

AGENDA

BOARD OF FIRE AND POLICE PENSION

COMMISSIONERS

September 4, 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 Firefighter III Fred R. Nuesca. Mr. Nuesca will be representing himself.
2. Retired Sergeant I Jean L. Peterson. Ms. Peterson will be represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin & Lee, LLP.

D. CONSENT ITEMS

1. [CONTRACTOR DISCLOSURE REPORT: SECOND QUARTER 2025](#)
2. Findings of Fact
 - a. Edwina M. Hearn – Tier 3
 - b. R. Maggie R. Luquin – Tier 5
3. Approval of Minutes

[Regular Board meeting minutes of August 7, 2025](#)

E. REPORTS TO THE BOARD

1. [APPROVAL OF A ONE-YEAR CONTRACT EXTENSION WITH GIA PARTNERS, LLC FOR CORE PLUS FIXED INCOME INVESTMENT MANAGEMENT SERVICES AND POSSIBLE BOARD ACTION](#)
2. [CONSIDERATION OF ASSUMPTIONS FOR THE JUNE 30, 2025 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION](#)
3. [STATUS STATUS OF INFORMATION REQUEST FROM UNITED FIREFIGHTERS OF LOS ANGELES CITY \(UFLAC\) CONSERVATOR AND POSSIBLE BOARD ACTION](#)

4. FISCAL YEAR 2024-25 GOVERNANCE COMPLIANCE REPORT AND POSSIBLE BOARD ACTION
5. PRIVATE EQUITY CONSULTANT ORGANIZATIONAL UPDATES

F. GENERAL MANAGER'S REPORT

1. Benefits Actions approved by General Manager on August 21, 2025
2. 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: SEPTEMBER 4, 2025

ITEM: D.1

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: CONTRACTOR DISCLOSURE REPORT: SECOND QUARTER 2025

THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.

DISCUSSION

The Board adopted the Contractor Disclosure Policy to provide transparency in LAFPP's contracting process and to help ensure that investment and procurement decisions are made solely on the merits of the goods or services proposed to be provided by Contractors to LAFPP.

Section 1.18.I.f of the Policy reads as follows:

“Internal audit staff will compile a quarterly Board report containing the names and amount of compensation agreed to be provided to each Intermediary by each Contractor, the campaign or other contributions and gifts of each Contractor and the List of Contacts as reported in the Contractor Disclosures; the List of Exclusions and the List of Outstanding Contractor Disclosures.”

In accordance with the above section, staff is providing its quarterly report to the Board. Internal Audit Section (IAS) received 97 disclosure reports required for the period ending June 30, 2025. The following table is a breakdown of the reports IAS received as quarterly and new disclosure reports.

Filing Type	No. Required	No. Received
Quarterly Disclosures	81	81
Annual Disclosures¹	3	3
New Disclosure Reports (For RFP responses and new investment funds)	13	13
Total	97	97

In addition to the required disclosures, IAS received 8 disclosures voluntarily submitted by contractors that are exempt from the quarterly reporting requirements.

¹ Per Section 1.18.B.3.b of the Policy, non-investment and non-legal contractors paid \$20,000 or less each fiscal year are required to submit an annual disclosure after June 30th.

For this quarter, there were no policy exclusions or outstanding disclosures. Additionally, there were 12 disclosed gifts and no reportable campaign contributions, other contributions, contacts, or intermediary information. Attachment 1 lists details on any required disclosure categories for the quarter. Attachment 2 summarizes investor meeting information disclosed by Future Standard (formerly Portfolio Advisors LLC), the Board's private equity consultant. Attachment 3 summarizes investor meeting information disclosed by Stepstone Private Debt Group, the Board's private credit consultant.

BUDGET

There is no budget impact associated with this report.

POLICY

There is no policy impact associated with this report.

This report was prepared by:

Christian Torres, Internal Auditor II
Internal Audit Section

JS:RT:JV:CT

Attachments: 1. Contractor Disclosure Information
2. Private Equity Consultant Disclosure Summary
3. Private Credit Consultant Disclosure Summary

CONTRACTOR DISCLOSURE SUMMARY
DEPARTMENT OF FIRE AND POLICE PENSIONS

As of June 30, 2025

Attachment 1

OUTSTANDING DISCLOSURES					
Contract Number	Vendor / Contract Name	Contract Term		Responsible Section	Reason for non-disclosure
		Start Date	Exp. Date		
	None				
NEW EXCLUSIONS					
	Vendor / Contract Name	Exclusion Date		Exclusion Information	
	None				
CAMPAIGN CONTRIBUTIONS					
Contract Number	Vendor / Contract Name	Contract Term		Campaign Contribution Information	
		Start Date	Exp. Date		
	None				
OTHER CONTRIBUTIONS					
Contract Number	Vendor / Contract Name	Contract Term		Contribution Information	
		Start Date	Exp. Date		
	None				
DISCLOSED CONTACTS					
Contract Number	Vendor / Contract Name	Contact Date		Contact Information	
	None				
DISCLOSED GIFTS					
Contract Number	Vendor / Contract Name	Gift Date	Gift Information		
802PEN 803PEN	Future Standard (formerly Portfolio Advisors)	4/30/2025	Managing Director, Payton T. Brooks, received a round of golf valued at \$675 at the Leonard Green & Partners 2025 Investor Conference.		
		5/8/2025	Associate, Paul Monson, received a jacket valued a \$75 at the Wind Point Partners 2025 Annual General Meeting.		
		5/21/2025	Managing Director, Payton T. Brooks, received a S'mores kit gift sent to the office valued at \$109 as a closing gift from Pelion Venture Partners		
		5/21/2025	Managing Director, Gregory J. Garrett, received a S'mores kit gift sent to the office valued at \$109 as a closing gift from Pelion Venture Partners		
		6/5/2025	Managing Director, Payton T. Brooks, attended a Red Sox baseball game and dinner, for a total gift package valued at \$200 as part of the New Heritage 2025 Annual General Meeting.		
		6/11/2025	Managing Director, Payton T. Brooks attended a Pirates baseball game valued at \$100 at the Incline 2025 Annual General Meeting.		
		6/11/2025	Senior Associate, Aidan Mauro, attended a Pirates baseball game valued at \$100 at the Incline 2025 Annual General Meeting.		
		6/11/2025	Managing Director, Adam G. Clemens, received a clothing item valued at \$128 and attended a Pirates baseball game valued at \$100, for a total gift package valued at \$228 at the Incline 2025 Annual General Meeting.		

CONTRACTOR DISCLOSURE SUMMARY
DEPARTMENT OF FIRE AND POLICE PENSIONS

As of June 30, 2025

Attachment 1

		6/24/2025	Managing Director, Geoffrey P. Kellerman received a jacket valued at \$55.95 at the 2025 Charger Investment Partners LPAC.		
	Threshold Ventures V, L.P.	11/1/2023	Previously reported providing a jacket and chocolates valued at a total of \$169.40 to Jorge Rossello, Senior VP, Portfolio Advisors. Portfolio Advisors reported a gift of a jacket and chocolates valued at a total of \$200 to Jorge Rossello, Senior VP, which was included in their Q4 2023 report.		
		11/1/2024	Previously reported providing a firm branded travel bag valued at \$149.33 to Hugh Perloff, Managing Director at Portfolio Advisors. Portfolio Advisors reported the gift of the travel bag, attributed to Jennifer Lin, Analyst, which was included in their Q4 2024 report.		
817PEN	Townsend Group	5/15/2025	Principal, Felix Fels, received a lunch valued at \$60 from Blackstone.		
INTERMEDIARY INFORMATION					
Contract Number	Vendor / Contract Name	Intermediary	Compensation	Disclosure Date	Notes
	None				

PRIVATE EQUITY CONSULTANT DISCLOSURE INFORMATION

Future Standard (formerly Portfolio Advisors LLC)

Private equity consultants attend annual and advisory board meetings of the underlying portfolio funds as part of their due diligence and to fulfill their responsibilities to their clients. Future Standard provided information related to annual or advisory board meetings. IAS summarized the disclosure information in consideration of due diligence protections in certain limited partnership agreements.

The table below is a summary of meetings attended and gifts of lodging and transportation, as defined in LAFPP's Contractor Disclosure Policy and as reported by Future Standard for the second quarter of 2025.

Number of Annual and/or Advisory Board Meetings	Number of FS Staff Attending as Advisory Board Members	Total Number of FS Staff in Attendance, Including Advisory Board Members	Number of Attendees w/ Travel and Lodging Provided by GP	Number of Attendees w/ Lodging Only Provided by GP
33	6	47	3	9

In addition, Future Standard has in place a Gifts and Entertainment Policy. IAS has reviewed the policy and notes that it is robust, comprehensive, and demonstrates commitment to ensuring employees' actions are free from conflicts of interest, the appearance of conflicts of interest, and potential violations of law. Key provisions of the policy include restrictions on gifts and entertainment and reporting to the respective Chief Compliance Officer.

PRIVATE CREDIT CONSULTANT DISCLOSURE INFORMATION

Stepstone Group Private Debt LLC

LAFPP's private credit consultant, Stepstone Group, attends annual and advisory board meetings of underlying portfolio funds as due diligence and to fulfill their responsibilities to their clients. Stepstone provided information related to annual or advisory board meetings in consideration of due diligence protections in certain limited partnership agreements. IAS summarized the disclosure information in consideration of due diligence protections in certain limited partnership agreements.

The table below is a summary of meetings attended and gifts of lodging and transportation, as defined in LAFPP's Contractor Disclosure Policy and as reported by Stepstone Group Private Debt LLC for the second quarter of 2025.

Number of Annual and/or Advisory Board Meetings	Number of Stepstone Staff Attending as Advisory Board Members	Total Number of Stepstone Staff in Attendance, Including Advisory Board Members	Number of Attendees w/ Travel and Lodging Provided by GP	Number of Attendees w/ Lodging Only Provided by GP
1	0	1	0	0

Stepstone Group has a Code of Ethics in place that contains provisions to prevent improper personal trading, identify conflicts of interest, and provides a means to resolve or disclose any actual or potential conflicts. IAS has reviewed the policy and notes that it is robust, comprehensive, and demonstrates commitment to ensuring employees' actions are free from conflicts of interest, the appearance of conflicts of interest, and potential violations of law. Key provisions of the policy include restrictions on gifts and entertainment, political contributions, and outside activities.

MINUTES
OF THE
BOARD OF FIRE AND POLICE PENSION COMMISSIONERS
BOARD MEETING OF AUGUST 7, 2025

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, August 7, 2025.

COMMISSIONERS PRESENT: Andrea Ambriz, President
 Brian J. Churchill, Vice President (Teleconference)
 Rigoberto Arellano
 Kenneth E. Buzzell
 William Chun
 Carlton J. Jenkins
 Nanxi Liu
 Raul Perez
 Garrett W. Zimmon

DEPARTMENT OF FIRE AND
POLICE PENSIONS: Myo Thedar, Executive Officer
 Gregory Mack, Assistant General Manager
 Bryan Fujita, Chief Investment Officer
 Tiffany West, Commission Executive Assistant

CITY ATTORNEY'S OFFICE: Joshua Geller, Supervising Attorney

President Ambriz 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 eight Commissioners participating in-person from the Boardroom. Commissioner Churchill is participating via teleconference.

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. DISABILITY CASE

DISABILITY CLAIM – NEW CLAIM – TIER 3

Edwina M. Hearn

(P)

Police Sergeant I (Retired)

As recommended by staff and concurred by the applicant, the prior Board Action of April 20, 2023, granting a service pension is rescinded and a service-connected disability pension of 71% is granted for her neck, lower back, and bilateral knees, and due to the nature of the disability, no foreseeable purpose would be served in requiring periodic medical examinations. Motion made by Commissioner Perez, seconded by Commissioner Buzzell, and adopted by the following vote: ayes, Commissioners Arellano, Buzzell, Chun, Churchill, Jenkins, Liu, Perez, Zimmon, and President Ambriz – 9; nays, none. Ms. Hearn was not present but was represented by Michael D. Treger, Esq. of Straussner Sherman Lonné Treger Helquist Krupnik.

D. CONSENT ITEMS

1. Approval of Minutes

Regular Board meeting minutes of July 3, 2025

Commissioner Jenkins moved that the Board approve the consent items, which was seconded by Commissioner Liu and approved by the following vote: ayes, Commissioners Arellano, Buzzell, Chun, Churchill, Jenkins, Liu, Perez, Zimmon, and President Ambriz – 9; nays, none.

E. REPORTS TO THE BOARD

1. APPROVAL OF ONE-YEAR EXTENSION TO CONTRACTS WITH CURRENT OUTSIDE SECURITIES MONITORING AND LITIGATION COUNSEL: BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP, BLEICHMAR FONTI & AULD LLP, COHEN MILSTEIN SELLERS & TOLL PLLC, ROBBINS GELLER RUDMAN & DOWD LLP, AND SAXENA WHITE P.A., AUTHORIZATION TO RELEASE AN RFP FOR SECURITIES MONITORING AND LITIGATION COUNSEL, AND POSSIBLE BOARD ACTION

Mr. Joshua Geller, Supervising Attorney of the Public Pensions General Counsel Division presented this item to the Board. The report was approved as submitted.

Resolution 26014

Commissioner Perez moved that the Board:

1. Approve one-year contract extensions with current Outside Securities Monitoring Counsel Bernstein Litowitz Berger & Grossmann LLP, Bleichmar Fonti & Auld LLP, Cohen Milstein Sellers & Toll PLLC, Robbins Geller Rudman & Dowd LLP, and Saxena White P.A. to expire as extended on October 31, 2026;
2. Authorize the General Manager to execute such contract amendments on behalf of the Board, subject to the City Attorney's approval as to form; and,
3. Authorize the City Attorney's Office to publish a Request for Proposals (RFP) for outside securities monitoring and litigation counsel, with the target of executing new three-year contracts with firms jointly approved by the Board and the City Attorney pursuant to Charter Section 275,

which was seconded by Commissioner Arellano and approved by the following vote: ayes, Commissioners Arellano, Buzzell, Chun, Churchill, Jenkins, Liu, Perez, Zimmon, and President Ambriz – 9; nays, none.

2. CONSIDERATION OF CYBER LIABILITY INSURANCE RENEWAL AND POSSIBLE BOARD ACTION

Messrs. David Nuno, Director of Systems, Systems Section, Dennis Yuen, Senior Broker, and Ms. Anna Bell, Vice President of Segel Select presented and discussed this item with the Board. Ms. Myo Thedar, Executive Officer, Administrative Operations Division, provided additional comment. The report was approved as submitted.

Resolution 26015

Commissioner Buzzell moved that the Board:

1. Approve the one-year cyber liability insurance renewal proposal, with a \$5 million limit, for \$81,375 (plus \$2,587.73 in fees and taxes) from Beazley Group;
2. Approve the one-year excess cyber liability insurance renewal proposal, with a \$5 million limit, for \$61,031.00 (plus \$2,385.79 in fees and taxes) from Tokio Marine/Houston Casualty Company (TMHCC);
3. Authorize the General Manager to negotiate and execute the required documents with our current broker, Segal Select Insurance Services, Inc., to bind coverage for cyber liability insurance as approved by the Board, at an annual cost not to exceed \$148,000 (including the excess limits); and,
4. Authorize the General Manager to issue the approved retention amount, if necessary,

which was seconded by Commissioner Arellano and approved by the following vote: ayes, Commissioners Arellano, Buzzell, Chun, Churchill, Jenkins, Liu, Perez, Zimmon, and President Ambriz – 9; nays, none.

3. SEMI-ANNUAL REPORT ON DEI OUTREACH AND EMERGING MANAGER DATA

Messrs. Bryan Fujita, Chief Investment Officer and Angel Meza Contreras, Management Analyst of the Investments Division, presented and discussed this item with the Board. The report was received and filed.

4. ANNUAL UFLAC RETIREE HEALTH AND DENTAL PLAN PRESENTATIONS

Ms. Shirley Xia, Benefits Analyst, Medical and Dental Benefits Section, and Mr. Dave Riles, Director of United Firefighters of Los Angeles City provided a brief summary and introduced the presenters. Messrs. Gregory Mack, Assistant General Manager, Pensions Division and Joshua Geller, Supervising Attorney, Public Pensions General Counsel Division provided additional comments.

a) ANTHEM BLUE CROSS SELECT HMO, ANTHEM BLUE CROSS HSA PPO, ANTHEM MEDICARE ADVANTAGE HMO, AND ANTHEM MEDICARE ADVANTAGE PPO MEDICAL PLANS

Mr. Brandon Moschetto, Account Executive and Ms. Jennifer Lincicum, President of Fickewirth Benefits Advisors presented and discussed this item with the Board. The report was received and filed.

b) METLIFE BASIC DPPO, METLIFE DPPO, AND METLIFE DHMO DENTAL PLANS

Mr. Brandon Moschetto, Account Executive and Ms. Jennifer Lincicum, President of Fickewirth Benefits Advisors presented and discussed this item with the Board. The report was received and filed.

F. GENERAL MANAGER'S REPORT

1. Benefits Actions approved by General Manager on July 17, 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 – 17

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Died</u>
Robert B. Hamilton	Fire Service	2	10-13-96	06-05-25
Howard G. Haws	Fire Service	2	02-28-90	06-05-25
Elton D. Johnson	Fire Service	5	08-03-08	06-02-25
Thomas R. Kaiser	Fire Service	2	06-01-78	05-24-25
Dimitrius J. Lynch	Fire Service	5	01-29-19	03-13-25

Peter P. Pfleger	Fire Service	5	10-17-04	05-11-25
Richard F. Murphy	Fire Disability	3	03-19-98	02-21-25
Sherl R. Hovas	Police Service	2	07-02-89	05-13-25
Jerry J. Lewis	Police Service	2	09-03-88	06-12-25
Calvin D. Schlotzhauer	Police Service	2	04-01-84	04-21-25
Steven E. Turley	Police Service	2	07-11-93	05-25-25
Jimmy N. Conger	Police Disability	1	07-02-72	05-03-25
Quinton O. Mitchell	Police Disability	2	06-29-82	06-04-25
Richard D. Stage	Police Disability	2	11-01-78	06-05-25
Barbara L. Brandt	Police Widow	2	04-04-23	06-15-25
Vivian V. Duncan	Police Widow	1	04-29-71	06-21-25
Sharilyn J. Gomez	Police Widow	2	09-26-13	06-04-25

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>
Sonia E. Allen	Fire Service	5	05-02-04		06-24-25
Barbara L. Woodson	Fire Service	5	08-03-08	06-02-25	

DISCONTINUED PENSIONS DESIGNATED BENEFICIARY – 1

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Member Died</u>	<u>Died</u>
Deanna Pfleger	Fire Service	5	03-19-10	05-11-25	

ELIGIBLE SURVIVING SPOUSE'S PENSION – 8

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Kathleen C. Hamilton	Robert B. Hamilton	Fire Service	2	06-06-25
Alice P. Harbour	Alan R. Harbour	Fire Service	2	05-21-25
Joell A. Haws	Howard G. Haws	Fire Service	2	06-06-25
Ilo J. Kaiser	Thomas R. Kaiser	Fire Service	2	05-25-25
Carolyn R. Kirby	Michael D. Kirby	Fire Service	5	06-04-25
Ruth A. Lewis	Jerry J. Lewis	Police Service	2	06-13-25
Donna M. Stroud	David W. Stroud	Fire Service	5	06-21-25
Rebecca A. Turley	Steven E. Turley	Police Service	2	05-26-25

ELIGIBLE DOMESTIC PARTNER'S PENSION – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Janet E. Brown	Peter P. Pfleger	Fire Service	5	05-12-25

ELIGIBLE SURVIVOR BENEFIT PURCHASE PROGRAM PENSION – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Judith E. Johnson	Elton D. Johnson	Fire Service	5	06-03-25

DISCONTINUED PENSIONS MINOR CHILD – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Matthew P. Shepard	William A. Eaton	Police Nonservice- Connected Death	5	07-21-25

PARTIAL PAYMENT OF SURVIVING DOMESTIC PARTNER'S PENSION – 1

<u>Eligible Domestic Partner's Name</u>	<u>Designated Beneficiary</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Action</u>	<u>Effective</u>
Janet E. Brown (Peter P. Pflieger)	Deanna Pflieger	Fire Service	5	Paid/COLA	05-12-25

COMMUNITY PROPERTY DIVISION OF PENSION – 1

<u>Member's Name</u>	<u>Former Spouse</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Action</u>	<u>Effective</u>
Robert L. Yanez	Claudia A. Yanez	Police Disability	4	Withheld/COLA	07-01-25

SERVICE PENSION – 9

POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Paul S. Aeschliman	Sergeant I	5	06-01-25	28.050959
Jason M. Armendariz	Police Officer II	3	05-21-25	29.991920
Samuel J. Briggs	Police Officer III	4	06-15-25	25.865959
Victor H. Corral	Police Officer II	3	06-01-25	29.737185
Hector A. Diaz, Jr.	Police Officer III	5	06-01-25	28.733356
Dorothy M. Hardaway	Police Officer II	3	07-25-24	28.829971
Brodie D. Seagrave	Lieutenant I	5	05-31-25	23.628829
Melinda M. Swaisgood	Police Officer III	5	05-30-25	26.712329
Jeffrey X. Vach	Sergeant I	5	06-07-25	28.304453

SERVICE PENSION/DROP – 15

FIRE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Darius A. Cunnigan	Captain II	5	11-01-24	25.016439
Thomas M. Feingold	Firefighter III	5	03-01-24	35.857534
Scott A. Salerno	Firefighter III	5	11-03-24	25.021918

POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
-------------	-------------	-------------	------------------	--------------

Minutes of the Board of Fire and Police Pension Commissioners

Meeting of August 7, 2025

Page | 7

Teresa R. Aguirre	Detective II	5	04-01-24	26.716987
Edwin A. Ayala	Detective II	5	10-01-24	27.048562
Lonya C. Childs Graves	Captain II	5	11-01-24	30.110719
Carlos I. De La Cruz	Sergeant I	5	12-01-24	27.021918
Christopher E. Kelly	Police Officer III	5	06-03-24	28.197767
Michael C. Klee	Police Officer III	5	10-01-24	28.410051
Joel G. Miller	Sergeant II	5	12-02-24	25.926712
Suzanne M. Reed	Detective III	3	11-01-24	27.000000
Salvador Reyes	Detective III	5	10-01-24	27.360076
Alexander A. Schlegel	Detective III	3	08-01-24	28.258904
Damian A. Velasco	Lieutenant II	5	02-04-25	28.060274
Edgar N. Vega	Sergeant II	5	08-05-24	27.050684

DISCONTINUE DROP – 23

FIRE

<u>Name</u>	<u>Tier</u>	<u>Retired</u>	<u>Exit Close of</u>
Juan M. Achan	5	07-01-20	06-30-25
Timothy M. Kimball	5	07-07-20	07-06-25
Kenneth S. Miller	5	07-03-20	07-02-25
Steven T. Schimmel	5	10-03-22	07-07-25

POLICE

<u>Name</u>	<u>Tier</u>	<u>Retired</u>	<u>Exit Close of</u>
Rose M. Angel Rummer	5	07-01-20	06-30-25
Eric B. Bixler	5	02-01-22	07-05-25
Arno E. Clair	5	07-07-20	07-03-25
Cesar Corona	5	07-11-20	07-10-25
Robert M. Evans	5	07-01-21	07-01-25
Matthew S. Fryer	5	07-04-20	07-12-25
John H. Gregozek	5	08-03-23	07-12-25
Mark C. Griffin	5	09-20-22	06-30-25
Ross Y. Hay	5	07-01-20	06-30-25
Mary R. Hodges	5	02-01-21	06-30-25
James E. Huett	5	05-15-23	06-30-25
Gustavo E. Marroquin	5	03-01-21	07-26-25
John J. McMahon	4	07-01-20	06-30-25
Albert C. Ornelas	3	07-01-20	06-30-25
Todd R. Patino	5	09-11-20	06-30-25
David B. Podesta	3	06-01-23	06-30-25
Aaron C. Ponce	5	06-01-23	07-27-25
Brandon D. Reese	5	07-02-23	06-28-25
Andrey B. Wilkins	5	07-21-20	07-20-25

COMMUNITY PROPERTY DIVISION OF DROP/SERVICE PENSION – 3

POLICE

<u>Member</u>	<u>Former Spouse</u>	<u>Tier</u>	<u>Eff Date</u>	<u>Benefit</u>	<u>Action</u>
James G. Canales	Adriana Canales	5	01-21-24	DROP	Released
James G. Canales	Adriana Canales	5	01-22-24	Pension	Released/COLA
Ross Y. Hay	Traci L. Hay	5	06-30-25	DROP	Withheld
Ross Y. Hay	Traci L. Hay	5	07-01-25	Pension	Withheld/COLA
Matthew S. Fryer	Tami Wilkinson	5	07-12-25	DROP	Withheld
Matthew S. Fryer	Tami Wilkinson	5	07-13-25	Pension	Withheld/COLA

2. Other business relating to Department operations

Executive Officer Thedar gave the following updates:

1. The fund total is at \$34.6 billion this week. The preliminary, unaudited return for the fiscal year ending June 30th is 10.66% net of fees.
2. Staff recently received an inquiry from Council District 13, via Public Pensions General Counsel, inquiring if any of the City's three pension funds hold investments in GEO Group, CoreCivic, or any other private immigration detention center operators. The Investments team will be working toward a response.
3. The LAFPP Workforce related webpage has been updated to reflect the diverse demographics of our workforce as of July 1, 2025. The charts on the webpage were developed using voluntary self-reported data from our staff. Please take some time to visit our website at your convenience.
4. Tentative Agenda Items for the August 21, 2025 meeting:
 - Two private credit fund recommendations from StepStone
 - One real estate fund recommendation from Townsend
 - Two contract renewals, one for Boston Partners and one for Channing Capital Management
 - Approval of UFLAC Health and Dental Plans

5. New Staff Introductions

G. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Perez requested a report back on whether a higher amount of cyber liability insurance coverage is warranted for the next renewal.

Commissioner Liu requested a report on tracking the engagement of emerging managers referred to consultants.

The meeting ended at 10:08 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: SEPTEMBER 4, 2025

ITEM: E.1

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: APPROVAL OF A ONE-YEAR CONTRACT EXTENSION WITH GIA PARTNERS, LLC FOR CORE PLUS FIXED INCOME INVESTMENT MANAGEMENT SERVICES AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

1. Approve a one-year contract extension with GIA Partners, LLC for active Core Plus Fixed Income investment management services;
2. Authorize the General Manager to negotiate and approve the terms and conditions of the contract extension with GIA Partners, LLC for active Core Plus Fixed Income investment management services for the period October 1, 2025 to September 30, 2026; and,
3. Authorize the General Manager, on behalf of the Board, to execute the contract extension with GIA Partners, LLC for active Core Plus Fixed Income investment management services, subject to the approval of the City Attorney as to form.

BACKGROUND

GIA Partners, LLC (GIA) was one of two emerging fixed income managers hired in June 2015 through an open search conducted as part of the Board's direct Emerging Manager Program. The firm manages an active Core Plus Fixed Income portfolio, initially funded with \$25 million on October 1, 2015. GIA's contract was renewed for three-year terms in 2018 and 2021. In 2024, the Board approved a one-year contract extension to allow GIA the opportunity to address Staff's concerns about a substantial loss in total assets under management (AUM) as of June 30, 2024, which resulted in the firm being placed on the watch list. As of June 30, 2025, the Board's account was valued at approximately \$108.5 million. GIA is one of two emerging managers, alongside Medalist Partners, and one of three Core Plus managers, together with Reams Asset Management and LM Capital, in the fixed income portfolio. The current contract will expire on September 30, 2025.

DUE DILIGENCE REVIEW

As part of the due diligence process, Staff requested that GIA complete a comprehensive questionnaire. The questionnaire focused on areas of ownership, personnel, assets under management, investment style, and investment performance.

OWNERSHIP

GIA was originally founded as Global Investment Advisors in 1998 by Eduardo Cortes. In 1999, Mr. Cortes was joined by his former colleagues from JP Morgan Investment Management (JPMIM), at which time Global Investment Advisors became a division of Reich & Tang Asset Management and began managing assets for institutional investors. GIA successfully spun out of Reich & Tang Asset Management in July 2009 and established itself as an independent registered investment advisor, wholly owned by members of the investment team. In December 2020, Chicago-based asset management firm, Ziegler Capital Management (ZCM), purchased a 40.7% minority interest in GIA. In March 2024, GIA's investment team repurchased ZCM's interest, and GIA became 100% owned by GIA's investment team once again.

PERSONNEL

GIA's Chief Executive Officer and Chief Investment Officer, Eduardo Cortes, has day-to-day responsibility for portfolio construction, asset allocation, security selection, and risk management for the Board's account. He is assisted by Deputy Chief Investment Officer, Albert Tseng. The investment team is led by Mr. Cortes and includes Mr. Tseng, as well as portfolio managers David Ellis, Hamburg Tang, Jr., and Miguel Escobar. Portfolio manager Aswini Krishan left the firm and moved to London in January 2025. Her responsibilities and ownership interest were distributed among the other members of the investment team. Each portfolio manager also serves as a research analyst and is responsible for identifying and analyzing investment opportunities within their assigned industries. Arnold West, Director of Institutional Relationships, has been the contact on the Board's account since April 2024.

ASSETS UNDER MANAGEMENT

As of June 30, 2025, GIA managed approximately \$1.02 billion for 17 institutional clients across eight fixed income strategies. Since the beginning of the current contract period on October 1, 2024, assets under management have grown by \$60 million (from \$956 million) and one additional institutional client was acquired. While the firm gained one client, the AUM growth stems primarily from capital appreciation, driven by positive security and sector selection despite market uncertainty during the period.

The Core Plus strategy used for the Board's account serves six institutional clients with combined assets of \$643 million as of June 30, 2025, growing by \$10 million since the start of the contract period on October 1, 2024. The Board's account value increased by approximately \$1.4 million over the current contract cycle, rising from \$107.1 million on October 1, 2024, to \$108.5 million as of June 30, 2025. No withdrawals were made during this period.

INVESTMENT STYLE

GIA's portfolio construction is based on a bottom-up relative value approach. The portfolio's sector allocation, credit quality, and industry exposure are the result of the firm's bottom-up portfolio construction. The portfolio is managed on a team basis and each portfolio manager/analyst is responsible for global coverage of their assigned industries, evaluating securities with credit ratings ranging from AAA (investment grade) down to CCC (non-investment grade). An in-depth review of macro-economic conditions is conducted on a quarterly basis and integrated into the primarily bottom-up investment analysis.

The main performance driver in the portfolio comes from the team's credit selection. GIA believes that credit risk should always be well-compensated. GIA utilizes securities such as high yield bonds and emerging market debt to capitalize on opportunities and drive performance above its benchmark, the Bloomberg U.S. Aggregate Bond Index plus 0.50%. Compared to its benchmark, GIA holds an overweight to investment grade credit, emerging market debt, and high yield bonds. The Board's account held an average of 405 securities during the current contract period.

INVESTMENT PERFORMANCE

GIA's performance benchmark is the Bloomberg U.S. Aggregate Bond Index plus 0.50%. The firm has delivered strong and consistent returns, outperforming its benchmark, net of fees, over the 3-, 5-, 7-year and since inception periods ending June 30, 2025. Since inception, the firm has beaten its benchmark, net of fees, by 54 basis points (bps) on an annualized basis, ranking in the 2nd quartile (40th percentile) amongst its peers.

Attachment I provides GIA's performance since inception of the account.

CONCLUSION

The GIA Core Plus portfolio has performed well and added value to the Plan on a net of fees basis for all measured periods except the most recent year. The firm's annual blended investment management fee is 26 bps or approximately \$282,100 based on the June 30, 2025 market value of \$108.5 million. The fee ranks in the 29th percentile in the eVestment Core Fixed Income universe based on similar account sizes and mandates. The median fee for an active manager in this universe is 28 bps. Since the account's inception in 2015, Mr. Cortes has continued to lead the portfolio management team with no planned changes for the foreseeable future.

GIA was placed on the watch list as of June 30, 2024, following a substantial decline in AUM due to the loss of a large client. This client departure, which resulted from changes in the client's asset allocation rather than performance issues, brought GIA's total AUM below \$1 billion. Since that time, GIA's AUM has recovered to just over \$1 billion as of June 30, 2025.

Given GIA's positive investment performance, stable investment team, and firm AUM growth, both Staff and RVK, the Board's general investment consultant, recommend retaining GIA while continuing to closely monitor the firm's operations. Staff therefore recommends extending GIA's contract for Core Plus Fixed Income investment management services for an additional one-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 GIA's management fees have already been projected and included in the budget.

POLICY

Approval of this recommendation will have no policy impact.

CONTRACTOR DISCLOSURE INFORMATION

GIA Partners, LLC complied with LAFPP's Contractor Disclosure Policy regarding campaign contributions, charitable contributions, intermediaries, gifts, and contacts on July 23, 2025. Internal Audit Section reviewed the provided information and determined there was nothing new to report under this policy.

This report was prepared by:

Miki Shaler, Investment Officer
Investments Division

JS:BF:AC:MS

Attachments: I – GIA Performance Information
 II – RVK Recommendation Memo

GIA Partners Performance Information
Return as of June 30, 2025

	CYTD	1-Year	3-Year	5-Year	7-Year	Inception Return	Inception Date
GIA Partners Fixed Income (Gross of Fees)	4.02%	6.63%	4.22%	1.09%	3.03%	2.99%	10/1/2015
GIA Partners Fixed Income (Net of Fees¹)	3.82%	6.35%	3.96%	0.83%	2.76%	2.72%	
Bloomberg US Agg Bond Index +0.50%	4.28%	6.61%	3.06%	-0.23%	2.28%	2.18%	
Difference (Gross of fees)	-0.26%	0.02%	1.16%	1.32%	0.75%	0.81%	
Difference (Net of fees)	-0.46%	-0.26%	0.90%	1.06%	0.48%	0.54%	
IM U.S. Brd Mkt Core+ Fixed Income (SA+CF) Median	4.37%	6.88%	3.99%	0.68%	2.83%	2.80%	
Percentile Rank (Investment Metrics Universe)	86	71	39	31	34	40	

¹ Based on an annual fee average as of 2Q25. GIA Partners's management fee is approximately 26 bps.

GIA Partners Performance Information
Calendar Year Annual Returns Information From 2016 - 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016
GIA Partners Fixed Income (Gross of Fees)	2.85%	7.45%	-13.12%	0.34%	9.63%	10.50%	-0.62%	5.24%	5.66%
GIA Partners Fixed Income (Net of Fees¹)	2.67%	7.18%	-13.36%	0.07%	9.34%	10.21%	-0.88%	4.94%	5.36%
Bloomberg US Agg Bond Index +0.50%	1.76%	6.06%	-12.58%	-1.05%	8.04%	9.26%	0.51%	4.06%	3.16%
Difference (Gross of fees)	1.09%	1.39%	-0.54%	1.39%	1.59%	1.24%	-1.13%	1.18%	2.50%
Difference (Net of fees)	0.91%	1.12%	-0.78%	1.12%	1.30%	0.95%	-1.39%	0.88%	2.20%
IM U.S. Brd Mkt Core+ Fixed Income (SA+CF) Median	2.81	6.86%	-12.94%	-0.25%	8.98%	9.94%	-0.25%	4.78%	4.67%
Percentile Rank (Investment Metrics Universe)	49	34	57	32	33	33	65	34	31

¹ Based on an annual fee average as of 2Q25. GIA Partners's management fee is approximately 26 bps.



Memorandum

To	The Los Angeles Fire and Police Pension System ("LAFPP")
From	RVK, Inc. ("RVK")
Subject	GIA Partners Fixed Income ("GIA Partners") Contract Renewal
Date	September 4, 2025

Recommendation

RVK recommends that the Board renew the GIA Partners contract for 1 year. This is in agreement with the Staff's recommendation to the Board.

The 1-year recommendation is based on the continued concern regarding GIA Partners' client account loss in 2024 that, at the time, accounted for 23% of the firm's AUM. As of June 30, 2025, GIA Partners manages just over \$1 billion. Staff and RVK have continued to place GIA Partners on the Watch List given the lack of notable development following the significant drop in AUM in 2024 and the risks it may continue to pose to the future economic viability of the firm should further asset loss occur.

Consistent performance, the new 100% employee ownership structure, and limited turnover among senior members of the investment team leads us to believe GIA Partners should be retained but monitored closely for further developments. Over all trailing time periods, GIA Partners has outperformed its benchmark as of June 30, 2025, ranking above median in the 39th and 31st percentile over the 3- and 5-year period, respectively.

Background

The GIA Partners contract expires on September 30, 2025. As of June 30, 2025, LAFPP has approximately \$108.5 million invested in a GIA Partners separate account, which represents approximately 3.0% of the Domestic Core Fixed Income composite, 1.5% of the Total Fixed Income composite, and 0.3% of the Total Plan. GIA Partners is part of the Emerging Manager program.

Firm

GIA Partners is based in New York City and manages over \$1.0 billion spanning several strategies as of June 30, 2025. GIA Partners, a certified Minority Business, is 100% employee owned. The firm is solely focused on fixed income solutions for clients, specializing in credit.

GIA Partners was founded in 1998 by Eduardo Cortes as Global Investment Advisors. In 1999, John Chigounis, David Ellis, and Hamburg Tang joined Mr. Cortes. The four investment professionals previously worked together at JP Morgan Investment Management (JPMIM) developing yield-enhanced and emerging market debt strategies. Also in 1999, Global Investment Advisors became a division of Reich & Tang Asset Management.

Hamilton Hadden, another former colleague from JPMIM, and Albert Tseng joined the team in 2001 and 2005, respectively. On July 6, 2009, the entire investment team successfully spun-out of Reich & Tang,



and GIA Partners was established as an independent Registered Investment Advisor, wholly-owned by the investment team. At the end of 2017, Mr. Chigounis retired from GIA Partners after a lengthy succession process but remains on GIA Partners' advisory board.

In December 2020, GIA Partners entered into a minority sale agreement with Ziegler Capital Management (ZCM) based out of Chicago. GIA Partners' owners retained a 59.3% ownership stake in the firm, maintaining their Minority Business Entity certification. In March 2024, the investment team repurchased its shares from ZCM and GIA Partners is currently 100% employee owned. The firm continues to maintain their Minority Business Entity certification.

Team

Strategies are run as a team with Eduardo Cortes serving as Chief Investment Officer and Albert Tseng as Deputy Chief Investment Officer. David Ellis, Hamburg Tang, and Miguel Escobar all serve as portfolio managers and analysts, contributing to the research and management of strategies. All are equity owners of the firm.

Mr. Ellis began his career with J.P. Morgan (through the Morgan Guaranty Company) in 1983. Mr. Tang began his career in 1988 with Brown Brothers Harriman as an Equity Analyst before moving on to J.P. Morgan Securities Asia in 1994 where he researched Asian debt securities. In 1997, he was named Vice President of the Emerging Market Debt team. Mr. Tseng began his investment career in 1996 at GE Capital and several years later became an associate at Citigroup Global Markets Asia. Before joining GIA Partners, Mr. Tseng was briefly a consultant at GlobeVest LLC.

Aswini Krishnan was hired in August 2018 to cover credit and portfolio analysis and idea generation. Prior to GIA Partners, she worked as a credit analyst at Deutsche Asset Management where she researched Latin America and emerging market corporate exposures. In January 2025, Ms. Krishnan left GIA Partners and her responsibilities and 2.5% ownership interest was distributed among the other members of the investment team.

Mr. Escobar was hired in June 2015 and currently covers companies in the basic industry, commodities, chemicals, and energy E&P industries globally. Mr. Escobar graduated with both a BS in Business Administration (2015) and an MBA in Finance (2017) from Fairleigh Dickinson University.

Product Strategy and Process

The strategies run by GIA Partners are all managed with a bottom-up, research intensive approach. All senior team members contribute to firm views on credit. The team believes that macro risk should be limited, and credit risk should be well compensated in any market environment. Mortgage and Treasury allocations provide the limited macro risks, while credit is where the team looks to for performance

drivers.

The portfolio is allocated to various plus sectors including emerging markets debt and high yield. The portfolio typically holds a significant overweight to credit, while also investing in government securities and Treasury issues. Their credit research process allows the team to analyze company free cash flow, firm competitive advantages, and compelling value propositions. The credit securities the team evaluates must demonstrate strong advantages in their market sector to be considered for inclusion in the portfolio.

All portfolios are managed as a team and at least two senior portfolio managers are needed to approve changes. In general, the team seeks consensus for making portfolio decisions and all portfolio managers (PMs) are responsible for credit research, particularly in emerging markets.

Performance (as of June 30, 2025)

The GIA Partners Fixed Income separate account has outperformed its benchmark by 54 basis points, annualized and net of fees, ranking in the 40th percentile. Over the recent 3-year period the fund has outperformed its benchmark by 89 basis points and ranked in the 39th percentile, and over the 5-year period the fund has outperformed by 106 basis points and ranked in the 31st percentile. The table below details GIA Partners' performance (gross and net of fees) as of June 30, 2025.

	CYTD	1 Year	3 Years	5 Years	7 Years	Since Incep.	Inception Date	Expense Ratio
GIA Partners Fixed Income (SA) - Gross	4.02	6.63	4.22	1.09	3.03	2.99	10/01/2015	0.26%
Bloomberg US Agg Bond Index + .50%	4.28	6.61	3.06	-0.23	2.28	2.18		
Difference	-0.26	0.02	1.16	1.32	0.75	0.81		
GIA Partners Fixed Income (SA) - Net	3.82	6.35	3.96	0.83	2.76	2.72	10/01/2015	
Bloomberg US Agg Bond Index + .50%	4.28	6.61	3.06	-0.23	2.28	2.18		
Difference	-0.46	-0.26	0.89	1.06	0.48	0.54		
IM U.S. Broad Market Core+ Fixed Income (SA+CF) Median	4.37	6.88	3.99	0.68	2.83	2.80		
Rank	86	71	39	31	34	40		

	2024	2023	2022	2021	2020	2019	2018	2017	2016
GIA Partners Fixed Income (SA) - Gross	2.85	7.45	-13.12	0.34	9.63	10.50	-0.62	5.24	5.66
Bloomberg US Agg Bond Index + .50%	1.76	6.06	-12.58	-1.05	8.04	9.26	0.51	4.06	3.16
Difference	1.10	1.39	-0.55	1.39	1.58	1.24	-1.13	1.18	2.50
GIA Partners Fixed Income (SA) - Net	2.67	7.18	-13.36	0.07	9.34	10.21	-0.88	4.94	5.36
Bloomberg US Agg Bond Index + .50%	1.76	6.06	-12.58	-1.05	8.04	9.26	0.51	4.06	3.16
Difference	0.91	1.12	-0.78	1.12	1.30	0.95	-1.39	0.88	2.20
IM U.S. Broad Market Core+ Fixed Income (SA+CF) Median	2.81	6.86	-12.94	-0.25	8.98	9.94	-0.25	4.78	4.67
Rank	49	34	57	32	33	33	65	34	31

**Fees**

Based on the June 30, 2025, market value of \$108.5 million, the effective annual expense ratio for GIA Partners is approximately 0.26%. This fee ranks in the 29th percentile when compared to the eVestment Core Plus Fixed Income universe utilizing a separate account vehicle and comparable mandate size. The median for this universe is 28 basis points.

Please see the attached manager profile page for additional information.

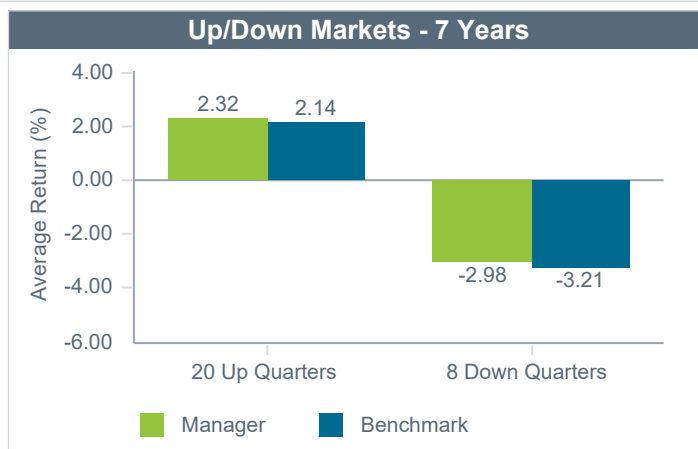
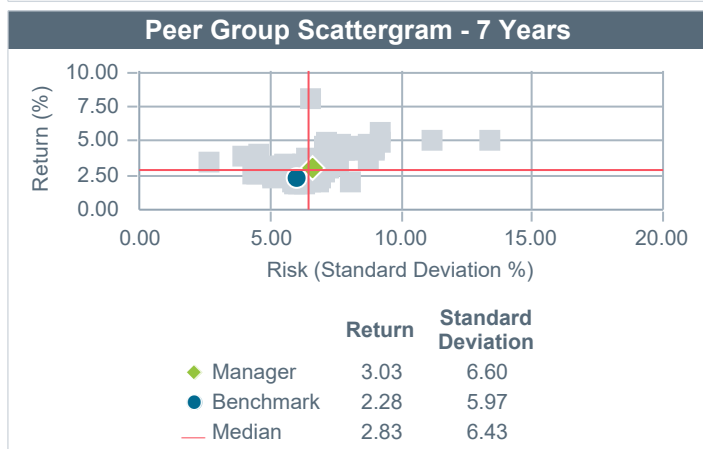
Manager: GIA Partners Fixed Income (SA)

As of June 30, 2025

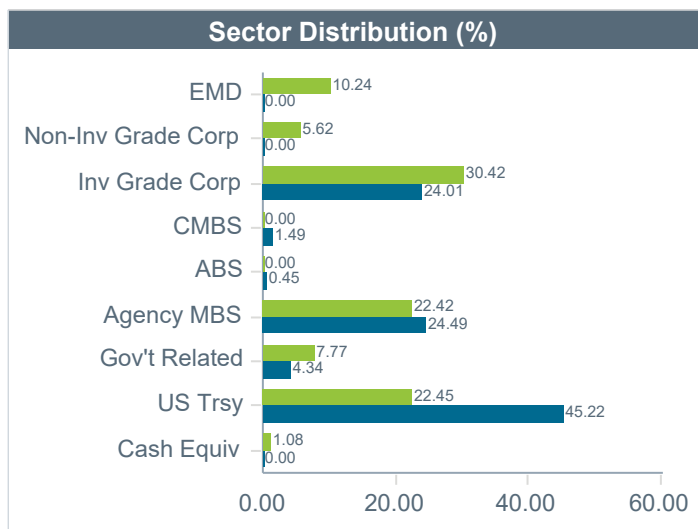
Benchmark: Bloomberg US Agg Bond Index + 0.50%

Peer Group: IM U.S. Broad Market Core+ Fixed Income (SA+CF)

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2024	2023	2022	2021	2020
Manager	1.46	6.63	4.22	1.09	3.03	N/A	2.85	7.45	-13.12	0.34	9.63
Benchmark	1.33	6.61	3.06	-0.23	2.28	2.27	1.76	6.06	-12.58	-1.05	8.04
Difference	0.12	0.02	1.16	1.32	0.75	N/A	1.10	1.39	-0.55	1.39	1.58
Peer Group Median	1.55	6.88	3.99	0.68	2.83	2.78	2.81	6.86	-12.94	-0.25	8.98
Rank	63	71	39	31	34	N/A	49	34	57	32	33
Population	153	151	148	143	137	128	158	170	175	175	177



Portfolio Characteristics (%)		
	Portfolio	Benchmark
Effective Duration	5.65	6.06
Spread Duration	5.62	5.88
Avg. Maturity	13.92	8.33
Avg. Quality	A1	Aa2/Aa3
Yield To Maturity (%)	5.30	4.51
Coupon Rate (%)	4.65	3.56
Current Yield (%)	4.93	N/A
Holdings Count	456	13,874



Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



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: SEPTEMBER 4, 2025

ITEM: E.2

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: CONSIDERATION OF ASSUMPTIONS FOR THE JUNE 30, 2025 RETIREE HEALTH ACTUARIAL VALUATION AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board adopt the retiree health assumptions for the June 30, 2025 Retiree Health Valuation as recommended by Segal.

BACKGROUND

The Los Angeles City Charter and Administrative Code require that the Board retain the services of a competent consulting actuary and on the advice of the actuary, adopt actuarial assumptions (e.g., mortality rates, service and salary expectations of plan members, interest rates, investment return, etc.) for the purpose of making the necessary actuarial studies, reports, investigations, and valuations. Segal develops the recommended assumptions in accordance with generally accepted actuarial principles and practices. Segal's role is to advise and make recommendations to the Board, and the Board has the ultimate responsibility and authority to determine the assumptions. However, if the Board chooses to adopt assumptions that are different than those recommended by the actuary, the Board must demonstrate that it made an informed, prudent decision based on rational and objective information.

Beginning with the June 30, 2007 valuation, Segal has recommended that the healthcare-related actuarial assumptions used in the retiree health valuation be reviewed annually due to the volatility and dynamic nature of the healthcare industry. Prior to 2007, the healthcare-related assumptions were considered every 3-5 years as part of the Plan's experience study.

Every year, Segal publishes the results of its survey of health care trends based on the latest research and information available¹. Based on this survey, as well as LAFPP's retiree health plan and enrollment data, Segal has submitted their recommendations for LAFPP's health care-related actuarial assumptions in the attached letter (Attachment). The assumptions consider factors such as recent and expected premium increases affecting Segal's clients, changes in utilization of healthcare, and cost shifting from Medicare. Staff also researched health trend studies from other large consulting firms for comparison purposes. As an example, PwC is projecting an 8.5% year on year medical cost trend in 2026 for the group market and 7.5% for the individual market.

¹ In prior years, Staff has provided the Board with a draft or a copy of Segal's survey, however, Segal has advised that the draft survey will not be available until mid-September.

DISCUSSION

In developing their future healthcare trend assumptions, Segal has continued their practice of not including any regional variations among the health plans in different parts of the country. As noted in Segal's letter, healthcare costs may be different in the western U.S. but that does not necessarily result in higher trends. Healthcare costs may remain higher in the greater Los Angeles/Western region, but the annual change, or trend, may be lower than in other regions and the trend assumptions are designed to model the changes in costs.

Assumptions Recommended for 2025 Valuation

For the June 30, 2025 valuation, Segal again recommends using different medical trend rate assumptions for Medicare and non-Medicare plans. Segal recommends setting the first-year Medicare premium cost trend rate for the June 30, 2025 valuation at 6.75%, then grading down by 0.25% each year until an ultimate rate of 4.50% is reached after nine years (FY 2034-35 and later). Segal recommends resetting the first-year non-Medicare premium cost trend rate for the June 30, 2025 valuation to 7.00%, then grading down by 0.25% each year until an ultimate rate of 4.50% is reached after ten years (FY 2035-36 and later). The ultimate trend rate reflects the assumption that increases in healthcare costs will, over the long term, approach overall economic growth, which includes a general price inflation component.

Similar to last year, Segal has provided separate trend rates for premiums and subsidies in a table for clarity and transparency purposes. Previously, the differences between premium and subsidy trends were discussed only in footnotes. For example, the maximum Medicare subsidy for LAFPP is tied to a LACERS Medicare plan, and the increase in the LACERS premium for January 1, 2026 is 8.90%, while the initial premium trend recommended by Segal is 6.75%.

Fiscal Year Premium Trends	6/30/24 Valuation Trend: Non- Medicare	6/30/25 Valuation Trend: Non- Medicare	6/30/24 Valuation Trend: Medicare	6/30/25 Valuation Trend: Medicare	6/30/24 Valuation Trend: Medicare Part B	6/30/25 Valuation Trend: Medicare Part B
2024-2025	7.00%		10.00%		6.20%	
2025-2026	6.75%	7.00%	6.50%	6.75%	6.20%	11.60%
2026-2027	6.50%	6.75%	6.25%	6.50%	6.20%	6.75%
2027-2028	6.25%	6.50%	6.00%	6.25%	6.20%	6.75%
2028-2029	6.00%	6.25%	5.75%	6.00%	6.20%	6.75%
2029-2030	5.75%	6.00%	5.50%	5.75%	6.20%	6.75%
2030-2031	5.50%	5.75%	5.25%	5.50%	6.20%	6.75%
2031-2032	5.25%	5.50%	5.00%	5.25%	6.20%	6.75%
2032-2033	5.00%	5.25%	4.75%	5.00%	6.20%	6.75%
2033-2034	4.75%	5.00%	4.50%	4.75%	5.75%	6.75%
2034-2035	4.50%	4.75%	4.50%	4.50%	5.50%	6.25%
2035-2036	4.50%	4.50%	4.50%	4.50%	5.25%	5.75%
2036-2037	4.50%	4.50%	4.50%	4.50%	5.00%	5.25%
2037-2038	4.50%	4.50%	4.50%	4.50%	4.75%	4.75%
2038 & later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

The updated Medicare Part B trend assumptions were based on the intermediate Part B premium estimates in Table V.E2. of the 2025 Medicare Trustees report. The proposed 11.60% initial trend

assumption, which reflects the projected 2026 Part B premium, is followed by 6.75%, which represents the average trend shown for years 2027 through 2034 of the Trustees report. Segal further recommends that the dental premium trend remain at 3.00% for all years.

The per capita costs assumptions, which have been adjusted to reflect current medical and dental plan premiums paid by LAFPP pensioners, have been reviewed by staff and found to be accurate. In accordance with Actuarial Standards of Practice No. 6, Segal continues to value healthcare costs by adjusting premiums using age-specific factors.

All other assumptions and methods will be consistent with those recommended in the most recent triennial experience study adopted by the Board on May 18, 2023, including the economic and demographic assumptions.

Messrs. Todd Tauzer and Andy Yeung of Segal will be available at today's Board meeting to discuss the recommended assumptions.

BUDGET

If adopted, the recommended assumptions will be used in preparing the June 30, 2025 retiree health benefits valuation, which will determine a portion of the City's contribution rate for the 2026-2027 fiscal year.

POLICY

There are no policy changes as a result of this report.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Greg Mack, Assistant General Manager
Pensions Division

JS:GFM

Attachment: Segal Letter – Assumptions Recommended for the June 30, 2025 Retiree Health Actuarial Valuations

August 27, 2025

Joseph Salazar
General Manager
City of Los Angeles Fire and Police Pensions
701 East 3rd Street, Suite 200
Los Angeles, CA 90013

**Re: City of Los Angeles Fire and Police Pensions
Assumptions Recommended for the June 30, 2025
Retiree Health Actuarial Valuations**

Dear Joe:

We have provided in this letter the health trend assumptions that we recommend to the Board in the June 30, 2025 retiree health valuation for funding and financial reporting.

The health care trend assumptions used in the health valuation are reviewed annually. Every year Segal publishes a set of health care trend assumptions based on the latest research and information available to our health actuaries. The health care trend assumptions consider factors such as recent and expected premium increases affecting our clients, changes in utilization of health care, and cost shifting from Medicare.

Other assumptions related to the health plans used in the projection in our valuations such as the proportion of members expected to be covered by each health benefit provider (e.g. Kaiser, etc.) can sometimes be volatile due to the dynamic nature of the health care market place. The health provider election assumptions are based on the enrollment experience among current retirees during the most recent open enrollment and the past two enrollment periods. Carrier actions to gain market share along with healthcare marketplace events/trends and subsequent impacts on access and cost of care (i.e., provider consolidations, mandated benefits, pent up demand and severity due to prior lack of access) are additional factors that influence short-term premiums though they may not necessarily reflect the long-term trend assumptions.

Following are our recommended assumptions for the June 30, 2025 health plan valuations:

1. Health care trend assumptions – The detailed health care trend assumptions we are recommending are outlined in Item 1 of the Attachment.
 - a. For non-Medicare premiums, we are recommending the first-year trend be reset to 7.00%, then grading down by 0.25% each year until reaching an ultimate rate of 4.50% after ten years. Based on last year's assumption, the first-year trend would have been 6.75% for this year's valuation. The increase from 6.75% to 7.00% was based on a combination of (1) updated national data from Segal's 2026 trend survey, (2) the renewal analyses presented at the March 20, 2025 LAFPP Board meeting, and (3)

recent and historical premium increases for the LAFPP health plans. While LAFPP has experienced favorable premium increases compared to expected for the past several years, our national database indicates higher trends for 2026 compared to 2025. Based on the new assumptions, the non-Medicare premiums are expected to increase by an average of 5.18% over the next twenty years.

- b. For non-Medicare subsidies, we are recommending the same trend assumptions used to project non-Medicare premiums.
- c. For Medicare premiums, we are recommending the first-year trend be set to 6.75%, then grading down by 0.25% for nine years until reaching an ultimate rate of 4.50%. Based on last year's assumption, the first-year trend would have been 6.50% for this year's valuation. The increase from 6.50% to 6.75% was based on a combination of (1) updated national data from Segal's 2026 trend survey, (2) the renewal analyses presented at the March 20, 2025 LAFPP Board meeting, and (3) recent and historical premium increases for the LAFPP health plans. While LAFPP has experienced favorable premium increases compared to expected for the past several years, our national database indicates higher trends for 2026 compared to 2025. Based on the new assumptions, the Medicare premiums are expected to increase by an average of 5.06% over the next twenty years.
- d. For Medicare subsidies, we are recommending the first-year trend be set to 8.90%, followed by Medicare premium trend at 6.50%, then grading down by 0.25% for eight years until reaching an ultimate rate of 4.50%. The first-year trend of 8.90% is the January 1, 2026 premium increase for the Medicare Part A supplemental plan with the highest premium available to retired members of the Los Angeles City Employees' Retirement System (LACERS). Please refer to Item 3.4 of the Attachment for additional details. Other than the first-year rate, the trend assumptions for the Medicare subsidies are the same as those for the Medicare premiums.
- e. Dental trend assumptions will remain at 3.00%.
- f. For Medicare Part B trend assumptions, we recommend a first-year trend of 11.60%, followed by a 6.75% assumption for fiscal years 2026–2027 through 2033–2034, then grading down by 0.50% for five years starting in fiscal year 2034–2035 until reaching an ultimate rate of 4.50% starting with fiscal year 2038–2039. The updated Medicare Part B trend assumptions were based on the intermediate Part B premium estimates in Table V.E2. of the 2025 Medicare Trustees report. The proposed initial trend assumption of 11.60% reflects the projected 2026 Part B premium. The proposed 6.75% trend assumption represents the average increase of the Part B premiums shown in Table V.E2 of the Trustees report for years 2027 through 2034. Based on the new assumptions, the Medicare Part B premiums are expected to increase by an average of 5.94% over the next twenty years.
- g. The above trend assumptions have been developed using a nationwide viewpoint, with consideration given to recent and historical LAFPP health premium changes.
- h. Setting the trend assumptions begins with selecting the first-year increase and then selecting a step for grading down the trends over several years to the ultimate long-term trend. In developing first-year health care trend assumptions, a mix of health industry expectations and plan specific information is used as follows.

- 1) Segal's National Health Care Practice develops trend standards each year. The methodology utilizes data from our annual Segal Health Plan Cost Trend Survey of insurers, pharmacy benefit managers (PBMs), and managed care organizations. An analysis of historic trend was performed to evaluate the differences in projected trend vs. actual. The methodology looked at variations of actual results and fitted them to the differences between actual and projected trend.
 - 2) Segal's National Health Care Practice then publishes its internal standards for use by its health actuaries and consultants. These internal standards cover a variety of benefits (e.g. medical, dental, vision) and plan design types (e.g. PPO, HMO). Unlike Segal's annual trend survey, which displays averages of the survey results, the trend standards provide ranges of acceptable assumptions.
 - 3) For retiree health valuations, without additional information, we would choose a first-year trend in the middle of the range provided in the Segal trend standards. If any additional information from the client or its health consultant is available, Segal may consider that information when setting the first-year trend.
 - 4) For LAFPP, our recommended trend rates incorporate the plan's premium changes over the past six years, and the rate renewal analyses that were presented at the March 20, 2025 board meeting.
 - 5) Retiree health care valuations typically project benefit payments far into the future (as far as 80 years). Segal's Office of the Chief Actuary has provided standards on trends in the years following the first year of projection. Trend for each year is to decrease until it reaches an ultimate trend rate.
2. Per capita health care costs – These per capita costs are used to project the premiums for current active members when they retire. Based on the percentage of retired members, spouses and beneficiaries electing health coverage and the proportion of members enrolled in each available medical plan, we have developed the per capita health premium costs for a member who is covered in fiscal year 2025-2026.

Based on the June 30, 2025 membership data, we have provided in Items 2.a. and 2.b. of the Attachment the observed election rates among the different medical plans. The retiree medical coverage election assumptions as of the June 30, 2025 valuation, are shown in Item 3.10 of the Attachment.

We have shown in Item 2.c. of the Attachment the per capita costs for members subject to the retiree medical freeze as those members have not agreed to make an additional 2% member contribution.

In accordance with Actuarial Standard of Practice (ASOP) No. 6, Measuring Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions, we will continue to value health care costs by adjusting premiums using age-specific factors.

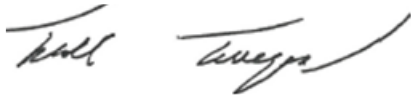
Starting with the June 30, 2019 valuations, we reflected that active and retiree health premiums are blended for the Fire Kaiser Medical Plan and an implicit subsidy exists in that plan. LAFPP has provided the estimated retiree-only premium rates and we have shown in Item 3.7 of the Attachment the amounts we intend to include in the funding and the financial reporting valuations as of June 30, 2025.

3. The per capita costs and the current election rates for the dental plan for the June 30, 2025 valuation are also provided in Items 2.d. and 3.11 of the Attachment, respectively.
4. Other assumptions and methods – The other assumptions and methods will be consistent with those we will use in our June 30, 2025 pension valuation. These include both economic and demographic assumptions and are highlighted in Item 3 of the Attachment. All of the demographic assumptions under Items 3.8, 3.9, 3.10, and 3.11 are reviewed (and updated if necessary) as part of the triennial experience study so as to provide more stability to the actuarial assumptions used to calculate liabilities and set contribution rates for the health plans.

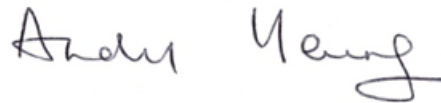
The health care trend and other related medical assumptions have been reviewed by Mehdi Riazi, FSA, MAAA, FCA, EA. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

We look forward to discussing this with you. Please let us know if you have any questions.

Sincerely,



Todd Tauzer, FSA, MAAA, FCA, CERA
Senior Vice President and Actuary



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary



Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary

PP/bbf/jl
Attachments

Attachment
Current and Recommended Actuarial Assumptions for
the June 30, 2025 Retiree Health Valuations

1. Health care trend rates

Medical trends used for June 30, 2024 valuation

Trend is to be applied to premium for the fiscal year shown to calculate the next fiscal year's projected premium.¹

First Fiscal Year (July 1, 2024 through June 30, 2025). The fiscal year trend rates (%) are the following:

Fiscal Year	Non-Medicare Premiums	Non-Medicare Maximum Subsidy	Medicare Premiums	Medicare Maximum Subsidy	Medicare Part B Premium
2024–2025	7.00	7.00 ²	10.00	5.90 ³	6.20
2025–2026	6.75	6.75	6.50	6.50	6.20
2026–2027	6.50	6.50	6.25	6.25	6.20
2027–2028	6.25	6.25	6.00	6.00	6.20
2028–2029	6.00	6.00	5.75	5.75	6.20
2029–2030	5.75	5.75	5.50	5.50	6.20
2030–2031	5.50	5.50	5.25	5.25	6.20
2031–2032	5.25	5.25	5.00	5.00	6.20
2032–2033	5.00	5.00	4.75	4.75	6.20
2033–2034	4.75	4.75	4.50	4.50	5.75
2034–2035	4.50	4.50	4.50	4.50	5.50
2035–2036	4.50	4.50	4.50	4.50	5.25
2036–2037	4.50	4.50	4.50	4.50	5.00
2037–2038	4.50	4.50	4.50	4.50	4.75
2038 and later	4.50	4.50	4.50	4.50	4.50

Dental Premium Trend: 3.00% for all years

¹ For example, the 7.00% assumption, when applied to the 2024-2025 non-Medicare medical plan premiums, would provide the projected 2025-2026 non-Medicare medical plan premiums.

² The maximum non-Medicare health subsidy trend is the lesser of 7.00% or non-Medicare medical trend.

³ For members not subject to the subsidy freeze, we assume that the maximum Medicare health subsidy amount will increase by the actual subsidy increase for the first year, then with the Medicare medical trend. Please refer to Item 3.4 of the Attachment for additional details.

Attachment
Current and Recommended Actuarial Assumptions for
the June 30, 2025 Retiree Health Valuations

Medical trends recommended for June 30, 2025 valuation

Trend is to be applied to the premiums and maximum subsidies of the fiscal year shown to calculate the next fiscal year's projected premiums and maximum subsidies.⁴

First Fiscal Year (July 1, 2025 through June 30, 2026). The fiscal year trend rates (%) are the following:

Fiscal Year	Non-Medicare Premiums	Non-Medicare Maximum Subsidy	Medicare Premiums	Medicare Maximum Subsidy	Medicare Part B Premium
2025–2026	7.00	7.00 ⁵	6.75	8.90 ⁶	11.60
2026–2027	6.75	6.75	6.50	6.50	6.75
2027–2028	6.50	6.50	6.25	6.25	6.75
2028–2029	6.25	6.25	6.00	6.00	6.75
2029–2030	6.00	6.00	5.75	5.75	6.75
2030–2031	5.75	5.75	5.50	5.50	6.75
2031–2032	5.50	5.50	5.25	5.25	6.75
2032–2033	5.25	5.25	5.00	5.00	6.75
2033–2034	5.00	5.00	4.75	4.75	6.75
2034–2035	4.75	4.75	4.50	4.50	6.25
2035–2036	4.50	4.50	4.50	4.50	5.75
2036–2037	4.50	4.50	4.50	4.50	5.25
2037–2038	4.50	4.50	4.50	4.50	4.75
2038 and later	4.50	4.50	4.50	4.50	4.50

Dental Premium Trend: 3.00% for all years

⁴ For example, the 7.00% assumption, when applied to the 2025-2026 non-Medicare medical plan premiums, would provide the projected 2026-2027 non-Medicare medical plan premiums.

⁵ The maximum non-Medicare health subsidy trend is the lesser of 7.00% or non-Medicare medical trend.

⁶ For members not subject to the subsidy freeze, we assume that the maximum Medicare health subsidy amount will increase by the actual subsidy increase for the first year, then with the Medicare medical trend. Please refer to Item 3.4 of the Attachment for additional details.

Attachment
Current and Recommended Actuarial Assumptions for
the June 30, 2025 Retiree Health Valuations

2. Per capita costs and election rates

a. Per capita costs and election rates for members not subject to retiree medical subsidy freeze — Retirees under age 65

Future retirees under age 65 are assumed, upon retirement, to elect carriers in the percentages with corresponding premiums and subsidies as noted in the table below. Current retirees and current eligible survivors under age 65 are assumed to continue to cover themselves and their spouse (or domestic partner).

We assume that some non-Medicare retirees will cover children in addition to their spouse and draw the maximum monthly subsidy (\$2,398.29 for 2025–2026) shown in the table below. We assume current retirees will cover children, if indicated in the data, until the retiree attains age 65. We assume 35% of future retirees will elect family coverage and cover children until the retiree attains age 65. We will evaluate this assumption during the next triennial experience study.

2024–2025 Fiscal Year Carrier	Election Percentage Observed	Election Percentage Assumed	Single Party Monthly Premium	Single Party Maximum Subsidy	Single Party Subsidy	Married/ with Domestic Partner Monthly Premium	Married/ with Domestic Partner Maximum Subsidy	Married/ with Domestic Partner Subsidy	Eligible Survivor Monthly Premium	Eligible Survivor Maximum Subsidy	Eligible Survivor Subsidy
Fire											
Fire Medical	89.6	88.0	\$1,132.57	\$2,241.39	\$1,132.57	\$1,834.99	\$2,241.39	\$1,834.99	\$1,132.57	\$1,051.78	\$1,051.78
Fire Kaiser	4.8	6.0	1,244.85	2,241.39	1,244.85	2,460.70	2,241.39	2,241.39	1,244.85	1,051.78	1,051.78
UFLAC Select HMO	1.8	2.0	1,216.94	2,241.39	1,216.94	2,048.28	2,241.39	2,048.28	1,308.83	1,051.78	1,051.78
UFLAC HDHP	3.8	4.0	1,273.02	2,241.39	1,273.02	1,392.24	2,241.39	1,392.24	1,285.97	1,051.78	1,051.78
Police											
Blue Cross PPO	67.6	66.0	\$1,024.14	\$2,241.39	\$1,024.14	\$2,043.28	\$2,241.39	\$2,043.28	\$1,024.14	\$1,051.78	\$1,024.14
Blue Cross HMO	11.6	12.0	947.14	2,241.39	947.14	1,893.28	2,241.39	1,893.28	947.14	1,051.78	947.14
Police Kaiser	20.8	22.0	848.42	2,241.39	848.42	1,664.96	2,241.39	1,664.96	848.42	1,051.78	848.42

Attachment
Current and Recommended Actuarial Assumptions for
the June 30, 2025 Retiree Health Valuations

2025–2026 Fiscal Year Carrier	Election Percentage Observed ⁷	Election Percentage Assumed	Single Party Monthly Premium	Single Party Maximum Subsidy	Single Party Subsidy	Married/ with Domestic Partner Monthly Premium ⁸	Married/ with Domestic Partner Maximum Subsidy	Married/ with Domestic Partner Subsidy	Eligible Survivor Monthly Premium	Eligible Survivor Maximum Subsidy	Eligible Survivor Subsidy
Fire											
Fire Medical	90.0	90.0	\$1,174.55	\$2,398.29	\$1,174.55	\$1,903.45	\$2,398.29	\$1,903.45	\$1,174.55	\$1,117.28	\$1,117.28
Fire Kaiser ⁹	4.3	4.0	1,324.82	2,398.29	1,324.82	2,620.64	2,398.29	2,398.29	1,324.82	1,117.28	1,117.28
UFLAC Select HMO	1.9	2.0	1,277.04	2,398.29	1,373.53	2,149.78	2,398.29	2,149.78	1,373.53	1,117.28	1,117.28
UFLAC HDHP	3.8	4.0	1,335.77	2,398.29	1,335.77	1,460.70	2,398.29	1,460.70	1,349.36	1,117.28	1,117.28
Police											
Blue Cross PPO	68.1	68.0	\$1,054.14	\$2,398.29	\$1,054.14	\$2,102.28	\$2,398.29	\$2,102.28	\$1,054.14	\$1,117.28	\$1,054.14
Blue Cross HMO	11.7	12.0	980.14	2,398.29	980.14	1,958.28	2,398.29	1,958.28	980.14	1,117.28	980.14
Police Kaiser	20.2	20.0	853.36	2,398.29	853.36	1,673.86	2,398.29	1,673.86	853.36	1,117.28	853.36

⁷ The observed election percentages are based on raw census data as of June 30, 2025.

⁸ On average, the non-Medicare premiums increased by about 4.0% for Fire and about 2.7% for Police from fiscal year 2024–2025 to 2025–2026. Please refer to the rationales behind the increase/decrease in the premiums (to reflect change in utilization, plan design, annual cost increases, etc.) that were presented to the Board during its meetings on March 20, 2025.

⁹ Early retiree premiums unblended from actives as shown in Item 3.7.

Attachment
Current and Recommended Actuarial Assumptions for
the June 30, 2025 Retiree Health Valuations

b. Per capita costs and election rates for members not subject to retiree medical subsidy freeze — Retirees age 65 and over

Future retirees and current retirees under age 65 are assumed, upon reaching age 65, to elect carriers in the percentages with corresponding premiums and subsidies as noted in the table below. Current retirees and current eligible survivors over age 65 are assumed to continue to cover themselves and their spouse (or domestic partner).

Due to low number of current retirees over age 65 who have covered children and the short duration of child-related subsidy payments, we assume that for retirees over age 65 all children will age out. We will evaluate this assumption during the next triennial experience study.

2024–2025 Fiscal Year Carrier	Election Percentage Observed	Election Percentage Assumed	Single Party Monthly Premium	Single Party Maximum Subsidy	Single Party Subsidy	Married/ with Domestic Partner Monthly Premium	Married/ with Domestic Partner Maximum Subsidy	Married/ with Domestic Partner Subsidy	Eligible Survivor Monthly Premium	Eligible Survivor Maximum Subsidy	Eligible Survivor Subsidy
Fire											
Fire Medical	86.6	86.0	\$756.40	\$549.16	\$549.16	\$1,082.65	\$875.41	\$875.41	\$756.40	\$549.16	\$549.16
Fire Kaiser	10.3	10.0	209.50	549.16	209.50	390.00	390.00	390.00	209.50	549.16	209.50
UFLAC Advantage HMO	0.6	1.0	381.56	549.16	381.56	734.97	734.97	734.97	381.56	549.16	381.56
UFLAC Advantage PPO	2.5	3.0	519.81	549.16	519.81	1,009.68	1,009.68	1,009.68	519.81	549.16	519.81
Police											
Blue Cross PPO	76.5	76.0	\$661.89	\$549.16	\$549.16	\$1,318.78	\$1,206.05	\$1,206.05	\$661.89	\$549.16	\$549.16
Blue Cross HMO	6.8	7.0	707.89	549.16	549.16	1,414.78	1,256.05	1,256.05	707.89	549.16	549.16
Police Kaiser	16.7	17.0	205.88	549.16	205.88	379.88	379.88	379.88	205.88	549.16	205.88

Attachment
Current and Recommended Actuarial Assumptions for
the June 30, 2025 Retiree Health Valuations

2025–2026 Fiscal Year Carrier	Election Percentage Observed ¹⁰	Election Percentage Assumed	Single Party Monthly Premium	Single Party Maximum Subsidy ¹¹	Single Party Subsidy	Married/ with Domestic Partner Monthly Premium ¹²	Married/ with Domestic Partner Maximum Subsidy	Married/ with Domestic Partner Subsidy	Eligible Survivor Monthly Premium	Eligible Survivor Maximum Subsidy	Eligible Survivor Subsidy
Fire											
Fire Medical	87.1	87.0	\$798.38	\$581.56	\$581.56	\$1,151.11	\$934.29	\$934.29	\$798.38	\$581.56	\$581.56
Fire Kaiser	9.8	10.0	225.98	581.56	225.98	422.96	422.96	422.96	225.98	581.56	225.98
UFLAC Advantage HMO	0.6	1.0	400.06	581.56	400.06	770.97	770.97	770.97	400.06	581.56	400.06
UFLAC Advantage PPO	2.5	2.0	545.06	581.56	545.06	1,059.18	1,059.18	1,059.18	545.06	581.56	545.06
Police											
Blue Cross PPO	76.8	77.0	\$690.89	\$581.56	\$581.56	\$1,375.78	\$1,266.45	\$1,266.45	\$690.89	\$581.56	\$581.56
Blue Cross HMO	6.6	7.0	740.89	581.56	581.56	1,479.78	1,320.45	1,320.45	740.89	581.56	581.56
Police Kaiser	16.6	16.0	223.06	581.56	223.06	413.24	413.24	413.24	223.06	581.56	223.06

¹⁰ The observed election percentages are based on raw census data as of June 30, 2025.

¹¹ Per LAAC Section 4.1154 (c), the maximum subsidy for single party coverage will not exceed the highest monthly premium of a Medicare plan available to retired members of the Los Angeles City Employees' Retirement System.

¹² On average, the Medicare premiums increased by about 6.0% for Fire and about 4.7% for Police from fiscal year 2024–2025 to 2025–2026. Please refer to the rationales behind the increase/decrease in the premiums (to reflect change in utilization, plan design, annual cost increases, etc.) that were presented to the Board during its meeting on March 20, 2025.

c. Per capita costs for members subject to retiree medical subsidy freeze

Carrier	Single Party	Married/With Domestic Partner	Eligible Survivor
Under 65 — All Plans	\$1,097.41	\$1,097.41	\$595.60
Over 65			
• Fire Medical	\$480.41	\$593.62	\$480.41
• Fire Kaiser	225.98	422.96	225.98
• UFLAC Advantage HMO	400.06	540.27	400.06
• UFLAC Advantage PPO	480.41	662.44	480.41
• Police Blue Cross PPO	480.41	706.93	480.41
• Police Blue Cross HMO	480.41	710.93	480.41
• Police Kaiser	223.06	413.24	223.06

The future single party and eligible survivor subsidy levels for the Fire Kaiser, UFLAC Advantage HMO, and Police Kaiser plans are limited to \$480.41

d. Per capita costs for use in June 30, 2025 valuation — Dental plan

Maximum dental subsidy

Because almost all current retirees enrolled (see Item 3.11 for election assumption) in a dental plan are paying a premium in excess of the maximum subsidy, we will assume that 100% of future retirees with dental coverage will receive the maximum subsidy. The subsidy, which is the lesser of LACERS' maximum dental subsidy or any amount allowed for active members of LAFPP, remained at \$42.93.

Monthly Subsidy for 2025–2026 Fiscal Year

\$42.93

e. Per capita costs for use in June 30, 2025 valuation — Medicare Part B premium reimbursement

The Plan will reimburse monthly Medicare Part B premiums before means testing:

Monthly Premium	Single
Actual premium for calendar year 2025	\$185.00
Projected premium for calendar year 2026	206.50
Projected average monthly premium for plan year 2025–2026	195.75

The projected premium for calendar year 2026 is based on calendar year 2025 premium adjusted to 2026 by the assumed trend rate of 11.60%.

For current retirees under age 65 and future retirees, we will assume 100% of those electing a medical subsidy will be eligible for the Medicare Part B premium reimbursement.

3. Other assumptions and methods

In the June 30, 2025 valuation, we will also apply the following assumptions and methodologies:

- Economic assumptions:** The discount rate is 7.00% and inflation rate is 2.50% per annum, as recommended in the July 1, 2019 – June 30, 2022 experience study dated May 10, 2023, approved by the Board on May 18, 2023 (2022 Experience Study).
- Demographic assumptions:** These include the incidence of service retirement, disability retirement, withdrawal, deferred vested retirement and death. We will apply the same assumptions that we recommended in the 2022 Experience Study.
- Funding methodologies:** The Entry Age cost method, level percent of pay method will continue to be used in this valuation.
- Expected annual rate of increase in the maximum health subsidy amounts:** We will assume the non-Medicare maximum health subsidy amount will increase by the lesser of 7.00% and non-Medicare medical trend as shown on Item 1 of this Attachment.

The Medicare maximum subsidy will increase by 8.90% for the first year, then with Medicare medical trend as shown on Item 1 of this Attachment. The first-year assumed trend for the Medicare maximum subsidy differs from the Medicare premium because the LAFPP Medicare subsidy is dictated by the City of Los Angeles Administrative Code (LAAC) Section 4.1154(c). The maximum monthly subsidy amount for eligible retired members with Parts A and B is set at the highest monthly premium of an approved plan supplemental to Part A of Medicare available to retired members of the Los Angeles City Employees' Retirement System (LACERS).¹³ After the first-year, trend rates for the

¹³ We note that the above referenced LACERS plan has only been chosen by a relatively small number of LACERS retirees.

Attachment
Current and Recommended Actuarial Assumptions for
the June 30, 2025 Retiree Health Valuations

Medicare maximum subsidy are assumed to equal the same trend rates used for the LAFPP Medicare plan premiums.

5. **Percentage of retirees over age 65 covered by Medicare Parts A and B:** Because all active employees hired after 1986 must elect Medicare A and B coverages, we will assume 100% of future retirees will be covered by Medicare Parts A and B.
6. **Assets:** We will use the seven-year smoothed actuarial value of assets method (with 60% to 140% Market Value Corridor) in our valuation.
7. **Implicit subsidy:** Based on information provided by the health consultant retained by Los Angeles Firemen's Relief Association (LAFRA), we understand that retirees under age 65 enrolled in the Fire Kaiser Medical Plan are presently underwritten with the actives enrolled in that plan. A table of the blended (with implicit subsidy) and unblended (without implicit subsidy) monthly premium rates are shown below:

Monthly Premium July 1, 2025

Tier	Active/Retiree Combined	Early Retiree Only
Member Only	\$1,082.72	\$1,324.82
Member + 1	\$2,136.44	\$2,620.64
Family	\$2,694.94	\$3,307.43

LAFPP has made a decision to include the implicit subsidy in the employer's contribution rate starting with the June 30, 2019 funding valuation. (Note that while the contribution rate will be increased to reflect the prefunding of the implicit subsidy, the Plan is not going to reimburse the City as that implicit subsidy is paid by the employer.) No implicit subsidy needs to be valued for the other medical plans.

8. **Spouse age difference in years for retirees with medical coverage:** For all non-retired members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 3 years older than the member. We will evaluate this assumption during the next triennial experience study.
9. **Spousal or domestic partner coverage:** 80% of future retiree receiving a medical subsidy are assumed to elect coverage for married and surviving spouses or domestic partners. For those retired on the valuation date with a subsidy, spousal or domestic partner coverage is based on census data. We will evaluate this assumption during the next triennial experience study.
10. **Retiree medical coverage election:** The table below summarizes the participation assumptions for future retirees and for current retirees aged 55-64 without a subsidy. We will evaluate these assumptions during the next triennial experience study.

Participation Rates

Service Range (Years)	Future Retirees Under 65	Future Retirees Over 65	Upon Attaining Age 65 for Current Retirees Aged 55–64 Without Subsidy (b-a) ÷ (1-a)
10–14	35%	55%	30.77%
15–19	60%	80%	50.00%
20–24	80%	85%	25.00%
25 and over ¹⁴	95%	97%	40.00%

11. **Retiree dental coverage election:** 90% of future retiree are assumed to elect dental coverage. We will evaluate this assumption during the next triennial experience study.
12. In the June 30, 2024 valuation, our retirement assumption for members enrolled in the DROP as of the valuation date matched the Pension Plan actuarial valuation. We will continue to assume in the June 30, 2025 valuation members will remain in the DROP for five years and then retire.
13. **Eligibility requirement changes since the prior valuation:** Unless directed otherwise by LAFPP, we will assume that no changes in eligibility for benefits have occurred since the prior valuation.
14. **Amortization periods:**

Type of Base	Amortization Period
Actuarial gains or losses	20 closed
Assumption or method changes from Triennial Experience Study	20 closed
Retiree health assumption changes	20 closed
Plan amendments	15 closed
ERIPs	5 closed
Actuarial surplus (after funded ratio exceeds 110%)	30 open

Note: Retiree health assumption changes reviewed annually related to health care trend, health plan election, per capita claims costs, and health care subsidy rates are included with experience gains and losses in the funding valuation.

Upon the Plan becoming fully funded (an excess of Actuarial Value of Assets over Actuarial Accrued Liability), the City's UAAL contribution rate that was determined in the previous valuation may be phased out linearly to 0.00% over a glide path of a certain number of years, as recommended by the actuary and adopted by the Board.

¹⁴ The proposed participation assumption for the 25 and over service range uses more precision because roughly 75% of retirees fall in this service band.

*Attachment
Current and Recommended Actuarial Assumptions for
the June 30, 2025 Retiree Health Valuations*

The City's UAAL contribution rates during the glide path period would continue to be determined by the glide path unless the Plan became less than 100% funded, in which case the UAAL contribution rate would be set equal to the greater of the contribution rate determined using the glide path or the contribution rate required to amortize the UAAL in that valuation.

15. **Reconciliation of Total OPEB Liability (TOL) for GAS 74 and 75:** When reconciling the TOL for the GASB 74 and 75 valuations, changes in TOL attributable to a healthcare trend, discount rate, medical election, health care premium and subsidy rates more or less than expected and changes adopted from the triennial experience study will be treated as assumption changes.



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: SEPTEMBER 4, 2025

ITEM: E.3

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: STATUS OF INFORMATION REQUEST FROM UNITED FIREFIGHTERS OF LOS ANGELES CITY (UFLAC) CONSERVATOR AND POSSIBLE BOARD ACTION

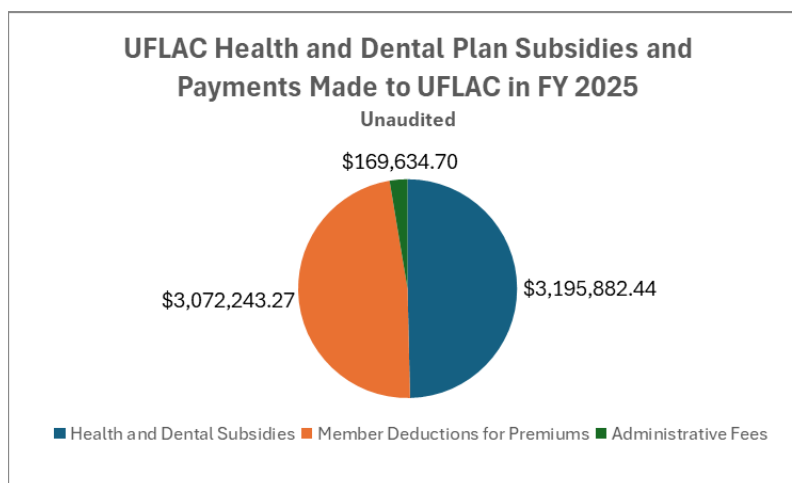
RECOMMENDATION

That the Board approve the Departmental Audit Manager's recommendations:

1. To authorize the Board President to send the attached letter to the UFLAC Conservator to request that an expedited forensic audit of the UFLAC Benefits Trust be completed at UFLAC's expense, to determine whether subsidies and deductions LAFPP paid to UFLAC were used for the intended purpose of providing health and dental benefits to eligible retired members and in compliance with the fiduciary standard of care required by UFLAC's contract with the Board; and,
2. That the UFLAC Conservator provide the Board with a complete, unredacted copy of the auditor's report as soon as possible.

BACKGROUND

Pursuant to the Board's authority provided by Los Angeles Administrative Code Sections 4.1150 *et seq.*, UFLAC administers four medical and two dental insurance plans on behalf of the Board and is the sole dental insurance provider to retired firefighters and their survivors. In FY 2025, UFLAC received a total of approximately \$6.4 million in subsidy and deduction payments for LAFPP pensioners, survivors, and beneficiaries as illustrated in the chart below.



Effective July 1, 2023, UFLAC entered into a new five-year contract with the Board for the administration of said plans. The new contract added Article 6.2 - Standard of Care, which states the following:

UFLAC agrees that in performing UFLAC's services under this Contract, as specifically set forth under Article 3.2 herein, UFLAC shall be bound by a fiduciary standard of care, whereby UFLAC, its subcontractors, third-party contractors, and agents shall discharge each of their duties and exercise each of their powers under the Contract with the competence, care, skill, prudence and diligence under the circumstances then prevailing and that a prudent person who is acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, in conformance with Article XVI, Section 17 of the California Constitution and with the customary standard of care of a professional administrator and/or sponsor of group health insurance plans providing services for a U.S. public pension system or U.S. public employer ("Standard of Care"). UFLAC further agrees that as to the services UFLAC provides under this Contract for benefit plans approved by the Board pursuant to a delegation of authority from the Board to UFLAC as the Board's agent, including the services provided in Article 3.2(a),(d)-(e), (w), and (ee), this Contract places UFLAC in a fiduciary relationship with the Board. This Standard of Care is not intended to modify any fiduciary standard of care UFLAC has to UFLAC members, under its own bylaws or other applicable law.

Alleged Violation of Fiduciary Duties by Certain Members of UFLAC's Board of Directors

On May 5, 2025, the International Association of Fire Fighters (IAFF) President issued a letter to UFLAC members that was subsequently shared by local news media announcing that IAFF Local 112 (UFLAC) would be placed into a conservatorship as a result of a forensic audit into alleged improper record keeping and violation of expense and credit card policies by five members of UFLAC's Executive Board, including the President, Secretary, and a former Treasurer. The IAFF noted that the three individuals and two other Vice Presidents appeared to have also failed to meet their fiduciary obligations to their members. The IAFF Letter is included in Attachment 2.

Page 2 of the IAFF Letter states that in March 2024, UFLAC's financial statement auditors made a verbal and written presentation to the members of the Executive Board highlighting significant deficiencies¹ in the Local's financial practices, calling attention to specific officers who failed to properly document expenditures of UFLAC assets and observing that these failures were widespread throughout the organization. Auditors noted that receipts were not being submitted for expenses, which violated UFLAC's expense reimbursement policy and Internal Revenue Service (IRS) requirements that expenses be substantiated with proper receipts. The auditors told the UFLAC Board that it must substantiate expenses and comply with UFLAC's expense reimbursement policy by requiring that supporting documentation for expenditures be submitted in a timely manner. According to the IAFF Letter, despite being informed of these significant deficiencies and mandatory corrective actions, UFLAC's President continued to use his credit card without providing the required substantiation and that members of the Executive Board failed to compel the President's compliance with their policy, legal requirements, and the auditor's demands that were identified in their 2025 forensic audit report.

¹ Per the American Institute of Certified Public Accountants, a significant deficiency is defined as a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, financial misstatements in a timely manner.

Relevance to LAFPP's Operations

The UFLAC Benefits Trust² holds premium and subsidy dollars provided by the City for active LAFPP members and by LAFPP for retired members to pay for health and dental insurance administered by UFLAC. At various times covered by the audit period, two of the individuals named in the IAFF Letter (President Freddy Escobar and former Treasurer Domingo Albarran) served on the Board of Trustees for the UFLAC Benefits Trust, in the roles of Chair and Vice Chair, respectively. In their leadership roles as Benefits Trustees, it is reasonable to presume they would have participated in decisions to approve expenditures from the trust. While there has been no specific evidence of misappropriation identified or brought to the attention of LAFPP's Departmental Audit Manager (DAM) or General Manager, the allegations of widespread improper record keeping, unsupported expenses, and failure to adhere to the advice of their external auditor to correct significant deficiencies identified in their financial statement audit raises concerns around UFLAC's ability to maintain a functional, reliable, and effective system of internal controls needed to meet the fiduciary standard of care required in UFLAC's current contract with the Board.

DISCUSSION

Communications to Date with the UFLAC Conservator

In response to the allegations made in the IAFF Letter, the Board approved the President to send a letter to the Conservator, John Bagala, requesting a meeting with the DAM to discuss the 2025 forensic audit and external audit findings from 2024, related to specific UFLAC Board Members' alleged failure to fulfill their fiduciary duties, and whether the placement of UFLAC under conservatorship will impact the medical and dental insurance plans provided to our retired members and their beneficiaries (see last page of Attachment 2). The letter was signed by then Board President Zimmon and sent via email to the Conservator on May 15, 2025. On July 9, 2025, the Conservator and UFLAC Past President Tony Gamboa met with the DAM, Assistant General Manager, and General Manager at LAFPP's offices in response to the letter. The Conservator and the Past President provided staff with an overview of how the conservatorship would operate, including a timeline and key milestones for the conservatorship.

The Conservator also provided additional explanation of his role in restoring responsible financial stewardship and fulfillment of UFLAC's legitimate objectives. The Conservator welcomed the DAM to provide him with any additional questions or concerns LAFPP may have related to UFLAC's Benefits Trust. On July 10, 2025, the DAM provided the Conservator with a list of questions and concerns about the Benefits Trust to gain additional assurance of whether our member subsidy dollars and retiree health and dental plans have been and will be administered with the fiduciary standard of care as expected in Article 6.2 of our contract. On August 21, 2025, the conservator provided the DAM with some additional clarifying information and affirmed he had forwarded the remaining assurance related questions to the IAFF's external audit firm for a response; however, he could not provide a specific date as to when the external audit firm may be able to provide responses to the remaining questions.

At present, the DAM has not received the needed information from the Conservator related to the Benefits Trust to provide reasonable assurance to the Board that member subsidy dollars and retiree health and dental plans have been and will be administered according to the fiduciary standard of care, and if UFLAC's ability to administer retiree health and dental plans will be

² The UFLAC Benefits Trust is registered with the IRS as a 501(c)(9) Voluntary Employees' Beneficiary Association, EIN 95-4326722.

negatively affected as a result of the alleged financial improprieties of former members of the Benefits Trust.

Risks Noted in Prior Audits of UFLAC Subsidy Program Administration

Prior audits conducted by the LAFPP Internal Audit Section (IAS) over UFLAC's administration of health and dental benefits observed that UFLAC has been generally able to provide adequate coverage and generally compliant with key contractual terms agreed to during the contract terms reviewed. However, in the most recent audit of UFLAC's administration of medical and dental plans, IAS noted a lack of transparency into the administrative fees being charged to retired members that are intermingled with the total premiums for each medical and dental plan. IAS recommended that in future contracts with UFLAC, LAFPP should request more information related to the scope and cost of services so that all stakeholders and members can make the most prudent decisions with their subsidy dollars and be assured that fees are assessed in a reasonable and equitable manner. For the current contract, LAFPP management reviewed and negotiated administrative fees for health and dental plans and determined them to be reasonable based on benchmarking performed by the Board's health consultant, USI.

Although the fees were reviewed and found to be reasonable, USI's scope of work did not include examining the embedded administrative costs. Additionally, UFLAC was the only contracted association that was not responsive to LAFPP management's request for this additional supporting cost information for their proposed administrative fees for the current contract. As a result, LAFPP did not receive the needed information to validate the reasonableness and appropriateness of administrative expenses being assessed as administrative fees to our members for their medical and dental benefits.

Need for Audit to Ensure Retired Member Subsidy Payments and Premiums Used As Intended

Since supporting information to determine the reasonableness and appropriateness of the use of administrative fees was not previously provided, and in combination with the alleged financial mismanagement over UFLAC assets and potential Benefits Trust assets, the DAM believes there is now a legitimate risk that UFLAC may be unable to meet the fiduciary standard of care delegated to them by the Board to administer retiree health and dental plans. As noted in the chart on page 1, LAFPP has paid UFLAC approximately \$169,635 in administrative fees in FY 2025, of which a portion should presumably have been allocated to support professional accounting and auditing services as reported on their latest IRS Form 990 Part IX Statement of Function Expenses³.

Conclusion

Based on the information received to date, the DAM recommends that the Board President request the Conservator to expedite the completion of a forensic audit of the Benefits Trust at UFLAC's expense to determine whether retired member subsidies and deductions paid to UFLAC were used for their intended health and dental plan administration purpose and UFLAC can demonstrate compliance with the fiduciary standard of care per the contract with the Board. The audit should commence as soon as possible, with a report to be shared with the Board no later than close of the first quarter of 2026. Further, the President should request the Conservator keep the DAM informed of the progress of the audit and to ensure the results are provided to the Board in a timely fashion. Proposed language of this request is included as Attachment 1.

Should the Conservator not agree to accommodate this request and provide the resources needed to conduct this review in a timely manner, the DAM will report back to the Board with alternative

³ IRS Form 990s for charitable organizations are available to the public at <https://apps.irs.gov/app/eos/>.

options to gain the needed assurance that UFLAC has been and can continue to comply with the terms of its contract with the Board.

BUDGET

There is no budget impact associated with this report.

POLICY

There is no policy change related to this recommendation.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Rebecca Takahashi
Departmental Audit Manager

JS:RT

Attachments (2)

Attachment 1 – Letter to UFLAC Conservator Requesting Immediate Audit of Benefits Trust
Attachment 2 – May 15, 2025 Board Report Regarding IAFF Conservatorship

CITY OF LOS ANGELES

**BOARD OF
FIRE AND POLICE
PENSION COMMISSIONERS**

ANDREA B. AMBRIZ
PRESIDENT

BRIAN CHURCHILL
VICE PRESIDENT

RIGO ARELLANO
KENNETH BUZZELL
WILLIAM CHUN
CARLTON J. JENKINS
NANXI LIU
RAUL PEREZ
GARRETT W. ZIMMON

CALIFORNIA



KAREN BASS
MAYOR

**DEPARTMENT OF
FIRE AND POLICE
PENSIONS**

701 EAST 3RD STREET
SUITE 200
LOS ANGELES, CA 90013-1843

(213) 279-3000
(844) 88-LAFPP (52377)
FAX (213) 628-7716
TDD (213) 628-7713

PENSIONS@LAFPP.COM

JOSEPH SALAZAR
GENERAL MANAGER

September 4, 2025

John Bagala
UFLAC Conservator
1571 Beverly Blvd.
Los Angeles, CA 90026

Dear Mr. Bagala,

As you are aware, the Board of Fire and Police Pension Commissioners (Board) administers the Los Angeles Fire and Police Pensions (LAFPP) retiree healthcare program for the benefit of retired LAFPP members. This administrative role includes ensuring that Board-approved health and dental plans are suitable and provide value to our members and the Plan, and providing fiduciary oversight of subsidies paid on behalf of our members.

Rebecca Takahashi, Departmental Audit Manager, has informed us of your ongoing discussions regarding assurances that our retired member subsidy and premium payments for health and dental plans meet the fiduciary standard of care outlined in Article 6.2 of the Board's contract with UFLAC. We are concerned about the potential negative impacts on UFLAC's ability to administer services to our retired members due to alleged financial improprieties involving former trustees of the UFLAC Benefits Trust. Ms. Takahashi noted that you have been unable to provide the requested information or a timeline for its availability.

Therefore, we request that UFLAC expedite a forensic audit of the Benefits Trust at its expense to determine whether retired member subsidies and deductions paid to UFLAC were used exclusively for their intended purpose and assure the Board that UFLAC has complied with the fiduciary standard of care per their contract with the Board. As such, we are asking for UFLAC to commence an audit as soon as possible and deliver a report to the Board by March 2026. We also request that the Board's audit liaison, Ms.

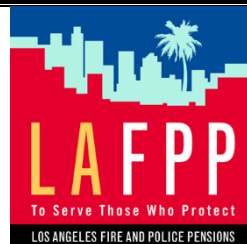
Takahashi, be kept informed of the progress of the audit and ensure the Board receives the unredacted results in a timely manner.

We ask that you respond to our request in writing, addressed to General Manager Joseph Salazar, no later than September 12, 2025. Should the Board not receive a timely response, we will consider alternative options to gain the assurance owed to our members who participate in the medical and dental plans administered by UFLAC.

Please contact Joseph Salazar, General Manager, at (213) 279-3015 or Rebecca Takahashi, at (213) 279-3175 if you have any questions or to arrange a time to discuss this request further.

Sincerely,

Andrea Ambriz
President



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: MAY 15, 2025

ITEM: D.6

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: DISCUSSION OF THE IAFF CONSERVATORSHIP OF UFLAC AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board authorize the Board President to sign the attached letter requesting additional information on findings of the forensic audit of United Firefighters of Los Angeles City (UFLAC) commissioned by the International Association of Fire Fighters (IAFF).

BACKGROUND

On May 5, 2025, the Los Angeles Times published an article detailing the suspension of UFLAC's President and two officers by the IAFF. The article stated that the suspensions were the result of an audit conducted by IAFF, the parent organization of UFLAC, that found \$800,000 in credit card purchases that were not properly documented. NBC 4 Los Angeles published a letter that IAFF sent to the UFLAC membership on May 5, 2025, that detailed placing UFLAC under conservatorship and the suspension of President Freddy Escobar, 1st Vice President Doug Coates, and Director Chuong Ho (Attachment 1).

DISCUSSION

UFLAC is currently a provider of retiree medical and dental insurance plans to retired Firefighters and their survivors. Los Angeles Firemen's Relief Association (LAFRA) also provides retiree medical insurance plans, but UFLAC is the sole dental insurance provider to retired Firefighters. On March 28, 2023, UFLAC entered into a new five-year contract with LAFPP for the administration of said plans. Article 6.2, Standard of Care, of the contract states in part:

...UFLAC shall be bound by a fiduciary standard of care, whereby UFLAC, its subcontractors, third-party contractors, and agents shall discharge each of their duties and exercise of their powers under the Contract with the competence, care, skill, prudence and diligence under the circumstances then prevailing and that a prudent person who is acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims, in conformance with Article XVI, Section 17 of the California Constitution and with the customary standard of care of a professional administrator and/or sponsor of group health insurance plans providing services for a U.S. public pension system or U.S. public employer.

LAFPP is not currently aware of any information that would suggest medical or dental subsidy or deduction funds provided to UFLAC were misused, nor has LAFPP received any retired member complaints regarding medical or dental plan coverage issues. However, staff recommends that the Board authorize the Board President to sign the attached letter (Attachment 2) requesting that the IAFF conservator meet with LAFPP's Departmental Audit Manager to discuss the forensic audit conducted by IAFF and the UFLAC external auditor report dated March 2024, and provide information and assurances that the placement of UFLAC under IAFF conservatorship will not impact the medical and dental insurance plans available to our retired members and their beneficiaries.

BUDGET

There is no impact on the budget related to 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:

Greg Mack, Assistant General Manager
Pensions Division

JS:GFM

Attachments (2)

Attachment 1 - IAFF Letter to UFLAC Members – May 5, 2025
Attachment 2 - Letter to UFLAC Conservator



INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

EXECUTIVE BOARD

Edward A. Kelly
General President

Frank V. Lima
General Secretary-Treasurer

VICE PRESIDENTS

James Slevin
1st District

Mark Woolbright
2nd District

Jay Colbert
3rd District

Andrew Pantelis
4th District

Mahlon Mitchell
5th District

Mike Carter
6th District

Ricky Walsh
7th District

Mark Sanders
8th District

Michael Frainier
9th District

Stephen Gilman
10th District

Michael Glynn
11th District

Walter (Walt) Dix
12th District

Fred LeBlanc
13th District

Danny Todd
14th District

Chris Ross
15th District

James B. Johnson
16th District

TRUSTEES

Ron Glass

Scott Marks

Anthony Mejia

**TO: ALL MEMBERS IN GOOD STANDING OF UNITED
FIREFIGHTERS OF LOS ANGELES CITY, IAFF LOCAL 112**

**RE: NOTICE OF CONSERVATORSHIP AND APPOINTMENT OF
CONSERVATOR UNDER ARTICLE XXII OF THE IAFF
CONSTITUTION & BY-LAWS**

May 5, 2025

Dear Brothers and Sisters:

The Executive Board of the International Association of Fire Fighters (IAFF), on May 5, 2025, unanimously voted to place the United Firefighters of Los Angeles City, IAFF Local 112 (UFLAC) under conservatorship. This action was taken pursuant to Article XXII of the IAFF Constitution & By-Laws.

Protecting the dues money that members contribute to their Local union is one of the highest priorities for all Local union officers. In fact, Local union officers have a legal responsibility, called a fiduciary duty, to ensure that your dues are spent in your best interests and in a manner you can track. This is so you know exactly how your dues money is being spent.

UFLAC codified these obligations in an Expense Policy, last updated and adopted by its Executive Board on January 10, 2018, that addresses the reimbursement of reasonable and ordinary business expenses incurred by the officers and employees of UFLAC. The policy's intent is to ensure that all UFLAC officers and employees comply with all applicable laws, rules, and regulations. Highlights of the policy include:

- a) Receipts are required for reimbursed expenditures over \$25.00. An explanation shall accompany any expenditure over \$25.00 for which a receipt is not available.
- b) Receipts are required for all credit card expenditures. On the back of the receipts, there shall be an explanation of the expense, including the people present, if applicable, and the business reason for the expenditure.
- c) It is incumbent on all Board members to vigilantly protect and enforce the policy.

On October 2, 2024, IAFF General Secretary-Treasurer (GST) Frank Lima was notified by UFLAC Treasurer Jason Powell of concerns regarding alleged improper record-keeping and the use of union funds. Treasurer Powell subsequently emailed IAFF 10th District Vice President (DVP) Stephen Gilman requesting assistance to protect the finances of UFLAC. At the request of Treasurer Powell, and at the direction of DVP Gilman and with the approval of UFLAC Local 112 President Freddy Escobar, GST Lima was asked to assist in a review of questionable financial expenditures involving certain UFLAC officers and former officers.

GST Lima's initial review of the records with Treasurer Powell revealed sufficient evidence to warrant the establishment of a committee to investigate further. The investigative committee assembled by GST Lima found a breach of fiduciary responsibility and misappropriation of funds by Adam Walker. On November 8, 2024, I exercised my authority under Article XI of the IAFF Constitution & By-Laws to suspend Adam Walker from the office of Secretary of UFLAC, and from the offices of Chair and Director of the Foundation for failure of duty, breach of fiduciary responsibility, and misappropriation of funds belonging to the Foundation.

Given the serious nature of these issues, GST Lima sought and received unanimous approval from the IAFF Executive Board, pursuant to Article VI, Section 2 and Article XIII, Section 9, to engage a forensic auditor to review the Local's books and records.

The forensic audit of UFLAC's books and records revealed that for the period from July 19, 2018, through November 18, 2024, UFLAC President Freddy Escobar initiated 1,957 transactions on his UFLAC credit card, totaling \$311,497.58. Of these 1,957 transactions, 1,372 (over 70% of the transactions) with a dollar value of \$230,465.67 have no supporting documentation on file with UFLAC. The auditors could not ascertain the purpose of these transactions. There were also 157 transactions with a dollar value of \$35,396.67 that were only partially supported with required documentation. This means there is no way to determine whether \$265,862.34 in dues money spent by President Escobar without documentation was for legitimate union expenditures.

Over a year ago, in March 2024, UFLAC's auditors made a presentation to the UFLAC Board members highlighting the significant deficiencies in the Local's financial practices because the officers were failing to properly document expenditures of UFLAC assets, and that these failures were widespread throughout the organization.

Specifically, the auditors presented to the UFLAC Board in March 2024, both verbally and in writing, that they found serious problems with receipts not being submitted for expenses that were paid for in violation of UFLAC's expense reimbursement policy and Internal Revenue Service (IRS) requirements that expenses be substantiated with proper receipts. The auditors told the UFLAC Board that they had to require the substantiation of expenses and enforce adherence to UFLAC's expense reimbursement policy by requiring that supporting documentation for expenditures be submitted in a timely manner.

Despite the auditors telling the UFLAC Executive Board members that they had to submit receipts and justify the expenditures of your union dues, President Escobar had 339 transactions

in 2024 using his UFLAC credit card totaling \$71,671.44 without submitting a single receipt for any of those 339 expenditures. This fact was confirmed in a 2025 forensic audit issued to the IAFF. Furthermore, the UFLAC Executive Board failed to compel President Escobar to comply with UFLAC Policy, legal requirements, or the auditors' demands, or take action against him when he failed to comply.

It also was found that between October 2022 and September 2024, then-Secretary Adam Walker, without authorization from the Foundation Board or the UFLAC Executive Board, transferred \$83,414.24 from the UFLAC Fire Foundation's catastrophic fund directly into his personal bank accounts, which, at the time of the transfers, had no supporting documentation that the transfers were authorized, or that they were reimbursing legitimate expenditures.

Upon review of the UFLAC Foundation's bank statements and Walker's personal bank statements (which Walker voluntarily shared with the IAFF), it was determined that immediately after moving large sums of money out of the Foundation's account into his personal accounts, Walker paid off substantial personal debts that he had accrued, such as mortgage and RV loan payments, as well as casino cash ATM withdrawals.

When questioned, Walker admitted that he moved the money out of the Foundation's account and into his personal accounts without authorization from the Foundation Board or the UFLAC Executive Board. Walker claimed that he had run two charity golf events for a Captain who was injured off the job and that the movement of the money out of the Foundation's accounts was to reimburse Walker for expenses he had paid for the two charity golf events out of his own pocket.

When asked by the IAFF's reviewers to provide documentation that he had spent over \$83,000.00 out of pocket for these two charitable golf events, Walker produced very few receipts and invoices and nowhere near sufficient documentation to account for all of the funds that he transferred out of the Foundation's account and into his personal bank accounts. Walker admits that he did not keep sufficient records of his claimed expenditures for the golf events.

In early 2024, Walker withdrew \$5,000.00 from the Foundation's account and spent the money on personal expenses. Walker claims that the \$5,000.00 was "seed money" for a third charitable golf event that never occurred. Walker admitted that he had never repaid the \$5,000.00 he had taken from the Foundation's account and spent on his personal expenses.

In a forensic audit authorized by the IAFF Executive Board, the auditors determined that they could not rule out that Adam Walker misappropriated tens of thousands of dollars that he purported to raise for charitable purposes for his own personal use and to pay his own personal expenses. The auditors also noted that, based on their years of experience auditing non-profit foundations, labor unions, and charitable organizations, it was highly unusual for an individual to initiate cash transfers from an organization's bank account directly into a personal bank account. They also noted that it did not make sense for Adam Walker to pay for charitable event expenditures personally instead of paying for them out of the Foundation's account set up specifically to handle the funds for the charitable events.

The forensic audit also found that former Secretary Walker had 1,010 transactions totaling \$152,788.20 in UFLAC credit card expenses between August 24, 2018, and October 4, 2024, without any receipts or documentation. There were also 230 transactions with a dollar value of \$29,876.49 that were only partially supported.

This means that UFLAC and its members have no way of determining whether the \$182,644.69 in dues money spent by Adam Walker without documentation was for legitimate union expenditures. The forensic auditors also found that Adam Walker used his UFLAC credit card to pay for new tires on his personal vehicle and did not reimburse the Local until he was confronted with it months later. Furthermore, on several occasions, UFLAC employees admonished Adam Walker over his use of his UFLAC credit card for Foundation purchases and vice versa.

The forensic audit also found that former UFLAC Treasurer Domingo Albarran, between July 23, 2018, and February 28, 2023, had 1,488 transactions with his UFLAC credit card totaling \$307,298.48 with no receipts or other documentation justifying the purpose of the expenditure. There were also 159 transactions with a dollar value of \$46,002.74 that were only partially supported. This means that UFLAC and its members have no way of determining whether the \$353,301.22 in dues money spent by Domingo Albarran without documentation were legitimate union expenditures.

It is incumbent on all Board members to vigilantly enforce UFLAC policy and follow the direction of UFLAC's auditors. Chuong Ho and Doug Coates, as Vice Presidents of UFLAC, breached their fiduciary duties (including their duties of care, loyalty, inquiry, prudence, and disclosure) in failing to enforce UFLAC policy and ensure that President Escobar, then-Secretary Walker, and/or then-Treasurer Albarran were complying with UFLAC policy and the auditors' directives.

In total, over \$800,000 in credit card expenditures using your dues money cannot be properly accounted for. The leadership of UFLAC has abdicated its fiduciary responsibilities and placed Local 112 in ill repute. The financial malpractice by the leadership of UFLAC has dealt serious harm to the membership.

This conservatorship is necessary to restore responsible financial stewardship and guarantee the fulfillment of UFLAC's legitimate objectives. A copy of the forensic auditor's report and report on internal controls can be found at www.iaff.org/uflac112.

As a result of financial mismanagement and the violations of UFLAC policy, the IAFF Constitution & By-Laws, and the UFLAC Constitution & By-Laws, the IAFF Executive Board unanimously voted to place UFLAC under conservatorship in accordance with Article XXII of the IAFF Constitution & By-Laws. Additionally, I am suspending President Escobar, 1st Vice President Coates, and Director Ho and bringing charges against them pursuant to my authority under Article XI of the IAFF Constitution & By-Laws. I have already suspended and brought charges against former Secretary Walker for his conduct related to the UFLAC Fire Foundation.

I have appointed IAFF 10th District Service Representative John Bagala as Conservator of UFLAC. He will work in conjunction with GST L ma, his office, and with the remaining UFLAC Board members to take whatever administrative actions necessary to administer the Local, ensure UFLAC members receive proper representation, properly manage the finances of UFLAC, and put into place safeguards to ensure that all of your dues money is properly accounted for. It is the intention of the IAFF Executive Board that the Local come out of conservatorship as soon as possible, and elections are held for officers who will be responsible with your dues money and responsive to your needs.

I would appreciate your cooperation with Conservator Bagala, who will work in conjunction with GST L ma and his office. I will keep you updated on the progress of the conservatorship until its completion.

Sincerely,



Edward A. Kelly
IAFF General President

cc: Frank L ma, IAFF General Secretary-Treasurer
IAFF Executive Board
Stephen Gilman, IAFF 10th District Vice President
Wayne Murphy, IAFF Chief of Staff
Jim Brinkley, IAFF Chief of Operations
Peter Leff, IAFF General Counsel
Dana S. Martinez, UFLAC, Local 112 Counsel
Corrine Griffin, IAFF Executive Assistant to the General President
Teresa Alva, IAFF Executive Assistant to the General Secretary-Treasurer
Stephanie Griffiths, IAFF Legal Department

**BOARD OF
FIRE AND POLICE
PENSION COMMISSIONERS**

GARRETT W. ZIMMON
PRESIDENT

ANDREA B. AMBRIZ
VICE PRESIDENT

RIGO ARELLANO
KENNETH BUZZELL
WILLIAM CHUN
BRIAN CHURCHILL
CARLTON J. JENKINS
NANXI LIU
RAUL PEREZ

CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS
MAYOR

ATTACHMENT 2

**DEPARTMENT OF
FIRE AND POLICE
PENSIONS**

701 EAST 3RD STREET
SUITE 200
LOS ANGELES, CA 90013-1843

(213) 279-3000
(844) 88-LAFPP (52377)
FAX (213) 628-7716
TDD (213) 628-7713

PENSIONS@LAFPP.COM

JOSEPH SALAZAR
GENERAL MANAGER

May 15, 2025

John Bagala
UFLAC Conservator
1571 Beverly Blvd.
Los Angeles, CA 90026

Dear Mr. Bagala:

The Board of Fire and Police Pension Commissioners (Board) administers the Los Angeles Fire and Police Pensions (LAFPP) retiree healthcare program to ensure that Board-approved health and dental plans are suitable and provide value to our members and the Plan. It has come to our attention that the International Association of Fire Fighters (IAFF) has placed UFLAC under conservatorship as of May 5, 2025.

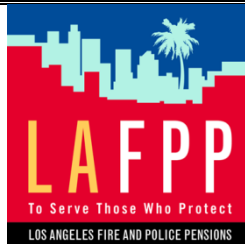
The Board respectfully requests that you meet with Rebecca Takahashi, the LAFPP Departmental Audit Manager, to discuss the forensic audit conducted by IAFF and the UFLAC external auditor report dated March 2024, including if there were any findings related to the administration of the retiree health and dental plans. Additionally, the Board is concerned of any impact to the administration of said plans because of UFLAC being placed under conservatorship. The Board would like your assurance that our retired firefighters and their beneficiaries will continue to receive the care they deserve from the UFLAC-administered health and dental plans.

Please contact Joseph Salazar, General Manager, at (213) 279-3015 if you have any questions or to arrange a time to discuss this request further.

Sincerely,

Garrett W. Zimmon
President

lafpp.lacity.gov



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: SEPTEMBER 4, 2025

ITEM: E.4

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: FISCAL YEAR 2024-25 GOVERNANCE COMPLIANCE REPORT AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

- 1) Approve the 2024-25 Governance Compliance Report as summarized on Attachment I; and,
- 2) Authorize staff to make technical corrections or clarifications, including Sections 2, 3, 9, 12, and 13 of the Governance Policies and Section 9 of the Operating Policies and Procedures, as reflected in Attachments II, III, IV, V, VI, and VII, to effectuate the intent of the Board.

BACKGROUND

Pursuant to the Board's Governance Policy (Section 13 - Monitoring and Reporting Policy), after the close of each fiscal year, staff is tasked with confirming compliance with the various Board Policies (i.e., Governance, Operating Policies and Procedures, and Investment) and providing a summary report to the Board. This summary report is responsive to this Policy provision.

To confirm compliance with the Policies, managers throughout the department review the applicable sections of the Board Policies and self-certify if the Board Policies were followed the prior fiscal year. The results of this review are then presented to the Board and corrective actions are recommended, if necessary, to help ensure staff fully comply in subsequent fiscal years. This regular review assures the Policies are being properly followed and provides an additional opportunity for staff to consider the relevance and application of the Policies.

DISCUSSION

Based on the compliance review for Fiscal Year 2024-25, staff confirms full compliance with Board Policies. However, staff recommends policy amendments (Attachment I, Table II) which are intended to effectuate the intent of the Board and serve as technical corrections or clarifications.

BUDGET

There is no budgetary impact related to this report.

POLICY

The policy amendments are reflected in Attachments II through VII of this report. City Attorney review was not necessary for these policy changes.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Myo Thedar, Executive Officer
Administrative Operations Division

JS:MTS

Attachments:

- I. 2024-25 Governance Compliance Report (Tables I and II)
- II. Proposed Policy Revisions – Section 2: Governance Principles – Changes Tracked
- III. Proposed Policy Revisions – Section 3: Duties and Responsibilities – Board of Commissioners/Appendix 1
Summary of Delegations to the General Manager – Changes Tracked
- IV. Proposed Policy Revisions – Section 9: Duties and Responsibilities – General Manager – Changes
Tracked
- V. Proposed Policy Revisions – Section 12: General Manager Performance Evaluation – Changes Tracked
- VI. Proposed Policy Revisions - Section 13: Monitoring and Reporting/Appendix 1 Routine and Exception
Reports – Changes Tracked
- VII. Proposed Policy Revisions – Section 9: iPad Usage – Changes Tracked

2024-25 GOVERNANCE COMPLIANCE REPORT

TABLE I
NON-COMPLIANCE AREAS

Item No.	Fiscal Year Reported to Board	Policy	Section No(s).	Policy Description	Issue	Comments	Proposed Resolution	Policy Revision Language Located at:
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TABLE II
POLICY LANGUAGE CORRECTIONS/TECHNICAL CORRECTIONS

Item No.	Fiscal Year Reported to Board	Policy	Section No(s).	Policy Description	Proposed Amendment	Comments	Proposed Resolution	Policy Revision Language Located at:
1	2024-25	Governance	2.9	Governance Principles	Update LAFPP Vision statement as adopted by the Board on January 18, 2024.	Clarifying and correcting language to reflect the intent of the Board.	Technical corrections only	Attachment II
2	2024-25	Governance	3	Duties and Responsibilities - Board of Commissioners Appendix 1 Section 13	Reduce the frequency of the quarterly Staffing Level and Hiring Efforts reports to biannual reporting consistent with the Board's direction on June 5, 2025.	Clarifying and correcting language to reflect the intent of the Board.	Technical corrections only	Attachment III
3	2024-25	Governance	9.16	Duties and Responsibilities - General Manager Human Resources	Change reference from a singular employee educational program to multiple employee educational programs in order to reflect the many employee development efforts launched through Annual Plan projects within the past five years.	Clarifying and correcting language to reflect the intent of the Board.	Technical corrections only	Attachment IV
4	2024-25	Governance	12.18	General Manager Performance Evaluation	Clarify the documents referenced as Written Evaluation Summary, which are signed by the Board President and General Manager and placed in the General Manager's personnel file.	Clarifying and correcting language to reflect the intent of the Board.	Technical corrections only	Attachment V
5	2024-25	Governance	13	Monitoring and Reporting Appendix 1 Routine and Exception Reports	Reduce the frequency of the quarterly Staffing Level and Hiring Efforts reports to biannual reporting consistent with the Board's direction on June 5, 2025.	Clarifying and correcting language to reflect the intent of the Board.	Technical corrections only	Attachment VI
6	2024-25	Operating Policies and Procedures	9.1	iPad Usage	Update Technical Support phone number.	Clarifying and correcting language to reflect the intent of the Board.	Technical corrections only	Attachment VII

Los Angeles Fire & Police Pension System

2.0 - GOVERNANCE PRINCIPLES

- 2.1 In governing the System, the Board is committed to acting in strict accordance with its fiduciary duties, including those of prudence, loyalty and care. Consistent with their fiduciary duties, Board members must strive to meet the highest standards of ethical conduct.
- 2.2 The Board has ultimate responsibility for the prudent and effective administration of the System; its authority is vested in the entire Board rather than in individual board members or any committee.
- 2.3 All decisions of the Board should be well supported, and documented as appropriate. Furthermore, they should be arrived at through sound, clear processes.
- 2.4 The Board is most effective when it focuses on setting policy and providing oversight, rather than on operational details, which are better carried out by staff.
- 2.5 The Board is committed to continually ensuring clear and distinct roles for the Board and staff, as this is necessary for effective decision-making and oversight.
- 2.6 Effective, ongoing Board education and orientation is crucial to the Board's success and requires a strong commitment by *both* the Board and individual Board members.
- 2.7 Accountability must be accompanied by the requisite authority and resources.
- 2.8 The Board is responsible for administering the System for three fundamental purposes:
 - A. To provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services;
 - B. To minimize City contributions; and
 - C. To defray the reasonable expenses of administering the System.

The duty to system participants and their beneficiaries shall take precedence over any other duty. [Section 1106(a)]

- 2.9 Our Vision is a secure and prosperous future for our members.~~to be a leader and innovator in the public pension industry through an uncompromising dedication to excellence, customer service, transparency, and education.~~ (Added 06/04/15; Amended 09/04/25)

Our Mission is to advance the health and retirement security of those who dedicate their careers and risk their lives to protect the people of Los Angeles. (Amended 06/04/15)

Governance Principles

- 2.10 Effective monitoring by the Board requires a sharp focus on determining whether decisions have resulted in the creation of value for members and the City of Los Angeles.
- 2.11 All staff of the System is accountable to the General Manager who is, in turn, accountable to the Board.

HISTORY

- 2.12 These principles were adopted by the Board on June 8, 2006; Amended on 03/19/09, 06/04/15, ~~and~~ 11/03/16; and 09/04/25. Reviewed on 04/06/23.

REVIEW

- 2.13 The Board shall review these Duties and Responsibilities at least every three (3) years.
- 2.14 The Board shall next review these Governance Principles by April 2026.

Los Angeles Fire & Police Pension System

3.0 - DUTIES AND RESPONSIBILITIES-BOARD OF COMMISSIONERS

INTRODUCTION

3.1 To ensure clear accountability and authority within the System, the Board has established governance policies called Duties and Responsibilities describing the duties and responsibilities of the key decision-making bodies involved in the governance and management of the System.

3.2 The Board's principal role is to ensure that the System is appropriately governed and managed for the following purposes:

- A. To provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services;
- B. To minimize City contributions; and
- C. To defray the reasonable expenses of administering the System.

The duty to system participants and their beneficiaries shall take precedence over any other duty. [Section 1106(a)]

3.3 The Board shall discharge its duties with respect to the System with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims. [Section 1106(c)]

3.4 The Board shall have the authority to adopt any rules, regulations, or forms it deems necessary to carry out its administration of the System and the assets under its control. [Section 1106 (f)]

DUTIES AND RESPONSIBILITIES

Governance

3.5 The Board will:

- A. Approve, and amend as necessary, policies to ensure appropriate governance practices;
- B. Approve the Duties and Responsibilities of the Board, the officers of the Board, and the General Manager, and amend their policies as necessary or advisable;
- C. Review, develop and approve new governance policies as may be necessary, and review existing governance policies in accordance with the schedule for review established within each policy;
- D. Coordinate the annual performance evaluation of the General Manager, as set out in the General Manager Performance Evaluation Policy;

- E. Coordinate the annual performance evaluation of the City Attorney's Office, Public Pensions General Counsel Division, as set out in the City Attorney Performance Evaluation Policy; (Added 11/21/19)
- F. Coordinate the annual Board performance and educational needs assessment, as set out in the Board Member Self-Assessment Policy; (Amended 12/05/13)
- G. Monitor and report on compliance with the governance policies of the Board;
- H. Elect a President and Vice-President at the last regular meeting in July of each year; and
- I. Provide for the election of employee and retired Board members in accordance with the City Charter, Administrative Code, and Board rules.

Investments

(Specific Board Investment Policies are contained in Section III of this manual)

- 3.6 The Board has exclusive control of the investments of the System. The assets of the System are trust funds and, as such, the Board will manage the assets in a manner consistent with its fiduciary duties as described in paragraph 3.3 above.
- 3.7 The Board shall conduct an asset allocation study every three to five years.
- 3.8 Consistent with the City Charter [Section 1106 (d)1], the Board will:
 - A. Adopt a Statement of Investment Objectives and Policies which shall include at least:
 - i. The desired rate of return and acceptable levels of risk for each asset class;
 - ii. Asset allocation goals;
 - iii. Guidelines for the delegation of authority; and
 - iv. Information on the types of reports to be used to evaluate investment performance.
 - B. Annually review and reaffirm or amend the Statement of Investment Objectives and Policies; and
 - C. After each review, include the Statement in the Annual Report and forward to the Mayor and Council for information purposes. (Revised 09/06/18)
- 3.9 The Board will review all other investment policies deemed necessary to properly manage the Fund, including policies on alternative investments and real estate.
- 3.10 The Board will approve the broad investment strategies for achieving the investment objectives of the Fund.

Benefits Administration

- 3.11 The Board will:
 - A. Approve policies necessary to ensure effective administration of member benefits;

- B. Approve all members who apply and qualify for service retirement;
- C. Determine the merits of applications for disability benefits, making necessary determinations with respect to disability, service connection and permanency of injury;
- D. Provide for and act on member appeals of decisions made by the System's staff;
- E. Be responsible for reviewing matters pertaining to benefit design and the determination of benefits. Issues the Board may consider include, but are not limited to:
 - i. Health subsidy program;
 - ii. The disability application procedures;
 - iii. Changes in pension plan benefit design, including those requiring amendments to the City Charter or Administration Code;
 - iv. Policy on Payment of Actuary Studies with Plan Assets, per Operating Policies and Procedures/Section 7.0; and
 - v. Audits of the Board-approved medical and dental plans that are administered by the Los Angeles Police Relief Association, Los Angeles Firemen's Relief Association, Los Angeles Police Protective League and United Firefighters of Los Angeles City
- F. Review benefit provisions that the Board or staff determines are unclear and require clarification by the Board or the City; and
- G. Regularly review the continued appropriateness of benefit related policies and review compliance with such policies.

Operations

- 3.12 The Board will approve a strategic plan and any updates thereto, in accordance with the Strategic and Annual Plan Policy;
- 3.13 In accordance with the City Charter, the Board will:
 - A. Provide suitable quarters, equipment and supplies for the System; [Section 511 (a)]
 - B. Adopt a budget each year setting forth the administration expenses for each Tier of the System; [Section 1210(a)] and
 - C. Annually prepare and transmit to the Mayor, Council, and Controller a budget setting forth the estimated cost of maintaining the System, and containing the items specified in the City Charter, Section 1210 (b). Any resolution subsequently adopted making appropriation from the Unappropriated Balance shall promptly be filed with the Mayor and Controller. [Section 511(b)] (Revised 09/06/18)
- 3.14 The Board will ensure:
 - A. That all required contributions to the Fund are collected in a timely manner;
 - B. That all required distributions from the Fund are made in a timely manner; and
 - C. Appropriate operational control policies are in place to provide efficient and accurate delivery of member services.

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

- 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.

- D. Annually review the performance of the General Manager, set or adjust the compensation of the General Manager within guidelines established by Council, and forward a copy of its evaluation and salary determination to the Mayor and Council. [Section 1108 (c)]
- 3.17 In addition, the Board will:
- A. Approve any human resource and compensation policies that may be necessary; and
 - B. Ensure that appropriate succession plans are in place to provide continuity among the System's staff.

Legal & Legislative Affairs

- 3.18 Staff will evaluate proposed legislation and in consultation with the Board will provide input to the City. The City Council in turn will establish an official City position on such legislation. Pending legislation that is determined by staff to have a significant impact on the System will be brought to the attention of the Board. [Section 254]
- 3.19 The Board will approve actions concerning lawsuits that may involve the System.
- 3.20 Only the Board can authorize legal opinions and retain all attorney-client privileges, as to all legal opinions, as specified in Section 16.0 of this policy.
- 3.21 Section 271(b) of the City Charter authorizes any Board member to request an opinion from the City Attorney. The Board, not the individual Board member, shall retain the attorney-client privileges of any resulting legal opinion, as specified in Section 16.0 of this policy.

Communications

- 3.22 The Board will:
- A. Ensure that an Annual Report is posted on the Departmental website and distributed to interested parties;
 - B. Ensure the timely electronic availability of the Annual Member Statement to all members;
 - C. Ensure that stakeholder communications take place, as appropriate; and
 - D. Include agendas, Board reports including appropriate consultant and investment advisor reports, and Board policies on the Departmental website.

Service Provider Appointments

- 3.23 The Board will approve the appointment and termination of the following service providers, having considered the recommendations of staff and/or advisors where appropriate:
- A. Actuarial firms
 - B. Financial auditors
 - C. Investment consultants
 - D. Performance evaluation firms

- E. Custodian bank
- F. Investment managers and partners (traditional and alternative investments)
- G. Benefits consultants and other service providers as may be determined by the Board

Monitoring and Reporting

- 3.24 The Board will ensure that appropriate monitoring and reporting practices are established within the System. As part of this task, the Board will establish a Monitoring and Reporting Policy that sets out the routine reporting requirements of the Board.
- 3.25 At least annually, the Board shall retain an outside performance evaluation firm (e.g., investment consultant) to calculate the returns on the Fund's investments. [Section 1106 (d) 2]
- 3.26 The Board will regularly:
- A. Monitor compliance with Board policies;
 - B. Review the performance of the Board;
 - C. Review the General Manager's job performance;
 - D. Review the job performance of the City Attorney's Office, Public Pensions General Counsel Division; (Added 11/21/19)
 - E. Review the funded status of the System;
 - F. Review progress on the implementation of the System's strategic plan;
 - G. Review the implementation of the System's internal financial and operating controls;
 - H. Review the investment performance of the Fund and the performance of the investment managers of the Fund, including but not limited to the value added or lost as the result of active management;
 - I. Review the levels of service quality provided to members;
 - J. Review the appropriateness of the actuarial assumptions, methods, and related matters;
 - K. Review the accuracy of the actuarial valuation process, through an actuarial audit;² and
 - L. Monitor compliance with the Administrative Budget.
- 3.27 The Board will review Board policies at a frequency to be set out in each policy.
- 3.28 The Board will provide for appropriate monitoring of compliance with applicable laws and regulations (e.g. IRC, GASB, City Charter, etc.).

Attachments:

APPENDIX 1 – SUMMARY OF DELEGATIONS TO THE GENERAL MANAGER
 APPENDIX 2 – INTERNAL AUDIT CHARTER

² 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.

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~~, [and 09/04/25](#).
- 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.

APPENDIX 1 – SUMMARY OF DELEGATIONS TO THE GENERAL MANAGER

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
I. GOVERNANCE POLICIES			
1.0 – APPENDIX 1 – CHARTER PROVISIONS			
Gov. Policies Sec. 1 Appendix 1	Control of Pension and Retirement Funds Sec. 1110(b) Control of Special Funds.	The board of each pension and retirement system shall have control over their respective funds. Transfers or expenditures shall be drawn upon funds only upon demands signed by the chief accounting employee of the board. All payments from the funds shall be made upon demands prepared and approved in accordance with the provisions of the Charter.	Chief Accounting Employee
7.0 – DUTIES AND RESPONSIBILITIES – PRESIDENT			
Gov. Policies Sec. 7.2 D	Duties and Responsibilities	D. The President and the General Manager will confer to determine who shall act as spokesperson for the System should the need arise, with the President having the authority to make the final determination. The General Manager however may exercise discretion to communicate on routine matters without consulting the President (e.g. requests by the media for simple factual information);	GM
9.0 – DUTIES AND RESPONSIBILITIES – GENERAL MANAGER			
Gov. Policies Sec. 9.1 B	Introduction	Consistent with the City Charter, the General Manager will: B. Administer the affairs of the Department as its Chief Administrative Officer. [Section 509(a)]	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.2	Introduction	The General Manager is the executive ultimately responsible to the Board for the entire operations of the System and is therefore expected to provide executive leadership for the System in implementing the programs necessary to achieve its mission, goals and objectives. It is understood, however, that the General Manager may not necessarily administer the operations directly, but will ensure proper delegation of duties to staff in a manner that maximizes the efficiency and effectiveness of the System;	GM
Gov. Policies Sec. 9.3	Introduction	The General Manager will support the Board and all committees in establishing policies by identifying and analyzing issues requiring Board policy, and providing clear, well-supported policy recommendations for their consideration.	GM
Gov. Policies Sec. 9.4	Introduction	The General Manager will designate key staff members who will provide administrative support to the Board in the areas of Governance, Benefits Administration and Audit Oversight Responsibilities.	GM
Gov. Policies Sec. 9.5	Introduction	The General Manager will be responsible for ensuring that all rules, regulations and policies of the Board are properly implemented, with the exception of the General Manager Performance Evaluation Policy and policies governing the conduct of the Board, which are the responsibility of the Board itself.	GM
Gov. Policies Sec. 9.6	Governance	The General Manager will assist the Board in carrying out its governance role by A. Recommending policies to ensure appropriate governance practices; B. Coordinating fiduciary education; C. Coordinating Board member travel arrangements, which may include purchasing air travel via Concur. (Amended 10/02/14 and 09/05/24)	GM/Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.7	Governance	The General Manager will serve as the Secretary to the Board in accordance with the City Charter. [Section 504(a)]	GM
Gov. Policies Sec. 9.8	Governance	The General Manager and President will confer to determine who shall act as spokesperson for the System should the need arise, with the President having the authority to make the final determination. The General Manager however may exercise discretion to communicate on routine matters without consulting the President (e.g. requests by the media for simple factual information).	GM
Gov. Policies Sec. 9.10	Governance	The General Manager may nominate a candidate for the Distinguished Service Medal and must vote to award the Medal as stipulated in Section 19.0 of this Policy. (Amended 10/02/14)	GM
Gov. Policies Sec. 9.11 A	Investments	The General Manager will carry out all investment functions of the System including, but not limited to: A. In consultation with the Chief Investment Officer and System consultants, recommending investment policies and strategies to the Board;	GM
Gov. Policies Sec. 9.11 B	Investments	B. Managing investment staff and external service providers in the implementation of all policies and strategies;	GM/Staff
Gov. Policies Sec. 9.11 C	Investments	C. Performing investment due diligence and monitoring;	GM/CIO
Gov. Policies Sec. 9.11 D	Investments	D. Providing information to allow the Board to make a decision in regard to hiring, renewing or terminating contracts for the general consultant, real estate consultant, alternative investments manager and investment managers and other advisors;	GM/CIO
Gov. Policies Sec. 9.11 E	Investments	E. Rebalancing the portfolio as required.	GM/CIO

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.12 A	Benefit Admin. & Operations	In accordance with the City Charter, the General Manager will: A. Recommend to the Board prior to the beginning of each fiscal year an annual departmental budget covering the anticipated revenues and expenditures of the System, conforming so far as practical to the forms and dates provided in City Charter, Article III in relation to the general City budget. [Section 509 (e)]	GM
Gov. Policies Sec. 9.12 B	Benefit Admin. & Operations	B. As authorized by the Board (06/21/18), modify the departmental administrative expense budget appropriations through intra-departmental fund transfers, commensurate with the transfer limit adjusted annually and released by the City Administrative Officer. [Section 343 (b)(c)] (Added 09/06/18)	GM
Gov. Policies Sec. 9.12 C	Benefit Admin. & Operations	C. Expend the funds of the System in accordance with the provisions of the budget appropriation or of appropriations made after adoption of the budget. [Section 509 (d)]	GM
Gov. Policies Sec. 9.12 D	Benefit Admin. & Operations	D. Certify all expenditures of the System to the Chief Accounting Employee. [Section 509 (f)]	GM
Gov. Policies Sec. 9.12 E	Benefit Admin. & Operations	E. File with the Board and the Mayor a written report on the work of the System on a regular basis and as requested by the Mayor or the Board. [Section 509 (g)]	GM
Gov. Policies Sec. 9.13 A	Benefit Admin. & Operations	The General Manager will direct and oversee senior staff in the performance of all administrative and operational activities of the System including, but not limited to: A. In consultation with System consultants, where appropriate, developing and recommending to the Board all policies necessary to ensure effective administration of member benefits;	GM
Gov. Policies Sec. 9.13 B	Benefit Admin. & Operations	B. Managing administrative staff involved in the delivery of service to plan members and in the operations of the System;	GM/Senior Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.13 C	Benefit Admin. & Operations	C. Overseeing actuarial valuations and audits;	GM/Senior Staff
Gov. Policies Sec. 9.13 D	Benefit Administration and Operations	D. In consultation with Board and System consultants, developing and recommending to the Board the Annual Plan and triennial Strategic Plan; (Amended 10/02/14; 03/07/24)	GM/Senior Staff
Gov. Policies Sec. 9.13 E	Benefit Admin. & Operations	E. Authorizing payments and, in conjunction with the President and City Attorney executing agreements related to the administration of System and the appointment of all service providers, consistent with the Departmental Budget and internal controls of the System;	GM/Senior Staff
Gov. Policies Sec. 9.13 F	Benefit Admin. & Operations	F. Ensuring effective and timely communications with members and stakeholders on matters relating to the administration of System; and	GM/Senior Staff
Gov. Policies Sec. 9.13 G	Benefit Admin. & Operations	G. Coordinating and approving staff travel for education and due diligence purposes, subject to the travel resolution that forms part of the annual budget. The General Manager is authorized to approve travel expenditures by staff of up to \$4,500 per trip. (Travel Resolution)	GM/Senior Staff
Gov. Policies Sec. 9.14 A	Financial and Accounting	The General Manager will: A. Oversee the preparation of the annual financial statements of the System;	GM/Senior Staff
Gov. Policies Sec. 9.14 B	Financial and Accounting	B. Coordinate the annual financial audit and ensure appropriate responses to any management letters or issues arising out of such audits;	GM/Senior Staff
Gov. Policies Sec. 9.14 C	Financial and Accounting	C. Ensure necessary internal audits of the operations are performed as required; and	GM/IA
Gov. Policies Sec. 9.14 D	Financial and Accounting	D. Ensure all necessary internal controls are in place to protect the assets of the System and ensure all policies and procedures are followed.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.15 A	Human Resources	In accordance with the City Charter, the General Manager will: A. Appoint, discharge, suspend, or transfer the employees of the System, other than the Secretary of the Board and the Chief Accounting Employee, all subject to the civil service provisions of the Charter [Section 509 (b)]. Consistent with this language and in accordance with past practice, the General Manager will conduct the selection process for the Chief Accounting Employee and present the successful candidate to the Board for approval and appointment; and (Revised 09/06/18)	GM
Gov. Policies Sec. 9.15 B	Human Resources	B. Issue instructions to employees, in the line of their duties, all subject to the civil service provisions of the Charter. [Section 509 (c)].	GM
Gov. Policies Sec. 9.16	Human Resources	The General Manager will ensure ongoing assessment of the human resource needs of the System and the development of appropriate human resource programs and procedures, as necessary, including an employee education programs. (Amended 09/04/25)	GM
Gov. Policies Sec. 9.17 A	Legislation and Litigation	The General Manager will carry out the following duties with the assistance of legal counsel: A. Monitor trends regarding legislation that may have a significant impact on the System;	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 9.17 B	Legislation and Litigation	B. Evaluate proposed legislation and in consultation and concurrence with the Board President and Vice President determine that the legislation 1) does not materially impact member benefits, System administration, nor defined benefit plan design; and, 2) if there is a need to provide input to the City before the next regularly scheduled Board Meeting. If both criteria are met, and upon approval of both the Board President and Vice President, the General Manager may communicate directly to the City Council through the Chief Legislative Analyst. If both criteria are not met, then the General Manager will report to the Board with a recommendation(s). The City Council in turn will establish an official City position on such legislation. All pending legislation that is determined by staff to have a significant impact on the System will be brought to the attention of the Board; (Amended 07/18/13)	GM
Gov. Policies Sec. 9.17 C	Legislation and Litigation	C. Coordinate, with the City Attorney, all legal proceedings involving the System; [Section 272] and	GM
Gov. Policies Sec. 9.17 D	Legislation and Litigation	D. Provide recommendations to the Board concerning settlements or other client decisions in legal actions involving the System. [Section 272 (c)]	GM
Gov. Policies Sec. 9.18 A	Service Providers	The General Manager will: A. Cause all necessary due diligence to be undertaken in the appointment of service providers and provide information to allow the Board to make a decision in regard to hiring, renewing or terminating contracts for the general consultant, real estate consultant, alternative investments manager and investment managers and other advisors, and ensure sound recommendations are provided to the Board in connection with the appointment or termination of service providers for which the Board has retained appointing authority.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Admin. Code & Gov. Policies Sec. 9.18 B	Service Providers	B. Appoint those service providers in accordance with Administrative Code Section 10.1.1 which provides authority for the General Manager to approve service agreements for up to \$25,000 for not more than a one-year period (Amended 09/05/24).	GM
Gov. Policies Sec. 9.18 C	Service Providers	C. Regularly monitor the performance of all service providers and report regularly to the Board on all such monitoring efforts.	GM
Gov. Policies Sec. 9.19	Monitoring and Reporting	The General Manager will ensure that monitoring and control mechanisms are in place to ensure that policies and procedures are properly implemented and that the operations of the System are effective.	GM
Gov. Policies Sec. 9.20	Monitoring and Reporting	The General Manager will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight responsibilities. Furthermore, the General Manager will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to the System, and provide recommended courses of action as appropriate.	GM
Gov. Policies Sec. 9.21	Other	In accordance with the Charter, the General Manager will exercise any further powers in the administration of the System as may be conferred upon him or her by the Board. [Section 509 (h)]	GM
10.0 – BOARD EDUCATION POLICY			
Gov. Policies Sec. 10.5	New Board Member Orientation	Staff will be responsible for designing and making available to each new Board member a formal Board orientation program, using consultants where appropriate.	Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 10.7	New Board Member Orientation	In covering the above concepts with new Board members, it is expected that staff will schedule in-house orientation sessions. The scheduling and duration of such sessions should be determined with input from the Board member(s) in question. As a general guide, it is expected that, in total, the orientation sessions will require up to two days to complete.	Staff
Gov. Policies Sec. 10.8	New Board Member Orientation	As part of the orientation process, Board members will also be provided, either a hard copy or electronic copy: A. A user friendly Board Reference Manual, the contents of which are to be determined by staff (See Appendix 1 for sample contents). B. A listing of recommended conferences to be attended during a Board member's first year on the Board. C. Suggested reading material of an educational nature. D. Other relevant information and documentation deemed appropriate by staff.	Staff
Gov. Policies Sec. 10.9	In-house Education Training and	A. Staff will schedule education sessions during Board meetings so as to coincide with key policy decisions on the Board's agenda. To ensure that the Board is able to make such policy decisions in an informed manner, the education sessions will occur at least one meeting prior to the meeting at which the policy decision is to be made. For example, if the Board is scheduled to make a decision to invest in a new asset class, staff should schedule one or more education sessions on the asset class in question at least one meeting prior to the meeting at which the Board is to make its decision. These sessions may include a panel of consultants as appropriate for the asset class to ensure that the Board receives a balanced presentation.	Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		<p>B. Through the annual Board member Self-Assessment Policy (Governance Policy, Section 11.0) the results can be used by staff in determining educational needs for the following fiscal year and planning these educational items for the Board agenda. (Amended 09/21/23)</p> <p>C. In addition to the above, staff will coordinate special education sessions throughout the year on other topics of general interest and importance to the Board, and that will enhance the Board's ability to govern the System. It is expected that a minimum of one special education session will be organized each year. When possible, effort should be made to coordinate educational training sessions with other systems or CALAPRS.</p> <p>D. Given the changing needs and time availability of Board members, staff is expected to consult with the Board when scheduling in-house education sessions so as to maximize the likelihood of full attendance. Notwithstanding this, it is the responsibility of each Board member to make all reasonable efforts to attend all in-house education sessions.</p>	
Gov. Policies Sec. 10.12	Conferences	Staff is responsible for identifying high quality conferences and bringing them to the attention of the Board. Individual Board members are also encouraged to bring quality conferences to the attention of the Board.	Staff
Gov. Policies Sec. 10.15	Reporting and Monitoring	An annual report summarizing the training hours and various educational activities, including travel, undertaken by the Board will be prepared by the General Manager and provided to the Board. (Amended: 01/19/23)	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
11.0 – BOARD MEMBER SELF-ASSESSMENT POLICY			
Gov. Policies Sec. 11.8	Assessment Process	The General Manager shall be responsible for ensuring that all Board members receive an electronic link (via e-mail) to the online Survey in April of each year. Each Board member shall complete and submit (electronically) the Survey within a time frame to be stipulated by the General Manager.	GM
Gov. Policies Sec. 11.9	Assessment Process	The Board and staff shall treat the Survey results as confidential. The General Manager will ensure that the completed surveys are then used to determine educational needs for the following fiscal year and plan these educational items on the Board agenda, as appropriate. (Revised 09/21/23)	GM/Staff
12.0 – GENERAL MANAGER PERFORMANCE EVALUATION POLICY			
Gov. Policies Sec. 12.9	Evaluation Process	The General Manager will meet with the Board in the fourth quarter of each fiscal year (April – June) to discuss and establish: A. The proposed evaluation criteria for the General Manager for the next year and their relative weights; and B. Any proposed evaluation forms or surveys, or other measurement tools to be used in evaluating the General Manager for the year in question.	GM
Gov. Policies Sec. 12.10	Evaluation Process	The General Manager shall ensure that the Board is provided a final status report of the annual plan projects for the evaluation period at a Board meeting in June. (Amended 04/16/15; 06/20/19; 04/21/22; 03/07/24)	GM
Gov. Policies Sec. 12.13	Evaluation Process	The General Manager at his or her discretion may also provide the Board with a self-assessment of the extent to which the General Manager believes the performance criteria were met.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
13.0 – MONITORING AND REPORTING POLICY			
Gov. Policies Sec. 13.0 Appendix 1	Routine Reports 1 - Monthly Report (unless otherwise noted)	<p>Presented by the General Manager. Addresses a range of issues including, but not limited to:</p> <ul style="list-style-type: none"> - Summary of Investment Performance - Asset Allocation - Marketing Cessation Listing - Pension and Administrative Operations Division Activities - Budget Compliance (Quarterly) - Contracts including Searches, Expirations, and Renewals - Staffing level and hiring efforts <u>during the first and third quarter of each fiscal year with the latter report providing additional vacancy information to comply with California Government Code Section 3502.3. In addition, the recognized employee organization for each bargaining unit is entitled to make a presentation at the public hearing. (Quarterly)</u> - Ad hoc Committee Assignments (as appropriate) <p>(Amended 11/02/23, and 09/05/24, <u>and 09/04/25</u>)</p>	GM/Chief Accounting Employee/Auditor/City Attorney/Department al Audit Manager

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 13.0 Appendix 1	Routine Reports 2 - 16: Investment & Funding Reports	2. Investment Performance 3. CIO Report of Asset Allocation 4. Investment Manager Compliance Exception Report 5. Report on Investment Costs 6. Proxy Voting 7. Real Estate 8. Private Equity 9. Minority/Women/Disabled Veteran/ LGBTQ Broker Report 10. Due Diligence 11. Market Cessation Listing 12. Portfolio Value & Asset Allocation 13. Actuarial Valuation 14. Asset Allocation Study 15. Actuarial Experience Study 16. Actuarial Audit Please see Section 13.0, Appendix 1 for Frequency, Presented by & Description and Purpose of Report. (Amended 09/02/21)	CIO/Real Estate Consultant/ Private Equity Consultant/ GM/Actuary/ Investment Consultant/ Actuarial Auditor
Gov. Policies Sec. 13.0 Appendix 1	Routine Reports 17 - 27: Administration and Operations Reports	17. Strategic Plan 18. Annual Plan 19. Annual Plan: Status Report 20. External Financial Audit 21. Annual Report 22. Legal Affairs 23. Staff and Board Travel Report 24. Contractor Disclosure Report 25. Annual Audit Plan 26. Management Audit Report 27. Status of Future Agenda Items Please see Section 13.0, Appendix 1 for Frequency, Presented by & Description and Purpose of Report. (Amended 11/02/23; 03/07/24)	GM/Chief Accounting Employee/ Auditor/City Attorney/ Departmental Audit Manager

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 13.0 Appendix 1	Routine Reports 28 – 32: Governance Reports	28. General Manager Evaluation 29. Annual Governance Report 30. Board Education Report 31. City Attorney Evaluation 32. Board Self-Assessment Please see Section 13.0, Appendix 1 for Frequency, Presented by & Description and Purpose of Report. (Amended 01/19/23)	Third Party or Confidential Staff/GM
14.0 – BOARD OPERATIONS POLICY			
Gov. Policies Sec. 14.8	Agendas, Meeting Materials, and Minutes	The Board President and General Manager have the authority to place items on the agenda. Any Board member may propose items for future Board meetings. Emergency items may be placed on Board meeting agendas in accordance with the Ralph M. Brown Act. ¹ (Revised 01/21/16)	GM
Gov. Policies Sec. 14.9	Agendas, Meeting Materials, and Minutes	The General Manager shall prepare the agenda for each Board and committee meeting. The Board President shall approve the agenda in sufficient time to comply with the Ralph M. Brown Act. (Revised 01/21/16)	GM
Gov. Policies Sec. 14.11	Agendas, Meeting Materials, and Minutes	Minutes for each Board meeting shall be prepared, which provide a summary of all business conducted and a disposition of all motions, and shall be presented to the Board for approval. Once approved, the minutes will be signed by the Board President and the General Manager and shall form part of the permanent records of the Board. Board meeting minutes will be posted on LAFPP.lacity.gov. (Revised 01/21/16 and 09/05/24)	GM

¹ The Board may take action on items not appearing on the posted agenda upon a determination of the majority of the Board that an emergency exists. An emergency is defined as a crippling disaster, work stoppage or other activity, which severely impairs public health, safety or both. [California Government Code Sections 54954.2, 54956.5]

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 14.25	Decision-Making Process	The General Manager shall ensure that all matters scheduled to go before the Board or ad hoc committees are thoroughly researched and analyzed by staff or appropriate outside experts; and this shall include any recommendation by an ad hoc committee being put forward for Board consideration or approval.	GM
Gov. Policies Sec. 14.26	Decision-Making Process	Prior to any ad hoc committee recommendations being brought forward to the Board, staff shall review the recommendations and prepare any necessary commentary to accompany them for the Board's consideration. In most cases, staff will prepare such commentary and provide it to the Board within two weeks of the prior ad hoc committee meeting.	GM
Gov. Policies Sec. 14.27	Decision-Making Process	Because the Board has elected not to have an investment committee, investment matters involving policy decisions or service provider selection or termination may be considered by the Board at two separate meetings. At the first meeting, investment matters shall be presented to the Board for information purposes only. The Board may take formal action only at the second meeting at which the item is considered. Notwithstanding the above, the President and General Manager may agree to schedule a particular investment matter for board action at the first meeting at which it is to be considered, if they believe it is prudent to do so under the circumstances.	GM
Gov. Policies Sec. 14.28	Attendance and Compensation	The General Manager and the Commission Executive Assistant, or a designee of the General Manager shall attend all Board meetings. No action shall be taken without the General Manager or his/her designee being allowed an opportunity to participate in the discussion.	GM/Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
15.0 – STRATEGIC AND ANNUAL PLAN POLICY			
Gov. Policies Sec. 15.7	The Planning Process – Three Year Strategic Plan	Every three years, the General Manager will initiate the strategic planning process by coordinating a Board Strategic Planning workshop to seek input from the Board, Staff, Plan member representatives, and the Board's appropriate consultants/advisors to review the System's strategic direction including but not limited to an evaluation of LAFPP's: A. Strengths, Weaknesses, Opportunities and Threats (SWOT Analysis); B. Mission; C. Vision Statement; D. Values; and, E. Guiding Principles. (Amended 03/07/24)	GM
Gov. Policies Sec. 15.12	The Planning Process – Annual Plan	The General Manager shall seek input from the Board and the Board's appropriate consultants/advisors on current or new initiatives for inclusion in the annual plan. (Amended 03/07/24)	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 15.13	The Planning Process – Annual Plan	In conjunction with the preliminary budget, the General Manager will annually present a preliminary, updated annual plan to the Board for review, discussion and approval. The format of the annual plan will be at the discretion of the General Manager, but will normally include: A. The mission and vision statement and long-term goals of the System; B. Proposed new annual plan projects, along with supporting information and planning parameters, which may include: 1) Reasons for undertaking the project; 2) Timelines for completion; 3) Assignment of responsibilities for implementation; 4) Budget implications; 5) Criteria for assessing the success of the initiative; and 6) Provisions for reporting to the Board. C. Wherever feasible, the use of metrics to consider new projects and evaluate the status of ongoing projects. (Amended 03/07/24)	Staff
Gov. Policies Sec. 15.17	Communications	Staff will provide the Board with a quarterly update on the implementation of the annual plan or more frequently if circumstances dictate. (Amended 03/07/24)	Staff
17.0 – CITY ATTORNEY PERFORMANCE EVALUATION			
Gov. Policies Sec. 17.5	Roles and Responsibilities	Key staff shall also evaluate the performance of the City Attorney and provide their feedback to the Board for consideration. (Amended 06/04/15)	Staff
Gov. Policies Sec. 17.9	Evaluation Criteria	Using a separate evaluation survey, key staff will express their satisfaction with the City Attorney's performance and provide a summary of those findings to the Board to include in any feedback provided to the City Attorney. (Amended 09/19/13)	Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Gov. Policies Sec. 17.10	Evaluation Process	The General Manager shall ensure an electronic Evaluation Package is sent to each member of the Board and to key staff the day after the second Board meeting in June of each year. The Evaluation Package will include: A. A copy of this policy; B. The electronic performance evaluation survey forms to be completed by members of the Board and key staff; C. Any supporting information or data that the General Manager believes may assist the Board in carrying out the evaluation. (Amended 10/20/22)	GM/Staff
Gov. Policies Sec. 17.11	Evaluation Process	The Board and staff shall treat the Evaluation Package as confidential. Survey forms will be completed electronically within a pre-determined time period. The General Manager will designate an executive-level staff member to tabulate and summarize all completed surveys, segregating the results of the Board from that of staff.	GM/Staff
Gov. Policies Sec. 17.15	Evaluation Process	The Board may authorize the President and General Manager to present the Board evaluation to the City Attorney, in a confidential manner following the meeting.	GM
18.0 – COMPENSATION OF CITY ATTORNEY LEGAL FEES, BENEFITS, AND EXPENSES			
Gov. Policies Sec. 18.3 D.6	Compensation- Non Salary Expenses	City Attorney staff shall not incur any cost related to LAFPP without first receiving approval in writing from the General Manager.	GM
Gov. Policies Sec. 18.4	Payment	LAFPP shall make payment for direct costs, indirect costs, shared costs, and expenses incurred by the City Attorney only after satisfactory approval by the General Manager of LAFPP of the quarterly invoices submitted by the City Attorney and the annual invoice submitted by LACERS.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
19.0 – DISTINGUISHED SERVICE MEDAL			
Gov. Policies Sec. 19.2	Criteria & Responsibilities	<p>A) The Medal may be awarded from time to time by a unanimous vote of the Board President, or the President's designee, the Vice President and the General Manager.</p> <p>B) Candidates shall be nominated by a Commissioner or General Manager.</p> <p>C) Recipients must be present or former Commissioners, System members or Department employees.</p> <p>D) The award is awarded by the Board of Fire and Police Pension Commissioners, in the name of the Department, and presented by the President, or the President's designee, at a Board meeting or an appropriate event approved by the Board.</p> <p>E) The award consists of a medal, ribbon and citation.</p> <p>F) The General Manager shall maintain a plaque on behalf of the Board, in a prominent location, inscribed with the names and date of receipt of prior recipients.</p>	GM
II. BOARD OPERATING POLICIES AND PROCEDURES			
2.0-FISCAL ADMINISTRATION APPENDIX 1-GUIDELINES FOR TRAVEL AND PERSONAL EXPENSES			
Operating Policies & Procedures Sec. 2.0 Appendix A4	General Guidelines	<p>Approving authority for:</p> <ul style="list-style-type: none"> the Board Members and the General Manager shall be the Board President; the Board President shall be the Vice President; and the staff shall be the General Manager 	GM
Operating Policies & Procedures Sec. 2.0 Appendix A5	General Guidelines	All Personal Expense Statements (PES) will be reviewed by the Chief Accounting Employee for compliance with the System's travel guidelines before a payment is authorized.	Chief Accounting Employee

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 2.0 Appendix C2a	Personal Vehicle	a. Use of this alternative mode of transportation in lieu of air travel must be pre-approved by the traveler's approving authority, except when the destination is an adjacent county since air travel is generally not the most economical or convenient. Adjacent counties include Orange, Riverside, San Diego, San Bernardino, Ventura, Kern, Santa Barbara, and San Luis Obispo.	GM
Operating Policies & Procedures Sec. 2.0 Appendix C3d	Ground Transportation	d. Automobile rental is allowable if it is less expensive or more appropriate for the efficient conduct of System business than the use of taxi or bus. Pre-approval by the traveler's approving authority is required. Written justification is needed.	GM
Operating Policies & Procedures Sec. 2.0 Appendix H1	Other Expenses	1. Other travel expenses are allowable when deemed necessary in the conduct of System business provided such expenses are reviewed and certified by the traveler's approving authority as reasonable, proper, and incurred in pursuit of System business. Otherwise, these expenses become personal expenditures.	GM
3.0 – PENSION PROCESSING			
Operating Policies & Procedures Sec. 3.3	Authority of Board and General Manager	The General Manager shall present to the Board all eligible pension applications. The Board as a ministerial act shall approve all properly qualified service pension and surviving spouse applications. On August 7, 2003 the Board adopted Resolution 04008 delegating authority to the General Manager to perform this function. The General Manager's actions are reported to the Board at the next subsequent Board meeting. The General Manager shall adopt procedures for the submission, verification and withdrawal of applications and shall determine whether applicants meet the qualifications specified in the Charter and Administrative Code.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 3.3.1	Authority of Board and General Manager	In the event a retired member receives benefits from more than one of the City of Los Angeles' defined benefit plans, and their combined benefit exceeds the applicable Internal Revenue Code (IRC) section 415(b) limit, the plans must coordinate when limiting the combined benefit. Pursuant to Administrative Code Section 4.1906(s), the Board has delegated authority to the General Manager to enter into agreements with the Water and Power Employees' Retirement Plan and/or the Los Angeles City Employees' Retirement System and to create the administrative rules necessary to facilitate different manners for reduction of benefits in order to comply with IRC section 415(b). (Section added 03/21/19)	
Operating Policies & Procedures Sec. 3.4 D	Disability Application Process	The General Manager shall be responsible for selecting physicians to examine applicants. Physicians, preferably Board certified in their specialty, shall whenever possible be rotated considering geographical and availability constraints. Refusal by an applicant to be examined will cause suspension of disability application processing and initiate the administrative withdrawal process Section 3.4(C). The General Manager may consider applicant objections to physicians made for good cause to select a different physician. (Amended 01/18/18)	GM
Operating Policies & Procedures Sec. 3.7	Survivor Benefit Applications	Applications for surviving spouse, minor or dependent children or dependent parent benefits when members are deceased while on active duty due to indisputably service connected causes shall be processed automatically by staff for service connected benefits.	Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 3.10	Correction of Erroneous Payments	<p>The Department of Fire and Police Pensions shall recover any payments made in error exceeding \$250, pursuant to the IRS Employee Plans Compliance Resolution System Section 6.02(5)(c), or as a result of failure of a beneficiary to notify the Department of discontinuation of entitlement to benefits (e.g., due to death of a pensioner or surviving spouse; marriage, attainment of Charter/Administrative Code specified age for a minor, or discontinuation of full-time student status of a minor).</p> <p>Partial summary of paragraph 5: "The General Manager may request issuance of subpoenas through the Office of the City Clerk to obtain additional pensioner bank account owner information."</p> <p>Partial summary of paragraph 7: "For amounts up to \$20,000, the General Manager shall have the authority to write off the overpayment in whole or in part." (Amended 01/07/16, 05/07/20, 10/15/20, and 08/04/22)</p>	Staff & GM
Operating Policies & Procedures Sec. 3.11	Pension Payroll Deductions for Organizations	<p>The General Manager or his/her designee shall establish a procedure for approving or denying applications from organizations seeking eligibility to receive voluntary pension deductions. If the organization is approved to receive deductions, the authorized deductions shall be submitted to LAFPP electronically. Payment shall be prepared and issued to such organizations by LAFPP after the close of each respective Pension payment period. All organizations must submit to the General Manager financial records upon request. (Added 04/19/18)</p>	Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 3.13	Establishment of Domestic Partnerships	<p>It is the intent of the Board that with regard to all LAFPP benefits, domestic partners shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations and duties, as are afforded to spouses, to the greatest extent permissible under law. If there are any omissions or ambiguities in this policy regarding the rights of domestic partners, LAFPP shall resolve them in a manner that best fulfills this intent to treat domestic partners and spouses equally.</p> <p>Staff shall grant to domestic partners the same rights, responsibilities, and benefits with regard to LAFPP as are provided to married persons, upon LAFPP's receipt of the notification and documentation of a valid domestic partnership, as stated in this policy. Just as members have a responsibility to notify LAFPP of a divorce or legal separation from a spouse, members shall promptly notify LAFPP of the termination of a domestic partnership. If LAFPP receives written notice that a domestic partnership has been terminated or is invalid for some other reason, LAFPP shall review the information, conduct any other necessary research, and determine, with the assistance of the City Attorney, whether the partnership has been terminated or remains in effect. (Section added 01/07/21)</p>	Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
4.0 – HEARINGS			
Operating Policies & Procedures Sec. 4.5	Assignment of Cases	The General Manager shall designate a limited number of commissioners to preside over disability pension and survivor application hearings as Disability Hearing Officers. These designated commissioners will serve as subject matter experts and be trained in conducting administrative hearings. Disability Hearing Officers will be responsible for ensuring that each disability hearing proceeds fairly, efficiently, and expeditiously	GM
5.0 – MEMBER ACCOUNTS			
Operating Policies & Procedures Sec. 5.1	Crediting of Interest	<p>The General Manager shall determine the approximate earned investment income of all funds for each (6) six-month period ending December 31 and June 30, excluding profits and losses from the sale of securities, as follows:</p> <p>Earned Investment Income for the six-month period divided by (1/2 of the beginning asset balance + each of the following five months asset balance + 1/2 of ending asset balance) divided by six months.</p> <p>A recommendation shall be presented to the Board, based upon this calculation. The Board shall adopt an official interest rate that shall be credited to individual member contribution accounts.</p>	GM
Operating Policies & Procedures Sec. 5.2	Refunds of Contributions	Upon the written request of terminated System members, the General Manager shall process refunds of contributions, plus interest credited as of the last day of each June and December, and additional interest for any period of service between the next preceding last day of June and December and the end of the pay period preceding the date of termination, at the rate at which regular interest was last credited to plan member's individual accounts.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 5.2.1	Refunds of Contributions	Upon application by a former member of LAFPP who currently is employed by the City as a member of LACERS or WPERP, the General Manager is authorized to transfer all contributions (including interest) of the former member directly to LACERS or WPERP for purpose of enabling the former member to purchase service credit and other benefits as authorized under the provisions of LACERS or WPERP. In connection with this transfer, the former member shall be required to sign a written waiver of all rights to benefits from LAFPP.	GM
Operating Policies & Procedures Sec. 5.3	Contributions Owed to the System	The General Manager is authorized to collect mandatory regular pension contributions owed to the System that were not collected and voluntary additional pension contributions as defined in Administrative Code Section 4.1167. For amounts less than or equal to a member's biweekly contribution, no notification is required to the member. For amounts greater than a member's biweekly contribution, the member shall be notified of the amount due and provided an opportunity to pay the total amount in a lump sum. If the member does not pay such amount within 30 days of such notification, the General Manager is authorized to initiate deductions from the member's salary in the amount of 2% until the amount due has been collected. This 2% deduction may be reduced upon the member's election to pay interest equivalent to the Board approved assumed actuarial rate in effect when the agreement is made. The payment period, not to exceed ten years, shall be determined in advance by the member, except however, the General Manager may prescribe a minimum payment amount. The entire balance may be paid at any time. If the member applies for a pension prior to completing the agreement, the entire balance of the purchase agreement,	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		including interest accrued to date, becomes due. (Amended 12/06/12)	
Operating Policies & Procedures Sec. 5.4	Contributions Collected in Error	The General Manager is authorized to refund mandatory and non-mandatory contributions collected in error.	GM
Operating Policies & Procedures Sec. 5.5 B	Purchase of Service Credit	The General Manager may prescribe a minimum payment amount for all contracts. The member's payroll deduction for a contract will be the greater of the minimum amount prescribed by the General Manager or the amount necessary to complete the contract within the allowable time as defined in the previous paragraph. The schedule, which shall be determined by the member in advance, cannot be changed except the member may pay off the balance at any time.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 5.6	Workers' Compensation Award	Disability pension payments must be reduced by the total amount of compensation awarded or paid pursuant to Workers' Compensation. As to Workers' Compensation payments being received concurrently with a disability pension, the General Manager is directed to reduce the monthly pension by the monthly equivalent of the Workers' Compensation payments. As to Workers' Compensation awards or payments received prior to the granting of the disability pension, the General Manager is directed to deduct from monthly pension payments on an installment basis until the total amount of prior Workers' Compensation has been offset. Each deduction made on an installment basis shall be in an amount of no less than twenty-five (25) percent of the monthly gross pension amount. The member, at his or her discretion, may elect to repay the full amount of prior Workers' Compensation at any time. The member and General Manager may agree on deduction amounts greater than twenty-five (25) percent. If a member, upon being granted a disability pension, is eligible to receive a pension payment retroactive to a date earlier than the Board action date, the deduction provisions stated above shall be applied to the retroactive pension payment. (Amended 03/07/13)	GM
Operating Policies & Procedures Sec. 5.7	Workers' Compensation Recapture Suspension	Effective October 15, 2020, the Board eliminated its program to suspend workers' compensation recapture and delegated to the General Manager the authority to administratively deny suspension requests and appeals to the Board.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures Sec. 5.9	Forfeiture of Unclaimed Funds to the Plan	The Board authorizes the General Manager to declare a forfeiture of money or relieve a person from forfeiture of money. The General Manager is authorized to declare a forfeiture of all monies, including but not limited to contributions, interest, and benefits that become payable or distributable from LAFPP to any owner who either cannot be found or refuses to accept payment or distribution within ten years of the date such monies become payable or distributable from LAFPP. (Added 09/03/15)	GM
7.0 – AUTHORIZATION OF SPECIAL ACTUARIAL STUDIES			
Operating Policies & Procedures 7.2	Scope of Authority	The Board has determined that this policy shall be limited to (1) authorizing actuarial studies to evaluate possible inequities existing in the current retirement and health benefit structure, and (2) considering written requests by the Plan Sponsor for actuarial studies to be conducted by the Plan's actuary at the Plan Sponsor's expense, and (3) authorizing the General Manager to have the Plan's actuary prepare an illustration of contributions, funded ratio and Unfunded Actuarial Accrued Liability (UAAL) each year after the adoption of the annual valuation. The Board does not have authority to establish new benefits. (Amended 10/03/13, 08/06/15)	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Operating Policies & Procedures 7.7.1	Actuarial Study	The General Manager shall request that the actuary prepare an illustration of contributions, funded ratio and Unfunded Actuarial Accrued Liability (UAAL) each year after the adoption of the annual valuation, using the actuarial assumptions adopted for the annual valuation and the actuarial return assumptions as directed by the General Manager. If the Plan Sponsor requests additional scenarios, said illustrations shall be at the Plan Sponsor's expense. (Amended 10/03/13, 08/06/15)	GM
8.0 – HEALTH AND DENTAL SUBSIDIES AND REIMBURSEMENTS			
Operating Policies & Procedures Sec. 8.3-G	Medicare Part B Reimbursement Program	Claim forms and documentation will be accepted for up to one year following the HIPR claim submission period for eligible pensioners who file for Medicare Part B premium reimbursement through the HIPR program. (Removed Section 8.3 G, and Amended Section 8.3 G-H 10/05/17)	GM
III. INVESTMENT POLICIES			
1.0 - INVESTMENT GUIDELINES			
Investment Policies Sec. 1.7 B	Rebalancing	B. Staff will monitor the portfolio's asset allocation relative to the target allocations. If the actual allocations fall within the defined ranges, no rebalancing will be required. If the actual allocations fall outside the predetermined range, Staff will implement a rebalancing back within the range of the target allocation. (Amended 9/16/15)	Investment Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 1.7 C	Rebalancing	<p>C. In rebalancing, Staff should prioritize implementation procedures as follows:</p> <ol style="list-style-type: none"> 1. Maintaining sufficient cash position for recurring liabilities such as benefit payments, capital contributions related to investment fund commitments and expenses. 2. Drawing cash flows out of the portfolio for recurring liabilities from liquid asset classes that are above their range limitations (using interest payments, rental revenues and dividends) provided cash position is deemed inadequate. 3. Investing net contributions into asset classes (including increasing commitments to illiquid asset classes) that are below their range limitations; 4. Selling overweighted liquid assets and/or buying underweighted liquid assets. 	Investment Staff
Investment Policies Sec. 1.7 F	Rebalancing	<p>Staff will report all rebalancing activities to the Board on a quarterly basis at a minimum. In circumstances where it is impractical to rebalance the portfolio for any market or portfolio-specific reason, Staff shall assess the rebalancing options, notify the Board of the out of balance situation, and report its recommendations to the Board. Staff shall seek approval from the Board to implement rebalancing according to Staff's recommended rebalancing plan in situations that involve leaving the portfolio, or some portion of the portfolio out of balance for an extended period of time.</p>	Investment Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
2.0 – PRIVATE EQUITY INVESTMENTS			
Investment Policies Sec. 2.3	Use of Private Equity Managers	<p>Private equity managers may receive information about prospective investments from Board members or Staff, and each Manager shall designate a contact person within the firm to receive and coordinate all such information. The General Manager shall designate a member of Staff to coordinate such communications between the Managers and Board or Staff members. Prospective investments referred by a Board or Staff shall not influence the Manager's evaluation of the prospective investment. Such referrals and information will be given solely in the interest of contributing to the deal flow seen by the Manager and supplementing the information the Manager gathers. The procedure for Board and Staff member referrals is outlined in Section 1.5 of this policy. (Amended 10/06/16)</p> <p>In managing the portfolio, the Manager will consider sustainability as an investment factor in the investment analysis.</p>	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
3.0 – REAL ESTATE			
Investment Policies Sec. 3.3B(2)	Investment Policies Risk Management 2) Defined Roles for Participants	<p>The real estate program shall be planned, implemented, and monitored through the coordinated efforts of the Board, Staff, Real Estate Consultant (“Consultant”) and Investment Managers (“Manager” or “Managers”). Set forth below is the delegation of the major responsibilities of each participant.</p> <p>Duties of the LAFPP Staff:</p> <ul style="list-style-type: none"> • Reports to the Board on matters of policy. • Oversees Consultant’s preparation of the Strategic Plan and Investment Plan. • Participates with the Consultant in the Annual Real Estate Portfolio Review, including Budget and Management Plans and presents summary findings to the Board. • Brings any non-conforming items or significant issues to the attention of the Board. • Documents and monitors funding procedures. • Completes any other activity as directed by the Board. 	CIO
Investment Policies Sec. 3.4A(1)e	Investment Procedures Separately Managed Real Estate Accounts 1) Manager Selection Process	e. Staff and Consultant, shall review and evaluate RFI responses, identify material issues related to each candidate, including proposed fee structures, and compile numerical rankings for each respondent for each objective evaluation factor.	Investment Staff
Investment Policies Sec. 3.4A(1)f	Investment Procedures Separately Managed Real Estate Accounts 1) Manager Selection Process	f. Staff and Consultant shall prepare a report to the Board that reviews the findings of interviews/on-sites.	Investment Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 3.4A(1)g	Investment Procedures Separately Managed Real Estate Accounts 1) Manager Selection Process	g. Staff, with the assistance of Consultant, shall coordinate final presentations which will be held at a noticed meeting.	Investment Staff
Investment Policies Sec. 3.4A(1)i	Investment Procedures Separately Managed Real Estate Accounts 1) Manager Selection Process	i. Staff and Consultant will negotiate and close manager agreements, including final fee structures.	Investment Staff
Investment Policies Sec. 3.4A(3)a	Investment Procedures Separately Managed Real Estate Accounts 1) Control and Monitoring	a. Staff and Consultant will meet with the Manager personnel directly responsible for portfolio and asset management for a review and evaluation of the reasonableness of the submitted Budget and Management Plan.	Investment Staff
5.0 – EMERGING MANAGERS			
Investment Policies Sec. 5.4	Monitoring and Change of Status	<p>Emerging Managers and Managers of Emerging Managers shall be subject to the standard Monitoring and Watch Status procedures of LAFPP. Staff will report to the Board annually regarding any change of status of emerging managers in the Program.</p> <p>When an emerging manager is retained directly by LAFPP, Staff shall automatically notify the Board when that emerging manager's assets under management grow larger than the LAFPP Policy-defined maximum assets under management of \$2 billion.</p> <p>When an emerging manager is retained by LAFPP through a manager of emerging managers, the manager shall automatically notify the LAFPP Board when an emerging manager exits the portfolio due to growth in the emerging manager's assets under management. (Amended 04/18/13)</p>	Investment Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 5.5	Manager Termination	For any emerging manager retained directly by LAFPP for the management of public securities, notwithstanding the provisions of Section 8.0 – Manager Selection and Retention, the Board delegates to Staff the authority to terminate the investment management contract.	Investment Staff
7.0 – PROXY GUIDELINES			
Investment Policies Sec. 7.0	Proxy Issues	<p>The Board delegates to the General Manager the voting of normally routine proxy solicitation matters, such as election of directors and appointment of independent auditors. Exceptions shall be brought to the Board's attention at the General Manager's discretion.</p> <p>The Board instructs the General Manager to use his or her discretion as to whether or not proxy issues may be voted by Staff for the purpose of protecting the Pension System's economic interest, when such issues are not covered in the existing guidelines or timing does not allow the issue to be brought to the Board. The General Manager will report to the Board on all votes cast in this manner.</p> <p>In researching potentially significant proxy issues, the General Manager is also instructed to obtain and consider recommendations from the applicable investment advisor(s) on proxy issues which may have an economic impact on the corporation or on the value of its equity.</p> <p>As to proxy matters for non-U.S. securities, the Board delegates to the international equity advisors the authority to vote the Board's proxies using the guidelines set forth above for the General Manager on U.S. proxy matters.</p>	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 7.125 Shareholder Proposals - Abstain	Social Issues	Abstain from voting on all social issues. The General Manager shall present exceptional issues to the Board.	GM
8.0 – MANAGER SELECTION AND RETENTION			
Investment Policies Sec. 8.1	Background	As procedures have evolved at the Department of Fire and Police Pensions, the major responsibility for monitoring and evaluating managers has been assigned to Staff and employed consultants, with the Board assuming overall responsibility for setting investment policy and deciding which managers will be hired or retained.	Investment Staff
Investment Policies Sec. 8.2	Manager Selection Criteria	The General Consultant shall provide to Staff a list of all Investment Managers who have met the minimum search qualifications established by the Board. Staff and the General Consultant shall recommend to the Board a list of finalists to interview. For searches to hire one (1) manager, Staff and the General Consultant shall recommend no more than three (3) finalists. For searches to hire two (2) managers, Staff and the General Consultant shall recommend no more than five (5) finalists.	Investment Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 8.4	Watch List	<p>When a manager is placed on the list, Staff will speak to the manager and send a letter (Appendix 2) as soon as possible to discuss the Board's concern at which time that manager will sign and return that letter acknowledging their watch list notification by this Board.</p> <p>The Board, Staff and the performance consultant will monitor the manager's quarterly performance.</p> <p>Upon the decision to terminate, Staff will implement its termination checklist.</p> <p>Staff will have the responsibility to manage the details of terminating an investment manager.</p>	Investment Staff
10.0 – SECURITIES LITIGATION POLICY			
Investment Policies Sec. 10.2.D	Claims Evaluation Process and Participation as Lead Plaintiff	The City Attorney and Staff, after input from outside counsel, shall make a decision whether to participate (opt-in to a foreign securities action). When making a determination whether to opt-in, in addition to the core considerations described in Section 10.2.C above, the City Attorney and Staff shall also weigh the quality and financial stability of the foreign legal counsel and the defense cost funding guarantor, foreign jurisdiction law, and language translation.	Investment Staff and City Attorney

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 10.2.D	Claims Evaluation Process and Participation as Lead Plaintiff	The City Attorney and Staff, after input from outside counsel, shall make a decision whether to participate (opt-in to a foreign securities action). To inform the decision whether to participate and/or file a claim in the foreign action, the City Attorney and outside counsel shall evaluate the structure of litigation funding, review retention agreements with foreign counsel, analyze insurance contracts, review powers of attorney, and ensure that LAFPP pays no out-of-pocket costs. The City Attorney is authorized to engage outside counsel and/or a litigation funding group to file a claim on behalf of LAFPP and/or take the actions necessary to participate in the recovery in a foreign case. The Board provides a standing delegation of authority to the General Manager to execute all necessary documents on behalf of LAFPP with respect to foreign litigation, including power of attorney documents and any follow-up documents to cure deficiencies in a foreign claim.	GM, Investment Staff and City Attorney
11.0 – DUTIES AND RESPONSIBLE PARTIES			
Investment Policies Sec. 11.1(5)	Duties of the Board or its Designate(s)	The Board shall expect Staff to administer the Plan's investments in a cost-effective manner subject to Board approval. These costs include, but are not limited to, management, consulting and custodial fees, transaction costs, and other administrative costs chargeable to the Board.	Investment Staff
Investment Policies Sec. 11.2	Duties of the Staff	<p>The Staff provides analysis and recommendations to the Board on a wide variety of investments and investment related matters. Additionally, Staff oversees and directs the implementation of Board policies and manages the Fund on a day-to-day basis. Furthermore, Staff's responsibilities include the following duties:</p> <p>1. Invests the Fund's cash without requiring Board's permission as set forth elsewhere</p>	Investment Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		<p>in the Board's Investment Guidelines.</p> <p>2. Monitors investment managers for adherence to appropriate policies and guidelines.</p> <p>3. Evaluates and manages the relationships with brokers, managers and custodian(s) to the Fund to ensure that they are providing all of the necessary assistance to the Board and Staff.</p> <p>4. Conducts the manager search process, as approved by the Board, with assistance from consultants as needed.</p> <p>5. Negotiates investment management fees and executes contracts on behalf of the Board for the Plan.</p> <p>6. Manages portfolio restructuring resulting from portfolio rebalancing or manager terminations with the assistance of consultants and managers, as needed.</p> <p>7. Organizes and/or participates in any special research for the Board.</p> <p>8. Ensures that Investment Managers conform to the terms of their contracts and that performance-monitoring systems are sufficient to provide the Board with the most timely, accurate and useful information as possible</p> <p>9. Advises and appraises the Board of any other events of investment significance.</p> <p>10. Implements and administers policies made by the Board.</p>	

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
12.0 – ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY			
Investment Policies Sec. 12.5	ESG MONITORING	Investment managers shall submit to Staff the firm’s ESG policy and report on how ESG criteria is incorporated into the investment process on an annual basis. Staff shall monitor how investment managers analyze ESG risks and opportunities, the process used to identify ESG factors, and related actions taken. There are a variety of ways to look at ESG with no “one-size-fits-all” solutions. As such, the Plan should make every effort to understand how its investment managers utilize its resources in the area of ESG.	Investment Staff
17.0 ENFORCEMENT ACTION AND LITIGATION REPORTING POLICY			
Investment Policies Sec. 17.1		This Policy shall be incorporated into all investment contracts with the Board that incorporate the Board Investment Policies.	Investment Staff
Investment Policies Sec. 17.2		The General Manager shall be responsible for making materiality determinations under this Policy Section 17, in consultation with the City Attorney’s Public Pensions General Counsel Division (City Attorney).	GM
Investment Policies Sec. 17.3		For all investment contractors contracted with the Board, the Chief Investment Officer and their designated investment staff member(s) shall collect and review reports and publicly reported information regarding: A. Securities and Exchange Commission (SEC) enforcement actions; B. Department of Justice enforcement actions; C. State attorney general enforcement actions; D. Other federal, state, or foreign agency enforcement actions;	CIO & Investment Staff

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		<p>E. Other financial industry disciplinary proceedings, including but not limited to FINRA and other self-regulatory non-governmental entities;</p> <p>F. Criminal prosecution or investigation; or</p> <p>G. Civil litigation or arbitration.</p> <p>Such reports may consist of contractually-required investment contractor notifications, voluntary investment contractor notifications, required regulatory reports and forms submitted by investment contractors, investment consultant notifications, publicly reported information, and/or any other sources that provide such reports. Where investment contractor notifications are required by contract, investment contractors shall notify the Chief Investment Officer and/or their designated investment staff member(s) within three (3) days of the investment contractor having notice of such information, unless otherwise required by law.</p>	
Investment Policies Sec. 17.4		<p>The Chief Investment Officer shall evaluate the reports described in Section 17.3 for possible elevation to the General Manager. The Chief Investment Officer shall elevate reports to the General Manager when they contain any of the following attributes:</p> <p>A. An investment contractor or a principal or employee thereof was charged with, convicted of, or pleaded guilty to a felony;</p> <p>B. An investment contractor or a principal or employee thereof was charged with, convicted of, or plead guilty to a misdemeanor involving: investments or an investment-related business, or any fraud, false statements or omissions, theft, embezzlement, wrongful taking of property, bribery, perjury, forgery, counterfeiting,</p>	CIO

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		<p>extortion, or a conspiracy to commit any of these offenses;</p> <p>C. An investment contractor or a principal or employee thereof was charged with, or found to have been involved, in a violation of an investment-related statute, regulation, or rule;</p> <p>D. An investment contractor or a principal or employee thereof was the cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted;</p> <p>E. A self-regulatory organization or commodities exchange: suspended or expelled from membership a principal of an investment contractor or an employee in a managerial position thereof; denied, suspended, revoked or restricted their authorization to do business; barred or suspended them from association with other self-regulatory organization or commodities exchange members; or otherwise restricted their activities;</p> <p>F. The SEC, Commodity Futures Trading Commission, other federal regulatory agency, state regulatory agency, any foreign financial regulatory authority, self-regulatory organization, or commodities exchange charged or found that an investment contractor or a principal or employee thereof made a material false statement or omission, or was dishonest, unfair, or unethical or in material violation of the contractor's fiduciary or contractual duties to its clients;</p> <p>G. The investment contractor provided the report as a contractually-required notification to the Board of any regulatory proceeding or material litigation relating to the investment contractor's business to which the investment contractor or any of</p>	

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		<p>its owners, principals or employees is a named party; or</p> <p>H. An investment contractor or a principal or employee thereof was the subject of a civil self-regulatory, or administrative proceeding, or a litigation or arbitration claim alleging damages in excess of \$100,000, involving any of the following:</p> <ol style="list-style-type: none"> 1. Any investment or an investment-related business or activity; 2. Fraud, material false statement or omission; 3. Theft, embezzlement, or other wrongful taking of property; 4. Bribery, perjury, forgery, counterfeiting, or extortion; 5. Dishonest, unfair, or unethical practices, or 6. Breach of fiduciary duty. <p>The Chief Investment Officer shall confer with the City Attorney for assistance in determining whether reports should be elevated to the General Manager pursuant to Section 17.4.</p>	

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 17.5		<p>Upon receipt of reports described in Section 17.4, the General Manager shall evaluate them for possible reporting to the Board. The General Manager will report investment contractor conduct to the Board when such conduct is deemed to be material under this Policy, and/or because:</p> <p>A. The General Manager believes that the conduct creates reputational risk to the Board and/or the Plan through their association with the investment contractor;</p> <p>B. There is a substantial likelihood that the conduct may lead to media inquiries or other publicity, such that the Board should have in place a coordinated plan to respond to such inquiries, and/or the General Manager deems it prudent to inform the Board prior to such publicity to ensure the Board receives accurate and complete information;</p> <p>or</p> <p>C. Upon request of one or more Commissioners.</p> <p>As part of the evaluation process, the General Manager shall confer with the City Attorney and specialized outside counsel, as appropriate, and may seek additional information from the Chief Investment Officer.</p>	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 17.6		When the General Manager determines that investment contractor conduct is required to be reported to the Board pursuant to Section 17.5, the General Manager or their designee, through the Commission Executive Assistant, shall send separate emails to each Commissioner briefly summarizing the conduct and the contractual relationship between the investment contractor and the Plan. Such emails shall refer any follow up questions to the General Manager or the Managing Assistant City Attorney, Public Pensions General Counsel Division.	GM & Commission Executive Assistant
Investment Policies Sec. 17.7		If the General Manager concludes that, in addition to the emails briefing Commissioners described in Section 17.6 of this Policy, Board discussion at a public meeting would be in the best interest of the Plan, or is required to seek the Board's consideration and approval of recommended action(s), the General Manager shall confer with the Board President to schedule the item on the agenda for Board consideration and possible action at an upcoming Board meeting. Upon the request of the General Manager, the City Attorney, with the assistance of specialized outside counsel, as appropriate, shall provide confidential attorney-client privileged written advice to the Board in connection with the General Manager's report to the Board on the item, including legal advice on the recommended Board action(s) to be taken by the Plan, if any.	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
Investment Policies Sec. 17.8		<p>Commissioners and staff members shall not respond to media inquiries regarding investment contractor conduct. Pursuant to Sections 7.2 and 9.8 of the Board Governance Policy, the President and General Manager will confer to determine who shall act as spokesperson for the System should the need arise, with the President having the authority to make the final determination.</p> <p>If necessary, the President shall review and approve any final press release regarding investment contractor conduct for dissemination and publication.</p>	Commissioners & Staff
ADMINISTRATIVE CODE			
Admin. Code Sec. 504	City Charter	<p>Sec. 504. Secretary and Chief Accounting Employee.</p> <p>(a) Secretary to the Board. The head of each department shall appoint an employee of the department other than a member of the board, to serve as secretary to the board. The secretary shall perform those duties imposed upon him or her by the Charter, ordinance or order of the board.</p> <p>(b) Chief Accounting Employee. The head of each department shall conduct the selection process for the chief accounting employee and present the successful candidate to the board for approval and appointment. Such candidate must not be a member of the board or the chief administrative officer, to serve as chief accounting employee. The chief accounting employee shall perform those duties imposed upon him or her by the Charter, by ordinance, or by the board. Revised 09/06/18)</p>	GM & Chief Accounting Employee
Admin. Code Sec. 506	City Charter	Sec. 506. Powers of the Board and the Head of the Department. Subject to the provisions of the Charter, and to any ordinances as are not in conflict with the	GM

BOARD DELEGATIONS TO THE GM OR STAFF			
SOURCE/ SEC.	TITLE	REVIEW	ASSIGNEE
		<p>grants of power made to each department in the Charter:</p> <p>(a) Management. The head of each department shall have power to supervise, control, regulate and manage the department.</p> <p>(b) Rules and Regulations. The head of each department shall have the power to make and enforce all rules and regulations necessary for the exercise of the powers conferred upon the department by the Charter. The board of each department under the control and management of a general manager shall have the power to make and enforce all rules and regulations necessary for the exercise of powers and the performance of the duties conferred upon that board by the Charter. Every order or resolution adopting a rule of general application to be followed by the public shall be published once in a daily newspaper and shall take effect upon publication. Those rules, when adopted by order of a general manager who is the head of a department, shall be subject to the approval of the Mayor.</p>	
ADOPTED BUDGET			
Adopted Budget Schedule 10	Travel Resolution	<p>Travel Authorizations</p> <p>The General Manager is authorized to approve travel expenditures by staff of up to \$4,500 per trip.</p>	GM

Los Angeles Fire & Police Pension System

9.0 - DUTIES AND RESPONSIBILITIES-GENERAL MANAGER

INTRODUCTION

- 9.1 Consistent with the City Charter, the General Manager will:
- A. be appointed by the Board, subject to confirmation by the City Council and the Mayor; [Section 1108 (b)] and
 - B. Administer the affairs of the Department as its Chief Administrative Officer. [Section 509 (a)]
- 9.2 The General Manager is the executive ultimately responsible to the Board for the entire operations of the System and is therefore expected to provide executive leadership for the System in implementing the programs necessary to achieve its mission, goals and objectives. It is understood, however, that the General Manager may not necessarily administer the operations directly, but will ensure proper delegation of duties to staff in a manner that maximizes the efficiency and effectiveness of the System;
- 9.3 The General Manager will support the Board and all its committees in establishing policies by identifying and analyzing issues requiring Board policy, and providing clear, well-supported policy recommendations for their consideration.
- 9.4 The General Manager will designate key staff members who will provide administrative support to the Board in the areas of Governance, Benefits Administration and Audit Oversight Responsibilities.
- 9.5 The General Manager will be responsible for ensuring that all rules, regulations and policies of the Board are properly implemented, with the exception of the General Manager Performance Evaluation Policy and policies governing the conduct of the Board, which are the responsibility of the Board itself.

GOVERNANCE

- 9.6 The General Manager will assist the Board in carrying out its governance role by:
- A. Recommending policies to ensure appropriate governance practices;
 - B. Coordinating fiduciary education;
 - C. Coordinating Board member travel arrangements, which may include purchasing air travel via Concur. (Amended 10/02/14 and 09/05/24)
- 9.7 The General Manager will serve as the Secretary to the Board in accordance with the City Charter. [Section 504(a)]
- 9.8 The General Manager and President will confer to determine who shall act as spokesperson for the System should the need arise, with the President having the authority to make the final determination. The General Manager however may exercise discretion to communicate on routine matters without consulting the President (e.g. requests by the media for simple factual information).

- 9.9 The Administrative Code Section 4.1407(e)(3) requires the General Manager to serve on the City's Deferred Compensation Board effective July 1, 2008.
- 9.10 The General Manager may nominate a candidate for the Distinguished Service Medal and must vote to award the Medal as stipulated in Section 19.0 of this Policy. (Amended 10/02/14)

Investments

- 9.11 The General Manager will carry out all investment functions of the System including, but not limited to:
- A. In consultation with the Chief Investment Officer and System consultants, recommending investment policies and strategies to the Board;
 - B. Managing investment staff and external service providers in the implementation of all policies and strategies;
 - C. Performing investment due diligence and monitoring;
 - D. Providing information to allow the Board to make a decision in regard to hiring, renewing or terminating contracts for the general consultant, real estate consultant, alternative investments manager and investment managers and other advisors.
 - E. Rebalancing the portfolio as required.

Benefit Administration and Operations

- 9.12 In accordance with the City Charter, the General Manager will:
- A. Recommend to the Board prior to the beginning of each fiscal year an annual departmental budget covering the anticipated revenues and expenditures of the System, conforming so far as practical to the forms and dates provided in City Charter, Article III in relation to the general City budget; [Section 509 (e)]
 - B. As authorized by the Board (06/21/18), modify the departmental administrative expense budget appropriations through intra-departmental fund transfers, commensurate with the transfer limit adjusted annually and released by the City Administrative Officer. [Section 343(b)(c)] (Added 09/06/18)
 - C. Expend the funds of the System in accordance with the provisions of the budget appropriation or of appropriations made after adoption of the budget. [Section 509 (d)]
 - D. Certify all expenditures of the System to the Chief Accounting Employee. [Section 509 (f)]
 - E. File with the Board and the Mayor a written report on the work of the System on a regular basis and as requested by the Mayor or the Board. [Section 509 (g)]
- 9.13 The General Manager will direct and oversee senior staff in the performance of all administrative and operational activities of the System including, but not limited to:
- A. In consultation with System consultants, where appropriate, developing and recommending to the Board all policies necessary to ensure effective administration of member benefits;

- B. Managing administrative staff involved in the delivery of service to plan members and in the operations of the System;
- C. Overseeing actuarial valuations and audits;
- D. In consultation with Board and System consultants, developing and recommending to the Board the Annual Plan and triennial Strategic Plan; (Amended 10/02/14)
- E. Authorizing payments and, in conjunction with the Board President and City Attorney executing agreements related to the administration of System and the appointment of all service providers, consistent with the Departmental Budget and internal controls of the System;
- F. Ensuring effective and timely communications with members and stakeholders on matters relating to the administration of System; and
- G. Coordinating and approving staff travel for education and due diligence purposes, subject to the travel resolution that forms part of the annual budget.

Financial and Accounting

9.14 The General Manager will:

- A. Oversee the preparation of the annual financial statements of the System;
- B. Coordinate the annual financial audit and ensure appropriate responses to any management letters or issues arising out of such audits;
- C. Ensure necessary internal audits of the operations are performed as required; and
- D. Ensure all necessary internal controls are in place to protect the assets of the System and ensure all policies and procedures are followed.

Human Resources

9.15 In accordance with the City Charter, the General Manager will:

- A. Appoint, discharge, suspend, or transfer the employees of the System, other than the Secretary of the Board and the chief accounting employee of the department, all subject to the civil service provisions of the Charter [Section 509 (b)]. Consistent with this language and in accordance with past practice, the General Manager will conduct the selection process for the chief accounting employee and present the successful candidate to the Board for approval and appointment; and (Revised 09/06/18)
- B. Issue instructions to employees, in the line of their duties, all subject to the civil service provisions of the Charter. [Section 509 (c)]

9.16 The General Manager will ensure ongoing assessment of the human resource needs of the System and the development of appropriate human resource programs and procedures, as necessary, including ~~an~~ employee education program [\(Amended 09/04/25\)](#).

Legislation and Litigation

9.17 The General Manager will carry out the following duties with the assistance of legal counsel:

- A. Monitor trends regarding legislation that may have a significant impact on the System;

- B. Evaluate proposed legislation and in consultation and concurrence with the Board President and Vice President determine that the legislation 1) does not materially impact member benefits, System administration, nor defined benefit plan design; and, 2) if there is a need to provide input to the City before the next regularly scheduled Board Meeting. If both criteria are met, and upon approval of both the Board President and Vice President, the General Manager may communicate directly to the City Council through the Chief Legislative Analyst. If both criteria are not met, then the General Manager will report to the Board with a recommendation(s). The City Council in turn will establish an official City position on such legislation. All pending legislation that is determined by staff to have a significant impact on the System will be brought to the attention of the Board; (Amended 07/18/13)
- C. Coordinate, with the City Attorney, all legal proceedings involving the System; [Section 272] and
- D. Provide recommendations to the Board concerning settlements or other client decisions in legal actions involving the System. [Section 272 (c)]

Service Providers

9.18 The General Manager will:

- A. Cause all necessary due diligence to be undertaken in the appointment of service providers and provide information to allow the Board to make a decision in regard to hiring, renewing or terminating contracts for the general consultant, real estate consultant, alternative investments manager and investment managers and other advisors, and ensure sound recommendations are provided to the Board in connection with the appointment or termination of service providers for which the Board has retained appointing authority.
- B. Appoint those service providers in accordance with Administrative Code Section 10.1.1 which provides authority for the General Manager to approve service agreements for up to \$25,000 for not more than a one-year period. (Amended 09/05/24)
- C. Regularly monitor the performance of all service providers and report regularly to the Board on all such monitoring efforts.

MONITORING AND REPORTING

9.19 The General Manager will ensure that monitoring and control mechanisms are in place to ensure that policies and procedures are properly implemented and that the operations of the System are effective.

9.20 The General Manager will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight responsibilities. Furthermore, the General Manager will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to the System, and provide recommended courses of action as appropriate.

FOR SUMMARY OF BOARD DELEGATIONS TO THE GENERAL MANAGER SEE
SECTION 3.0 – DUTIES AND RESPONSIBILITIES-BOARD OF COMMISSIONERS

OTHER

- 9.21 In accordance with the Charter, the General Manager will exercise any further powers in the administration of the System as may be conferred upon him or her by the Board. [Section 509 (h)]

HISTORY

- 9.22 These Duties and Responsibilities were adopted by the Board on June 8, 2006; Revised 10/21/10, 05/19/11, 07/18/13, 10/02/14, 11/03/16, ~~and~~ 09/06/18, 09/05/24, and 09/04/25. Reviewed on 04/06/23. ~~Revised on 09/05/24.~~

REVIEW

- 9.23 The Board shall review these Duties and Responsibilities at least every three years.

The Board shall next review these Duties and Responsibilities by April 2026.

Los Angeles Fire & Police Pension System

12.0 - GENERAL MANAGER PERFORMANCE EVALUATION POLICY

INTRODUCTION

- 12.1 In accordance with the City Charter, the Board has the authority to hire the General Manager, subject to confirmation by the Mayor and City Council and may remove the General Manager, subject to confirmation by the Mayor. The General Manager, if so removed, may appeal the removal to the City Council as provided in Section 508(e) of the City Charter [Section 1108 (b)].
- 12.2 In accordance with the City Charter, the Board is responsible for annually evaluating the performance of the General Manager. [Section 1108 (c)]. Accordingly, the Board has established this General Manager Performance Evaluation Policy, the objectives of which are to:
- A. Assist the Board in establishing and communicating clear and meaningful goals and performance targets for the General Manager; and
 - B. Ensure the General Manager receives useful and objective performance feedback from the Board on a periodic basis.

ROLES AND RESPONSIBILITIES

- 12.3 Evaluating the performance of the General Manager is a primary responsibility of the Board and therefore should include the participation of all Board members.
- 12.4 The Board as a whole will be responsible for coordinating the implementation of this policy.

EVALUATION CRITERIA

- 12.5 The Board will ensure that any criteria used to evaluate the General Manager:
- A. Are defined in advance;
 - B. Are objective in nature and, to the extent possible, measurable;
 - C. Pertain only to outcomes over which the General Manager has a reasonable degree of control; and
 - D. Apply only to July 1 through June 30 of the respective year being evaluated.
- 12.6 At a minimum, evaluation criteria will include Board satisfaction with the general management and leadership abilities of the General Manager, as determined through the use of a General Manager Performance Evaluation Survey.
- 12.7 In addition to the above minimum criterion, the Board may over time establish other criteria as appropriate. These must meet the conditions set out in 12.5 above and may include, but are not limited to:
- A. Implementation of the triennial strategic plan and annual plan; (Amended 04/16/15)

General Manager Performance Evaluation Policy

- B. Implementation and management of Board policies and associated reporting to the Board;
 - C. Effective fiscal and operational controls, as evidenced by internal or external financial audits.
- 12.8 Performance evaluation criteria established pursuant to paragraph 12.7 above will be recommended by a designated third party (e.g., Department confidential staff or consultant) to the Board for approval.

EVALUATION PROCESS

- 12.9 The General Manager will meet with the Board in the fourth quarter of each fiscal year (April – June) to discuss and establish:
- A. The proposed evaluation criteria for the General Manager for the next year and their relative weights; and
 - B. Any proposed evaluation forms or surveys, or other measurement tools to be used in evaluating the General Manager for the year in question.
- 12.10 The General Manager shall ensure that the Board is provided a final status report of the annual plan projects for the evaluation period during the first Board meeting in June. (Amended 04/16/15; 06/20/19; 4/21/22)
- 12.11 The Board shall meet in closed session for a pre-evaluation discussion after approval of the final status report of the annual plan projects, but prior to the distribution of the survey instrument. The presentation of the final status report and the pre-evaluation discussion shall take place during the same meeting. (Amended 06/18/20; 02/03/22, and 4/21/22)
- 12.12 Each year, the Board President will ensure a designated third party (e.g., Department confidential staff or consultant), electronically distributes an Evaluation Package to each member of the Board the next business day after the pre-evaluation discussion takes place as specified in Section 12.11 above. The Evaluation Package will include (Amended 06/20/19; 02/03/22; 09/01/22):
- A. A copy of this policy;
 - B. The performance criteria established by the Board for the year in question;
 - C. Any electronic survey forms to be completed by members of the Board; and
 - D. Any supporting information or data that the General Manager believes may assist the Board in carrying out the evaluation.
- 12.13 The General Manager at his or her discretion may also provide the Board with a self-assessment of the extent to which the General Manager believes the performance criteria were met.
- 12.14 The Board and the designated third party shall treat the Evaluation Package as confidential. Survey forms will be completed within a predetermined time period. The designated third party will ensure that all completed surveys are tabulated, summarized and presented to the Board in the General Manager Performance Evaluation report. The General Manager Performance Evaluation report shall

General Manager Performance Evaluation Policy

include all comments from every Commissioner. (Amended 06/18/20, 4/21/22; 09/01/22)

- 12.15 The designated third party will provide Board members with an electronic copy (or hard copy by request) of their completed survey instrument at least one week prior to the Board meeting that the General Manager evaluation discussion is scheduled. (Amended 06/18/20; 09/01/22)
- 12.16 Electronic copies of the General Manager Performance Evaluation report shall be password protected. Completed survey instruments referenced in 12.15 shall also be password protected (Added: 09/01/22).
- 12.17 The designated third party will report to the Board on the results of the Board's review of the General Manager's performance during the first Board meeting in July. The discussion of the General Manager's performance will be held in closed session and the General Manager may be present. (Amended 04/21/22 and 09/05/24)
- 12.18 Upon completion of the Board's discussion, the President and the General Manager will sign a Written Summary Evaluation ([inclusive of the Board notification letter to the Office of the Mayor and the Board resolution](#)) indicating the results of the General Manager Performance Evaluation, whether the General Manager is in good standing or to be placed under review, the details of any merit pay increase and any other details as appropriate. The President shall cause the Written Summary Evaluation to be placed in the General Manager's personnel file. The designated third party will ensure all completed survey forms are deleted from the survey platform in use at the time (Amended: 09/01/22 [and 09/04/25](#)).
- 12.19 The Board may grant the General Manager a merit pay increase in accordance with City Council guidelines [Section 1108 (c)]. Further, the Board may grant the General Manager additional increases (i.e., Cost of Living Adjustments, Retirement Contribution Offsets, or similar increases) in accordance with City Council guidelines.
- 12.20 The Board will promptly notify the Office of the Mayor the results of the evaluation. Further, the Board will promptly notify the Offices of the Controller and City Administrative Officer of the amount of any merit pay increase granted by the Board to implement the Board's action.
- 12.21 If the Board places the General Manager under review, the General Manager will meet with the Board every quarter to discuss his or her performance until the under review status is removed by the Board.

HISTORY

- 12.22 The Board adopted this policy on June 8, 2006; Amended 03/06/08, 03/19/09, 03/01/12, 04/16/15, 11/03/16, 06/20/19, 06/18/20, 02/03/22, 04/21/22, 09/01/22, 05/18/23, 09/05/24, ~~and 04/17/25~~, [and 09/04/25](#).

General Manager Performance Evaluation Policy

REVIEW

12.23 The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

12.24 The Board shall next review this policy by May 2026.

Los Angeles Fire & Police Pension System

13.0 - MONITORING AND REPORTING POLICY

BACKGROUND AND PURPOSE

- 13.1 In keeping with the duty of the Board to oversee the activities and performance of the System, the Board has established this Monitoring and Reporting Policy, which sets out the Board's expectations concerning the reports it is to receive on a regular basis.

PRINCIPLES AND ASSUMPTIONS

- 13.2 The Board should receive all appropriate information that is relevant to its duties and responsibilities in a timely manner.
- 13.3 The system of reporting to the Board is a dynamic one, and often must change over time to meet the changing needs of the Board. A process should be in place to help direct and keep track of such changes.
- 13.4 To the extent practical, reports to the Board should be in written form. Verbal reports should be accompanied by supporting documentation where feasible. The Commission Executive Assistant will work with the General Manager to ensure this is completed.

GUIDELINES

- 13.5 The Board will be provided the routine reports outlined in Appendix 1 with a frequency also set out therein. The Board may be provided other ad hoc reports as required.
- 13.6 Requests by Board members for additional routine reports and changes to existing routine reports shall require Board approval and an amendment to Appendix 1 of this policy.

HISTORY

- 13.7 The Board adopted this policy on June 8, 2006; Reviewed 10/21/10, 10/02/14, 11/03/16, 11/21/19, 09/02/21, ~~and 09/05/24,~~ and 09/04/25.

REVIEW

- 13.8 The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.
- 13.9 The Board shall next review this policy by September 2027.

APPENDIX 1 - ROUTINE AND EXCEPTION REPORTS

Monthly Report

Report Name	Frequency	Presented By	Description and Purpose of Report
1. Monthly Report (unless otherwise noted)	Monthly	General Manager	<p>Addresses a range of issues including, but not limited to:</p> <ul style="list-style-type: none"> • Summary of Investment Performance • Asset Allocation • Market Cessation Listing • Pensions and Administrative Operations Division Activities • Budget Compliance (Quarterly) • Contracts including Searches, Expirations, and Renewals • Staffing level and hiring efforts <u>(Quarterly) during the first and third quarter of each fiscal year with the latter report providing additional information to comply with California Government Code Section 3502.3. In addition, the recognized employee organization for each bargaining unit is entitled to make a presentation at the public hearing (Amended 09/04/25)</u> • Ad hoc Committee Assignments (as appropriate)

Investment & Funding Reports

Report Name	Frequency	Presented By	Description and Purpose of Report
2. Investment Performance	Quarterly	Investment General Consultant	Report on investment performance for the total Fund, for each asset class, and by investment manager. Provides analysis based on return over various periods (3 months, 1 year, 5 year, etc.), and seeks to identify sources of returns.
3. CIO Report of Asset Allocation	Quarterly	Chief Investment Officer	Report on compliance with asset mix policy, due diligence activity/visits, estimated cash flows and current events.
4. Investment Manager Compliance Exception Report	On an Exception Basis only	Chief Investment Officer	In the event that the investment managers are not investing plan assets in compliance with their mandate, investment agreement, regulatory requirements and System policy, the findings will be summarized for the Board.
5. Report on Investment Costs	Annually in the Budget	Chief Investment Officer	Estimates the costs of the investment program.
6. Proxy Voting	Annually	Chief Investment Officer	Included in the Annual Report. Confirms compliance with the Board's Proxy Voting Policy, and summarizes how the System exercised its voting rights in public companies. Specific reports available upon request.
7. Real Estate	Semi-Annually	Real Estate Consultant	Provides overview of real estate portfolio and performance.
8. Private Equity	Semi-Annually	Private Equity Consultant	Provides overview of private equity portfolio and performance.
9. Minority/Women/Disabled Veteran/LGBTQ Broker Report	Annually	Chief Investment Officer	Status report on brokerage activity of each active large cap equity manager and the percentage of trading with minority, women, disabled veteran and LGBTQ owned brokerage firms.

Investment & Funding Reports (continued)

Report Name	Frequency	Presented By	Description and Purpose of Report
10. Due Diligence	Quarterly	Chief Investment Officer	Summary of due diligence activity/visits over the last quarter will be provided in the CIO Quarterly Report of Asset Allocation.
11. Market Cessation Listing	Monthly	General Manager	Listing included in the Monthly Report of investment firms that shall have no direct marketing contact with the Board and staff during searches or three months prior to the renewal of a contract with a firm currently under contract.
12. Portfolio Value & Asset Allocation	Monthly	General Manager	Included in the Monthly Report.
13. Actuarial Valuation	Annually	Actuary	Summarizes the results of the actuarial valuation for the System, together with any recommendations.
14. Asset Allocation Study	At least every three years	Investment Consultant	A study of the relationship between the System's assets and liabilities.
15. Actuarial Experience Study	Every 3 years	Actuary	Reviews the appropriate long-term economic assumptions such as investment return and wage and price inflation, and demographic assumptions such as disability rates, mortality rates.
16. Actuarial Audit	Every 5-7 years ¹	Actuarial Auditor	An independent review of the validity of the analyses and methodologies used in preparing the System's actuarial valuation.

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.

Administration and Operations Reports

Report Name	Frequency	Presented By	Description and Purpose of Report
17. Strategic Plan	Every 3 years	General Manager	Summarizes the vision, mission, and long term goals.
18. Annual Plan	Annually	General Manager	Annual listing of all initiatives and projects identified to achieve the LAFPP vision, mission and long term goals.
19. Annual Plan: Status Report	Quarterly/Annually	General Manager	Summarizes the status of each initiative/project contained in the annual plan.
20. External Financial Audit	Annually	Chief Accounting Employee/ Auditor	Confirms that the financial statements present fairly, in all materials respects, the financial status of the System, in accordance with generally accepted accounting principles.
21. Annual Report	Annually	Distributed	Reviews the operations and activities of the System during the last fiscal year. The financial statements shall be part of the annual report and indicate the financial position of the System.
22. Legal Affairs	Semi-Annually (in June & December)	City Attorney	An update on significant litigation, potential litigation, and on changes and potential changes to legislation that would significantly affect the System.
23. Staff and Board Travel Report	Quarterly	General Manager	Summary of staff travel approved by General Manager cumulative fiscal year summary of Board travel and other relevant information.
24. Contractor Disclosure Report	Quarterly	Departmental Audit Manager	Listing of all disclosures of monetary contributions and/or other financial benefits made directly/indirectly by contractors.
25. Annual Audit Plan	Annually	Departmental Audit Manager	Listing of all audit activities for the upcoming year.
26. Management Audit Report	Every 5 Years	Departmental Audit Manager	Reports on the findings of the management audit required by the Mayor, Council and Controller per City Charter.

Monitoring and Reporting Policy

Report Name	Frequency	Presented By	Description and Purpose of Report
27. Status of Future Agenda Items	Quarterly	General Manager	Provides the current status of items requested by the Board over the past year.

Governance Reports

Report Name	Frequency	Presented By	Description and Purpose of Report
28. General Manager Evaluation	Annually	President, Board, or Third Party Designee.	Summarizes the Board's performance assessment of the General Manager.
29. Annual Governance Report	Annually	President, Board	A summary confirmation of compliance with the governance policies of the Board.
30. Board Education Report	Annually	General Manager	Summarizes the activities and training hours of the Board with respect to education.
31. City Attorney Evaluation	Annually	General Manager	Summarizes the performance assessment of the City Attorney's Office made by the Board and staff.
32. Board Self-Assessment	Annually	General Manager	Summarizes the Board's self-assessment to determine educational needs for the following fiscal year and plan these educational items for the Board agenda.

(Amended 11/21/19; 09/02/21; 09/15/21; 01/19/23; 09/21/23; 11/02/23; 09/05/24;
[09/04/25](#))

Los Angeles Fire & Police Pension System

9.0 - IPAD USAGE POLICY

PURPOSE

- 9.1 In 2011, the Board of Fire and Police Pension Commissioners (Board) authorized the electronic distribution of Board meeting documents to Commissioners to mitigate administrative costs and improve access to information by the Board members.
- 9.2 To this end, LAFPP has selected the use of iPads and a web-based system (currently SharePoint) as an electronic solution by which Board meeting records will be distributed, accessed, stored, and secured. Staff has tested this solution in conjunction with the current administrative processes pertinent to the Board; developed a systems support plan; and determined the high scalability of the iPad solution to account for future potential developments requested by the General Manager, the Board and staff.

POLICY

- 9.3 It is the policy of the Los Angeles Fire and Police Pension System (LAFPP) to ensure that all electronic documents accessed by iPad devices and distributed through SharePoint, the department's web-based, collaborative platform, are stored, maintained, and disposed of in a manner that prevents the disclosure of confidential information.
- 9.4 The user is responsible and obligated to agree to the following guidelines when using iPads to access materials owned by LAFPP or when otherwise using iPads to conduct City and LAFPP-related businesses:

DEPARTMENT ISSUED IPAD - USAGE GUIDELINES

- 9.5 Use of LAFPP Issued iPads
- A. An iPad distributed by LAFPP is the sole property of LAFPP. Therefore, documents, files, and media on the iPad are also the sole property of LAFPP. Users shall have no expectation of privacy, with regard to any applications, data, email, photos, or any other records stored on the iPad.
 - B. LAFPP reserves the right to use tracking software to locate the iPad as necessary.
 - C. In the event the iPad is lost or stolen, LAFPP also reserves the right to delete all data on the iPad remotely and reset the iPad to its original factory standard in order to preserve the integrity of LAFPP electronic records.
 - D. LAFPP is not responsible for iPad compatibility with other non-LAFPP products (computers, printers, Bluetooth devices, software, etc.).
- 9.6 In addition, the user of a LAFPP issued iPad must agree to the following guidelines:
- A. Use the iPad and all installed applications for business purposes in the interests of LAFPP and in accordance with City ethics laws.

- B. Occasional non-business use of iPad is acceptable only if the level of use is minimal and does not interfere with professional LAFPP business responsibilities or diminish productivity. (Added 09/06/18)
- C. Use the iPad and all applications installed on the iPad accordingly, reasonably, and ethically (Added 09/06/18)
- D. Take all appropriate and reasonable measures to physically and electronically secure the iPad and third-party applications with password protection.
- E. Treat all LAFPP electronic records as confidential records.
- F. Handle the iPad with consideration and care as iPads are expensive devices.
- G. Report lost, stolen, or damaged iPads and accessories to the LAFPP Systems Section at (213) 279-3060 within 24 hours of the occurrence. (Replacement of lost iPad or repair of damaged iPad and accessories is the responsibility of the commissioner to whom it was assigned. Lost, damaged, and stolen devices and accessories will be replaced by LAFPP in the first instance.) Revised 09/06/18)
- H. Maintain all applications and software that are owned or installed by LAFPP.
- I. Relinquish the iPad within two (2) business days of termination of service with LAFPP at 701 East 3rd Street Suite 200, Los Angeles, CA 90013 during normal business hours of Monday through Friday (7:30 am – 4:30 pm), excluding holidays.

PERSONAL IPAD – USAGE GUIDELINES

- 9.7 iPads personally owned by the user are the sole responsibility of the user. However, the user may request instructions to download the required third-party applications to access LAFPP materials.
- 9.8 LAFPP is not responsible and will not support the malfunction of the iPad. LAFPP is only responsible for the applications or software that is required to access the materials produced by LAFPP.
- 9.9 In addition, users of the personally owned iPads must agree to the following guidelines when using iPads to access records owned by LAFPP:
 - A. Take all appropriate and reasonable measures to physically and electronically secure the iPad and third-party applications with password protection.
 - B. Treat all LAFPP electronic records as confidential records.
 - C. Install all third-party applications that are required to access LAFPP materials.
 - D. Maintain all applications and software owned by LAFPP.
 - E. Delete all documents, files, and media owned by LAFPP entirely from the iPad within two (2) business days of termination of service with LAFPP. Deletion to be verified by Systems staff.

TECHNICAL SUPPORT

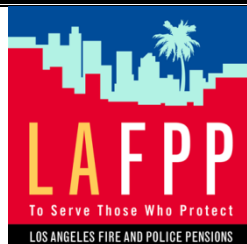
- 9.10 If support or assistance is needed for the iPad or required applications, LAFPP systems staff is available in person or by phone during normal business hours of Monday through Friday (7:30 am – 4:30 pm), excluding holidays. The contact information is:
Systems Section
701 East 3rd Street, Suite 200
Los Angeles, CA 90013
(213) ~~279~~-279-3060
webmaster@lafpp.com

HISTORY

9.11 Adopted: 01/05/12. Revised 11/03/16, 09/06/18, 08/06/20, [and 09/04/25](#).

REVIEW

9.12 The policy shall be reviewed by the Board as needed and may be amended by the Board at any time.



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: SEPTEMBER 4, 2025

ITEM: E.5

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: PRIVATE EQUITY CONSULTANT ORGANIZATIONAL UPDATES

THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.

BACKGROUND

The Board's Private Equity consultant, Portfolio Advisors LLC (PA), manages the Core, Commodity, and Specialized Manager Private Equity (PE) portfolios. With headquarters in Darien, Connecticut, the firm is a global private asset manager that provides PE, private credit, and private real estate investment services to institutional investors. PA has served as the Board's PE consultant continuously since 2010 (PA also previously served the Board from 2004 to 2007). In 2022, the Board directed Staff and the general investment consultant, RVK, Inc., to conduct a PE consultant search via a request for proposal (RFP) process. After interviewing two finalist firms, the Board rehired PA as its PE consultant in April 2023. PA's current contract expires in September 2026.

At the March 2, 2023 meeting, during the RFP process, the Board consented to the merger of FS Investments with PA (Attachment I). FS Investments was founded in 2007 and is a global private asset manager headquartered in Philadelphia, Pennsylvania. The firm primarily provides access to alternative assets (typically assets that are not traded in the public markets) to retail and high net worth investors. The merger was completed in June 2023 and provided benefits to FS Investments and PA. For FS Investments, PA's capabilities allowed it to begin offering new PE investment products to clients. For PA, FS Investments' retail and high net worth client base created a new distribution channel for PA's fund products. Immediately after the merger, FS and PA continued to operate as separate brands, but the intent was to have both firms operate under one firm name at a future point in time.

DISCUSSION

Firm Name Change

In July 2025, PA and FS Investments issued the attached press release (Attachment II) to officially rebrand as one firm, Future Standard (FS). As discussed with Staff and posted on LinkedIn, a social media platform for professionals, "Portfolio Advisors and FS Investments are now Future Standard. Our new name, Future Standard, is both a goal and a promise. 'Future' reflects our relentless drive to anticipate and address what's next for clients. 'Standard' represents the discipline and rigor behind everything we do. And so, Future Standard is the aspiration that has been reflected in our DNA since day one."

In accordance with the rebranding, FS has updated its email domain, redesigned its presentation materials, and launched a new website: www.futurestandard.com.

Consulting Team Changes Since 2023

When PA (now FS) was rehired as the Board's PE consultant in April 2023, the Board's consulting team was comprised of four senior professionals: Todd Hughes (Managing Director, Marketing and Client Services), Liz Campbell (who at the time was a Managing Director and Co-Head of U.S. Primary Fund Research), Greg Garrett (who at the time was a Managing Director and Co-Head of U.S. Primary Fund Research), and Geoff Kelleman (who at the time was a Managing Director, U.S. Primary Fund Research). Mr. Hughes and Ms. Campbell served as the lead consultants for the LAFPP account, but all team members contributed significantly to LAFPP's PE strategic plan development, fund-related due diligence efforts, and client relationship management.

In July 2023, Ms. Campbell was promoted to a newly created Chief Investment Officer (CIO) position. Following the promotion to CIO, her role transitioned primarily to firmwide leadership and managerial responsibilities, and away from the day-to-day management of the LAFPP account. Ms. Campbell continued to be involved with higher level strategic decisions for the LAFPP account and Board presentations. Mr. Kelleman replaced Ms. Campbell as a lead consultant for the LAFPP account and Payton Brooks (who at the time was a Senior Vice President) was added to the team to provide due diligence and client service support. Prior to becoming part of the senior consulting team, Mr. Brooks mostly worked on the LAFPP account behind the scenes, focusing on fund research and due diligence. Further, around this time, Mr. Hughes began transitioning his day-to-day responsibilities to the other senior consulting team members in preparation for retirement. Similar to Ms. Campbell, he continued to be involved with higher level strategic decisions for the LAFPP account and Board presentations.

In December 2024, Mr. Hughes retired after a 30-year career in private markets (28 years with PA), and Mr. Kelleman became the sole lead consultant on the LAFPP account. In April 2025, PA promptly notified Staff that Ms. Campbell would be departing the firm for another opportunity; Ms. Campbell officially left PA at the end of July 2025. PA verbally informed the Board of the pending departures of Mr. Hughes and Ms. Campbell at separate Board meetings late last year and earlier this year.

Today, the Board's consulting team is comprised of three senior professionals: Geoff Kelleman (Managing Director, Co-Head of Primary Investments), Greg Garrett (Managing Director, Co-Head of Primary Investments), and Payton Brooks (Managing Director, Primary Investments). Each professional is highly experienced in PE investing and has been involved with the LAFPP account for more than a decade. Additionally, the team is supported by 11 investment professionals who are dedicated to PE fund research and due diligence, as well as other investment and operational professionals from across the firm.

CONCLUSION

The rebranding and consulting team changes have been seamless, and the current consulting team assigned to the LAFPP account continues to provide high quality service to the Board and Staff. At this time, no amendments to the Board's two contracts with PA (one for the Core and Commodity portfolios and one for the Specialized Manager portfolio) are required to reflect the rebranding to FS and team changes. The firm's legal entity name continues to be Portfolio Advisors LLC and the contracts do not contain key person provisions regarding specific personnel assigned to the LAFPP account. Therefore, Staff is not recommending that the Board take any action on information

presented in this report. The Board will have an opportunity to comprehensively assess FS' services and team when Staff brings the contracts forth for renewal consideration in mid-2026.

BUDGET

There is no budget impact associated with this report.

POLICY

There are no policy changes associated with this report.

CONTRACTOR DISCLOSURE INFORMATION

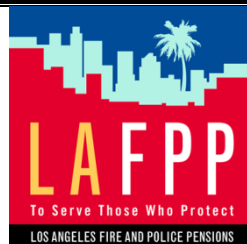
There is no contractor disclosure information associated with this report.

This report was prepared by:

Adam Perez, Investment Officer
Investments Division

JS:BF:AC:SL:AP

Attachments: I – March 2, 2023 Board Report
 II – Future Standard Press Release July 21, 2025

**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: MARCH 2, 2023**ITEM: D.5****FROM: JOSEPH SALAZAR, INTERIM GENERAL MANAGER****SUBJECT: CONSIDERATION OF PORTFOLIO ADVISORS L.L.C. REQUEST FOR CONSENT TO ASSIGNMENT FOLLOWING MERGER WITH FS INVESTMENTS AND POSSIBLE BOARD ACTION**

RECOMMENDATION

That the Board consent to the assignment of Portfolio Advisors, L.L.C.'s private equity consulting contracts and authorize the Interim General Manager to sign the written consent on behalf of the Board.

BACKGROUND

Portfolio Advisors, L.L.C. (PA) is the Board's Private Equity (PE) consultant. The firm manages LAFPP's Core, Commodity and Specialized Manager PE portfolios. Since PA's founding in 1994, the firm has been an independent employee-owned firm with PE as its core business. At the February 2, 2023 Board meeting, PA notified the Board of a merger between the firm and FS Investments (FS), an asset manager to retail (individual) and high net worth investors.

DISCUSSION

Staff, the City Attorney's Office and RVK proceeded to conduct due diligence on the merger. Various documents, such as FS's financial statements, were reviewed; separate and joint calls with PA and FS were conducted.

FS has \$35+ billion of assets under management in the Real Estate, Credit and Energy sectors that are managed in mutual and closed end funds. The focus of the firm is to provide access to alternative assets (typically assets that are not traded in the public markets) to retail and high net worth investors. FS has a suite of alternative asset strategies and distributes its products through a wealth management distribution platform that includes Registered Investment Advisors and independent broker-dealer channels for retail (individual) and high net worth clients.

FS did not have a Private Equity (PE) business until the merger with PA, so the merger will allow FS, over time, to add PE investment vehicles to their product line-up. For PA, the merger will expand the distribution channel of their fund products to retail and high net worth investors. Additionally, PA will be able to increase and broaden equity ownership of the firm, including to the "next generation" of employees.

The merger between PA and FS was structured primarily as an equity exchange. It also included cash and a three-year seller's note; no outside debt was utilized in the transaction. The merger is expected to be completed in the first quarter of 2023. Though PA will be a wholly owned subsidiary of FS, any investment management agreements will continue to be with Portfolio Advisors, L.L.C. PA has in place incentives to retain key employees and future firm leadership. No employee layoffs related to the merger are anticipated. (See Attachment I for RVK's review of the merger.)

Under the Investment Advisers Act of 1940, a change in control of an investment advisory firm is deemed to be an assignment (a legal transfer of the obligations and benefits of a contract to another party) that requires written consent of the client. The change in ownership is also a triggering event within the Board's contracts with PA and requires the Board's approval.

PA has assured Staff, and Staff has determined, that there will be no changes to the Board's portfolio management team, level of service, investment philosophy, process, or fees. Also, since this is an assignment of existing contracts, the terms of the contracts, including the termination provisions, remain intact. Staff recommends that the Board approve the assignment and authorize the Interim General Manager to sign the written consent (Attachment II) on behalf of the Board.

BUDGET

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

POLICY

Approval of this recommendation will have no policy impact.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

Susan Liem, Investment Officer
Investments Division

JS:TL:SL

Attachments: I – RVK Memo - Portfolio Advisors & FS Investments Merger
II – Portfolio Advisors LLC Omnibus Consent Form



Memorandum

To	The Los Angeles Fire and Police Pensions System ("LAFPP")
From	RVK, Inc. (RVK)
Subject	Portfolio Advisors & FS Investments Merger
Date	March 2, 2023

Summary

On February 2nd, 2023, Portfolio Advisors LLC ("Portfolio Advisors") announced a merger agreement with FS Investments ("FS"). The merger is expected to close in the first half of 2023. FS was founded in 2007 and is an asset management firm that provides retail and high net worth investors with access to alternative investments, primary private debt and real estate, through a series of mutual funds, closed-end funds, and interval funds. Portfolio Advisors was founded in 1994 and concentrates on advising clients and managing fund of fund style strategies in private equity. FS and Portfolio Advisors expect the combined firm will be able to provide a broad suite of alternative investment products and services to institutional and retail investors.

The following is a review of the FS Investments and Portfolio Advisors transaction in addition to potential factors to consider when reviewing the merger. Overall, RVK is comfortable in the near term with the lack of expected changes in the Portfolio Advisors investment process, the anticipated consistency of the relationship team for LAFPP, and the multi-year separation of the two businesses. We recommend continuing to monitor for changes at Portfolio Advisors over time that might affect the combined firm's institutional advisory business.

Background

Portfolio Advisors has served as LAFPP's private equity consultant since 2010 and is currently a finalist in the request for proposal process evaluating private equity consultants. This section reviews the two organizations.

FS Investments

FS Investments is an alternatives asset manager that focuses on providing retail and high net worth investors with access to alternative investments that have traditionally been available primarily to institutional investors. The Firm provides access to alternative sources of income and growth through a series of mutual and closed end funds. As of December 31, 2022, FS has more than 400 employees across investment personnel, distribution, legal, compliance, and other functional areas of the business.

FS Investments was founded in 2007 as Franklin Square Capital Partners. It is headquartered in Philadelphia, PA with offices in Orlando, FL, New York, NY and Leawood, KS. As of September



30, 2022, the Firm managed over 13 products with approximately \$35 billion in assets under management. Michael Forman and David Adelman co-founded FS Investments with a small group of initial partners and remain with FS today, with Mr. Forman serving as the chairman and chief executive officer and Mr. Adelman serving as the vice chairman. A plurality of FS investments is owned by Mr. Forman and Mr. Adelman, with individual investors and senior professionals comprising the remainder of FS Investment's ownership group.

Portfolio Advisors

Portfolio Advisors was founded in 1994 and concentrates entirely on advising clients in private markets. The firm was initially focused solely on private equity advisory work and added real estate in 2003, and credit secondaries and mezzanine finance in 2013. Portfolio Advisors launched their first commingled vehicle in 2000, added an Asia-dedicated vehicle in 2006, and introduced a private equity secondary fund in 2008. The firm currently has 135 employees and 70 alternative investment professionals.

Portfolio Advisors is headquartered in Darien, CT and has additional offices in Dallas, Zurich, London, Hong Kong, and Singapore. As of December 31, 2021, the firm has over \$38 billion in assets under management and has invested an average of \$3.7 billion annually over the past five years. Portfolio Advisors is an independent, employee-owned firm. Ownership is held by firm employees and recently retired employees whose equity is currently being bought back by the firm. Portfolio Advisors' ownership is broadly distributed amongst the senior employees at the firm with the largest individual stake held by any one member being less than 15%.

Transaction Details

The merger between FS Investments and Portfolio Advisors was announced in early February and the transaction is expected to close in the first half of 2023. The transaction was structured primarily as an equity exchange. A majority of the transaction value will be an equity exchange of Portfolio Advisors stock for FS stock and with a minority of compensation in the form of a relatively short duration sellers note. In addition, a small portion of the transaction value will be paid in cash at closing, which is coming from cash on FS's balance sheet. Consequently, all active Portfolio Advisors shareholders will own equity in the new combined company. All Portfolio Advisors employees are required to execute agreements containing confidentiality, non-solicit, non-hire and other employment-related provisions prior to signing. For key senior employees, these agreements may also include non-compete provisions for up to three years.

Once the transaction is complete, the organizations are expected to remain separate for a three year period. Several Portfolio Advisors employees will join FS Investments' management



committee and several FS Investments employees will join Portfolio Advisors' management committee to ensure the two businesses are sharing best practices. Post-closing, the Portfolio Advisors management committee will be comprised of Brooks Lindberg, Liz Campbell, Adam Clemens, Scott Higbee and Stephen Sloan of Portfolio Advisors, together with Enrico Gaglioti and Mike Kelly, the Co-Presidents of FS Investments. An additional executive committee comprised of 20 senior professionals from both firms will assist with overall governance. No material changes are currently forecast for Portfolio Advisor's senior professionals, investment process, or organizational structure for the first three years following the merger. After the initial three-year period, FS Investments and Portfolio Advisors expects to review the structure of the combined organization to determine how the structure is working and if further integrations would be productive. FS Investments expects to add private equity investment products to the firm's retail focused strategies over time.

Merits & Considerations

This section summarizes some key factors RVK considered when reviewing the transaction, including potential impacts the merger will have on LAFPP's private equity advisory services. RVK would note the following:

- Immediately following the merger, RVK does not anticipate the transaction significantly influencing the private equity advisory services provided to LAFPP due to the lack of changes to Portfolio Advisors investment process and organization. In the mid to long term, RVK would recommend monitoring Portfolio Advisors and FS Investments focus on the firms' institutional advisory business relative to the time and resources spent on the retail efforts of the business.
- FS Investments has a significantly greater number of fund administration and operations professionals than Portfolio Advisors and Portfolio Advisors expects that the additional resources will contribute positively to their ability to accurately prepare and execute client reporting needs and fund operations.
- The LAFPP relationship team is expected to remain the same following the merger, which will provide continuity to the investment process if Portfolio Advisors is retained following the private equity consultant RFP process.

OMNIBUS CONSENT FORM

<p>YES <input type="checkbox"/></p>	<p>The undersigned, in its capacity as an authorized signatory of an advisory client, investor in one or more Funds (as defined below) and/or a member of the limited partner advisory committee (“LPAC”) thereof, as applicable, hereby consents to and approves the acquisition of control of Portfolio Advisors, LLC (“PA” or the “Advisor”) by Franklin Square Holdings, L.P., resulting in an “assignment” under the Investment Advisers Act of 1940, with respect to PA’s capacity as, where applicable: (i) the investment advisor with respect to the undersigned’s advisory agreement; (ii) the investment advisor to each fund listed in <u>Annex A</u> (the “Fund”) in which the undersigned is invested, if any, including with respect to the investment advisory agreement (or similar agreement) of such Fund; and/or (iii) the controlling person of a general partner or other associated vehicle relating to the Fund(s) in which the undersigned is invested (including those entities listed on <u>Annex A</u>). To the extent the undersigned is invested in a Fund which is a feeder fund into another vehicle, the undersigned agrees that its signature below shall constitute its consent for each of the Fund(s) in which it is invested and any underlying Funds or vehicles thereof.</p>
<p>NO <input type="checkbox"/></p>	<p>The undersigned does not consent to the foregoing.</p>

Delivery by facsimile, e-mail PDF and/or DocuSign of an executed copy of this omnibus consent form shall have the same effectiveness as delivery of a manually executed counterpart thereof.

Legal Name of Investing Entity, Investor and/or Advisory Client:

(Please ensure the above legal name is identical to the legal name provided in your subscription document and/or advisory agreement. If you are unsure of the legal name used previously, please contact consents@portad.com)

By: _____

Signature of Investor (or Authorized Representative, if not an individual)

Please Print Your Name: _____

Title: _____

Date: _____

To the extent the governing agreement (“LPA”) of a Fund provides that failure to respond to a request for consent within a specified period may be deemed consent, note that failure to respond within the time frame therein specified will be deemed consent, including for LPAC members.

We respectfully request that you return a signed copy of this consent form via email to consents@portad.com (with a copy to your primary PA relationship contact) at your earliest convenience and prior to February 28, 2023.

Please contact consents@portad.com to request to receive a copy of this consent form via DocuSign.

FS Investments announces rebrand to "Future Standard," signaling vision for the next era in private markets



NEWS PROVIDED BY

FS Investments →

Jul 21, 2025, 07:35 ET

- Rebrand highlights firm's evolution, transformational combination with Portfolio Advisors and commitment to delivering differentiated performance
- New Private Market Outlook urges investors to embrace a more specialized approach to private markets

PHILADELPHIA, July 21, 2025 /PRNewswire/ -- FS Investments, an \$86 billion global alternative asset manager, today announced its rebrand and renaming to Future Standard. The move marks a major milestone in the firm's evolution into one of the alternative investment industry's leading platforms for

private equity, credit and real estate investments and solutions.

Future Standard will operate under a unified identity following its transformational combination with Portfolio Advisors, delivering an integrated experience across the firm's investment strategies. Both firms have long been known as first-movers in the private markets, and the rebrand signals a commitment by the combined firm to remain at the leading edge for clients.

"Future Standard reflects what has always been at our core-a relentless drive to serve clients by uncovering differentiated opportunities that drive performance," said **Michael Forman, Chief Executive Officer**. "Our expertise and access enable us to deliver the attractive returns our clients seek by uncovering opportunities others overlook."

With deep specialization in the U.S. middle market, Future Standard is focused on a segment that is essential to economic growth but remains underrepresented in many investor portfolios. The middle market includes more than 200,000 companies generating between \$10 million and \$1 billion in annual revenue. As 99% of these companies are privately held, it makes access difficult without the right relationships, expertise and structure.

"In today's crowded market, standing out demands clarity, conviction and a commitment to challenging convention," said **Stephen Tisdalle, Chief Marketing Officer**. "Future Standard reflects how we help optimize our clients' portfolios with unique and untapped opportunities. This brand gives us the voice and platform to bring our specialization, skill and ambition to our clients and to the entrepreneurs powering the U.S. economy."

The firm's new brand leverages its legacy of innovation and industry firsts, including launching the first private business development company (BDC) and the largest non-traded credit REIT. Future Standard's investment approach combines deep domain expertise with thoughtful product design, providing clients with access to opportunities across liquidity profiles and market cycles.

"While much is changing, the core of who we are and where we operate remains the same," **Forman** added. "With specialized teams across asset classes and a strong distribution infrastructure, we are focused on investor outcomes and leading the way in private markets access and performance."

Private Markets Outlook

Future Standard today also released its latest **Private Markets Outlook, "Follow the Value, Not the Herd,"** which examines how policy uncertainty and macroeconomic risks are impacting dealmaking. Beneath this cyclical uncertainty, the report identifies a more significant shift: a new investment imperative is emerging in private markets. Many allocators are flocking to large, brand-name managers-but as the report underscores, capturing real value in this next market phase will require a different approach.

"Nearly half of all private capital raised globally this year has flowed into megafunds, intensifying the challenge of generating attractive returns," said **Mike Kelly, Chief Investment Officer**. "We believe the next cycle of alpha will be led by operators who understand how to drive real value-through pricing power, margin expansion, and executional excellence. At a time when policy and geopolitical uncertainty persist, we believe the most compelling opportunities for investors lie in the U.S. middle market, where operational rigor, sector specialization, and manager skill drive differentiated returns."

In this environment, operational expertise and domain specialization will be the key to outperformance. Future Standard's analysis shows that in private equity, large-cap managers have underperformed their smaller peers in both median and top-end returns. In both private credit and real estate, smaller funds show greater upside. Meanwhile, higher interest rates are reshaping the investment terrain, compressing equity returns and shifting value toward lenders.

As the global investment landscape evolves, the imperative is clear: managers must think differently and embrace the complexity of what comes next.

Contact information:

Marc Hazelton or Melanie Hemmert

media@futurestandard.com

ABOUT FUTURE STANDARD

Future Standard is a global alternative asset manager serving institutional and private wealth clients, investing across private equity, credit and real estate. With a 30+ year track record of value creation and over \$86 billion in assets under management, we back the business owners and financial sponsors that drive growth and innovation across the middle market, transforming untapped potential into durable value.¹

Visit futurestandard.com to learn more.

¹Total AUM estimated as of March 31, 2025.