three-year term. RVK concurs with Staff's recommendation (Attachment II).

BUDGET

Approval of this recommendation is not anticipated to affect LAFPP's annual budget, as Loomis Sayles' management fees have already been projected and included in the budget.

POLICY

Approval of this recommendation will have no policy impact.

CONTRACTOR DISCLOSURE INFORMATION

Loomis, Sayles & Company, L.P. complied with LAFPP's Contractor Disclosure Policy regarding campaign contributions, charitable contributions, intermediaries, gifts, and contacts on May 1, 2025. Internal Audit Section reviewed the provided information and determined there was nothing to report under this policy.

This report was prepared by:

Miki Shaler, Investment Officer
Investments Division

JS:BF:AC:MS

Attachments:

- I– Loomis Sayles Global Credit Performance Analysis
- II– RVK Recommendation Memo

Loomis Sayles Global Credit Performance Analysis

Returns as of March 31, 2025

	QTD	FYTD	1-year	2024	2023	Inception Return	Inception Date
Loomis Sayles Global Credit (Gross of fees)	1.40%	4.97%	5.43%	5.11%	10.08%	8.68%	9/30/2022 ²
Loomis Sayles Global Credit (Net of fees)¹	1.34%	4.84%	5.24%	4.84% ³	9.81% ³	8.44%	
Global Credit Custom Index²	1.45%	5.34%	5.99%	5.47%	10.77%	8.81%	
Difference (Gross of fees)	-0.05%	-0.37%	-0.56%	-0.36%	-0.69%	-0.13%	
Difference (Net of fees)	-0.11%	-0.50%	-0.75%	-0.63%	-0.96%	-0.37%	
IM Global Fixed Income (SA+CF) Median	2.15%	5.41%	5.94%	4.60%	9.12%	5.21%	
Percentile Rank (Investment Metrics Universe)	76	61	59	46	40	46	

¹ Based on an annual fee average as of 1Q25. Loomis' blended management fee is approximately 27 bps.

² Northern Trust uses 9/30/22 as the account inception date while RVK uses 10/1/22 as the account inception date. As a result, there is a slight difference in reported performance.

³ Management fees for 2023 were received in 2024, therefore Northern Trust booked all 2023 fees in 2024. Net of fees performance was calculated manually.

Loomis Sayles Global Credit Performance Analysis

Returns as of June 30, 2025 (Unaudited)

	QTD	FYTD	1-year	2024	2023	Return	Date
Loomis Sayles Global Credit (Gross of fees)	3.14%	8.26%	8.26%	5.11%	10.08%	9.08%	9/30/2022 ²
Loomis Sayles Global Credit (Net of fees)¹	3.07%	8.04%	8.04%	4.84% ³	9.81% ³	8.83%	
Global Credit Custom Index²	2.49%	7.96%	7.96%	5.47%	10.77%	8.95%	
Difference (Gross of fees)	0.65%	0.30%	0.30%	-0.36%	-0.69%	0.13%	
Difference (Net of fees)	0.58%	0.08%	0.08%	-0.63%	-0.96%	-0.12%	
IM Global Fixed Income (SA+CF) Median⁴							
Percentile Rank (Investment Metrics Universe) ⁴							

¹ Based on an annual fee average as of 2Q25. Loomis' blended management fee is approximately 27 bps.

² Northern Trust uses 9/30/22 as the account inception date while RVK uses 10/1/22 as the account inception date. As a result, there is a slight difference in reported performance.

³ Management fees for 2023 were received in 2024, therefore Northern Trust booked all 2023 fees in 2024. Net of fees performance was calculated manually.

⁴ Data was unavailable at the time of publication. It will be presented at the meeting.



Memorandum

To	The Los Angeles Fire and Police Pension System (“LAFPP”)
From	RVK, Inc. (“RVK”)
Subject	Loomis Sayles World Credit Asset Contract Recommendation
Date	July 17, 2025

Recommendation

RVK recommends that the Board renew the Loomis Sayles World Credit Asset contract for 3 years. This is in agreement with the Staff’s recommendation to the Board.

The strategy’s performance has met expectations since its inception with LAFPP in October 2022, relative to the Global Credit Custom Index which consists of 50% Bloomberg Global Aggregate Bond Index (USD Hedged), and 16.67% each to the ICE BofAML Developed Markets High Yield Constrained Index (USD Hedged), JPMorgan Emerging Markets Bond Global Diversified Index (USD, Total Return), and S&P UBS Leveraged Loan Index.

RVK’s recommendation is based on its conviction that Loomis Sayles has the team, investment process, and resources necessary to continue managing this mandate effectively. The portfolio management team remains stable and well-resourced.

Like many active managers in the multi credit-oriented asset classes, Loomis Sayles has faced performance headwinds over the past three years due to persistent spread tightening and the outperformance of lower-quality debt. These market conditions have made it difficult for the median active manager to outperform the benchmark within this peer group. More recently, credit spreads have tightened further, driven by investor demand for higher-yielding securities and a relatively strong fundamental outlook for many corporations.

These challenges tend to be cyclical. Active managers, including Loomis Sayles, generally perform better during periods of market volatility when dislocations present opportunities to add value relative to passive approaches. Loomis Sayles has demonstrated an ability to outperform in such environments—most notably during the 2020 credit dislocation.

While returns have trailed the benchmark, the strategy has maintained an above-median rank since inception suggesting peer managers have been experiencing similar challenges in exceeding their indices. Given no material changes to the strategy or resources supporting it, RVK expects the portfolio to maintain its historical pattern, with potential for outperformance as market conditions shift toward an environment more conducive to active credit management.

Background

The Loomis Sayles contract expires on July 31, 2025. As of June 30, 2025, LAFPP has approximately \$1.06 billion invested in a separate account, which represents 100.0% of the Global Credit composite, 14.3% of



the Fixed Income composite, and 3.1% of the Total Plan. LAFPP has been invested in this account since October 2022.

Loomis Sayles also manages a Long Duration mandate for LAFPP, with assets totaling \$752.4 million. In aggregate, Loomis Sayles manages approximately \$1.8 billion in assets for LAFPP, accounting for 24.5% of the Fixed Income composite and 5.4% of the Total Plan.

Firm

Founded in 1926, Loomis Sayles became part of Paris-based Natixis Investment Managers in 2007, following several prior ownership changes. As of March 2025, the firm had over \$390 billion in assets under management (“AUM”). There are ten fixed income platforms at Loomis Sayles. The Alpha Strategies platform, which manages \$11 billion in AUM, oversees the World Credit Asset strategy and makes up \$3.8 billion.

Team

The strategy is led by three Portfolio Managers, Andrea DiCenso, Kevin Kearns and Tom Stolberg, and Associate Portfolio Manager Peter Yanulis. Collectively, they average 27 years of investment industry experience and 15 years with the firm. They are supported by nine additional team members whose roles include Product Strategists, Applied Integrated Quantitative Researchers, Risk Analysts, Investment Analysts, Investment Directors, and Portfolio Specialists. Sector Teams provide strategic outlook that form the basis for the portfolio’s positioning. These teams include portfolio managers, traders, research analysts, economists, and strategists from across the firm.

Loomis Sayles has large and deep research teams as evidenced by the 63-member Credit Research team covering all capital structures and credit qualities, contributing bottom-up ideas to the portfolio. Additionally, there are 27 dedicated fixed income traders within the firm’s fixed income business.

On June 30, 2025, co-director of Credit Research, Chris Gootkind, retired from Loomis Sayles. Ms. O’Mara has succeeded Mr. Gootkind as sole head of the Credit Research team.

RVK does not expect this transition to significantly impact the Loomis Sayles research platform, given the depth of the research team and Ms. O’Mara’s extensive experience. She has worked closely with Mr. Gootkind for several years and brings over 30 years of industry experience, including 27 years with the firm.

Product Strategy and Process

The World Credit Asset strategy was launched in 2013 and follows the same investment approach as the Credit Asset Portfolio which dates to 2009. The strategy targets global fixed-income opportunities

spanning a broad range of sectors, including investment-grade credit, high-yield bonds, bank loans, securitized credit, and emerging market debt. The strategy seeks to maximize returns by identifying compelling issuers based on the current stage of the global credit cycle. Alpha is generated through three primary sources: asset allocation guided by a proprietary evaluation of the global credit cycle, security selection driven by in-depth fundamental research from Loomis Sayles' sector analysts, and active duration management that allows flexibility in adjusting portfolio duration in response to changing market conditions.

Although benchmark-agnostic, the portfolio is guided by a custom reference benchmark composed of 50% Bloomberg Global Aggregate Bond Index (USD Hedged), and 16.67% each to the ICE BofAML Developed Markets High Yield Constrained Index (USD Hedged), JPMorgan Emerging Markets Bond Global Diversified Index (USD, Total Return), and S&P UBS Leveraged Loan Index. This benchmark serves as a framework for setting risk and return expectations, though portfolio allocations can vary significantly. The portfolio maintains a duration range of 0 to 7 years and may use derivatives including futures, forwards, options, and swaps to hedge interest rate, credit, and currency risks.

The investment process combines top-down macroeconomic insights with bottom-up research conducted by Loomis Sayles' sector teams. The strategy leverages the firm's extensive fixed income resources, including credit research analysts, a quantitative research team, sector specialists, and traders. Portfolio managers apply proprietary tools to identify attractively priced securities which are deemed "best ideas" by analysts and are then submitted to a portfolio optimizer that uses correlation, beta, and volatility metrics to help construct a well-diversified and risk-aware portfolio. Investment decisions are made through a collaborative process that requires team consensus, although any individual portfolio manager retains discretion to act independently to reduce risk if necessary.

Performance (as of March 31, 2025)

The Loomis Sayles World Credit Asset separate account has underperformed its benchmark by 33 basis points per year since inception (October 2022), annualized and net of fees, but ranks above median in the 43rd percentile. Loomis Sayles has underperformed its benchmark across all trailing time periods shown below. The table below details Loomis Sayles' performance (gross and net of fees) as of March 31, 2025.

	QTD	FYTD	1 Year	2024	2023	Since Incep.	Inception Date	Expense Ratio
Loomis Sayles World Credit Asset Strategy (SA) - Gross	1.40	4.97	5.43	5.11	10.08	8.68	10/01/2022	0.27%
Global Credit Custom Index	1.44	5.50	6.20	5.80	10.68	8.77		
Difference	-0.04	-0.53	-0.77	-0.69	-0.60	-0.09		
Loomis Sayles World Credit Asset Strategy (SA) - Net	1.34	4.84	5.24	4.61	10.08	8.44	10/01/2022	
Global Credit Custom Index	1.44	5.50	6.20	5.80	10.68	8.77		
Difference	-0.11	-0.66	-0.96	-1.19	-0.60	-0.33		
IM Global Fixed Income (SA+CF) Median	2.15	5.41	5.94	4.60	9.12	7.76		
Rank	76	61	59	46	40	43		

**Fees**

The average blended fee for this product is approximately 27 basis points. Based on the March 31, 2025, market value of \$1.04 billion, the fee ranks in the 25th percentile when compared to the eVestment Global Multi-Sector Fixed Income universe utilizing a separate account vehicle and comparable mandate size. The median fee for this universe is 31 basis points.

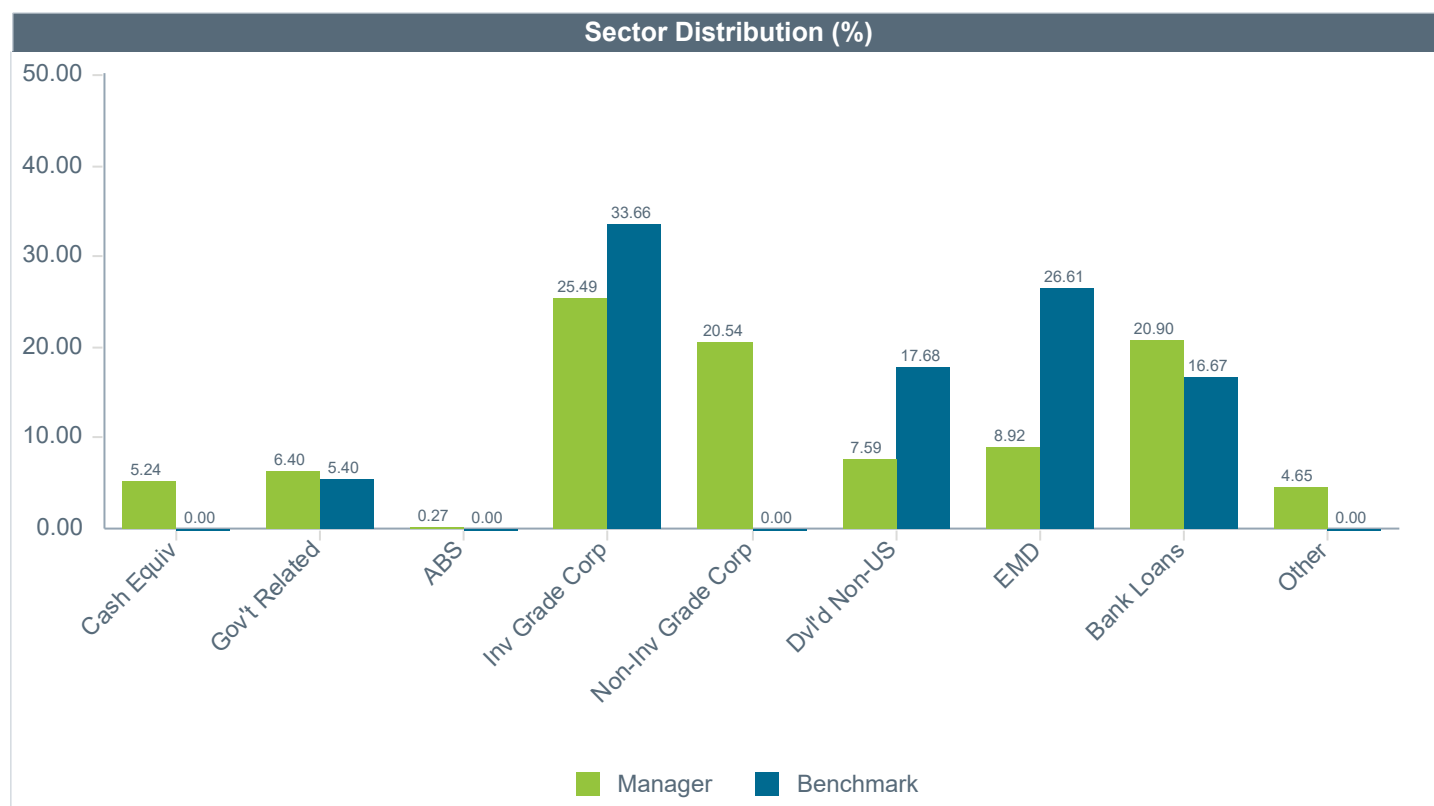
Please see the attached manager profile page for additional information.

Manager: Loomis Sayles World Credit Asset Strategy (SA)
As of March 31, 2025
Benchmark: Global Credit Custom Index

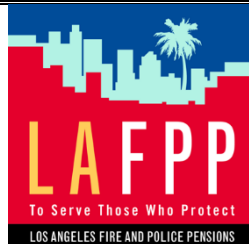
Peer Group: IM Global Fixed Income (SA+CF)

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2024	2023	2022	2021	2020
Manager	1.40	5.43	N/A	N/A	N/A	N/A	5.11	10.08	N/A	N/A	N/A
Benchmark	1.44	6.20	3.55	4.11	3.29	3.45	5.80	10.68	-12.05	0.95	6.30
Difference	-0.04	-0.77	N/A	N/A	N/A	N/A	-0.69	-0.60	N/A	N/A	N/A
Peer Group	2.15	5.94	2.55	3.24	2.54	2.92	4.60	9.12	-12.01	0.53	8.42
Rank	76	59	N/A	N/A	N/A	N/A	46	40	N/A	N/A	N/A

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.17	4.63
Spread Duration	4.49	N/A
Avg. Maturity	6.38	7.60
Avg. Quality	Ba1	Ba1/Baa3
Yield To Maturity (%)	7.27	6.07
Coupon Rate (%)	6.49	5.37
Current Yield (%)	6.28	N/A
Holdings Count	667	25,435



Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile rankings.
Allocation to "other" consists of securitized.



DEPARTMENT OF FIRE AND POLICE PENSIONS

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

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JULY 17, 2025

ITEM: E.3

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: RESULTS FROM THE INVESTMENT CONSULTANT EVALUATION SURVEY AND
POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board review the results of the 2025 General Investment Consultant Evaluation Survey and discuss the results with the Board's General Investment Consultant, RVK, Inc.

BACKGROUND

In accordance with the Board's Investment Consultant Evaluation Policy (Section 20.0 of the Board Governance Policies, Attachment I), the Board, General Manager, Chief Investment Officer, and the Senior Investment Staff are to periodically evaluate the performance of the Investment Consultant.

The Policy states in Section 20.7 that, "The evaluation results will be presented to the Board for review, discussion and possible action. The Investment Consultant will be present at the meeting and may participate in the discussion."

DISCUSSION

The most recent survey was conducted in May 2025. The sample survey form is provided in Attachment I. Responses were received from seven out of nine Board members and eight out of nine designated staff members (one position is vacant). Attachment II provides a summary of the results.

In general, RVK received higher performance marks from Staff than from the Board. All categorical ratings were scored as either meets expectations, exceeds expectations, or outstanding, with an overall Board and Staff average score of 4.44. At the last survey, conducted in April-May 2024, RVK received an overall average score of 4.34.

Below is a summary matrix of the scoring results.

Summary of Survey Results

<u>Rating Category</u>	<u>Board Avg. Score *</u>	<u>Staff Avg. Score *</u>	<u>Overall Avg. Score *</u>
Demonstrates the ability to accurately analyze issues	4.00	4.75	4.40
Makes clear, relevant recommendations concerning policies and guidelines	4.14	4.75	4.47
Identifies issues of strategic importance and brings them to the Board's attention	3.71	4.38	4.07
Provides impartial advice pertaining to the Board's investment advisors	4.43	4.75	4.60
Demonstrates the ability to produce high quality, comprehensive and clear reports to the Board	4.14	4.88	4.53
Reports are accurate, error free and delivered on time	4.00	4.63	4.38
Regularly attends Board meetings	4.17	4.88	4.57
The Consultant is providing value to the Fund	4.00	4.88	4.47
Average Score	4.07	4.73	4.44
* <i>RATING SCALE: Unacceptable (1); Needs Improvement (2); Meets Expectations (3); Exceeds Expectations (4); Outstanding (5).</i>			

BUDGET

There is no budget impact associated with this report.

POLICY

No policy changes as recommended.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Bryan Fujita, Chief Investment Officer
Investments Division

JS:BF:AC

Attachments: I – Board Governance Policy Section 20.0 and Investment Consultant Survey
II – Investment Consultant Survey Results

Los Angeles Fire & Police Pension System

20.0 – INVESTMENT CONSULTANT EVALUATION POLICY

INTRODUCTION

- 20.1 The purpose of the Investment Consultant Evaluation Policy is to enhance the value of investment consulting services received by the Board and the Department, through a process of periodic evaluations of the Investment Consultant's performance, coupled with feedback to the consultant.

This Policy does not confer any rights to any consultant or prospective consultant.

ROLES AND RESPONSIBILITIES

- 20.2 Periodic evaluation of the performance of the Investment Consultant is a primary responsibility of the Board, General Manager, CIO and the Senior Investment Staff and therefore should include the participation of all.

EVALUATION CRITERIA

- 20.3 The Board will ensure that the criteria used to evaluate the Investment Consultant:
- A. Are objective in nature and, to the extent possible, measurable; and
 - B. Pertain only to outcomes over which the Investment Consultant has a reasonable degree of control.
- 20.4 At a minimum, evaluation criteria will include Board satisfaction with the Consultant's ability to:
- A. Accurately analyze investment issues;
 - B. Provide clear, relevant recommendations concerning policies and guidelines;
 - C. Identify issues of strategic importance and bring them to the Board's attention;
 - D. Provide impartial advice pertaining to the Board's investment advisors;
 - E. Produce high quality, comprehensive and clear reports to the Board;
 - F. Provide reports that are accurate, error free and delivered on time;
 - G. Attend Board meetings regularly.

EVALUATION PROCESS

- 20.5 The Investment Consultant will be evaluated annually. The General Manager will distribute an Evaluation Package to each member of the Board, the General Manager, the CIO and Investment Officers II and III. The Evaluation Package will include:
- A. A copy of this Policy;
 - B. An evaluation form; and
 - C. Any supporting information that the Investment Consultant believes may assist in the completion of the Evaluation.

Investment Consultant Evaluation Policy

- 20.6 Completed evaluation forms will be returned to the General Manager, or designee, within a predetermined time period. The General Manager or designee will insure that all evaluation forms are tabulated and summarized.
- 20.7 The evaluation results will be presented to the Board for review, discussion and possible action. The Investment Consultant will be present at the meeting and may participate in the discussion.

HISTORY

- 20.8 Adopted: November 1, 2012, Amended 08/02/18 and 12/20/18.

REVIEW

- 20.9 This Policy will be reviewed and amended by the Board as needed.

Los Angeles Fire & Police Pension System

APPENDIX 1 – INVESTMENT CONSULTANT EVALUATION SURVEY INSTRUMENT

GENERAL INVESTMENT CONSULTANT SUBJECTIVE EVALUATION FORM

In accordance with the System's Investment Consultant Evaluation Policy, the Board and senior investment staff are required to evaluate the performance of the Investment Consultant annually. This evaluation form is designed to facilitate the gathering of input from Board members and senior investment staff concerning strategic analysis, recommendations, reporting, attendance and related qualities and skills.

The results of this evaluation will be tabulated and summarized by Department investment staff. A summary of the results will be presented to the Board, along with any other information and analysis necessary to complete the evaluation.

Board members and senior investment staff are asked to complete this questionnaire by [MONTH, DAY, YEAR].

INSTRUCTIONS:

The Board members and senior investment staff will use a scale of 1- 5 to rate the Investment Consultant on their success with regard to each of the following criteria, (please select the appropriate number), where:

- 1. = UNACCEPTABLE**
- 2. = NEEDS IMPROVEMENT**
- 3. = MEETS EXPECTATIONS**
- 4. = EXCEEDS EXPECTATIONS**
- 5. = OUTSTANDING**
- UA = Unable to Assess**

In addition, each of the raters should use the Specific Observations comment sections to elaborate and provide substantiation for the rating, or indicate if they are Unable to Assess any rating.

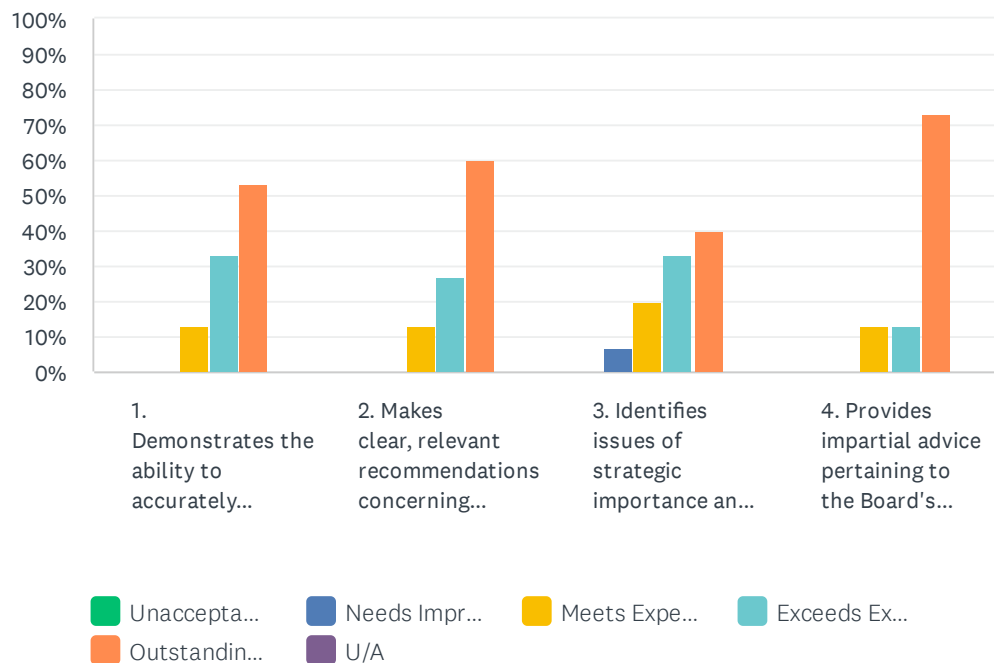
APPENDIX 1 – INVESTMENT CONSULTANT EVALUATION POLICY

INVESTMENT CONSULTANT EVALUATION	Unacceptable 1	Needs Improvement 2	Meets Expectations 3	Exceeds Expectations 4	Outstanding 5	Unable to Assess (UA)	Observations/Comments
<u>Strategic Analysis and Recommendations</u>							
1. Demonstrates the ability to accurately analyze issues.	1	2	3	4	5	UA	
2. Makes clear, relevant recommendations concerning policies and guidelines.	1	2	3	4	5	UA	
3. Identifies issues of strategic importance and brings them to the Board's attention.	1	2	3	4	5	UA	
4. Provides impartial advice pertaining to the Board's investment advisors.	1	2	3	4	5	UA	
<u>Reporting and Attendance</u>							
5. Demonstrates the ability to produce high quality, comprehensive and clear reports to the Board.	1	2	3	4	5	UA	
6. Reports are accurate, error free and delivered on time.	1	2	3	4	5	UA	
7. Regularly attends Board meetings.	1	2	3	4	5	UA	
<u>Overall Performance</u>							
8. The Consultant is providing value to the Fund.	1	2	3	4	5	UA	

Completed by: _____ on (date) _____

Q1 Strategic Analysis and Recommendations

Answered: 15 Skipped: 0



	UNACCEPTABLE (1)	NEEDS IMPROVEMENT (2)	MEETS EXPECTATIONS (3)	EXCEEDS EXPECTATIONS (4)	OUTSTANDING (5)	U/A	TOTAL	WEIGHTED AVERAGE
1. Demonstrates the ability to accurately analyze issues.	0.00% 0	0.00% 0	13.33% 2	33.33% 5	53.33% 8	0.00% 0	15	4.40
2. Makes clear, relevant recommendations concerning policies and guidelines.	0.00% 0	0.00% 0	13.33% 2	26.67% 4	60.00% 9	0.00% 0	15	4.47
3. Identifies issues of strategic importance and brings them to the Board's attention.	0.00% 0	6.67% 1	20.00% 3	33.33% 5	40.00% 6	0.00% 0	15	4.07
4. Provides impartial advice pertaining to the Board's investment advisors.	0.00% 0	0.00% 0	13.33% 2	13.33% 2	73.33% 11	0.00% 0	15	4.60

2025 Investment Consultant Evaluation

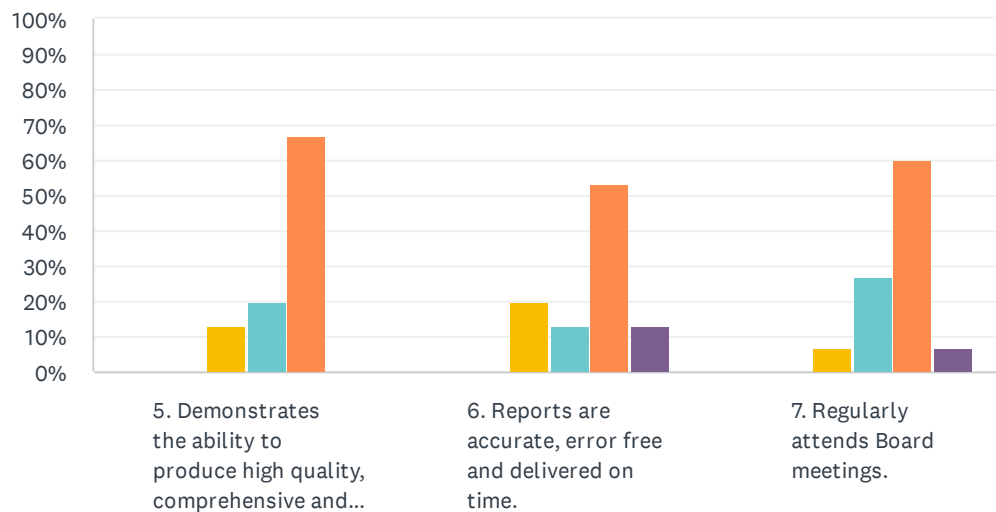
#	COMMENTS FOR "1. DEMONSTRATES THE ABILITY TO ACCURATELY ANALYZE ISSUES."	DATE
1	I appreciate RVK's insight into issues. They have been very helpful in determining what actions to take on issues.	7/1/2025 3:27 PM
2	Great communication	6/19/2025 8:38 AM
3	RVK is able to be unbiased in presenting issues as well as recommendations based on their analysis.	5/29/2025 4:48 PM
4	RVK has a deep understanding of investment markets, the LAFPP portfolio, and public markets managers and provides sound analysis of issues related to these areas.	5/22/2025 3:55 PM
5	They have always been thoughtful and candid in analyzing issues across the portfolio.	5/20/2025 3:35 PM
#	COMMENTS FOR "2. MAKES CLEAR, RELEVANT RECOMMENDATIONS CONCERNING POLICIES AND GUIDELINES."	DATE
1	Their recommendations are usually very clear and address the necessary issues.	7/1/2025 3:27 PM
2	Great info	6/19/2025 8:38 AM
3	RVK will work with the Staff and Board on an annual basis to review policies and guidelines that need to be updated, and make recommendations via redline submissions for the Board to review and adopt.	5/29/2025 4:48 PM
4	RVK assists with an annual review of the Board's Investment policies.	5/22/2025 3:55 PM
5	Have worked well with Staff to deliver clear and unified recommendations.	5/20/2025 3:35 PM
#	COMMENTS FOR "3. IDENTIFIES ISSUES OF STRATEGIC IMPORTANCE AND BRINGS THEM TO THE BOARD'S ATTENTION."	DATE
1	RVK is excellent at bringing issues to the Board. This year most input was in their written evaluations; much less in terms of presentations at the Board meetings.	7/1/2025 3:27 PM
2	I'd like to better understand how the RVK team factors in potential long-term changes in the macro environment when deciding whether to adjust or maintain the current capital allocation strategy.	6/19/2025 9:43 AM
3	Great communication	6/19/2025 8:38 AM
4	Staff works well with RVK in identifying issues (i.e. interest rate changes and looking at the Fixed Income Structure).	5/29/2025 4:48 PM
5	In light of the higher inflationary environment, RVK analyzed the role of real assets in the portfolio and recommended private infrastructure as a replacement to commodities, which was approved by the Board.	5/22/2025 3:55 PM
6	RVK strikes a nice balance between alerting the Board of issues while not overburdening the Board with less critical concerns. The Board does like to hear thoughts on managers that are struggling.	5/20/2025 3:35 PM
7	RVK continues to provide us important information, particularly during its quarterly reporting. However, welcome more regular reporting to the Board on additional strategic issues.	5/15/2025 9:50 AM
#	COMMENTS FOR "4. PROVIDES IMPARTIAL ADVICE PERTAINING TO THE BOARD'S INVESTMENT ADVISORS."	DATE
1	I have always found RVK 's advice is impartial. I appreciate their insights.	7/1/2025 3:27 PM
2	Great communication	6/19/2025 8:38 AM

2025 Investment Consultant Evaluation

3	RVK takes a prudent approach to making recommendations for investment manager contract renewals or terminations.	5/29/2025 4:48 PM
4	RVK has been fair and impartial in making recommendations related to public markets managers under its purview. Recommendations are supported by empirical research and data.	5/22/2025 3:55 PM
5	To the extent required we can count on RVK to give impartial information regarding our advisors.	5/20/2025 3:35 PM

Q2 Reporting and Attendance

Answered: 15 Skipped: 0



■ Unaccepta...
 ■ Needs Impr...
 ■ Meets Expe...
 ■ Exceeds Ex...
 ■ Outstandin...
 ■ U/A

	UNACCEPTABLE (1)	NEEDS IMPROVEMENT (2)	MEETS EXPECTATIONS (3)	EXCEEDS EXPECTATIONS (4)	OUTSTANDING (5)	U/A	TOTAL	WEIGHTED AVERAGE
5. Demonstrates the ability to produce high quality, comprehensive and clear reports to the Board.	0.00% 0	0.00% 0	13.33% 2	20.00% 3	66.67% 10	0.00% 0	15	4.53
6. Reports are accurate, error free and delivered on time.	0.00% 0	0.00% 0	20.00% 3	13.33% 2	53.33% 8	13.33% 2	15	4.38
7. Regularly attends Board meetings.	0.00% 0	0.00% 0	6.67% 1	26.67% 4	60.00% 9	6.67% 1	15	4.57

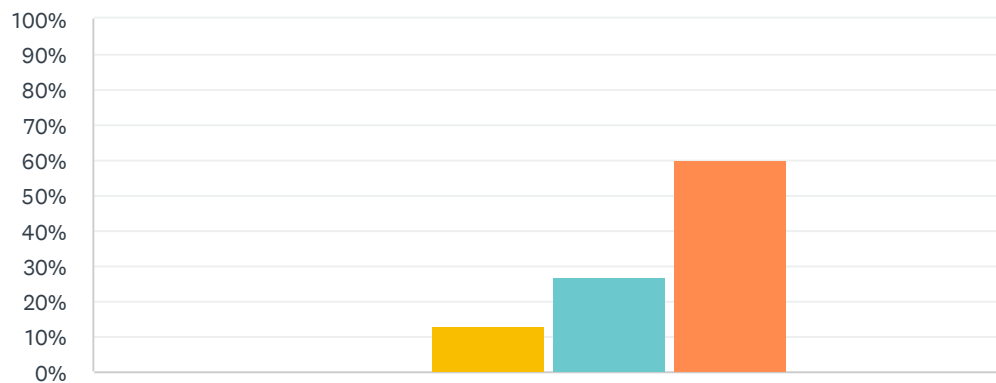
#	COMMENTS FOR "5. DEMONSTRATES THE ABILITY TO PRODUCE HIGH QUALITY, COMPREHENSIVE AND CLEAR REPORTS TO THE BOARD."	DATE
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2025 Investment Consultant Evaluation

1	Great communication	6/19/2025 8:38 AM
2	RVK's reports are generally high quality, succinct and easy to understand.	5/22/2025 3:55 PM
3	RVK has always been diligent in their report writing.	5/20/2025 3:35 PM
4	Ryan does a great job in presenting.	5/15/2025 9:50 AM
#	COMMENTS FOR "6. REPORTS ARE ACCURATE, ERROR FREE AND DELIVERED ON TIME."	DATE
1	This is better evaluated by the CIO.	7/1/2025 3:27 PM
2	Great communication	6/19/2025 8:38 AM
3	RVK takes Staff feedback to produce accurate reports to the Board.	5/29/2025 4:48 PM
4	RVK's reports are generally delivered within stated deadlines, but occasionally contain formatting and grammar errors.	5/22/2025 3:55 PM
5	Occasional typographical errors but content is usually solid. Work with staff on report due dates and meet deadlines.	5/21/2025 9:46 AM
6	Work well with Staff to write cogent reports that clearly communicate context and recommendations.	5/20/2025 3:35 PM
#	COMMENTS FOR "7. REGULARLY ATTENDS BOARD MEETINGS."	DATE
1	Great communication	6/19/2025 8:38 AM
2	RVK is always present at meetings for agenda items under their purview. For meetings where there are no items agendized related to their services, they will seek CIO's approval to be excused from those meetings.	5/22/2025 3:55 PM
3	Always attend Investment board meetings or are available via Zoom. Make themselves available as needed for other meetings as well.	5/21/2025 9:46 AM
4	Have always made themselves available for board meetings and go the extra step of attending meetings where they are not required just in case an issue comes up unexpectedly.	5/20/2025 3:35 PM

Q3 Overall Performance

Answered: 15 Skipped: 0



8. The Consultant is providing value to the Fund.

■ Unaccepta...
 ■ Needs Impr...
 ■ Meets Expe...
 ■ Exceeds Ex...
 ■ Outstandin...
 ■ U/A

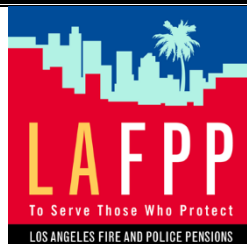
	UNACCEPTABLE (1)	NEEDS IMPROVEMENT (2)	MEETS EXPECTATIONS (3)	EXCEEDS EXPECTATIONS (4)	OUTSTANDING (5)	U/A	TOTAL	WEIGHTED AVERAGE
8. The Consultant is providing value to the Fund.	0.00% 0	0.00% 0	13.33% 2	26.67% 4	60.00% 9	0.00% 0	15	4.47

#	COMMENTS FOR "8. THE CONSULTANT IS PROVIDING VALUE TO THE FUND."	DATE
1	RVK provides that extra insight into advisors or pending investments. I have confidence in their written and oral input or advice.	7/1/2025 3:27 PM
2	Great communication	6/19/2025 8:38 AM
3	RVK's consultants provide clear, concise information and presentations to the Board. They are a pleasure to work with.	5/29/2025 5:38 AM
4	RVK works well with Staff, provides high quality work on a timely basis, even attends Board meetings when there are no investment items on the agenda. Over the years, they have played a key role in the investment portfolio's success in meeting its performance objectives.	5/22/2025 5:04 PM
5	RVK provides a high level of client service and are truly dedicated to serving the needs of the Board, Staff, and	5/22/2025 3:55 PM

2025 Investment Consultant Evaluation

members/beneficiaries of the plan.

6	We value RVK's work greatly in the Investments Division. They are always available for us and respond quickly.	5/21/2025 9:46 AM
7	Enjoy working with RVK and think highly of their work.	5/20/2025 3:35 PM



DEPARTMENT OF FIRE AND POLICE PENSIONS

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

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JULY 17, 2025

ITEM: E.4

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: INTERNAL AUDIT SECTION'S QUALITY ASSURANCE SELF ASSESSMENT FOR
FY 2024-25 AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

1. Review the results of the FY 2024-25 Internal Quality Assurance Assessment;
2. Confirm the independence and qualifications of the Internal Audit Section (IAS); and
3. Review and approve the proposed Performance Objectives for IAS.

BACKGROUND

Quality Assurance and Improvement Program Requirements

As stipulated in the Internal Audit Charter¹ (Charter), the IAS performs its work in accordance with the Global Internal Audit Standards (Standards) promulgated by the Institute of Internal Auditors (IIA). These Standards and the Charter require the Departmental Audit Manager (DAM) to implement a quality assurance and improvement program that covers all aspects of the internal audit function. The quality assurance and improvement program (QAIP) consists of internal and external quality assessments. Internal quality assessments include ongoing monitoring of the internal audit activity and periodic self-assessments. Standards require that the results of the internal assessments be presented to the Board on at least an annual basis. IAS presented its prior year internal assessment to the Board on August 1, 2024. As of January 2025, Standards also now require the Board to approve IAS' performance objectives as part of the internal quality assessment on an annual basis and included on page 4 of this report.

Internal Quality Assessment Procedures

The objectives of the internal quality assessment are to assess IAS' ability to demonstrate its achievement to Standards, evaluate IAS' effectiveness in carrying out its responsibilities as established in the Charter, and identify opportunities to enhance the quality of IAS' services. The main components of IAS' ongoing monitoring activities are ensuring that internal policies and procedures in place, which require ongoing supervision and monitoring of audit work produced on

¹ Included in Board Governance Policies Section 3.0, Appendix 2.

individual engagements, are adhered to and validated by the DAM and/or project lead. These procedures include review of working papers that support engagement conclusions adhere to all required elements of Standards and IAS policies and procedures. IAS also conducts an annual monitoring review meeting to identify key lessons learned from prior year projects and where there may be opportunities for IAS to improve in its documentation, communications, and project management techniques. These elements were reviewed and considered in this internal quality assessment to ensure the review procedures were performed and staff is receiving adequate feedback and supervision to ensure quality in internal audit work produced.

The DAM also validated that mandatory communications to the Board were made throughout the fiscal year as required by Standards and the Charter. These communications include the Annual Risk Assessment and Audit Plan, status of recommendations issued by IAS, and the results of audit engagements. Additionally, the DAM also reviewed the most recent peer review and internal self-assessment results from the prior year to ensure any recommendations made were considered and implemented as appropriate.

External assessments (peer review) are also required every five years. A peer review was last completed on November 7, 2024, and the results were presented to the Board on December 19, 2024. The peer review team concluded that IAS' internal quality control system was suitably designed and operated effectively to provide reasonable assurance of general conformance with Standards in place at the time of review². IAS is planning its next peer review to occur in November 2029 and will report the results to the Board in a timely manner. More information from the IIA on the importance of an effective quality assurance and improvement program is provided as Attachment 1 to this report.

DISCUSSION

Results of Internal Quality Assurance Assessment for FY 2024-25

As of January 2024, the IIA implemented an updated quality assessment rating system to assess achievement in implementing the standards, which include Full Achievement, General Achievement, Partial Achievement, and Nonconformance. The IIA considers a rating of Full and General Achievement as a successful external quality assessment. The DAM used this rating system to assess IAS' level of conformance to Standards.

Based on the self-assessment procedures utilized, it is the overall opinion of the DAM that IAS' internal quality assurance and improvement program is adequately designed and operating effectively to provide reasonable assurance of general achievement with Standards and in accordance with the Charter.

Confirmation of IAS' Independence and Qualifications

As part of the internal quality assessment, the DAM reviewed the independence of the function as a whole and IAS' ability to conduct work independently, objectively, and competently. Principle 7 of the Standards states that the board establishes and protects the internal audit function's independence and qualifications. The DAM confirmed that the Section and individual members were able to demonstrate independence and objectivity throughout the past fiscal year. The DAM did apply the updated Standards in their review and found that IAS is not able to fully align with some of the

² This rating was based on IAS' conformance to the requirements of the 2017 version of the IIA Standards. In 2029, IAS conformance to the 2024 Standards will be reviewed by an external review team.

independence conditions prescribed in Standards due to the structure of the City of Los Angeles as defined in the City's Charter. The Standards recognize that public sector internal auditors may apply the intent of Standards differently from or are unable to fully conform similarly to internal audit functions operating in other industries. As a public sector internal audit function operating in the City of Los Angeles, IAS is unable to fully conform to some specific conditions of the Standards related to 1) holding private meetings with the Board, 2) civil service and personnel rules that limit the Board's ability to directly appoint and terminate the DAM as the Chief Audit Executive, and 3) the allocation of budgetary and human resources for internal audit under the authority of the General Manager and the Civil Service Commission. However, there are safeguards in place that allow IAS to conform with the intent of Standard 7.1 - Organizational Independence.

The safeguards in place are outlined in the current Charter and Board Governance Policies Section 3.15.B. (see Attachment 2), which allow the DAM to escalate significant matters to the Board without interference, the Board's ability to review the reassignment or termination of the DAM, and the Board's review of the annual audit plan and IAS resources needed to complete the audit plan. As a direct report to the General Manager, the DAM is also of sufficient stature within the organization to bring matters directly to Senior Management and the Board when necessary. As such, IAS is able to meet its mandate, operate independently and objectively, has sufficient resources to complete its audit plan, provide quality services to the Board and Department, and otherwise meet the Purpose of Internal Auditing as defined in the Standards.

Standard 7.2 requires the Chief Audit Executive (CAE) to help the board understand the qualifications and competencies of a CAE, and that the CAE must maintain and enhance their qualifications and competencies to fulfill the roles and responsibilities expected by the board. The DAM's classification is part of the City's civil service system and is represented under Memorandum of Understanding #36. Under this job classification, the DAM is expected to plan and direct the financial, performance, and internal auditing functions in a City department; develop a system of control over audit projects, review operations and results; interact with elected officials, commissioners, other City managers, and outside agencies; attend Council committee, Commission, and community meetings to present and defend audit findings; plan, organize, and direct the work of subordinates engaged in support of these functions; apply sound supervisory principles and techniques in building and maintaining an effective work force; and other related work.

The DAM is also required to possess a degree in business administration, accounting, or other related field, as well as a Certified Public Accountant license or current designation as a Certified Internal Auditor. The DAM is also expected to have at least three years of full-time paid professional experience managing financial and performance auditing activities in a governmental audit organization or public accounting firm. The current DAM either met or exceeded these minimum requirements upon hire. The current DAM holds a Bachelor's and a Master's degree in Public Policy and Administration. The DAM is also a Certified Internal Auditor, Certified Fraud Examiner, and Certified Government Audit Professional. The DAM has also held leadership positions with the Association of Local Government Auditors (ALGA) and is actively engaged with the Association of Public Pension Fund Auditors (APPFA). The DAM and IAS staff are also required to obtain 120 continuing professional education hours collectively to ensure that members of IAS can maintain their professional certifications and to continuously learn and apply the latest internal audit techniques and best practices in their work.

Corrective Actions Taken to Improve Quality

Corrective actions recommended by the prior FY 2023-24 internal quality self-assessment and most recent external assessment were implemented by the DAM in November 2024. These actions included updating internal procedures to ensure that all aspects of the internal audit function are reviewed regularly in the internal quality self-assessment, developing a procedure to address disagreements or contentious issues that may occur amongst IAS staff and/or audit clients, and refining engagement checklists and other documentation to more clearly demonstrate how work performed meets mandatory Standards requirements and section expectations.

As a result of the current internal quality assessment for FY 2024-25, the DAM updated IAS' internal procedures manual to ensure current practices for documenting assurance and advisory work is in full alignment with current Standards, and updated engagement checklists to include these updated procedures. IAS staff also identified additional opportunities for the Section and audit client to communicate more frequently and collaboratively throughout the audit lifecycle, which may help audits be completed more timely and effectively.

IAS Performance Objectives and Measures

Standards now require IAS to seek the Board's approval of performance objectives as part of the internal quality assessment. The board must also be able to assess and provide feedback on IAS' ability to meet its performance objectives. On May 1, 2025, the DAM presented the Board with its proposed Internal Audit Strategy that included specific strategic objectives intended to assess and improve IAS' performance over five years. In accordance with those strategic objectives, IAS has developed complementary performance objectives to track and report its progress to the Board for the following year.

The proposed performance objectives and corresponding measures proposed by IAS include:

Strategic Objective 1 - Expand IAS' use of analytical and project management tools to make the audit process more efficient and deliver more value on the audit plan.

- a. Performance Objective/Measure: Complete at least 2 audit engagements annually and reduce administrative time spent on contractor disclosure processing by 10 percent or more.

Strategic Objective 2 - Support IAS staff in attaining expanded expertise in Internal Audit and/or public pension system administration through certification programs or other professional development opportunities.

- b. Performance Objective /Measure: All members of IAS hold or are in the process of attaining at least one (1) professional certification or complete a professional development program related to internal audit or public pension administration.
 - i. All members of IAS must also attain at least 40 hours of continuing professional education annually.

Strategic Objective 3 - Provide timely, actionable recommendations that help management adopt and implement risk-focused, efficient, and effective processes to better serve our members.

- c. Performance Objective/Measure: Achieve a 75 percent recommendation implementation rate within three years of audit issuance.

BUDGET

There is no budgetary impact associated with this report.

POLICY

There is no policy change related to this report.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Rebecca Takahashi, Departmental Audit Manager
Internal Audit Section

JS:RT

Attachment 1 - IIA Quality Services, "Importance of an Effective Quality Assurance and Improvement Program"

Attachment 2 - Excerpts of Board Governance Policies: Section 3.15 and Internal Audit Charter

INSIGHTS *to Quality*

By Warren Hersh, Director, IIA Quality Services



Importance of an Effective Quality Assurance and Improvement Program (QAIP)

The Global Internal Audit Standards™, which became effective on January 9, 2025, focus on managing the internal audit function's performance as part of conformance with the Standards. The Standards provide a comprehensive framework for establishing an effective Quality Assurance and Improvement Program (QAIP).

As part of the evaluation of the performance aspect of a department during a **quality assessment**, a strong QAIP is an essential element.

What is a QAIP?

A QAIP is established by the chief audit executive (CAE) to evaluate and ensure the internal audit function conforms with the Standards, achieves performance objectives, and pursues continuous improvement. The program includes internal and external assessments. Under **Principle 8 – Overseen by the Board**, the board receives assurance about the quality of the performance of the CAE and the internal audit function through the QAIP, including the board's direct review of the results of the external quality assessment. Under **Principle 12 – Enhance Quality**, quality is a combined measure of conformance with the Standards and the achievement of the internal audit function's performance objectives, which is a key element of a QAIP.

Which Standards related to a QAIP are evaluated during a quality assessment?

8.3 Quality

The chief audit executive must develop, implement, and maintain a QAIP that covers all aspects of the internal audit function.

At least annually, the CAE must communicate the results of the internal quality assessment to the board and senior management. The results of

external quality assessments must be reported when completed. In both cases, such communications include:

- **The internal audit function's conformance with the Standards and achievement of performance objectives.**
- **If applicable, compliance with laws and/or regulations relevant to internal auditing.**
- **If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.**

8.4 External Quality Assessment

The CAE must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external quality assessment may also be met through a self-assessment with independent validation. When selecting the independent assessor or assessment team, the CAE must ensure at least one person holds an active Certified Internal Auditor® (CIA®) designation.

12.1 Internal Quality Assessment

The CAE must develop and conduct internal assessments of the internal audit function's conformance with the Standards and progress toward performance objectives.

The CAE must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes:

- **Ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives.**

- **Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards.**
- **Communication with the board and senior management about the results of internal assessments.**

Based on the results of periodic self-assessments, the CAE must develop action plans to address instances of nonconformance with the Standards and opportunities for improvement, including a proposed timeline for actions. The CAE must communicate the results of periodic self-assessments and action plans to the board and senior management.

12.2 Performance Measurement

The CAE must develop objectives to evaluate the internal audit function's performance. The CAE must consider the input and expectations of the board and senior management when developing the performance objectives.

The CAE must develop a performance measurement methodology to assess progress toward achieving the function's objectives and to promote the continuous improvement of the internal audit function.

When assessing the internal audit function's performance, the CAE must solicit feedback from the board and senior management as appropriate.

The CAE must develop an action plan to address issues and opportunities for improvement.

12.3 Oversee and Improve Engagement Performance

The CAE must establish and implement methodologies for engagement supervision, quality assurance, and the development of competencies.

- **The CAE or an engagement supervisor must provide internal auditors with guidance throughout the engagement, verify work programs are complete, and confirm engagement workpapers adequately support findings, conclusions, and recommendations.**
- **To assure quality, the CAE must verify whether engagements are performed in conformance with the Standards and the internal audit function's methodologies.**
- **To develop competencies, the CAE must provide internal auditors with feedback about their performance and opportunities for improvement.**

The extent of supervision required depends on the maturity of the internal audit function, the proficiency and experience of internal auditors, and the complexity of engagements.

The CAE is responsible for supervising engagements, whether the engagement work is performed by the internal audit staff or by other service providers. Supervisory responsibilities may be delegated to appropriate and qualified individuals, but the CAE retains ultimate responsibility.

These standards ensure that the internal audit activity is continuously improving and conforming to the highest professional standards.

About IIA Quality Services

IIA Quality Services' mission is to **Elevate Internal Audit Quality Around the World** by elevating professionalism within internal auditing and conformance to the Global Internal Audit Standards™ by providing expert resources, insight and assessment services to internal audit functions. IIA Quality Services' experts provide full-scope external quality assessments, validations of self-assessments, and gap assessments.

Need further insights into your QAIP? Let IIA Quality Services be your trusted advisor.
theiia.org/Quality



Duties and Responsibilities-Board of Commissioners***Financial, Actuarial and Accounting***

3.15 The Board will fulfill its fiduciary oversight responsibilities in connection with financial reporting, internal control, actuary and audit functions of the System by ensuring that appropriate accounting, actuarial, and internal financial control policies and reporting systems are established. Regarding Sections 3.15.A through 3.15.G, the Board will:

A. Financial Statements and Audits

- i. Ensure a financial audit is conducted at least annually, overseeing the audit process, the search process, and appointing the external financial statements auditor, with periodic review of their performance;
- ii. Review and approve the scope and general approach of the annual financial audit;
- iii. Review and approve the audited annual financial statements, accompanying management letters, and reports; considering whether they are complete, consistent with information known to Board members, and reflect appropriate accounting principles; and
- iv. Review the findings and recommendations of the external financial statements auditor with management and the Departmental Audit Manager.

B. Internal Audit

- i. Approve the internal audit charter (see APPENDIX 2), the risk-based internal audit plan, and updates thereto;
- ii. Review the manner in which, and the extent to which, external audit resources will be used to support internal resources in carrying out the internal audit plan;
- iii. Review all internal audits and recommendations, and management's responses thereto;
- iv. Review with management and the Departmental Audit Manager the duties of the Internal Audit Section, as well as the objectives, activities, staffing, budget, qualifications, organizational structure, and performance of the Internal Audit Section;
- v. Review any reassignment or termination of the Departmental Audit Manager by the General Manager; and
- vi. Review any other significant personnel issues or problems concerning the Departmental Audit Manager that the General Manager may raise; the Board expects the General Manager to keep it apprised of such issues or problems as they develop.

C. Internal Controls

- i. Periodically review compliance with policies and laws pertaining to conflicts of interest and ethics, and compliance with provisions of the City Charter and Administrative Code;
- ii. Review the findings and recommendations of the City's management audit with management and the Departmental Audit Manager; and

Duties and Responsibilities-Board of Commissioners

- iii. Review and approve the department's response to the City's management audit with management and the Departmental Audit Manager.
- D. Actuarial Valuations and Audits
 - i. Approve an actuarial valuation and related assumptions each year, and ensure that an experience study is conducted at least every three (3) years; and
 - ii. Ensure an actuarial audit or equivalent is conducted at least every 5-7 years.¹
- E. Engagement of Service Providers
 - i. Oversee the search process for other auditors or advisors undertaking audit-related activities for the System.
- F. Independence
 - i. Work to assure and maintain the independence of all internal and external audits by:
 - 1. Reviewing the independence of the external financial statements auditor and any other audit firm that may be retained by the System;
 - 2. Ensuring that internal and external auditors have access to all documents, information, and systems in the organization necessary to carry out their duties or mandates; and
 - 3. Ensuring there are no unjustified restrictions or limitations placed on the Departmental Audit Manager.
- G. Special Investigations and Whistleblower Mechanisms
 - i. Oversee special investigations and ensuring there is an appropriate mechanism for any individual to provide, in a confidential manner, information concerning potential fraudulent financial reporting or breaches of internal control to the Board or other appropriate party.

Human Resources

3.16 In accordance with the City Charter, the Board will:

- A. Create the necessary positions in the System; [Section 511 (a)]
- B. Authorize the necessary deputies, assistants and employees and fix their duties and may require bonds of any or all of the employees for the faithful performance of their duties; [Section 511 (a)]
- C. Appoint the General Manager, subject to confirmation by the Mayor and Council and remove the General Manager subject to confirmation by the Mayor; [Section 1108 (b)] and

¹ Unless the System has recently appointed, or is about to appoint, a new actuary at or about the time an actuarial audit is scheduled to be performed.

Duties and Responsibilities-Board of Commissioners**HISTORY**

- 3.29 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Revised 10/21/10, 03/01/12, 04/03/14, 10/20/16, 07/19/18, 09/06/18 and 11/21/19. Reviewed on 04/06/23.
- 3.30 Summary of Delegations to the General Manager added February 21, 2008; Revised 10/21/10, 11/03/16, 09/06/18, 04/06/23, and 09/05/24.
- 3.31 Internal Audit Charter added 07/21/11. Revised on 07/06/17, 07/19/18, 02/17/22, and 11/21/24.

REVIEW

- 3.32 The Board shall review these Duties and Responsibilities at least every three (3) years.
- 3.33 The Board shall next review these Duties and Responsibilities by April 2026.

Duties and Responsibilities-Board of Commissioners**APPENDIX 2 – INTERNAL AUDIT CHARTER****INTRODUCTION**

Internal auditing is an independent, objective assurance and advisory activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The internal audit function enhances and strengthens the Board's ability to:

- Fulfill its fiduciary duties
- Achieve its objectives
- Exercise decision-making and oversight
- Maintain its reputation and credibility with its stakeholders
- Serve the public interest

The internal audit function is most effective when:

- Internal auditing is performed by competent, qualified professionals in conformance with The IIA's Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Board of Commissioners.
- Internal auditors are free from undue influence and committed to making objective assessments.

INTERNAL AUDIT SECTION MANDATE

The Internal Audit Section (Section) receives its mandate from the Board of Commissioners as identified in this Charter. The Internal Audit Charter outlines the Section's authority, roles, and responsibilities granted by the Board of Commissioners. From time to time, circumstances may justify a follow-up discussion between the Section, the Board of Commissioners, and Senior Management on this mandate or other aspects of the Internal Audit Charter. Such circumstances may include but are not limited to: a significant change in the Global Internal Audit Standards; a significant reorganization or changes within the Department and the Section; significant changes to the organization's strategies, objectives, risk profile, or other environment in which it operates; and/or new laws or regulations that may affect the nature and/or scope of internal audit services.

PURPOSE

The main purposes of the Internal Audit Charter are to institutionalize the internal audit function for the Los Angeles Fire and Police Pension System (System), reaffirm the principles that underpin the function, and define the pertinent conditions for the effective and efficient delivery of internal audit services.

Duties and Responsibilities-Board of Commissioners

The mission of the Section is to provide the Board of Commissioners and Senior Management with independent, risk-based, and objective assurance, advice, insight, and foresight. To this end, the Section performs audit (assurance) and advisory (consulting) services intended to create, protect, and sustain the value of and improve System operations. The Section carries out its responsibilities and activities in a manner consistent with the mission, vision, and strategic goals and objectives of the System. The Section also:

- Furnishes Senior Management with information, analysis, appraisals, and recommendations concerning activities reviewed.
- Performs independent assessments of risk management systems, internal controls, and operating efficiency, guided by professional standards.
- Promote effective internal controls and recommended corrective actions that are feasible.
- Maintains a team-oriented environment that encourages open, candid communication and professional growth.

The internal audit function differs from external audit functions. Internal auditors are a part of the organization. External auditors are not part of the organization but are engaged by it. The internal auditors' scope of work is comprehensive and concerned with all aspects of the organization – both financial and non-financial. Internal auditors focus on future events as a result of continuous review and evaluation of controls and processes. The primary mission of external auditors is to provide an independent opinion on the organization's financial statements, and their approach is historical in nature.

The internal audit function also differs from that of the City Controller. Internal auditors are responsible to conduct work to support the System's mission, goals, and objectives. The City Controller is the City's Chief Auditor and is responsible for financial and performance audits as related to the mission, goals, and objectives of the City of Los Angeles. The internal audit function considers the work of the external auditors and that of the City Controller in the continuous review and evaluation of controls and processes.

PROFESSIONAL STANDARDS AND ETHICS

All internal auditing activities are to be conducted in accordance with the System's objectives and policies and as mandated by California Government Code Section 1236. Internal Audit activities are conducted pursuant to the Global Internal Audit Standards (Standards) as promulgated by the Institute of Internal Auditors. These standards require that professional standards and ethics guide the work of the Section.

Standards require the Section to be led by a Chief Audit Executive responsible for effectively managing all aspects of the internal audit function and ensure quality performance of internal audit services. Acting as the Chief Audit Executive, the Departmental Audit Manager ensures that staff members of the Section:

Duties and Responsibilities-Board of Commissioners

- Conform to the mandatory elements and topical requirements of Global Internal Audit Standards.
- Demonstrate the principles of integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the ethical expectations of the System and can recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the System.
- Report behavior that is inconsistent with the System's ethical expectations, as described in applicable Department and citywide policies and procedures.

INTERNAL AUDIT OBJECTIVES AND SCOPE

Auditing (Assurance) Services

The objectives of the Section's auditing services are to provide independent assurance to the Board and Senior Management that the organization's assets are safeguarded, operating efficiency is enhanced, internal controls are operating as intended, risk is properly assessed, and compliance is maintained with prescribed laws, regulations, and Board and System policies. These objectives of auditing services include independent assessments of the organization's governance, risk management, and control processes. Auditing services are often also referred to as "assurance services."

Advisory Services

The objectives of the Section's advisory services are to provide Senior Management with assessments and advice for improving the organization's governance, risk, and control processes without the Section assuming management responsibility. In particular, advisory services may provide assessments and advice at the beginning of a project so that risks may be identified, managed, and appropriate internal controls may be designed.

Advisory services differ from auditing (assurance) services in that the nature and scope of the services are agreed to by management. The Section does not assume any management responsibility in performing advisory services. Senior Management will oversee the services, evaluates the adequacy and results of the services provided, and accepts responsibility for the results of the services. Circumstances may arise when the Board or Senior Management call upon the Section to provide auditing services in an area where it previously provided advisory services. When the Section provides auditing services where it previously performed advisory services, the Departmental Audit Manager must confirm that the nature of the auditing services does not impair the Section's objectivity and ensure team members assigned to the audit are able to maintain their individual objectivity in accordance with Standards.

Other Services

The Section may undertake other engagements that may be issues of a sensitive nature, require quick assessments or are unique activities that do not require an audit. Due to the

Duties and Responsibilities-Board of Commissioners

unique nature and needs of these engagements, Internal Audit may not conduct the work in conformance with Standards or may use other applicable standards if more appropriate.

Scope of Services

The scope of work of the Section is to determine whether the organization's network of risk management, internal control, and governance processes, as designed and represented by Senior Management, is adequate and functioning in a manner to ensure programs are operating efficiently, effectively, in accordance with standards and the law, and as Senior Management intended. The Section recognizes Senior Management's commitment to continuous improvement and quality service, and therefore commits itself to these same goals.

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Board, Senior Management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the System.

Internal audit assessments can include evaluation of:

- Risks relating to the achievement of the System's strategic objectives are appropriately identified and managed;
- The actions of the System's officers, directors, employees, and contractors are in compliance with the Systems' policies, procedures, and applicable laws, regulations, and governance standards;
- The results of operations or programs are consistent with established goals and objectives;
- Operations or programs are being carried out effectively and efficiently;
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the System;
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity;
- Resources and assets are acquired economically, used efficiently, and protected adequately.

Opportunities for improving member service, management of risks, internal control, governance, efficiency, and the organization's effectiveness and reputation may be identified during audits. This information will be communicated through the General Manager to the Board.

AUTHORITY

The internal control and audit function of this organization is established by Board policies and governance principles, and the Board is responsible to oversee the internal control and audit function. The Section was established by the Board to fulfill the internal control

Duties and Responsibilities-Board of Commissioners

and audit function. This Charter is approved by and all future amendments to it are to be reviewed and approved by the Board. This Charter shall be reviewed annually, updated as required, and included in the Board's Governance Policies.

The Section is led by the Departmental Audit Manager, who acts as the Chief Audit Executive responsible for effectively managing all aspects of the Section and ensuring the quality performance of internal audit services as required by the Global Internal Audit Standards. The Departmental Audit Manager is authorized to allocate internal audit resources, set project frequencies, select audit subjects, determine scopes of work, and apply the techniques necessary to accomplish the audit objectives. The Departmental Audit Manager is responsible to train and develop internal audit staff to achieve the objectives.

The Departmental Audit Manager and internal audit staff are not authorized to perform operational duties for the organization and/or its contractors. Section staff is not authorized to initiate or approve accounting transactions external to the Section. The Section is not authorized to direct the activities of any organization employee not employed by the Section, except to the extent such employees have been appropriately assigned to auditing teams or to assist the internal auditors. The Section is also not authorized to implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment; or assess specific operations for which they had responsibility within the previous twelve months.

ACCESS

The Departmental Audit Manager and designated Section staff, as appropriate and in the course and scope of internal audit and advisory services, have been granted authority for full, free, and unrestricted access to all of the organization's functions, records, files and information systems, personnel, contractors, physical properties and locations, and any other item relevant to the function, process or division under review. Contracts with vendors shall include the City's standard audit language enabling the System's authorized auditors or representatives to have access to relevant records and information. Any exceptions shall be approved by the City Attorney. All System employees are required to assist the staff of Section as appropriate in fulfilling their duties.

The Departmental Audit Manager shall have open and direct communication with the Board. The Departmental Audit Manager shall also have free and unrestricted access to the General Manager, Senior Management and all personnel, contractors and vendors of the organization, and members, retirees, and beneficiaries of the organization. Documents and information given to the Section including confidential information, confidential or sensitive employee records, personally identifiable information (PII), and Health Insurance Portability and Accountability Act (HIPAA) information, shall be handled in the same prudent and confidential manner as by those employees normally accountable for them. The Departmental Audit Manager shall ensure that Section staff is instructed in the proper handling and safeguarding of confidential information.

INDEPENDENCE

Organizational Placement

Duties and Responsibilities-Board of Commissioners

To provide for the independence of the Section, its personnel report to the Departmental Audit Manager. The Departmental Audit Manager reports functionally to the Board and reports administratively to the General Manager. By reporting functionally to the Board, the Departmental Audit Manager is able to ensure objectivity in the planning and execution of internal audit work. Functionally, the Board is the governing body that sets the direction for the internal audit activity. As such, it supports internal audit's role by maintaining independence of internal audit, ensuring Senior Management and staff cooperates with internal audit, and recognizing and promoting internal audit as a value-added activity.

By reporting administratively and directly to the General Manager, the Departmental Audit Manager is assured that the internal audit function is of sufficient stature within the organization to bring matters directly to Senior Management and escalate matters to the Board when necessary. The Departmental Audit Manager must also be able to escalate significant issues to the Board without interference and must support the internal auditors' ability to maintain objectivity. Administratively, the General Manager is responsible for purposes of pay, performance, space, equipment, and related matters. The General Manager retains hiring and firing responsibility pursuant to City policies. The Board reviews the General Manager's reassignment or termination of the Departmental Audit Manager pursuant to Board policies.

Professional Standards Independence

The Board recognizes that professional independence requires that the auditors have knowledge of operations and appropriate expertise in the subject matter that is being audited. Therefore, the Departmental Audit Manager will report annually regarding internal audit personnel, including their qualifications, certifications, and development. The Departmental Audit Manager shall discuss standards of professional audit independence at least annually with the Board. The reporting relationships of the Departmental Audit Manager should be reviewed annually.

Potential Impairment of Independence

The Departmental Audit Manager should discuss any potential issues regarding impairment of independence and/or conflicts of interest and their mitigation(s) with the Board as necessary. If objectivity or independence is impaired in fact or appearance, the details of the impairment should be disclosed to the appropriate parties. The nature of the disclosure will depend on the impairment.

The Section is required to assess potential and actual impairments to independence, evaluate the significance of impairments, and apply safeguards as necessary to eliminate or reduce impairments to an acceptable level. The Section should certify this assessment annually to the Board, as part of its internal and external quality self-assessment processes.

RESPONSIBILITIES AND ACCOUNTABILITY

The Departmental Audit Manager is responsible for the following in order to meet the purpose, objectives, and scope of this Charter and the Section:

Duties and Responsibilities-Board of Commissioners

1. Select, train, develop, and retain a competent, qualified internal audit staff who collectively have the abilities, knowledge, skills, experience, expertise, and professional certifications necessary to accomplish the mission, objectives, and scope of this Charter subject to General Manager approval and budgetary considerations. Provide opportunity and support for staff obtaining professional training, professional examinations, and professional certifications.
2. Establish policies for conducting its activities and directing its technical and administrative functions according to the organization's policies and direction provided by the Board, professional internal auditing standards, and as approved by the General Manager.
3. Perform an annual risk assessment to develop and implement a flexible annual audit plan. The annual audit plan will include any risks or concerns identified by the Board and Senior Management and submitted to the Board for review and approval. Performance of the audit plan will be periodically reviewed and reported to the Board. The audit plan may be updated if necessary.
4. Prepare a budget that is complementary to the implementation of the audit plan.
5. Perform independent analyses of significant operations to evaluate the adequacy and effectiveness of existing systems of internal control and the quality of performance (economy, efficiency, and effectiveness) in carrying out its business objectives. Implement the audit plan as approved, including as appropriate, any plan amendments, special tasks, or projects requested by Senior Management or the Board.
6. Coordinate with audit clients to finalize recommendations for improvement and identify implementation timelines. Internal audit staff shall consider costs and benefits while formulating and discussing their recommendations.
7. Assist Senior Management in the internal control assessment as required by City standards.
8. Transmit copies of all audit reports to the Board and/or General Manager to ensure timely communication of results. Should the General Manager disagree with the contents of any report, the report shall include the General Manager's position in the "Management's Response" section of the report. This process is intended to ensure independence and to alleviate any undue pressure that may be actual or perceived regarding the internal audit function.
9. Establish and maintain a follow-up system to monitor the disposition of results communicated to Senior Management and ensure that management actions have been effectively implemented or that Senior Management has accepted the risk of not acting. Issue periodic reports through the General Manager to the Board and Senior Management summarizing results of audit activities and summarizing the status of follow-up activities. Any management letters should also be reported to the President of the Board.

Duties and Responsibilities-Board of Commissioners

10. Select performance measures that reflect the above goals and implementation of the audit plan approved by the Board.
11. Annually assess whether the purpose, authority, and responsibility as defined in this Charter continue to be adequate to enable the Section to accomplish its purpose, objectives, and scope. The result of this periodic assessment should be communicated in a report to the Board.
12. Attend all Board meetings and ensure attendance of additional audit staff and auditees as appropriate.
13. Obtain an external quality assessment (peer review) by other auditors as required by professional standards, no less frequently than every five (5) years.
14. Assist in the investigation of significant suspected fraudulent activities within the organization and notify the General Manager, Board, and/or other Senior Managers, as appropriate, of the results in a timely manner.
15. Inform the Board of significant risk exposures and control issues including fraud risks, governance issues, and other significant matters.
16. Ensure trends and emerging issues that could impact the System are considered and communicated to Senior Management and the Board as appropriate.
17. Ensure emerging trends and successful practices in internal auditing are considered.
18. Consider the scope of work of the external auditors, the City Controller, City auditors, and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.
19. As appropriate, provide advisory services to Senior Management that add value and improve the organization's governance, risk management, and control processes without assuming management responsibility. In doing so, the Section must be mindful of its ability to remain independent and objective for future audits.
20. Lead in the selection of the external financial statements audit firm. Coordinate/manage the contract with the external financial statements audit firm and evaluate its performance. Report to the Board on activities and associated cost of work performed by the external financial statements audit firm. The Departmental Audit Manager is not responsible to coordinate/manage contracts for which Senior Management determines scope.
21. Act as the primary point of contact for handling all matters related to audits, examinations, investigations, or inquiries of the state auditor, other appropriate state or federal auditors, and the City Controller.
22. Maintain membership and participate in professional audit organizations by attending meetings, joining advisory committees, or governing boards, presenting

Duties and Responsibilities-Board of Commissioners

speeches and papers, and networking with other professionals. Network with internal audit staff of other public pension systems to learn and exchange best practices information. Participate in other professional organizations related to the mission of the organization. These organizations may be involved in benefits, investments, accounting, public sector auditing, or operations, for example.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The Departmental Audit Manager maintains a quality assurance and improvement program that covers all aspects of the Section. The program includes external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. If applicable, the assessment will include plans to address the deficiencies identified and opportunities for improvement.

Annually, the Departmental Audit Manager will communicate with the Board of Commissioners and Senior Management about the internal audit function's quality assurance and improvement program on an annual basis, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the System.

RELATIONSHIP TO THE RISK MANAGEMENT AND INTERNAL CONTROL PROGRAMS

The Board has overall responsibility for ensuring that risks are managed. In practice, the Board delegates to Senior Management the operation and implementation of the risk management system. The Section's role is to provide an independent and objective assurance on the effectiveness of the risk management system

Management is responsible for implementing a system of internal control. The Section's role is to provide an independent and objective assurance that the internal control system is operating effectively. Ultimately, it is the role of executive management and the Board to determine the role of internal audit in the risk management process.

PROCUREMENT OF EXPERTISE OUTSIDE OF THE INTERNAL AUDIT SECTION

The Departmental Audit Manager may need to obtain expertise of persons outside of the Section. This expertise may be obtained within the organization through appropriate arrangements with management. When obtaining this expertise, care must be taken to avoid conflicts of interest that could damage the quality of the audit work performed and/or conclusions obtained.

Expertise may also be obtained from outside the organization. In such cases, the Departmental Audit Manager needs to obtain sufficient information regarding the scope of work of the external service provider to ensure the scope of work is adequate for the purposes of the internal audit activity. The Departmental Audit Manager must document the scope of work, professional standards to be used, deliverables, deadlines, and other

Duties and Responsibilities-Board of Commissioners

matters in an engagement letter or contract. The Board should be informed about the use of an external service provider.

CONTRACTOR DISCLOSURE POLICY MONITORING

The Board has delegated to the Section the monitoring and reporting of the Department's compliance with its Contractor Disclosure Policy, which requires Contractors to disclose actual or perceived conflicts of interest on a periodic basis. In order to preserve its independence and objectivity, the Section is prohibited from conducting audit or advisory services related to the Section's performance of operational duties related to monitoring the Contractor Disclosure Policy. As an alternative, the Board may obtain and oversee services from an external assurance provider for auditing this policy.



DEPARTMENT OF FIRE AND POLICE PENSIONS

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

REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JULY 17, 2025

ITEM: F.1

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: JUNE 2025 MONTHLY REPORT AND UPDATE

THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.

PENSIONS DIVISION

NEW PROJECTS

None.

UPDATED PROJECTS

WORKDAY - ACTIVE MEMBER PAYROLL FILE

Workday, the City's new payroll system, provides Active Members' payroll information necessary to interface with LAFPP's pension administration system for pension calculation purposes. The first Workday payroll file was received on July 5, 2024. Upon review and reconciliation of the data file, staff identified approximately 3,000 pension contribution and salary credit discrepancies. The majority of the discrepancies were due to differences in how Workday calculates bonuses and rounding compared to the City's legacy payroll system, PaySR. All errors discovered by staff were reported so that corrections could be made. For errors that were the result of a data entry error made by the employing departments (LAFD, LAPD, etc.), staff notified the employing departments. As a result of this work, the discrepancies were reduced to less than 40 remaining, which will be addressed with the corresponding departments.

There are two Enterprise Interface Builders (EIB) that staff uses for Workday: Change Benefits and Payroll Input. The Change Benefits EIB is used to do mass benefit election changes (e.g., Tier 6/new recruit graduate classes and Tier 3/4/5 maximum service/contribution cessation) and the Payroll Input EIB is used to enter deductions to be taken from or refunded to members (contributions). Some issues encountered thus far include testing issues with Workday Test Sites, information being overridden, and effective date confusion. Working on the EIBs is very time consuming, as staff needs to check every single entry, every pay period, to ensure that the deduction amounts are correct and to properly project when a deduction is supposed to end. When adding new entries, staff needs to ensure that the deductions being taken (or refunded) are the correct amount and for the proper amount of time. Staff has been informed that fixes for issues identified by staff are being worked on by the City's vendor and project team.

Additionally, Workday is working on fixing an issue where pension contributions on Retirement Incentive Program (RIP) 2.0 Bonuses have been taken pre-tax, whereas they should be taken post-tax.

Workday has only programmed RIP 2.0 bonuses for employees covered under MOU 24. RIP 2.0 bonuses for employees covered under MOUs 27, 30, 38, 39, and 40 need to be added to Workday, with the proper post-tax coding.

[Update: Workday's test environment has been updated with programming to take RIP 2.0 bonuses post-tax. Staff tested this functionality in June 2025 and the test was successful. The functionality was rolled out to Workday production in late June 2025. Staff will work with the Controller's Office and ITA to verify this functionality is working properly in production during the month of July 2025.]

SWORN OFFICER TRANSFER FROM LACERS TO LAFPP

On May 16, 2024, staff provided the Board with an update regarding the proposed transfer of sworn peace officers (Airport, Harbor and LAPD) and Park Rangers who are currently members of LACERS to LAFPP Tier 6. The City had entered into Letters of Agreement with the unions representing the above employees, agreeing to place a measure on the November 2024 ballot to amend the Los Angeles City Charter (Charter) to allow for a new transfer into LAFPP Tier 6. At the time of the report, the Los Angeles City Council needed to approve the inclusion of the Park Rangers in the transfer opportunity. On June 4, 2024, the City Council approved the inclusion of the Park Rangers in the proposed Charter amendment. On June 25, 2024, the City Council approved placing the measure on the November 5, 2024 ballot to amend the Charter to allow for a new transfer of peace officers from LACERS to Tier 6.

On December 3, 2024, the Los Angeles County Registrar-Recorder/County Clerk certified the results for the November 5, 2024 General Election. Measure FF received 686,394 or 58.37% 'yes' votes and 489,615 or 41.63% 'no' votes. At the December 19, 2024 Board meeting, staff provided the Board with a report on the parameters and expected timeline of the transfer and refund process.

The City Attorney's Office is drafting the enabling ordinance for Measure FF, which will include the details for the transfer eligibility, refunds to Airport Police and Police Department members who previously transferred to Tier 6, transfer of funds from LACERS to LAFPP, and the transfer election deadline. Segal is updating the cost study that was previously provided to the City Council when the Charter change was approved for the ballot. Segal is updating the study to reflect the most recent actuarial valuation dated June 30, 2024.

On May 27, 2025, the City Council approved the request to have the City Attorney prepare and present the ordinance necessary to implement the provisions of Measure FF. The City Attorney submitted the enabling ordinance for internal review on June 2, 2025.

[Update: The ordinance will be presented to Council after its July recess, which ends July 29th. The second reading of the ordinance is expected to occur in September. After Council approves the ordinance in September, the City Attorney has advised Staff that a Board policy, regarding the refunds to Airport Police and Police Department members who previously paid to transfer service, will need to be approved by the Board. Staff will present the Board policy at a meeting following Council's approval of the ordinance and once the Board approves the policy, refunds to the members will be processed by Staff.]

UNCHANGED PROJECTS

OVERDEDUCTION OF PENSION CONTRIBUTIONS FOR AIRPORT POLICE MEMBERS

Los Angeles World Airports (LAWA) informed LAFPP staff that pension contributions for many of their members had been over-deducted.

Staff researched the issue and determined the over-deductions were caused by how overtime for Airport Police was being recorded in the City's payroll system, Workday. The same payroll code was being used to record regular hours worked and overtime hours. Using the same code for both types of time caused pension contributions to be deducted for overtime hours even though members do not owe pension contributions on overtime and do not receive salary credit for overtime.

LAWA staff is working with Workday and the City's Information Technology Agency (ITA) to correct the ongoing error causing pension contributions to be collected on overtime.

LAFPP staff has identified 107 members potentially affected by this overcollection of pension contributions. Staff will audit pension contributions for these members from the implementation of Workday in late June 2024 through March of 2025. Any overpayment of pension contributions through March 2025 would be refunded to these members in July and August 2025.

Staff plans to audit contributions from LAWA members and issue refunds on a quarterly basis going forward until the Workday error causing contributions to be taken on overtime pay is resolved.

ADMINISTRATIVE OPERATIONS DIVISION

NEW PROJECTS

NEPTUNE BUILDING MARKETING ACTIVITY OF VACANT SPACES

The three tenant spaces on the first floor of our building (a.k.a. "Neptune") have become vacant. The property management company, Total Commercial Real Estate (TCRE), currently has the exclusive right to market the spaces and negotiate all leases for Neptune. By including their marketing activities in this report, the Board will be kept apprised of the efforts to lease out these vacant spaces.

The table below provides a summary of the leasing activity of the space for June 2025.

New Inquiries/Active Prospects			
Inquiry Type	Term	Projected Occupancy	Comments
New - Business Owner	10 years	10/01/2025	Liquor store. Rejected per property management agreement's Unapproved Tenant Uses.
New - Broker	3 years + 3-year option	09/01/2025	Pilates studio. Broker is looking for second location. Toured property on June 25, 2025.
New - Broker	5 years	01/01/2026	Coffee shop from Japan. Broker is looking at multiple locations.

UPDATED PROJECTS

None.

UNCHANGED PROJECTS

IN-HOUSE PARKING PROGRAM

On February 6, 2020, the Board directed staff to work with the relevant City departments to implement an in-house parking and transit subsidy program by June 30, 2020. Staff conducted research into other proprietary department parking programs and discussed the City parking and transit subsidy programs with staff from the Personnel Department. During this discussion, Commute Options and Parking (COP) Personnel staff explained that the Joint Labor-Management Committee (JLMC) was working on a new Parking Memorandum of Understanding (MOU) and indicated LAFPP may be able to leverage parts of that work into the LAFPP in-house parking and transit subsidy program. As staff believed review of the parking and transit subsidy programs would require a bit of a paradigm shift, particularly given the expectation that telework in some form would become a permanent option for the City in the future, the decision was made to await and take into consideration any determinations from the JLMC on these programs.

On November 16, 2023, the JLMC-COP adopted the Special MOU Regarding City Employee Parking and Commute Options (Successor Special MOU), which included several changes, some of which are highlighted below.

- 1) Permanently increase the monthly transit incentive from \$50 to \$100.
- 2) Expand the Bike/Walk to Work incentive program from certain City work sites to all work sites and incorporate a more flexible incentive structure by providing a \$5 daily benefit with a maximum of \$100 per month.
- 3) Increase the Individual Parking Permit for the Downtown Los Angeles area from \$46 per month to \$55 per month, effective January 1, 2025.

On December 1, 2023, staff from LACERS and LAFPP met with the Personnel Department's Chief of Employee Benefits along with the respective city attorneys to discuss "key deal points" of a proposed MOA between the Retirement Systems and Personnel for the continuing administration of CommuteWell benefits for LACERS and LAFPP employees, while maintaining free parking for those employees not receiving transit subsidies. Should the "key deal points" be acceptable, staff will draft an MOA for further consideration by the JLMC-COP and approval/ratification by the City Council.

On April 11, 2024, LACERS and LAFPP staff met with the JLMC-COP Subcommittee and learned that the City's parking and transit subsidy programs are mutually inclusive and cannot be unbundled, as revenues generated from the parking deductions, as well as monies secured from grants, are used to fund the transit reimbursement program. Therefore, in order for LAFPP staff to continue using the transit reimbursement arm of the City's program, LAFPP staff who utilize our parking lot would be required to complete the City's program-related forms and restart parking deductions.

On May 16, 2024, the Board instructed staff to develop and administer an in-house parking and transit subsidy reimbursement program that is a pared down version of the City's program and includes

complimentary parking for staff. The Board further instructed staff to report back with final program details for approval.

On July 23, 2024, the JLMC-COP considered a report to exclude LACERS and LAFPP from the Successor Special MOU. The Committee expressed fiscal concerns from such action and requested Personnel Department staff to meet with the City Administrative Officer's (CAO) Employee Relations Division (ERD) to determine the feasibility of excluding LACERS and LAFPP from the Successor Special MOU and to report back on the fiscal impacts.

On August 14, 2024, LACERS and LAFPP staff met with ERD and Personnel. In this meeting, LACERS and LAFPP staff presented arguments for why there would be no fiscal impact and also addressed potential labor concerns raised by ERD. Personnel Department and CAO staff will next prepare their report and analysis to the JLMC-COP. As such, staff is suspending the development of the in-house parking and transit subsidy reimbursement program until this matter is resolved.

The JLMC-COP was scheduled to hear this matter on January 9, 2025, but rescheduled the meeting due to the recent wildfires. In anticipation of the January 9, 2025 meeting, LACERS and LAFPP had prepared a joint letter to the JLMC-COP to provide additional points of clarification.

On January 30, 2025, the JLMC-COP heard the COP staff report on the proprietary status of LACERS and LAFPP and instructed COP staff to work with the Special Ad Hoc Governance Subcommittee to draft a report concerning considerations and recommendation(s) regarding modifying Article 4 Eligibility to exclude LACERS and LAFPP from the Successor Special MOU.

The Special Ad Hoc Governance Subcommittee convened on April 24, 2025 to continue discussions on this matter and hear the concerns raised by LACERS and LAFPP. LACERS and LAFPP presented arguments that both parking lots are assets of their respective trusts and not subject to the Special Parking MOU, which governs City-owned parking lots. After hearing these arguments, the Subcommittee continued discussions amongst themselves and will reconvene at a later date.

INVESTMENTS DIVISION

Searches and Firms Within the Marketing Cessation Period Policy

Vendor / Contract	Contract Start Date	Contract Expiration Date	Marketing Cessation* Start Date
Active Small Capitalization Equity Manager Search	TBD	TBD	07/03/2025
Loomis, Sayles & Co., LP (Global Credit Investment Manager)	08/01/2022	07/31/2025	05/01/2025
Channing Capital Management, LLC (Domestic Equity)	10/01/2021	09/30/2025	07/01/2025
GIA Partners, LLC (Domestic Fixed Income)	10/01/2021	09/30/2025	07/01/2025
Boston Partners, Inc. (Domestic Equity)	11/01/2019	10/31/2025	08/01/2025

*Marketing Cessation: In accordance with Section 1.15 of the Board Operating Policies and Procedures, from the time the search begins with the Board's approval of the minimum criteria for the search until the search ends with the selection of the firm(s) to receive contract(s), all direct marketing contact with firms that meet the search criteria will be limited to meetings with the Consultant, information sent to the Consultant or Department, questions about the search directed to the Staff or Consultant, one meeting at the Department's office with Staff and any site visits. The Board members, Department Staff, or Consultant will accept no entertainment or gifts of any kind from any firm qualifying for the search. This policy does not prohibit contact with potential interview candidates at group social events, educational seminars, conferences, or charitable events, so long as there is no direct marketing.

During the three months prior to the renewal of a contract with a firm currently under contract, the Board Members, Department Staff, and Consultant will accept no entertainment or gifts from that firm until the contract has been renewed or terminated by the Board. Firms who currently have contracts with LAFPP are allowed to continue contact related to the existing contract with Staff and the Consultant.

Private Investment Funds Closed Since Last Meeting Announcement

TYPE	BOARD MEETING CLOSED SESSION DATE*	COMMITMENT AMOUNT	FUND NAME	CLOSING DATE	BOARD VOTE
Private Equity	02/06/2025	Up to \$15 million	Avance Investment Partners II, L.P.	06/20/2025	Ayes – 6; Nays – 0
Infra-structure	05/01/2025	Up to \$100 million	Brookfield Super-Core Infrastructure Partners L.P.	06/30/2025	Ayes – 6; Nays – 0
Real Estate	<i>There are no real estate funds that have closed since the last meeting announcement.</i>				
Private Credit	05/15/2025	Up to \$30 million	Atlantic Park Strategic Capital Fund III	06/30/2025	Ayes – 7; Nays – 0
Private Credit	06/05/2025	Up to \$15 million	Avante Capital Partners SBIC IV, L.P.	06/27/2025	Ayes – 5; Nays – 0

* Closed session pursuant to California Government Code Section 54956.81.

Attachments: 1) Investment Portfolio 4) Preliminary Return Information 7) Budget to Actual
 2) Real Estate Summary 5) Pensions Division Metrics
 3) Portfolio Allocation 6) Contracts



Portfolio as of June 30, 2025

EQUITIES	STOCKS	BONDS	CASH	TOTAL	ALLOC.
AllianceBernstein (S&P 500 Index)	2,862.4	-	4.9	2,867.2	
AllianceBernstein (Systematic Value)	878.5	-	3.0	881.5	
Rhumblineline (Russell 1000 Growth Index)	2,109.8	-	4.0	2,113.8	
NTI S&P 500 Equal Weight	1,353.2	-	6.7	1,360.0	
NTI Stoxx USA 900	-	-	1.6	660.7	
Boston Partners (Value)	701.3	-	9.0	710.4	
Terminated /Transition Domestic Equity Managers	-	-	0.1	0.1	
Core Equity Managers (23%)	8,564.4	-	29.2	8,593.7	25.32%
Target Differential	2.32%			786.7	
Rhumblineline (S&P 600 Index)	149.2	-	0.3	149.6	
Frontier Capital Mgt. (Growth)	649.4	-	18.1	667.5	
Channing Capital Mgt. (Value)*	80.7	-	0.9	81.5	
Denali Advisors (Value)*	91.8	-	1.2	93.0	
Eastern Shore Capital (Core)*	63.3	-	2.5	65.8	
Lisanti Capital (Growth)*	61.4	-	1.9	63.3	
PIMCO Stocks Plus (Core)	223.1	-	-	223.1	
Palisade Capital Management (Core)	87.9	-	2.9	90.8	
Phocas Financial (Value)*	83.3	-	3.2	86.5	
Westwood Management (Value)	243.1	-	4.0	247.2	
AllianceBernstein (Value)	230.3	-	2.4	232.8	
Terminated /Transition Small Cap Equity Managers	-	-	0.0	0.0	
Small Cap. Equity Mgrs (6%)	1,963.4	-	37.6	2,001.0	5.89%
Target Differential	(0.11)%			(35.6)	
Brandes Investment Partners (Value)	2,011.5	-	47.6	2,059.2	
Blackrock (Core Passive)	2,240.6	-	11.7	2,252.3	
Baillie Gifford (Growth)	1,376.2	-	32.3	1,408.5	
Boston Common (ESG)	-	-	0.5	0.5	
Principal Global Int'l Small Cap	257.1	-	4.4	261.5	
Victory Capital Mgt.	320.7	-	5.5	326.3	
Terminated /Transition Int'l Equity Managers	-	-	0.1	0.1	
Int'l Equity Mgrs (18%)	6,206.2	-	102.1	6,308.2	18.58%
Target Differential	0.58%			198.4	
TOTAL EQUITIES MANAGERS (47%)	16,734.0	-	168.9	16,902.9	49.80%
Int'l Tax Reclaims	1.4	0.1	2.5	4.0	

FIXED INCOME	STOCKS	BONDS	CASH	TOTAL	ALLOC.
Northern Trust (Fixed Income Index)	-	288.0	0.3	288.3	
JP Morgan Core Bond (Active)	-	518.3	28.4	546.7	
Reams Asset Mgmt. (Opportunistic)	-	943.0	-	943.0	
LM Capital (Opportunistic)	-	849.7	7.8	857.5	
GIA Partners (Opportunistic)*	0.0	107.4	1.1	108.5	
Medalist Partners (MBS)*	-	112.6	-	112.6	
Loomis Sayles (Long Duration)	-	744.8	7.4	752.2	
Reams Asset Mgmt. (Passive TIPS)	-	1,197.9	0.9	1,198.8	
Terminated /Transition Fixed Income Managers	-	-	-	-	
Core Bond Mgrs (14.3%)	0.0	4,761.8	45.9	4,807.7	14.16%
Target Differential	(0.14)%			(46.3)	
Mackay Shields (High Yield)	14.2	733.2	18.9	766.3	2.26%
Loomis Sayles Global Credit	-	1,013.3	51.0	1,064.3	3.14%
Credit Fixed Income (5.5%)	14.2	1,746.5	69.9	1,830.6	5.39%
Target Differential	(0.11)%			(36.3)	
Reams Asset Mgmt. (Unconstrained)	-	391.9	-	391.9	
Payden & Rygel (Unconstrained)	-	390.2	-	390.2	
Unconstrained Fixed Income (2.2%)	-	782.1	-	782.1	2.30%
Target Differential	0.10%			35.3	

PRIVATE EQUITY	STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.
Abbott Capital	0.8	-	-	0.8	
Hamilton Lane	0.1	-	-	0.1	
PCA	0.4	-	-	0.4	
Fairview Capital	264.7	-	-	264.7	
Portfolio Advisors	5,142.9	-	-	5,142.9	
Portfolio Advisors Commodities	123.9	-	-	123.9	
Aldus Equity	98.2	-	-	98.2	
Stepstone Group	40.6	-	-	40.6	
TCP	21.4	-	-	21.4	
Greycroft Growth IV LP	21.2	-	-	21.2	
Baillie Gfd PVC GP II	44.3	-	-	44.3	
TOTAL PRIVATE EQUITY MGRS (15%)	5,758.5	-	-	5,758.5	16.97%
Target Differential	1.97%			667.0	

PRIVATE CREDIT	STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.
Stepstone Private Credit	213.2	-	-	213.2	
TOTAL PRIVATE CREDIT MGRS (3%)	213.2	-	-	213.2	0.63%
Target Differential	(2.37)%			(805.1)	

REAL ESTATE	STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.
Alliance REIT	177.6	-	0.9	178.5	
Principal Global REIT	203.1	-	5.0	208.1	
Principal U.S. REIT	304.0	-	7.1	311.1	
Cohen & Steers U.S. REIT	483.8	-	1.5	485.3	
REIT Managers (1.5%)	1,168.5	-	14.6	1,183.1	3.49%
Target Differential	1.99%			673.9	
REAL ESTATE COMMINGLED FUNDS SUMMARY					
Total Pooled Funds	1,595.9	-	-	1,595.9	4.70%
REAL ESTATE SEPARATE ACCT. SUMMARY BY MANAGER					
AEW (Heitman, Sentinel)	463.4	-	-	463.4	
Neptune Building	21.1	-	-	21.1	
Real Estate Equity Mgrs	484.5	-	-	484.5	1.43%
Private Real Estate (8.5%)	2,080.4	-	-	2,080.4	6.13%
TOTAL REAL ESTATE (10%)	3,248.9	-	14.6	3,263.4	9.61%
Target Differential	(0.39)%			(130.9)	

INFRASTRUCTURE	STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.
Townsend Infrastructure	-	-	-	-	
TOTAL INFRASTRUCTURE (2%)	-	-	-	-	0.00%
Target Differential	(2.00)%			(678.9)	

CASH	STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.
HOUSE ACCOUNTS					
Tier 1 (Article 17)	-	-	31.7	31.7	
Tier 2 (Article 18)	-	-	198.7	198.7	
Tier 3 (Article 35)	-	-	0.1	0.1	
Tier 4 (New)	-	-	0.1	0.1	
Tier 5 (New)	-	-	148.0	148.0	
Tier 6 (New)	-	-	2.6	2.6	
Transition Account	-	-	0.0	0.0	
115 Trust	-	-	0.0	0.0	
CASH SUMMARY					
Unallocated Cash Reserve (1%)	-	-	381.2	381.2	1.12%
Target Differential	0.12%			41.8	

TOTAL FUND	STOCKS	BONDS	REAL ESTATE	PRIVATE EQUITY	PRIVATE CREDIT	INFRA	CASH	TOTAL
ACTUAL ASSET MIX								
Current Month	16,749.6	7,290.4	3,248.9	5,758.5	213.2	-	683.0	33,943.5
	49.35%	21.48%	9.57%	16.97%	0.63%	0.00%	2.01%	100.00%
Last Month	16,098.6	7,204.1	3,232.0	5,730.8	200.7	-	799.4	33,265.6
% Change	4.04%	1.20%	0.52%	0.48%	6.25%	0.00%	-14.56%	2.04%

Notes

* - Denotes Emerging Manager

City Pension Contribution received on 7/12/24

Subtotals & totals may not sum up exactly due to rounding.

Data is unaudited; Dollars expressed in Millions.



Los Angeles

Fire and Police Pensions

Real Estate Summary

COMMINGLED FUNDS	EQUITY	POOLED	CASH	TOTAL
Abacus Multi-Family Partners VI	NA	41.8	-	41.8
Almanac Realty Securities VII	NA	24.6	-	24.6
Almanac Realty Securities VIII	NA	41.9	-	41.9
Almanac Realty Securities IX	NA	27.2	-	27.2
Asana Partners Fund I	NA	35.4	-	35.4
Asana Partners Fund II	NA	30.7	-	30.7
Asana Partners Fund III	NA	25.7	-	25.7
Berkshire Multifamily Income Realty Fund	NA	29.9	-	29.9
Brookfield Strategic Real Estate Partners IV	NA	40.4	-	40.4
California Smart Growth Fund IV	NA	0.1	-	0.1
Cerberus Institutional Real Estate Partners Fund V	NA	31.3	-	31.3
Cerberus Institutional Real Estate Partners Fund VI	NA	25.8	-	25.8
CIM Real Estate Fund III	NA	4.6	-	4.6
Clarion Lion Industrial Trust 2007	NA	208.0	-	208.0
Apollo CPI Europe I (Asia)	NA	0.3	-	0.3
Exeter Industrial Value Fund IV	NA	2.3	-	2.3
Exeter Industrial Value Fund V	NA	44.0	-	44.0
Exeter Industrial Value Fund VI	NA	31.9	-	31.9
Exeter Europe Logistics	NA	16.8	-	16.8
Gerrity Retail Fund 2	NA	21.1	-	21.1
GID Mainstay Fund	NA	109.2	-	109.2
Heitman Asia Pacific Property Investors HAPI	NA	24.1	-	24.1
Heitman HART	NA	1.8	-	1.8
Jadian Real Estate Fund II	NA	6.4	-	6.4
Jamestown Premier	NA	19.3	-	19.3
Kayne Anderson Core Real Estate Fund KACORE	NA	76.7	-	76.7
LBA Logistics Value Fund VII	NA	33.1	-	33.1
LBA Logistics Fund IX	NA	49.7	-	49.7
LBA Logistics Value Fund X	NA	-	-	-
MetLife Core Property Fund	NA	129.9	-	129.9
NREP Nordic Strategies Fund IV	NA	30.3	-	30.3
Oaktree Real Estate Opportunities Fund VIII	NA	26.0	-	26.0
Oaktree Real Estate Opportunities Fund IX	NA	-	-	-
Oaktree Real Estate Opportunities Fund XI	NA	4.6	-	4.6
Principal Data Center Growth & Income Fund, LP	NA	36.0	-	36.0
Principal Green I	NA	-	-	-
Principal US Core USPA	NA	97.8	-	97.8
Prudential PRISA	NA	77.6	-	77.6
RREEF Core Plus Industrial Fund	NA	97.1	-	97.1
Rothschild Five Arrows Realty V (Almanac)	NA	0.0	-	0.0
Savanna Real Estate Fund III	NA	-	-	-
Starwood Opportunity Fund IX	NA	2.6	-	2.6
Standard Life Investments European Real Estate Club II	NA	-	-	-
Stockbridge Real Estate Fund II	NA	0.4	-	0.4
Townsend Real Estate Capital Solutions IV, LP	NA	-	-	-
TPG Real Estate Partners IV	NA	32.5	-	32.5
Unico Core Plus Partners	NA	5.7	-	5.7
WCP NewCold Fund III	NA	28.4	-	28.4
Wolff Credit Fund III	NA	23.0	-	23.0
Total		1,595.9	-	1,595.9

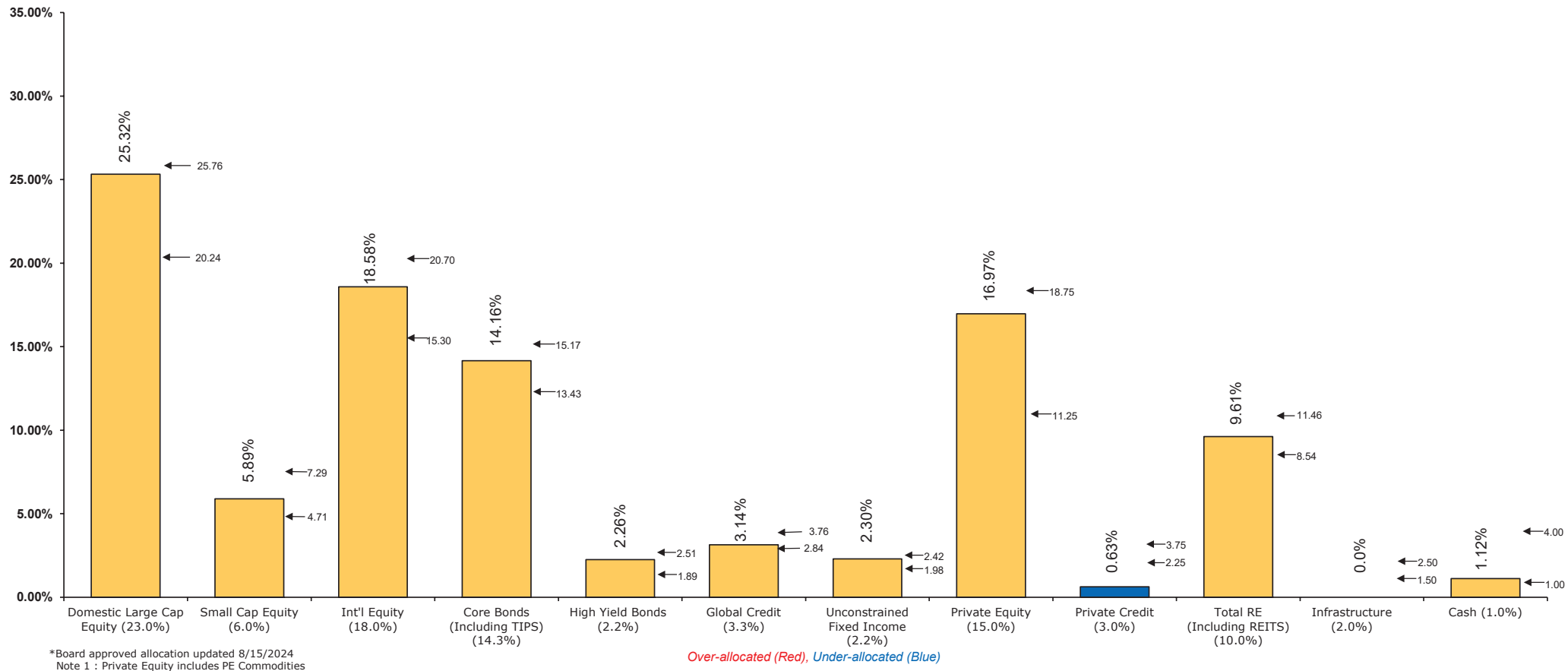
SEPARATE ACCOUNT PROPERTIES	EQUITY	POOLED	CASH	TOTAL
AEW (Heitman) - 121 W. Chestnut	57.4	NA	-	57.4
AEW (Heitman) - Sea Isle	57.3	NA	-	57.3
AEW (Sentinel) - Aerial Center Executive Park*	41.7	NA	-	41.7
AEW (Sentinel) - Town Center	65.9	NA	-	65.9
AEW (Sentinel) - Walmart Building at Water Ridge	-	NA	-	-
AEW (Sentinel) - Windward Place	59.8	NA	-	59.8
AEW - Bar W Marketplace	65.8	NA	-	65.8
AEW - I-4 Logistics Center	34.3	NA	-	34.3
AEW - Lockwood Glen Apartments	45.8	NA	-	45.8
AEW - Sycamore Hills Plaza	35.2	NA	-	35.2
Real Estate Managers Total Committed				
AEW [Heitman, Sentinel (Urdang)]				463.4
Neptune Building	21.1	NA	-	21.1
Total				484.5

*Consists of Aerial Center Executive Park I and II



Los Angeles Fire and Police Pensions

Portfolio Allocation





Los Angeles Fire and Police Pensions

Preliminary Return Information as of June 30, 2025

Manager	1-month	3-month	1-year	3-years	5-years	FYTD
Total Fund	2.40 %	5.86 %	10.77 %	9.49 %	10.05 %	10.77 %
S & P 500 Index	5.09 %	10.94 %	15.16 %	19.71 %	16.64 %	15.16 %
Total Equity¹	4.03 %	10.68 %	15.94 %	16.82 %	13.96 %	15.94 %
S & P 500 Index	5.09 %	10.94 %	15.16 %	19.71 %	16.64 %	15.16 %
Total Domestic Equity	4.81 %	9.54 %	12.92 %	16.57 %	15.19 %	12.92 %
Russell 3000 Index	5.08 %	10.99 %	15.30 %	19.08 %	15.96 %	15.30 %
Total Large Cap Equity	4.54 %	9.65 %	15.09 %	18.14 %	15.89 %	15.09 %
S & P 500 Index	5.09 %	10.94 %	15.16 %	19.71 %	16.64 %	15.16 %
Total Small Cap	5.99 %	9.07 %	4.42 %	10.38 %	12.27 %	4.42 %
Russell 2000 Index	5.44 %	8.50 %	7.68 %	10.00 %	10.04 %	7.68 %
Total International Equity	2.76 %	12.62 %	21.14 %	17.07 %	11.79 %	21.14 %
MSCI ACWI ex-US	3.45 %	12.30 %	18.37 %	14.59 %	10.68 %	18.37 %
Total International Developed Markets	2.76 %	12.63 %	21.16 %	18.04 %	12.23 %	21.16 %
MSCI ACWI ex-US	3.45 %	12.30 %	18.37 %	14.59 %	10.68 %	18.37 %
Total Fixed Income²	1.63 %	1.75 %	6.99 %	4.50 %	1.65 %	6.99 %
Bloomberg Barclays Universal	1.56 %	1.40 %	6.51 %	3.28 %	-0.15 %	6.51 %
Total Core Fixed Income	1.96 %	1.27 %	6.04 %	2.58 %	-1.00 %	6.04 %
Bloomberg Barclays Aggregate	1.54 %	1.21 %	6.08 %	2.55 %	-0.73 %	6.08 %
Total High Yield	1.52 %	2.65 %	8.97 %	9.55 %	6.34 %	8.97 %
LAFPP HY Benchmark ³	1.86 %	3.57 %	10.24 %	9.86 %	6.00 %	10.24 %
Total Global Credit	2.00 %	3.16 %	8.29 %	N/A	N/A	8.29 %
Loomis Global Credit Blend	1.44 %	2.49 %	7.96 %	N/A	N/A	7.96 %
Total REITs⁴	0.59 %	1.68 %	11.34 %	4.70 %	7.30 %	11.34 %
LAFPP REIT Benchmark ⁵	0.48 %	1.87 %	10.80 %	4.01 %	6.43 %	10.80 %

Footnote:
¹ Total Equity: Does not include Private Equity

² Total Fixed Income : Does not include Private Credit.

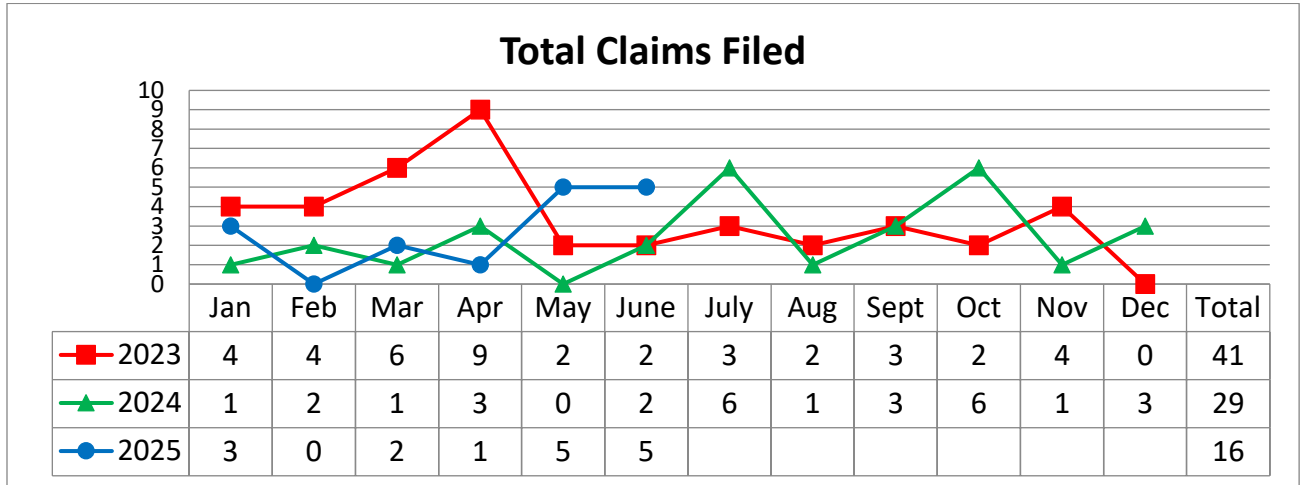
³ LAFPP HY Benchmark: CS HY Index thru 12/31/11 & BofA ML US HY Master II Cnst Index thereafter.

⁴ Total REITs : Does not include Private Real Estate

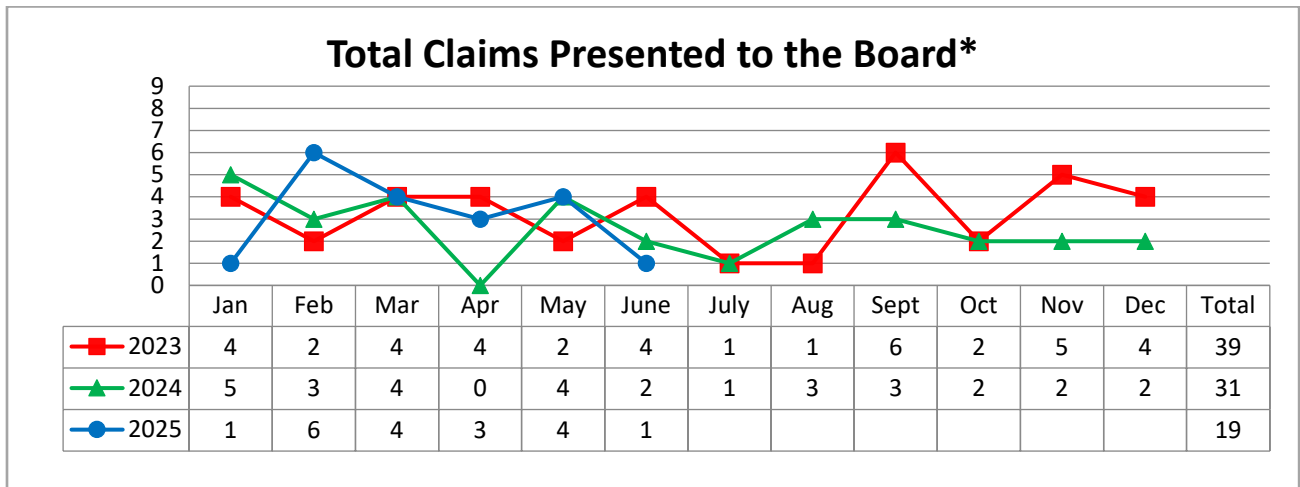
⁵ LAFPP REIT Benchmark: Dow Jones US Select RE Securities Index thru 12/31/13, 50% FTSE EPRA/NAREIT Global RE Index and 50% Dow Jones US Select RE Securities Index thereafter.

(Data through June 30, 2025)

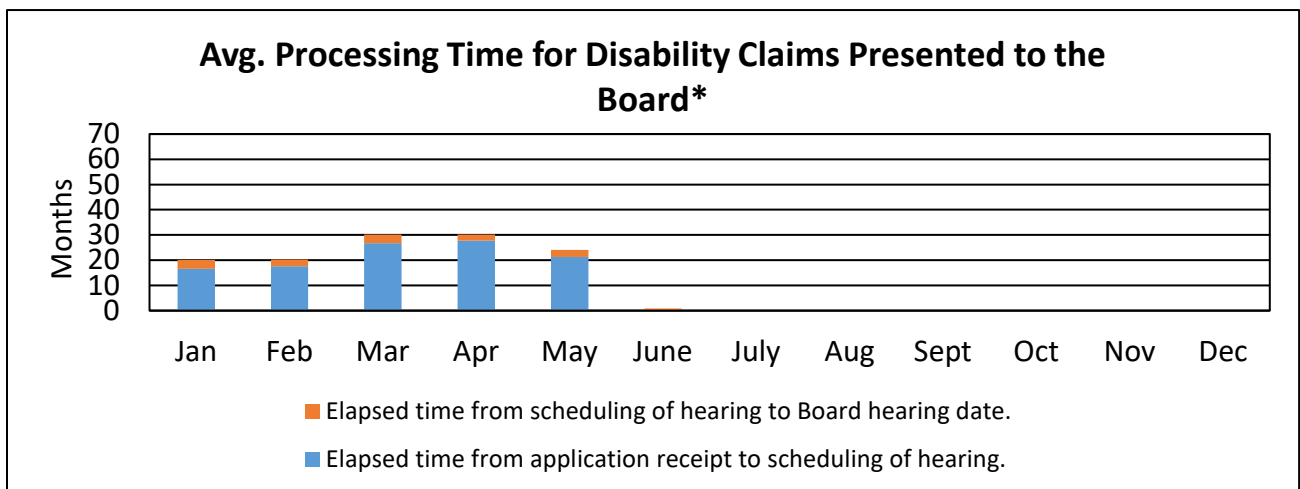
DISABILITY PENSIONS



*Applications filed for Disability, Active Member Death, and Dependent Child/Parent benefits.

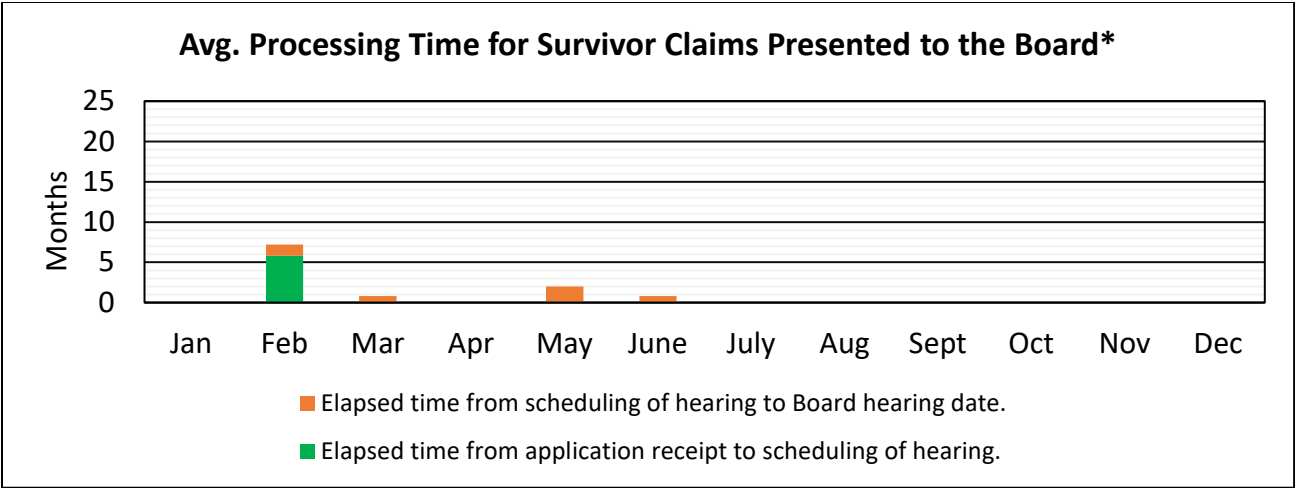


*Claims for Disability, Active Member Death, and Dependent Child/Parent benefits.

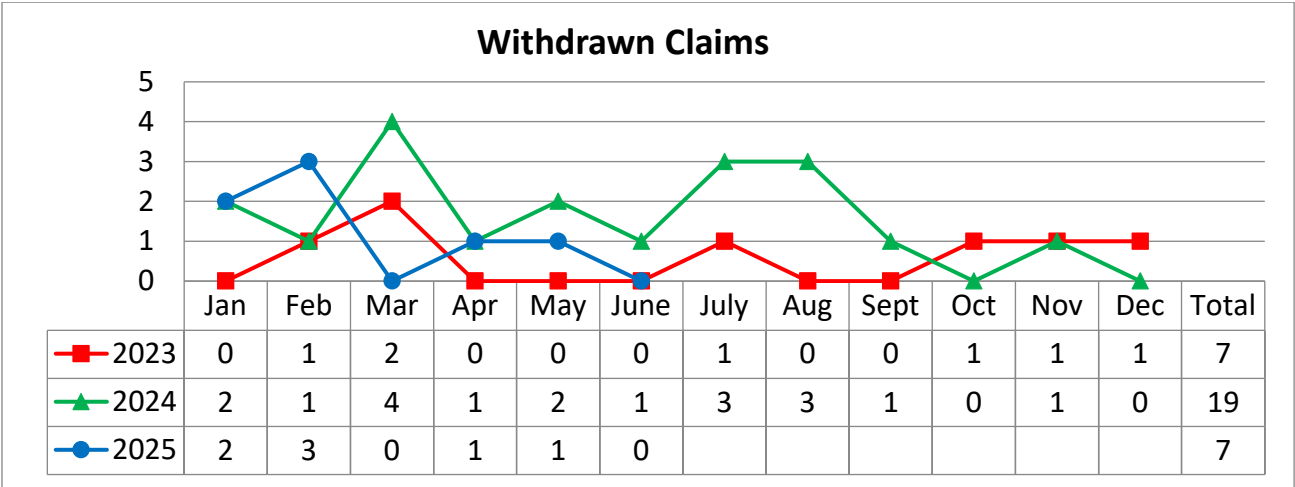


*Months with zero (0) indicate no disability claims presented to the Board that month.

PENSIONS DIVISION



*Claims include Active Member Death and Dependent Child/Parent.
*Months with zero (0) indicate no survivor claims presented to the Board that month.



PENSIONS DIVISION

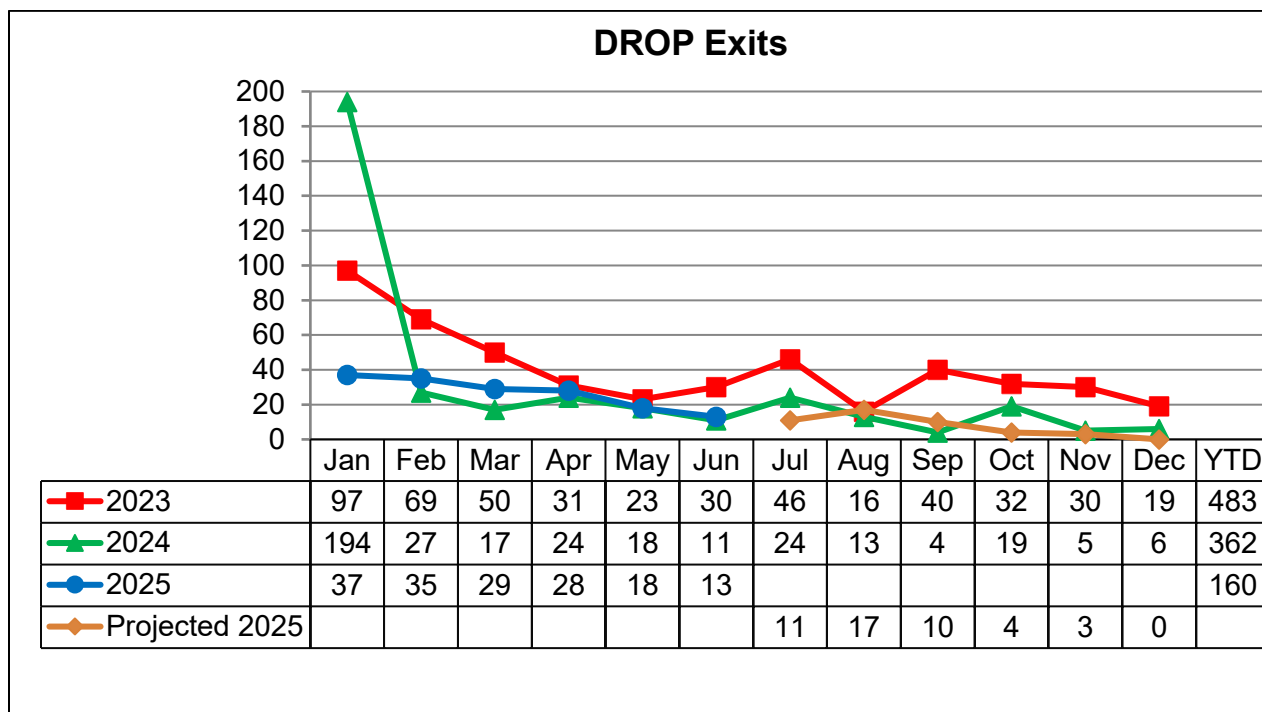
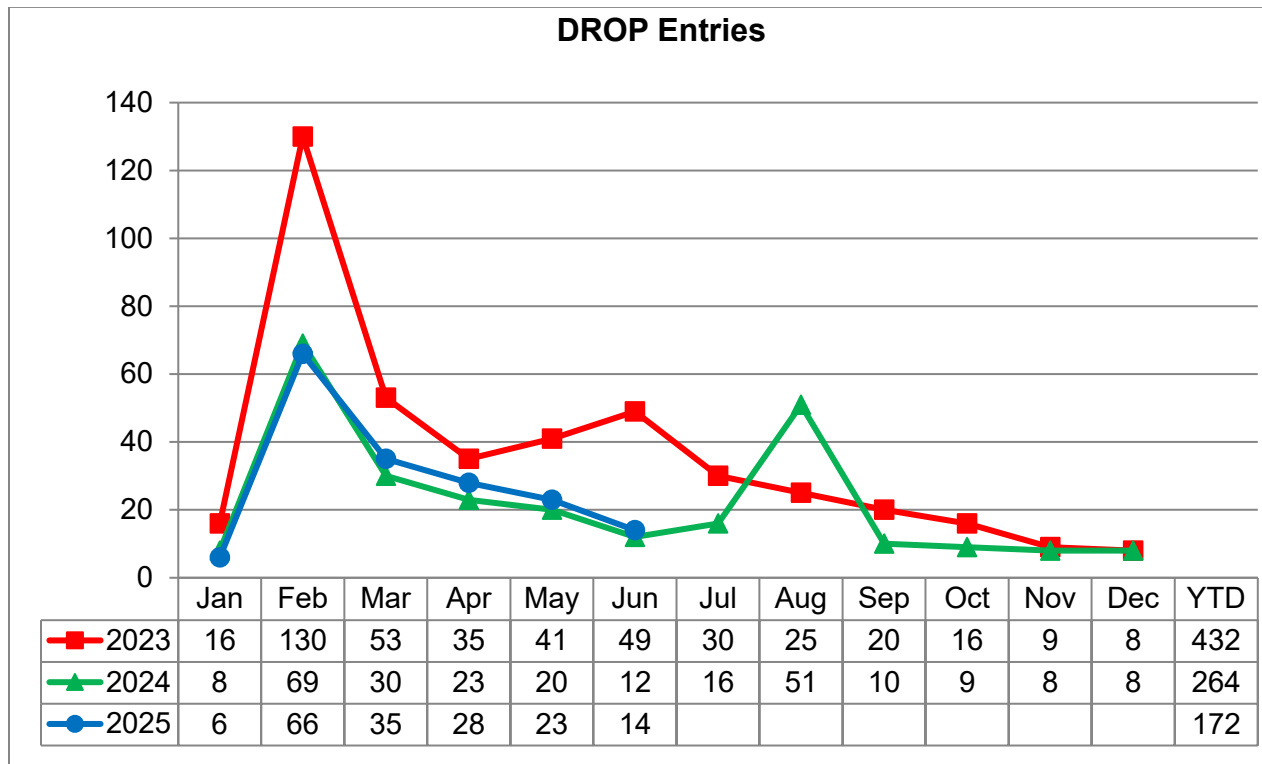
Attachment 5

PENDING CLAIMS BY YEAR FILED	FIRE	POLICE	HARBOR	AIRPORT	TOTAL
2022					
Dependent Child/Parent	0	0	0	0	0
Surviving Spouse/Domestic Partner/Minor Children	0	0	0	0	0
Disability (New/Review)	1	3	0	0	4
2023					
Dependent Child/Parent	0	0	0	0	0
Surviving Spouse/Domestic Partner/Minor Children	1	2	0	0	3
Disability (New/Review)	2	13	0	0	15
2024					
Dependent Child/Parent	0	0	0	0	0
Surviving Spouse/Domestic Partner/Minor Children	0	2	0	0	2
Disability (New/Review)	7	14	1	0	22
2025					
Dependent Child/Parent	0	0	0	0	0
Surviving Spouse/Domestic Partner/Minor Children	1	1	0	0	2
Disability (New/Review)	1	13	0	0	14
TOTAL	13	48	1	0	62

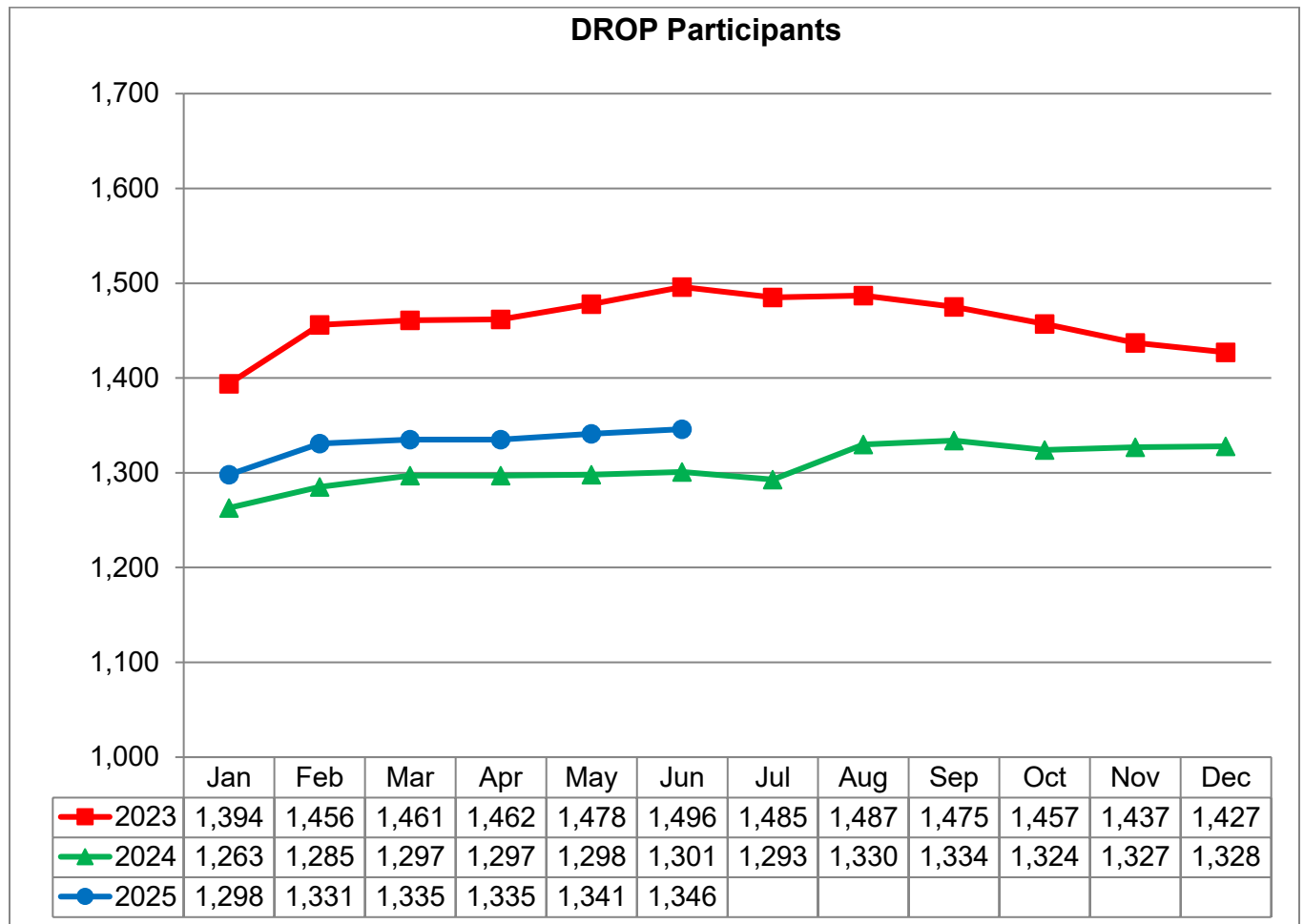
CURRENT STATUS OF PENDING CLAIMS	
Collecting/Reviewing records	25
Manager reviewing admin file / creating appendix	13
Medical Desk (pension physician appointments and reports)	18
Board Package (Board report, pension physician reports, and admin file)	5
Ready to schedule for Board hearing	1
Case on hold (pending surgery / litigation / WC hearing)	0
TOTAL	62

DROP/SERVICE PENSIONS

*Data may change due to timing of processing transactions.

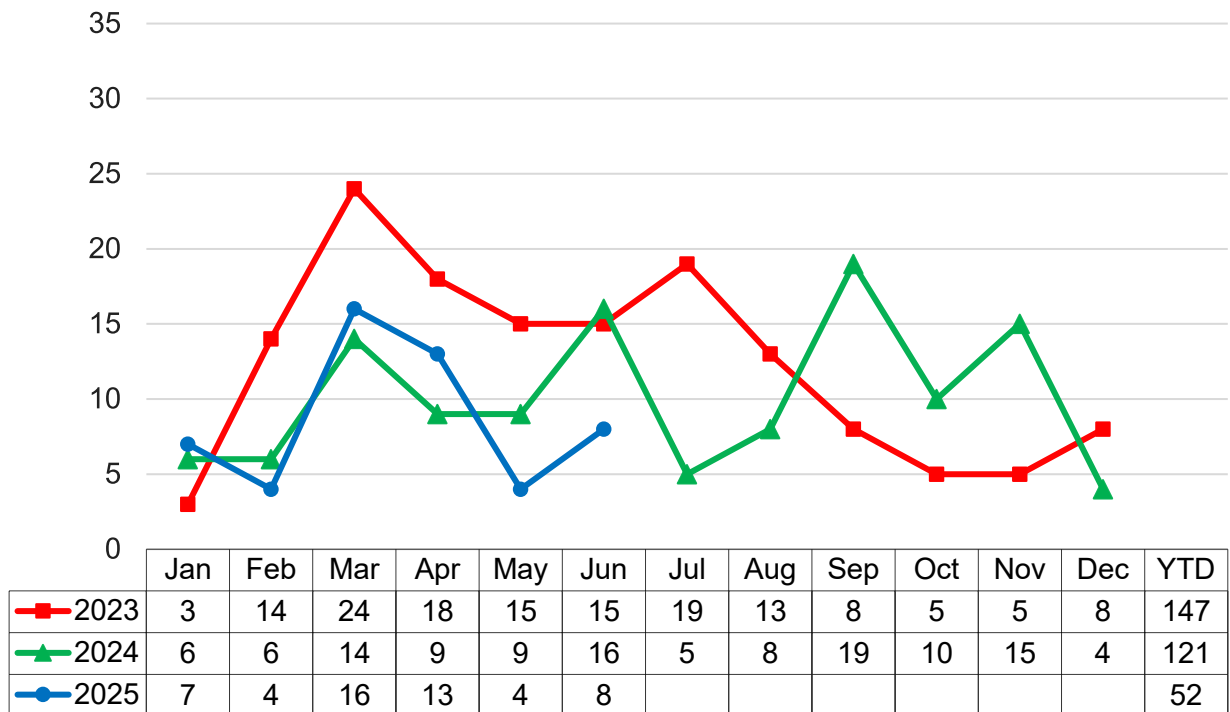


NOTE: Projected DROP Exit numbers reflect mandatory exits only.



DROP Participants by Department												
2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fire	195	195	189	191	193	193						
Police	1,102	1,135	1,145	1,143	1,147	1,152						
Harbor	1	1	1	1	1	1						
Airport	0	0	0	0	0	0						

Service Pensions
(by Approval Date)



Service Pensions by Department

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fire	1	0	0	4	0	0						
Police	6	4	16	9	4	8						
Harbor	0	0	0	0	0	0						
Airport	0	0	0	0	0	0						

SURVIVORSHIP PENSIONS

	Current Month	Fiscal Year To Date	12 Month Moving Avg.
Surviving Spouse/Domestic Partner Pension Applications Processed	14	194	16
Survivor Benefit Purchase Program	0	14	1

ACTIVE MEMBER SERVICES

	Current Month	Fiscal Year To Date	12 Month Moving Avg.
New Members Enrolled in the Plan			
Fire	0	133	11
Police	21	238	20
Harbor	5	17	1
Airport	0	14	1
Basic Training Purchases (completed)			
Fire	5	66	6
Police	17	204	17
Harbor	0	1	0
Airport	0	2	0
Public Service Purchases (PSP)			
Completed Purchases	1	5	1
Avg. Years of Service (YOS) Purchased	1.06	1.31	1.31
Avg. Cost per YOS Purchased	\$41,557	\$57,354	\$57,354
Refund of Contributions			
Fire	0	23	2
Police	3	69	6
Harbor	0	1	0
Airport	0	4	0

MEMBER OUTREACH ACTIVITIES

Date	Type of Outreach	Number of Participants	Tier
06/03/2025	LAFD Benefits Presentation -- FS 96B	12	Multiple
06/04/2025	Financial Planning Education Seminar – DROP Exit	74	Multiple
06/05/2025	LAFD Benefits Presentation – FS 89B	15	Multiple
06/05/2025	Benefits Information Webinar – “Health Benefits in Retirement”	4	Multiple
06/06/2025	Recruit Talk - LAPD	22	Tier 6
06/11/2025	Benefits Information Webinar – “Understanding Your Plan”	1	Multiple
06/12/2025	Benefits Information Webinar – “Service Retirement and DROP Entry”	3	Multiple
06/17/2025	LAFD Benefits Presentation – FS 68C	7	Multiple
06/18/2025	LAFD Benefits Presentation – FS 5A	11	Multiple
06/24/2025	LAFD Benefits Presentation – FS 84C	10	Multiple
06/25/2025	LAFD Benefits Presentation – FS 69A	11	Multiple
06/26/2025	LAFD Benefits Presentation – FS 89C	15	Multiple
Upcoming Events			
07/07/2025	Recruit Talk - LAPD	TBD	Tier 6
07/10/2025	LAPD Southwest Wellness Day	TBD	Multiple
07/24/2025	LAPD Southeast Wellness Day	TBD	Multiple

Outreach Activity Totals		
	Current Month	Fiscal Year to Date
Members Reached	185	3,487
-# of Recruit Talks	1	15
-# of Financial Planning Education Seminars (live)	1	8
-# of Financial Planning Education Webinars (virtual)	0	2
-# of Benefits Information Webinars (virtual)	3	31
-# of Other Outreach Events	7	92

DEPARTMENT OF FIRE AND POLICE PENSIONS
Active, Expired, and Upcoming Contracts
June 30, 2025

Attachment 6

Contract	Vendor / Services	Contract Term		Marketing Cessation Start Date¹	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/ Candidate Finalist Date	Contract Award / Renewal Date	
INVESTMENTS								
SEARCH	Active Small Capitalization Equity Manager Search	tbd	tbd	07/03/25	07/03/25			On 07/03/25, the Board approved the minimum qualifications for an Active Small Capitalization Equity Manager Search.
SEARCH	Active Core Fixed Income Manager Search	tbd	tbd		04/18/24	02/06/25	03/06/25	On 03/06/25, the Board interviewed the three finalists that were approved on 02/06/25 for the Active Core Fixed Income Manager Search. The Board selected J.P. Morgan Investment Management Inc. to fill the Active Core Fixed Income Manager mandate. Contract has been executed.
730PEN	Pacific Investment Management Company, LLC (PIMCO) (Domestic Equity)	08/01/19	07/31/25				05/01/25	On 05/01/25, the Board approved a one-year contract extension through 07/31/26 with Pacific Investment Management Company, LLC. Contract amendment is pending.
791PEN	Loomis, Sayles & Co., LP (Global Credit Investment Manager)	08/01/22	07/31/25	05/01/25				Staff recommendation to the Board is tentatively scheduled for 07/17/25.
793PEN	Scout Investments, Inc. - Reams Asset Management Division (Fixed Income - TIPS)	09/01/22	08/31/25				07/03/25	On 07/03/25, the Board approved a five-year contract extension through 08/31/30 with Scout Investments, Inc. - Reams Asset Management Division. Contract amendment is pending.
775PEN	Channing Capital Management, LLC (Domestic Equity)	10/01/21	09/30/25	07/01/25				Staff recommendation to the Board is tentatively scheduled for 08/21/25.
780PEN	GIA Partners, LLC (Domestic Fixed Income)	10/01/21	09/30/25	07/01/25				Staff recommendation to the Board is tentatively scheduled for 09/04/25.
736PEN	Boston Partners, Inc. (Domestic Equity)	11/01/19	10/31/25	08/01/25				Staff recommendation to the Board is tentatively scheduled for 08/21/25.
739PEN	Principal Real Estate Investors, LLC (Global REIT Manager)	12/01/19	11/30/25					
740PEN	Principal Real Estate Investors, LLC (U.S. REIT Manager)	12/01/19	11/30/25					
747PEN	Denali Advisors, LLC (Domestic Equity)	05/01/20	04/30/26					
748PEN	Eastern Shore Capital Management (Domestic Equity)	05/01/20	04/30/26					
749PEN	Lisanti Capital Growth, LLC (Domestic Equity)	05/01/20	04/30/26					
768PEN	Principal Global Investors, LLC (International Equity)	05/01/21	04/30/26					
800PEN	StepStone LLC (Private Credit Consultant)	06/01/23	05/31/26					
801PEN	MacKay Shields, LLC (Fixed Income - High Yield Bond)	07/01/23	06/30/26					
804PEN	Brandes Investment Partners, LP (International Equity)	08/01/23	07/31/26					
805PEN	Payden & Rygel (Unconstrained Fixed Income Manager)	08/01/23	07/31/26					
806PEN	Scout Investments, Inc. - Reams Asset Management Division (Unconstrained Fixed Income Manager)	08/01/23	07/31/26					
755PEN	AllianceBernstein, L.P. (Domestic Equity)	10/01/20	09/30/26					
756PEN	Westwood Management Corp. (Domestic Equity)	10/01/20	09/30/26					
777PEN	PHOCAS Financial Corporation (Domestic Equity)	10/01/21	09/30/26					
802PEN	Portfolio Advisors, LLC (Private Equity)	10/01/23	09/30/26					
803PEN	Portfolio Advisors, LLC (Private Equity - Specialized Manager)	10/01/23	09/30/26					
813PEN	Cohen & Steers Capital Management, Inc. (Real Estate Investment Trust Manager (Active))	01/01/24	12/31/26					
814PEN	AEW Capital Management, L.P. (Real Estate Separate Account Manager)	01/01/24	12/31/26					
817PEN	The Townsend Group (Real Estate Consultant)	02/01/24	01/31/27					
765PEN	Baillie Gifford Overseas Limited (International Equity)	03/01/21	02/28/27					

DEPARTMENT OF FIRE AND POLICE PENSIONS
Active, Expired, and Upcoming Contracts
June 30, 2025

Attachment 6

Contract	Vendor / Services	Contract Term		Marketing Cessation Start Date ¹	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/Candidate Finalist Date	Contract Award / Renewal Date	
769PEN	Victory Capital Management, Inc. (Trivalent Investments, a Victory Capital Investment Franchise) (International Equity)	05/01/21	04/30/27					
771PEN	Frontier Capital Management Company, LLC (Domestic Equity)	07/01/21	06/30/27					
774PEN	LM Capital Group, LLC (Fixed Income)	09/01/21	08/31/27					
807PEN	Medalist Partners, L.P. (Fixed Income)	10/01/23	09/30/27					
778PEN	Loomis, Sayles & Co., LP (Fixed Income)	10/01/21	09/30/27					
762PEN	BlackRock Institutional Trust Company (Index Provider)	02/01/21	11/30/27					
784PEN	Scout Investments, Inc. - Reams Asset Management Division (Fixed Income)	12/01/21	11/30/27					
794PEN	AllianceBernstein, L.P. (Index Provider)	12/01/22	11/30/27					
796PEN	Northern Trust Investments, Inc. (Index Provider)	12/01/22	11/30/27					
797PEN	RhumbLine Advisers L.P. (Index Provider)	12/01/22	11/30/27					
729PEN	Palisade Capital Management, LP (Small Cap Equity) (Domestic Equity)	07/01/19	06/30/28				04/03/25	On 04/03/25, the Board approved a three-year contract extension through 06/30/28 with Palisade Capital Management, LP. Contract amendment has been executed.
825PEN	J.P. Morgan Investment Management Inc. (Active Core Fixed Income)	07/01/25	06/30/28					
721PEN	RVK, Inc. (General Investment Consultant)	03/01/19	02/28/29					
735PEN	Northern Trust Company (Custodian Bank)	10/01/19	09/30/29					
786PEN	Glass, Lewis, & Co., LLC (Proxy Voting Services)	01/01/22	12/31/29					
ADMINISTRATIVE OPERATIONS								
792PEN	Total Commercial Real Estate, Inc. (Property Management Services - Neptune)	07/01/22	06/30/25				01/16/25	On 01/16/25, the Board approved a new three-year contract no. 826PEN with Total Commercial Real Estate, Inc. through 06/30/28. Contract execution is pending.
824PEN	Segal Select Insurance Services, Inc. (Cyber Liability and D&O Insurance)	11/01/24	10/31/25					
815PEN	Haworth, Inc. (HQ Furniture)	01/01/24	12/31/26					
ADMINISTRATIVE SERVICES								
808PEN	Stericycle, Inc. (Shred-It) (Secure Document Shredding Services)	02/01/24	01/31/26					
BOARD OF FIRE & POLICE PENSION COMMISSIONERS								
C-137251	Reed Smith, LLP (Independent Conflict Counsel)	09/01/20	08/31/25				06/05/25	On 06/05/25, the Board approved a one-year contract extension with Reed Smith, LLP through 08/31/26. Contract execution is pending.
CITY ATTORNEY'S OFFICE								
RFP	Outside Tax Counsel	tbd	tbd		02/20/25			On 02/20/25, the Board approved release of an RFP for Outside Tax Counsel services by the end of 2025.
RFP	Outside Data Privacy, Health Law, and Cybersecurity Counsel	tbd	tbd		03/16/23	11/02/23	11/02/23	On 11/02/23, the Board approved seven new three-year contracts through 11/30/26. Four contracts have been executed. Negotiations with 5) Foley & Lardner, LLP, 6) Nossaman LLP, and 7) Maynard Nexsen PC have concluded without a contract.
RFP	Legal Services Regarding Fiduciary Law and Real Estate and Investment Counsel	tbd	tbd		03/07/24		11/07/24	On 11/07/24, the Board approved eleven new three-year contracts through 12/31/27. Contracts 1, 5) Cohen Milstein LLP; 3, 7, 10) Kutak Rock LLP; and 4, 8, 11) Nossaman LLP contracts have been executed. Negotiations with 2, 6) Foley & Lardner LLP and 9) Faegre Drinker Biddle & Reath LLP have concluded without a contract.

DEPARTMENT OF FIRE AND POLICE PENSIONS
Active, Expired, and Upcoming Contracts
June 30, 2025

Attachment 6

Contract	Vendor / Services	Contract Term		Marketing Cessation Start Date ¹	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/Candidate Finalist Date	Contract Award / Renewal Date	
C-138738	Kutak Rock, LLP (Outside Real Estate and Investment Counsel)	07/01/21	06/30/25					
C-138739	Nossaman, LLP (Outside Real Estate and Investment Counsel)	07/01/21	06/30/25					
C-137236	Kutak Rock, LLP (Independent Conflict Counsel)	09/01/20	08/31/25					
C-137238	Kutak Rock, LLP (Fiduciary Counsel)	09/01/20	08/31/25					
C-137243	Nossaman, LLP (Fiduciary Counsel)	09/01/20	08/31/25					
C-137247	Nossaman, LLP (Independent Conflict Counsel)	09/01/20	08/31/25					
C-137988	Foley & Lardner, LLP (Independent Conflict Counsel)	09/01/20	08/31/25					
C-137989	Foley & Lardner, LLP (Fiduciary Counsel)	09/01/20	08/31/25					
C-142074	Bernstein Litowitz Berger & Grossmann LLP (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-142077	Cohen Milstein Sellers & Toll PLLC (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-142085	Bleichmar Fonti & Auld LLP (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-142087	Robbins Geller Rudman & Dowd LLP (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-142089	Saxena White P.A (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-140274	Ice Miller, LLP (Outside Tax Counsel)	03/01/22	02/28/26					
C-145135	Ice Miller, LLP (Outside Data Privacy, Health Law, and Cybersecurity Counsel)	12/01/23	11/30/26					
C-145139	Groom Law Group (Outside Data Privacy, Health Law, and Cybersecurity Counsel)	12/01/23	11/30/26					
C-145165	Baker & Hostetler LLP (Outside Data Privacy, Health Law, and Cybersecurity Counsel)	12/01/23	11/30/26					
C-145167	Clark Hill PLC (Outside Data Privacy, Health Law, and Cybersecurity Counsel)	12/01/23	11/30/26					
C-200906	Cohen Milstein, LLP (Outside Conflict Counsel)	01/01/25	12/31/27					
C-200907	Cohen Milstein, LLP (Outside Fiduciary Counsel)	01/01/25	12/31/27					
C-200909	Kutak Rock, LLP (Outside Fiduciary Counsel)	01/01/25	12/31/27					
C-200910	Kutak Rock, LLP (Investment Counsel)	01/01/25	12/31/27					
C-200912	Kutak Rock, LLP (Outside Conflict Counsel)	01/01/25	12/31/27					
C-200914	Nossaman, LLP (Outside Conflict Counsel)	01/01/25	12/31/27					
C-200917	Nossaman, LLP (Outside Fiduciary Counsel)	01/01/25	12/31/27					
C-200918	Nossaman, LLP (Investment Counsel)	01/01/25	12/31/27					
C-139738	Danning, Gill, Israel & Krasnoff, LLP (Legal Representation)	11/18/21	until completion					
COMMUNICATIONS & EDUCATION								
799PEN	Rosie's Kitchen (Seminar Program Catering Services)	01/19/23	01/18/26					
790PEN	Geographics (Graphic Design Services)	06/16/22	06/15/26					
823PEN	Digital Deployment, Inc. (Website Design and Support Services)	10/01/21	06/30/26				04/17/25	On 04/17/25, the Board approved a one-year contract extension through 06/30/26 with Digital Deployment, Inc. Contract amendment has been executed.
812PEN	Four Square Financial Literacy Partners, Inc. (Financial Planning Education)	12/05/23	12/04/26					

DEPARTMENT OF FIRE AND POLICE PENSIONS
Active, Expired, and Upcoming Contracts
June 30, 2025

Attachment 6

Contract	Vendor / Services	Contract Term		Marketing Cessation Start Date ¹	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/Candidate Finalist Date	Contract Award / Renewal Date	
816PEN	Cambridge Financial Partners, LLC (Financial Counseling Services)	12/10/23	12/09/26					
DISABILITY PENSIONS								
810PEN	Argus West, Inc. (Investigative Services)	11/01/23	10/31/26					
818PEN	US Legal Support (Court Reporting Services)	07/01/24	06/30/27					
820PEN	QTC Medical Group, Inc. (Independent Medical Exam Services)	07/01/24	06/30/27					
821PEN	Crosspoint Evaluations, LLC. (Independent Medical Exam Services)	07/01/24	06/30/27					
822PEN	IMA Evaluations, LLC (Independent Medical Exam Services)	07/01/24	06/30/27					
INTERNAL AUDIT								
RFP	External Financial Statement Audit Services	tbd	tbd		12/19/24		05/15/25	On 05/15/25, the Board approved a new three-year contract with Simpson & Simpson, LLP through 07/17/28. Contract has been executed.
773PEN	Simpson & Simpson Certified Public Accountants (Annual Financial Statements Audits)	07/18/21	07/17/25					
MEDICAL & DENTAL BENEFITS								
N/A	Los Angeles City Employee Retirement System (Health and Dental Plan Subgroups)	01/01/24	12/31/26					
819PEN	USI Insurance Services (Health Consulting Services)	06/07/24	06/06/27					
N/A	Los Angeles Police Protective League (Dental Insurance Administration)	07/01/23	06/30/28					
N/A	United Firefighters of Los Angeles City (Medical and Dental Insurance Administration)	07/01/23	06/30/28					
N/A	Los Angeles Firemen's Relief Association (Medical Insurance Administration)	07/01/23	06/30/28					
N/A	Los Angeles Police Relief Association (Medical and Dental Insurance Administration)	07/01/23	06/30/28					
PENSIONS DIVISION								
RFP	Actuarial Audit Services	tbd	tbd		11/02/23			On 11/02/23, the Board approved the release of an RFP for Actuarial Audit Services. The RFP was released on 06/30/25, and will close on 08/22/25.
767PEN	The Segal Company (Western States), Inc. (Actuarial Consulting Services)	07/01/21	06/30/27					
SYSTEMS								
616PEN	AT&T (CALNET/NextGen Phone)	11/15/13	06/30/28					The contract has been extended as "CALNET/NextGen" to 06/30/28 by the State of California.
617PEN	AT&T (CALNET/NextGen Data)	11/15/13	06/30/28					The contract has been extended as "CALNET/NextGen" to 06/30/28 by the State of California.
619PEN	Verizon (CALNET4 Phone)	11/15/13	06/30/25					Contract will not be extended.
687PEN	Northern Trust Company (Integrated Disbursement Services)	10/05/17	10/04/25					Staff recommendation to the Board is tentatively scheduled for August 2025.
626PEN	Avenu Insights and Analytics, LLC. (Pension Administration System Replacement Project)	07/02/15	07/01/26					

¹Marketing Cessation: The purpose of this policy is to prevent, and avoid the appearance of, undue influence on the Board or any of its members in the award of all Investments contracts. In accordance with Section 1.15 of the Board Operating Policies and Procedures, from the time the search begins with the Board's approval of the minimum criteria for the search until the search ends with the selection of the firm(s) to receive the contract(s), all direct marketing contact with firms that meet the search criteria will be limited to meetings with the Consultant, information sent to the Consultant or Department, questions about the search directed to the Staff or Consultant, one meeting at the Department's office with Staff and any site visits. The Board members, Department Staff or Consultant will accept no entertainment or gifts of any kind from any firm qualifying for the search. This policy does not prohibit contact with potential interview candidates at group social events, educational seminars, conferences, or charitable events so long as there is no direct marketing.

During the three months prior to the renewal of a contract with a firm currently under contract, the Board Members, Department Staff and Consultant will accept no entertainment or gifts from that firm until the contract has been renewed or terminated by the Board. Firms who currently have contracts with the Los Angeles Fire and Police Pension System are allowed to continue contact related to the existing contract with Staff and Consultant.

*Expired contracts are listed in red. Expired investments contracts will remain on the list if the marketing cessation period is active and until a new contract is awarded.

DEPARTMENT OF FIRE AND POLICE PENSIONS
BUDGET TO ACTUAL - RECEIPTS AND EXPENSES
As of June 30, 2025 (100.00% of fiscal year)

	(A)	(B)	(C)	(D)	(E)
	MODIFIED BUDGET	ACTUAL YEAR TO DATE	YEAR END PROJECTIONS	DIFFERENCE (UNDER) / OVER PROJECTED (C - A = D)	VARIANCE % (D / A = E)
RECEIPTS					
<i>Pension</i>					
General Fund ¹	481,053,148	481,053,148	481,053,148	-	0.0%
Less: Excess Benefit Plan ¹	(1,601,119)	(1,601,119)	(1,601,119)	-	0.0%
Special Fund (Harbor)	4,345,066	4,345,066	4,345,066	-	0.0%
Special Fund (Airports)	3,161,138	3,161,138	3,161,138	-	0.0%
<i>Subtotal Pension</i>	<u>\$ 486,958,233</u>	<u>\$ 486,958,233</u>	<u>\$ 486,958,233</u>	<u>\$ -</u>	<u>0.0%</u>
<i>OPEB</i>					
General Fund	178,994,992	178,994,992	178,994,992	-	0.0%
Special Fund (Harbor)	1,234,960	1,234,960	1,234,960	-	0.0%
Special Fund (Airports)	1,419,752	1,419,752	1,419,752	-	0.0%
<i>Subtotal OPEB</i>	<u>\$ 181,649,704</u>	<u>\$ 181,649,704</u>	<u>\$ 181,649,704</u>	<u>\$ -</u>	<u>0.0%</u>
Total City Contribution - to LAFPP	<u>\$ 668,607,937</u>	<u>\$ 668,607,937</u>	<u>\$ 668,607,937</u>	<u>\$ -</u>	<u>0.0%</u>
Member Contributions ²	180,608,580	163,406,997	164,006,000	(16,602,580)	(9.2%)
Earnings on Investments ³	585,000,000	767,614,069	767,615,000	182,615,000	31.2%
Miscellaneous	500,000	542,193	543,000	43,000	8.6%
Total Receipts	<u>\$ 1,434,716,517</u>	<u>\$ 1,600,171,196</u>	<u>\$ 1,600,771,937</u>	<u>\$ 166,055,420</u>	<u>11.6%</u>
EXPENSES					
<i>Pension Benefits</i>					
Service Pensions	1,062,000,000	1,025,365,832	1,025,366,000	(36,634,000)	(3.4%)
Service Pensions - DROP Distributions	115,400,000	82,622,857	82,623,000	(32,777,000)	(28.4%)
Disability Pensions	113,000,000	112,443,557	112,444,000	(556,000)	(0.5%)
Surv. Spouse/Domestic Partner Pensions	173,000,000	168,177,229	168,178,000	(4,822,000)	(2.8%)
Minor / Dependent Pensions	3,400,000	3,610,746	3,611,000	211,000	6.2%
Refund of Contributions	10,100,000	5,464,374	5,465,000	(4,635,000)	(45.9%)
<i>Subtotal Pension Benefits</i>	<u>\$ 1,476,900,000</u>	<u>\$ 1,397,684,595</u>	<u>\$ 1,397,687,000</u>	<u>\$ (79,213,000)</u>	<u>(5.4%)</u>
<i>OPEB</i>					
Health Insurance Premium Subsidy	162,000,000	151,707,066	151,708,000	(10,292,000)	(6.4%)
Dental Insurance Premium Subsidy	5,400,000	4,936,192	4,937,000	(463,000)	(8.6%)
Medicare Reimbursement	17,000,000	16,502,213	16,503,000	(497,000)	(2.9%)
Health Insurance Premium Reimbursement	2,000,000	1,883,345	1,884,000	(116,000)	(5.8%)
<i>Subtotal OPEB</i>	<u>\$ 186,400,000</u>	<u>\$ 175,028,816</u>	<u>\$ 175,032,000</u>	<u>\$ (11,368,000)</u>	<u>(6.1%)</u>
Total Benefits Expenses	<u>\$ 1,663,300,000</u>	<u>\$ 1,572,713,411</u>	<u>\$ 1,572,719,000</u>	<u>\$ (90,581,000)</u>	<u>(5.4%)</u>
Investment Management Expense ⁴	165,350,675	35,370,296	162,814,136	(2,536,539)	(1.5%)
Administrative Expense ⁵	31,114,550	28,105,429	27,733,583	(3,380,967)	(10.9%)
Total Expenses	<u>\$ 1,859,765,225</u>	<u>\$ 1,636,189,136</u>	<u>\$ 1,763,266,719</u>	<u>\$ (96,498,506)</u>	<u>(5.2%)</u>
RECEIPTS OVER EXPENSES⁶	<u>\$ (425,048,708)</u>	<u>\$ (36,017,940)</u>	<u>\$ (162,494,782)</u>	<u>\$ 262,553,926</u>	<u>(61.8%)</u>
	CURRENT MONTH	YTD MOVING AVERAGE			
PENSION PAYROLL	<u>\$ 134,143,923</u>	<u>\$ 130,604,086</u>			

¹ Represents the City of Los Angeles (City) General Fund Annual Required Contribution, including the amount earmarked to pay excess benefits and associated administrative costs in compliance with IRC Section 415. For 2024-25, funds totaling \$283,947.27 from the prior fiscal year were re-appropriated on July 31, 2024 to the current year Excess Benefit Plan (EBP) fund budgeted at \$1,601,119. Since the EBP revenue is not transferred to LAFPP, it is excluded from the department's total revenue.

² Actual Year to Date includes contributions from Pay Period Ending June 29, 2024 through Pay Period Ending June 14, 2025, and revenue from member buybacks through June 26, 2025.

³ Earnings on Investments does not include Gain (Loss) on Sale of Investments, which is recorded in LAFPP financial statements after the amount is audited. Therefore an amount is not included in the budget, actuals, or projections.

⁴ Investment Management Expense includes fees which are paid directly to asset managers and fees which are deducted from assets. The 2024-25 Final Budget Schedule 4 assumes \$118,038,308 will be deducted from assets but the actual amount is unavailable at this time. In addition, the Year-End Projections are as of April 30, 2025 as presented in the 2025-26 Final Budget. The actual year to date amount will be included in the LAFPP financial statements after the amount is audited.

⁵ Actual Year to Date reflects Year-to-Date commitments which include encumbrances and expenditures.

⁶ Figures may be rounded.

DEPARTMENT OF FIRE AND POLICE PENSIONS
BUDGET TO ACTUAL - ADMINISTRATIVE & INVESTMENT MANAGEMENT EXPENSES
As of June 30, 2025 (100.00% of fiscal year)

Attachment 7

ADMINISTRATIVE EXPENSE	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	ADOPTED BUDGET	BUDGET CHANGES	MODIFIED BUDGET (A + B = C)	YEAR TO DATE TOTAL COMMITTED ¹	REMAINING BALANCE (C - D = E)	YEAR END PROJECTED EXPENSES	DIFFERENCE (UNDER) / OVER PROJECTED (F - C = G)	VARIANCE % ² (G / C = H)
ACCOUNT TITLE								
Salaries - General ^{3, 4}	17,507,000	(128,100)	17,378,900	15,502,945	1,875,955	15,502,945	(1,875,955)	(10.8%)
Salaries - As-Needed ^{3, 4}	204,600	128,100	332,700	253,064	79,636	253,064	(79,636)	(23.9%)
Overtime	102,500	-	102,500	88,219	14,281	88,219	(14,281)	(13.9%)
Printing and Binding	38,000	-	38,000	25,000	13,000	25,000	(13,000)	(34.2%)
Travel Expense	142,300	-	142,300	64,794	77,506	64,794	(77,506)	(54.5%)
Contractual Expense	4,699,500	-	4,699,500	4,149,005	550,495	4,149,005	(550,495)	(11.7%)
Transportation	6,000	-	6,000	6,000	-	6,000	-	0.0%
Medical Services	400,000	-	400,000	306,600	93,400	306,600	(93,400)	(23.4%)
Health Insurance	2,033,000	-	2,033,000	2,033,000	-	1,693,000	(340,000)	(16.7%)
Dental Insurance	59,000	-	59,000	59,000	-	48,000	(11,000)	(18.6%)
Other Employee Benefits	47,000	-	47,000	47,000	-	47,000	-	0.0%
Retirement Contribution	4,738,000	-	4,738,000	4,721,462	16,538	4,729,100	(8,900)	(0.2%)
Medicare Contribution	261,000	-	261,000	223,966	37,034	229,800	(31,200)	(12.0%)
Election Expense	97,000	-	97,000	97,000	-	62,000	(35,000)	(36.1%)
Office and Administrative Expense	717,650	-	717,650	520,056	197,594	520,056	(197,594)	(27.5%)
Furniture, Office & Technology	55,000	-	55,000	1,318	53,682	2,000	(53,000)	(96.4%)
Unappropriated Balance	-	-	-	-	-	-	-	--
Tuition Reimbursement	7,000	-	7,000	7,000	-	7,000	-	0.0%
TOTAL ADMINISTRATIVE EXPENSE	\$ 31,114,550	\$ -	\$ 31,114,550	\$ 28,105,429	\$ 3,009,121	\$ 27,733,583	\$ (3,380,967)	(10.9%)
TOTAL INVESTMENT MANAGEMENT EXPENSE	\$ 165,350,675	\$ -	\$ 165,350,675	\$ 35,370,296	\$ 129,980,379	\$ 162,814,136	\$ (2,536,539)	(1.5%)

¹ Year to Date Total Committed includes encumbrances and expenditures.

² Percentage difference between Year End Projected Expenses and the Adjusted Budget.

³ Year to Date Total Committed includes partial Pay Period 1 (July 1 - 13, 2024) through Pay Period Ending June 14, 2025.

⁴ On November 7, 2024, the Board authorized a fund transfer from Account No. 641010 Salaries, General to Account No. 641070 Salaries, As-Needed to offset a projected shortfalls in Pensions and Investments Divisions.