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# AGENDA

## BOARD OF FIRE AND POLICE PENSION

### COMMISSIONERS

September 18, 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

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#### **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](mailto: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](mailto: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](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 978-1960 or [ethics.commission@lacity.org](mailto: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. CONSENT ITEM**

1. Approval of Minutes

Regular Board meeting minutes of August 21, 2025

**D. REPORTS TO THE BOARD**

1. STATUS UPDATE OF THE SWORN OFFICER TRANSFER FROM LACERS TO LAFPP
2. APPROVAL OF CONTRACT AMENDMENT WITH LOS ANGELES POLICE RELIEF ASSOCIATION (LAPRA) TO ALLOW PARK RANGERS WHO TRANSFER TO LAFPP TIER 6 TO ENROLL IN LAPRA MEDICAL AND/OR DENTAL PLANS IN RETIREMENT AND POSSIBLE BOARD ACTION
3. APPROVAL OF A THREE-YEAR CONTRACT EXTENSION WITH NORTHERN TRUST COMPANY FOR INTEGRATED DISBURSEMENT SERVICES AND POSSIBLE BOARD ACTION
4. REAL ESTATE VIEW OF THE WORLD BY TOWNSEND GROUP
5. REAL ASSETS ANNUAL STRATEGIC PLAN BY TOWNSEND GROUP
6. REAL ESTATE SEPARATE ACCOUNT ANNUAL PORTFOLIO REVIEW BY AEW
7. EXTERNAL AUDITOR'S REQUIRED COMMUNICATION WITH THE BOARD

**E. GENERAL MANAGER'S REPORT**

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on September 4, 2025

4. Other business relating to Department operations

**F. CONSIDERATION OF FUTURE AGENDA ITEMS**

**G. CLOSED SESSION**

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

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF AUGUST 21, 2025**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, August 21, 2025.

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

COMMISSIONERS ABSENT:   William Chun  
                                      Garrett W. Zimmon

DEPARTMENT OF FIRE AND  
POLICE PENSIONS:         Joseph Salazar, General Manager  
                                      Gregory Mack, Assistant General Manager  
                                      Bryan Fujita, Chief Investment Officer  
                                      Wilson Poon, Chief Management Analyst  
                                      Tiffany West, Commission Executive Assistant

CITY ATTORNEY'S OFFICE:   Joshua Geller, Supervising Attorney

President Ambriz called the meeting to order at 8:33 a.m. All the above-listed Commissioners were present at the start of the meeting.

**A. CALL TO ORDER**

**1. Roll Call**

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

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

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

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



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

There were no public comments.

**C. DISABILITY CASES**

**DISABILITY CLAIM – NEW CLAIM – TIER 5**

Adrian M. Gonzalez

(P)

Police Officer II

As recommended by staff and concurred by the applicant, a service-connected disability pension of 60% is granted for his neck, left shoulder, back, and COVID-related deep vein thrombosis (DVT), bronchitis, and sleep apnea, and due to the nature of the disability, no foreseeable purpose would be served in requiring periodic medical examinations. Motion made by Commissioner Churchill, seconded by Commissioner Arellano, and adopted by the following vote: ayes, Commissioners Arellano, Buzzell, Churchill, Jenkins, Liu, Perez, and President Ambriz – 7; nays, none; absent, Commissioners Chun and Zimmon. Mr. Gonzalez was not present but was represented by Kelli M. Krupka, Esq. of Lewis, Marenstein, Wicke, Sherwin and Lee, LLP, on behalf of Thomas J. Wicke, Esq.

**DISABILITY CLAIM – NEW CLAIM – TIER 5**

Kristy Brown

(P)

Police Officer III

As recommended by staff and concurred by the applicant, a service-connected disability pension of 60% is granted for her back, hips, and knees, and due to the nature of the disability, no foreseeable purpose would be served in requiring periodic medical examinations. Motion made by Commissioner Buzzell, seconded by Commissioner Churchill, and adopted by the following vote: ayes, Commissioners Arellano, Buzzell, Churchill, Jenkins, Liu, Perez, and President Ambriz – 7; nays, none; absent, Commissioners Chun and Zimmon. Ms. Brown was not present but was represented by Michael D. Treger, Esq. of Straussner Sherman Lonné Treger Helquist Krupnik.

**D. CONSENT ITEMS**

**1. APPROVAL OF INTEREST RATE TO BE CREDITED TO ACTIVE MEMBER CONTRIBUTION ACCOUNTS AS OF JUNE 30, 2025 AND POSSIBLE BOARD ACTION**

**Resolution 26016**

Commissioner Jenkins moved that the Board, in accordance with Board Operating Policies and Procedures Section 5.1, direct the General Manager to credit the interest rate of 1.39% to active member contribution accounts as of June 30, 2025,

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

2. STATUS REPORT ON OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS AND POSSIBLE BOARD ACTION

Resolution 26017

Commissioner Jenkins moved that the Board review, receive, and file the Status Report on Outstanding Internal Audit Recommendations,

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

3. FISCAL YEAR 2024-25 BOARD EDUCATION REPORT

Received and filed.

4. Findings of Fact

- a. Gregory F. McNamee - Tier 5
- b. Kyle J. Olson - Tier 6

5. Approval of Minutes

Regular Board meeting minutes of July 17, 2025

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

E. REPORTS TO THE BOARD

1. APPROVAL OF THREE-YEAR CONTRACT EXTENSION WITH BOSTON PARTNERS GLOBAL INVESTORS, INC. FOR DOMESTIC LARGE CAP VALUE EQUITY MANAGEMENT AND POSSIBLE BOARD ACTION

Messrs. Randy Chih, Investment Officer I, Investments Division, and Ryan Sullivan, Senior Consultant of RVK presented this item to the Board. The item was approved as submitted.

Resolution 26018

Commissioner Liu moved that the Board:

1. Approve a three-year contract extension with Boston Partners Global Investors, Inc. for Domestic Large Cap Value Equity investment management services;
2. Authorize the General Manager to negotiate and approve the terms and conditions of the contract extension with Boston Partners Global Investors, Inc. for Domestic Large Cap Value Equity investment management services for the period November 1, 2025 through October 31, 2028; and,
3. Authorize the General Manager, on behalf of the Board, to execute the contract extension with Boston Partners Global Investors, Inc. for Domestic Large Cap Value Equity investment management services, subject to the approval of the City Attorney as to form,

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

## 2. APPROVAL OF THREE-YEAR CONTRACT EXTENSION WITH CHANNING CAPITAL MANAGEMENT, LLC FOR DOMESTIC SMALL CAP VALUE EQUITY MANAGEMENT AND POSSIBLE BOARD ACTION

Messrs. Randy Chih, Investment Officer I, Investments Division, and Ryan Sullivan, Senior Consultant of RVK presented and discussed this item with the Board. Mr. Bryan Fujita, Chief Investment Officer, Investments Division provided additional comments. The item was approved as amended.

### Resolution 26019

Commissioner Liu moved that the Board:

1. Approve a ~~three~~ one-year contract extension with Channing Capital Management, LLC for Domestic Small Cap Value Equity investment management services;
2. Authorize the General Manager to negotiate and approve the terms and conditions of the contract extension with Channing Capital Management, LLC for Domestic Small Cap Value Equity investment management services for the period October 1, 2025 through September 30, ~~2028~~2026; and,
3. Authorize the General Manager, on behalf of the Board, to execute the contract extension with Channing Capital Management, LLC for Domestic Small Cap Value Equity investment management services, subject to the approval of the City Attorney as to form,

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

3. APPROVAL OF UFLAC HEALTH AND DENTAL PLANS ELIGIBLE FOR SUBSIDY, CONTRACT AMENDMENT WITH THE UNITED FIREFIGHTERS OF LOS ANGELES CITY BENEFIT TRUSTS TO ADD THE METLIFE BASIC DPPO DENTAL PLAN AND POSSIBLE BOARD ACTION

Ms. Jennifer Chan, Senior Benefits Analyst I, Medical and Dental Benefits Section, and Mr. Gary Delaney, Senior Vice President and Public Sector Practice Leader of USI Insurance Services, presented this item to the Board. The item was approved as submitted.

Resolution 26020

Commissioner Buzzell moved that the Board authorize the General Manager, on behalf of the Board, to execute a contract amendment to add the MetLife Basic DPPO dental plan to Appendix C of the contract between the Board of Fire and Police Pension Commissioners and the UFLAC Benefit Trusts, subject to the approval of the City Attorney as to form,

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

Resolution 26021

Commissioner Buzzell moved that the Board adopt the resolution approving the Anthem Blue Cross Select HMO plan administered by the United Firefighters of Los Angeles City (UFLAC) as a suitable plan eligible for the subsidy program from January 1, 2026 through December 31, 2026;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a health insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with health insurers, health plans or third-party administrators to make group health insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve health insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this health insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on July 1, 2023, the Board and the United Firefighters of Los Angeles City (Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(e) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding health plan provisions, member demographic data, cost trend information, Medicare plan pricing and cost reimbursement, and general pharmaceutical benefit information and any changes in plan design, premiums, or administrative fee related to its health plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each health plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the health plans administered by the Association are outlined in Appendix C of the Contract and include the United Firefighters of Los Angeles City Anthem Blue Cross Select HMO plan; and

WHEREAS, on August 7, 2025, the Association provided the Board the annual report regarding the United Firefighters of Los Angeles City Anthem Blue Cross Select HMO plan, as required by Article 3.2(e) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the United Firefighters of Los Angeles City Anthem Blue Cross Select HMO plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on January 1, 2026 through December 31, 2026, the United Firefighters of Los Angeles City Anthem Blue Cross Select HMO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on January 1, 2026 through December 31, 2026, the administration fee that will be charged by United Firefighters of Los Angeles City is \$26.00 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members, the dependents of retired members, and qualified surviving spouses/domestic partners who are eligible and enrolled in the United Firefighters of Los Angeles City Anthem Blue Cross Select HMO plan, subject to the limits described in Board Operating Policy 8.2, and consistent with the Charter and Administrative Code and other applicable laws,

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

Resolution 26022

Commissioner Buzzell moved that the Board adopt the resolution approving the Anthem Blue Cross Health Savings Account/High Deductible (HSA) PPO plan administered by the United Firefighters of Los Angeles City (UFLAC) as a suitable plan eligible for the subsidy program from January 1, 2026 through December 31, 2026;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a health insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with health insurers, health plans or third-party administrators to make group health insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve health insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this health insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on July 1, 2023, the Board and the United Firefighters of Los Angeles City (Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(e) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding health plan provisions, member demographic data, cost trend information, Medicare plan pricing and cost reimbursement, and general pharmaceutical benefit information and any changes in plan design, premiums, or administrative fee related to its health plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each health plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the health plans administered by the Association are outlined in Appendix C of the Contract and include the United Firefighters of Los Angeles City Anthem Blue Cross HSA PPO plan; and

WHEREAS, on August 7, 2025, the Association provided the Board the annual report regarding the United Firefighters of Los Angeles City Anthem Blue Cross HSA PPO plan, as required by Article 3.2(e) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the United Firefighters of Los Angeles City Anthem Blue Cross HSA PPO plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on January 1, 2026 through December 31, 2026, the United Firefighters of Los Angeles City Anthem Blue Cross HSA PPO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on January 1, 2026 through December 31, 2026, the administration fee that will be charged by United Firefighters of Los Angeles City is \$26.00 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members, the dependents of retired members, and qualified surviving spouses/domestic partners who are eligible and enrolled in the United Firefighters of Los Angeles City Anthem Blue Cross HSA PPO plan, subject to the limits described in Board Operating Policy 8.2, and consistent with the Charter and Administrative Code and other applicable laws,

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

#### Resolution 26023

Commissioner Buzzell moved that the Board adopt the resolution approving the Anthem Medicare Advantage PPO plan administered by the United Firefighters of Los Angeles City (UFLAC) as a suitable plan eligible for the subsidy program from January 1, 2026 through December 31, 2026;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a health insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with health insurers, health plans or third-party administrators to make group health insurance plans available to LAFPP retirees and eligible

beneficiaries; (2) approve health insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this health insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on July 1, 2023, the Board and the United Firefighters of Los Angeles City (Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(e) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding health plan provisions, member demographic data, cost trend information, Medicare plan pricing and cost reimbursement, and general pharmaceutical benefit information and any changes in plan design, premiums, or administrative fee related to its health plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each health plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the health plans administered by the Association are outlined in Appendix C of the Contract and include the United Firefighters of Los Angeles City Anthem Medicare Advantage PPO plan; and

WHEREAS, on August 7, 2025, the Association provided the Board the annual report regarding the United Firefighters of Los Angeles City Anthem Medicare Advantage PPO plan, as required by Article 3.2(e) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the United Firefighters of Los Angeles City Anthem Medicare Advantage PPO plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on January 1, 2026 through December 31, 2026, the United Firefighters of Los Angeles City Anthem Medicare Advantage PPO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on January 1, 2026 through December 31, 2026, the administration fee that will be charged by United Firefighters of Los Angeles City is \$26.00 per member and will be included as part of the monthly premium.



BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members, the dependents of retired members, and qualified surviving spouses/domestic partners who are eligible and enrolled in the United Firefighters of Los Angeles City Anthem Medicare Advantage PPO plan, subject to the limits described in Board Operating Policy 8.2, and consistent with the Charter and Administrative Code and other applicable laws,

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

#### Resolution 26024

Commissioner Buzzell moved that the Board adopt the resolution approving the Anthem Medicare Advantage HMO plan administered by the United Firefighters of Los Angeles City (UFLAC) as a suitable plan eligible for the subsidy program from January 1, 2026 through December 31, 2026;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a health insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with health insurers, health plans or third-party administrators to make group health insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve health insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this health insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on July 1, 2023, the Board and the United Firefighters of Los Angeles City (Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(e) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding health plan provisions, member demographic data, cost trend information, Medicare plan pricing and cost reimbursement, and general pharmaceutical benefit information and any changes in plan design, premiums, or administrative fee related to its health plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each health plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the health plans administered by the Association are outlined in Appendix C of the Contract and include the United Firefighters of Los Angeles City Anthem Medicare Advantage HMO plan; and

WHEREAS, on August 7, 2025, the Association provided the Board the annual report regarding the United Firefighters of Los Angeles City Anthem Medicare Advantage HMO plan, as required by Article 3.2(e) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the United Firefighters of Los Angeles City Anthem Medicare Advantage HMO plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on January 1, 2026 through December 31, 2026, the United Firefighters of Los Angeles City Anthem Medicare Advantage HMO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on January 1, 2026 through December 31, 2026, the administration fee that will be charged by United Firefighters of Los Angeles City is \$26.00 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members, the dependents of retired members, and qualified surviving spouses/domestic partners who are eligible and enrolled in the United Firefighters of Los Angeles City Anthem Medicare Advantage HMO plan, subject to the limits described in Board Operating Policy 8.2, and consistent with the Charter and Administrative Code and other applicable laws,

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

#### Resolution 26025

Commissioner Buzzell moved that the Board adopt the resolution approving the MetLife DHMO Dental plan administered by the United Firefighters of Los Angeles City (UFLAC) as a suitable plan eligible for the subsidy program from January 1, 2026 through December 31, 2026;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a dental insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with dental insurers, dental plans or third-party administrators to make group dental insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve dental insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this dental insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on July 1, 2023, the Board and the United Firefighters of Los Angeles City (Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(e) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding dental plan provisions, member demographic data, cost trend information, and any changes in plan design, premiums, or administrative fee related to its dental plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the dental plans administered by the Association are outlined in Appendix C of the Contract and include the United Firefighters of Los Angeles City MetLife DHMO plan; and

WHEREAS, on August 7, 2025, the Association provided the Board the annual report regarding the United Firefighters of Los Angeles City MetLife DHMO plan, as required by Article 3.2(e) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the United Firefighters of Los Angeles City MetLife DHMO plan and, consistent with its legal authority under the Charter and

Administrative Code and its fiduciary duties, has determined that for the plan year commencing on January 1, 2026 through December 31, 2026, the United Firefighters of Los Angeles City MetLife DHMO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on January 1, 2026 through December 31, 2026, the administration fee that will be charged by United Firefighters of Los Angeles City is \$3.75 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members who are eligible and enrolled in the United Firefighters of Los Angeles City MetLife DHMO plan, consistent with the Charter and Administrative Code and other applicable laws,

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

#### Resolution 26026

Commissioner Buzzell moved that the Board adopt the resolution approving the MetLife DPPO Dental plan administered by the United Firefighters of Los Angeles City (UFLAC) as a suitable plan eligible for the subsidy program from January 1, 2026 through December 31, 2026;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a dental insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with dental insurers, dental plans or third-party administrators to make group dental insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve dental insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this dental insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on July 1, 2023, the Board and the United Firefighters of Los Angeles City (Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(e) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix

C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding dental plan provisions, member demographic data, cost trend information, and any changes in plan design, premiums, or administrative fee related to its dental plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the dental plans administered by the Association are outlined in Appendix C of the Contract and include the United Firefighters of Los Angeles City MetLife DPPO plan; and

WHEREAS, on August 7, 2025, the Association provided the Board the annual report regarding the United Firefighters of Los Angeles City MetLife DPPO plan, as required by Article 3.2(e) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the United Firefighters of Los Angeles City MetLife DPPO plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on January 1, 2026 through December 31, 2026, the United Firefighters of Los Angeles City MetLife DPPO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on January 1, 2026 through December 31, 2026, the administration fee that will be charged by United Firefighters of Los Angeles City is \$3.75 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members who are eligible and enrolled in the United Firefighters of Los Angeles City MetLife DPPO plan, consistent with the Charter and Administrative Code and other applicable laws,

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

Resolution 26027

Commissioner Buzzell moved that the Board adopt the resolution approving the MetLife Basic DPPO Dental plan administered by the United Firefighters of Los Angeles City (UFLAC) as a

suitable plan eligible for the subsidy program from January 1, 2026 through December 31, 2026;

WHEREAS, Under the Los Angeles City Charter and Administrative Code, the Board of Fire and Police Pension Commissioners (Board) has the authority to administer a dental insurance program for retired members and eligible beneficiaries of the Los Angeles Fire and Police Pension plan (LAFPP). See L.A. Charter §§1330(a), (d), 1428(a), (d), 1518(a), (d), 1618(a), (d), 1718(a), (d); L.A. Admin. Code §§4.2018, 4.1150-4.1167; and

WHEREAS, consistent with these Charter and Administrative Code provisions, the Board has the legal authority to: (1) contract with dental insurers, dental plans or third-party administrators to make group dental insurance plans available to LAFPP retirees and eligible beneficiaries; (2) approve dental insurance plans to be funded with LAFPP subsidy dollars; and (3) set subsidy amounts annually; and

WHEREAS, the Board must exercise its authority over this dental insurance program in a manner consistent with its fiduciary duties, including its duties of prudence and impartiality; and

WHEREAS, on July 1, 2023, the Board and the United Firefighters of Los Angeles City (Association) entered into a contract for health and dental plan administration services (Contract); and

WHEREAS, the Board and the Association agreed in Article 3.2(e) of the Contract that, at least sixty (60) days prior to the beginning of each plan year, for each plan listed in Appendix C of the Contract, and for any new plans proposed during the term of the Contract, the Association shall present an annual report to the Board regarding dental plan provisions, member demographic data, cost trend information, and any changes in plan design, premiums, or administrative fee related to its dental plans; and

WHEREAS, the Board and the Association agreed in Article 3.3(b) of the Contract that, in conjunction with this annual report, the Board will consider each plan administered by the Association for approval by Board Resolution as a suitable plan eligible for LAFPP subsidies for the following plan year; and

WHEREAS, the dental plans administered by the Association are outlined in Appendix C of the Contract and will include the United Firefighters of Los Angeles City MetLife Basic DPPO plan; and

WHEREAS, on August 7, 2025, the Association provided the Board the annual report regarding the United Firefighters of Los Angeles City MetLife Basic DPPO plan, as required by Article 3.2(e) of the Contract; and

WHEREAS, the Board has independently validated the material information contained in the Association's annual report.

NOW THEREFORE, BE IT RESOLVED, that the Board has considered all material information provided by the Association regarding the United Firefighters of Los Angeles City MetLife Basic DPPO plan and, consistent with its legal authority under the Charter and Administrative Code and its fiduciary duties, has determined that for the plan year commencing on January 1, 2026 through December 31, 2026, the United Firefighters of Los Angeles City MetLife Basic DPPO plan is approved as a suitable plan eligible to receive LAFPP subsidies.

BE IT FURTHER RESOLVED, for the plan year commencing on January 1, 2026 through December 31, 2026, the administration fee that will be charged by United Firefighters of Los Angeles City is \$3.75 per member and will be included as part of the monthly premium.

BE IT FURTHER RESOLVED that subsidies will be paid on behalf of members who are eligible and enrolled in the United Firefighters of Los Angeles City MetLife Basic DPPO plan, consistent with the Charter and Administrative Code and other applicable laws,

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

4. LOS ANGELES POLICE PROTECTIVE LEAGUE (LAPPL) SUBSIDY AUDIT AND POSSIBLE BOARD ACTION

Ms. Jennifer Van, Internal Auditor IV, and Mr. Christian Torres, Internal Auditor II of the Internal Audit Section presented and discussed this item with the Board. Mses. Rebecca Takahashi, Departmental Audit Manager, Jennifer Chan, Senior Benefits Analyst I, Medical and Dental Benefits Section, and General Manager Salazar provided additional comments. The item was approved as submitted.

Resolution 26028

Commissioner Liu moved that the Board review, receive, and file the Los Angeles Police Protective League (LAPPL) Subsidy Audit (Attachment),

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

5. WORKPLACE CULTURE ASSESSMENT STUDY AND POSSIBLE BOARD ACTION

Mr. Wilson Poon, Chief Management Analyst, Administrative Operations Division presented and discussed this item with the Board. Dr. Steven Goodwin of TurningWest provided additional comments. The item was approved as amended.

Resolution 26029

Commissioner Liu moved that the Board authorize the General Manager to execute a Letter of Agreement with ~~Morpho Leadership Development~~ TurningWest to conduct a workplace culture assessment study as outlined in Attachment 21 at a cost not to exceed \$~~15,000~~ 25,000,

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

## 6. COMMENDATORY RESOLUTIONS, INTRODUCTIONS, AND PRESENTATION

President Ambriz presented Ms. May Simmons, Senior Benefits Analyst II of the Deferred Retirement Option Plan/Service Pensions Section, with the Board's Distinguished Service Medal and Board Resolution and thanked Ms. Simmons for her many years of loyal service to LAFPP and its members. Commissioners, General Manager Salazar, and Assistant General Manager Gregory Mack expressed gratitude for her time and dedication to LAFPP. Ms. Simmons expressed her gratitude.

## F. GENERAL MANAGER'S REPORT

1. Monthly Report
2. Marketing Cessation
3. Benefits Actions approved by General Manager on August 7, 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 – 22

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Died</u>
Manuel A. Frausto	Fire Service	2	04-17-05	06-25-25
Stephen N. Ordway	Fire Service	2	07-19-87	06-07-25
Gustavo Perez	Fire Service	5	02-05-18	07-01-25
David W. Stroud	Fire Service	5	08-05-07	06-20-25
Gary A. Svider	Fire Service	5	12-01-02	05-29-25
Robert D. Testerman	Fire Service	2	01-05-90	06-18-25
James D. Ross	Fire Disability	2	01-20-01	06-19-25
Beaver Valenzuela	Fire Disability	2	02-16-06	07-03-25
Ruth M. Mullen	Fire Widow	2	08-25-18	05-31-25
Gary F. Girard	Police Service	2	07-03-88	07-03-25
Jesse R. Givens	Police Service	2	11-10-86	06-26-25



James P. Haire	Police Service	2	06-01-78	06-11-25
Arthur G. Ibarra, Jr.	Police Service	5	08-01-03	06-16-25
Michael E. Purcell	Police Service	2	07-14-91	06-30-25
James W. Razukas	Police Service	2	01-04-00	03-16-25
Duane H. Smith	Police Service	2	01-01-78	06-20-25
Robert E. Wallace	Police Service	2	08-13-89	06-26-25
John W. Zalesky	Police Service	2	01-23-94	07-01-25
Lyle J. Banks	Police Disability	2	01-01-77	06-16-25
Donald T. Black	Police Disability	2	10-09-92	05-18-25
Dennis E. Bujer	Police Disability	2	03-12-87	07-06-25
Kathleen Doyle	Police Widow	2	07-14-12	06-16-25

#### DISCONTINUED PENSIONS FORMER SPOUSE – 4

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Member Died</u>	<u>Died</u>
Maria T. Ibarra	Police Service	5	10-01-16	06-16-25	
Barbara Kruse	Police Service	2	10-01-89	06-26-25	
Maxine Moore	Police Service	2	09-29-96		05-31-25
Linda A. Zalesky	Police Service	2	01-23-94	07-01-25	

#### SERVICE PENSION/DROP – 10

##### POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Jason L. Acevedo	Sergeant I	5	08-01-24	31.332710
Robert S. Casey	Police Officer II	5	07-08-24	25.000000
James C. Galbraith, Jr.	Police Officer III	5	08-01-24	28.356713
Gregg A. Jacobus	Detective I	5	08-13-24	25.555548
John K. Key II	Police Officer II	5	08-01-24	27.177262
Joshua S. Kim	Detective II	5	07-01-24	25.278151
Jesse Mojica	Sergeant I	5	07-09-24	26.063014
Steven M. Muirhead	Sergeant I	5	02-03-24	28.014048
Yvonne Ortiz	Captain III	5	07-01-24	29.895891
Alan S. Ramirez	Police Officer III	3	08-01-24	27.290411

#### SERVICE-CONNECTED DISABILITY PENSION – 2

<u>Name</u>	<u>Member's Rank</u>	<u>Tier</u>	<u>Percentage</u>	<u>Effective</u>	<u>Board Date</u>
Gregory F. McNamee	Detective I	5	67%	07-03-25	07-03-25
Kyle J. Olson	Police Officer II	6	62%	07-17-25	07-17-25

#### DISABILITY PENSION ADJUSTED – 1

<u>Name</u>	<u>Member's Rank</u>	<u>Tier</u>	<u>Percentage</u>	<u>Effective</u>	<u>Board Date</u>
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R. Maggie R. Luquin	Police Officer III	5	From: Service Pension:	01-20-23	03-16-23
			75.5409%		
			To: Service-Connected Disability Pension:	01-20-23	07-17-25
			63%		

#### 4. Other business relating to Department operations

General Manager Salazar gave the following updates:

1. The fund total is at \$35.2 billion this week.
2. City Contribution True-Up

Staff continue to follow up with the City's Information Technology Agency for payroll reports that are necessary for true-up calculations. As of Tuesday, we have not received payroll reports for the 3 pay periods that have already closed in the current fiscal year. Staff is informed that ITA may be delayed due to competing requests for files from other departments involved in calculating layoff seniority.

#### 3. City Layoffs

The City is currently estimating 360 civilian layoffs, which is a significant reduction from the 1,600 layoffs projected in the Mayor's Proposed Budget. Earlier this month, the City's Personnel Department began calculating layoff seniority and notifying individuals who will be impacted. LAFPP continues to support the City's effort to reduce the number of layoffs by transferring impacted employees to existing vacancies. To date, LAFPP has transferred six employees and continues to work with the Personnel Department to identify additional opportunities.

#### 4. Monthly Report for July 2025

- Includes the marketing activity for the vacant spaces on the first floor of our building
- Includes the current totals of active members who are eligible to retire on a service pension or enter DROP, as of July 31, 2025.

#### 5. Tentative Agenda Items for the September 4, 2025 meeting:

- Update on Status of LACERS Sworn Officer Transfer (Ballot Measure FF)
- Annual Governance Compliance report

### G. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

*President Ambriz recessed the meeting for a break at 9:43 a.m. and reconvened at 9:51 a.m.*

#### H. CLOSED SESSION

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

The Board met in closed session.

*Commissioner Perez left for the remainder of the meeting at 10:20 a.m.*

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

The Board met in closed session.

*Item H.4 was taken out of order.*

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

The Board met in closed session.

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

The Board met in closed session.

Upon reconvening in open session, President Ambriz stated there was no public report and returned to item G.

#### G. CONSIDERATION OF FUTURE AGENDA ITEMS

President Ambriz requested an overview of real estate investment trusts.

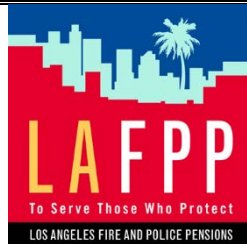
The meeting ended at 11:23 a.m.

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President

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Secretary



## ***DEPARTMENT OF FIRE AND POLICE PENSIONS***

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

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### **REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**

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**DATE:** SEPTEMBER 18, 2025 **ITEM:** D.1

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** STATUS UPDATE OF THE SWORN OFFICER TRANSFER FROM LACERS TO LAFPP

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**THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.**

#### **BACKGROUND**

As discussed in the December 19, 2024 report to the Board and subsequent Monthly Report updates, staff presented on the status of Measure FF implementation. Measure FF, which was approved by voters on the November 5, 2024 ballot, amended the City Charter to allow for the voluntary transfer of all sworn peace officers who were employed on and as of January 12, 2025, by the Harbor, Airports, Police, and Recreation and Parks Departments,<sup>1</sup> from the Los Angeles City Employees' Retirement System (LACERS) to LAFPP Tier 6 (Attachment I).

As discussed in the report, the parameters for eligible LACERS members to transfer their plan membership and service will be established via an implementing ordinance to be adopted by City Council. The [City Attorney transmitted](#) the implementing ordinance to City Council for approval on September 9, 2025 (Attachment II).

Letters of Agreement (LOAs) between the City and affected Employee Labor Organizations provided an outline for the transfer process itself. The implementing ordinance codifies these aspects of the transfer, including participation requirements, tax compliance measures, and payment responsibilities to ensure cost-neutrality for the Plan.

#### **IMPLEMENTING ORDINANCE**

##### **Transfer of Membership and Service from LACERS to LAFPP Tier 6**

The deadline for an eligible employee to make their irrevocable election to transfer is January 9, 2026. The Boards of LAFPP and LACERS can agree to set an earlier deadline for the transfer than the January 9, 2026. At this time, LAFPP staff would advise the Board to not change the deadline for the transfer election.

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<sup>1</sup> Measure FF allows for the inclusion of Park Rangers who are sworn peace officers that were actively employed on and as of January 12, 2025. Any Park Rangers who were hired after this date will be LACERS members and are not eligible to transfer to LAFPP Tier 6.

Under the ordinance, members who elect to transfer will be required to transfer all prior City service from LACERS to Tier 6, even non-sworn City service. The ordinance also authorizes certain Tier 6 members, who transferred to Tier 6 under prior Charter amendments, to transfer remaining City service from LACERS to Tier 6. Members are required to participate in mandatory counseling sessions and to make an irrevocable election to transfer to LAFPP Tier 6 or to remain in LACERS by January 9, 2026. The effective transfer date for members will be January 11, 2026.

The City's General Fund, the Airport Revenue Fund, and the Harbor Revenue Fund are responsible for all costs and expenses associated with the Measure FF transfer. The unfunded actuarial accrued liability (UAAL) for the transferred members and service must be paid at the time of transfer to ensure there is no impact on the Plan's funded status. The ordinance makes clear that the determination of 100% funded status and the 1% payment by the City of Tier 5 employee contributions pursuant to Charter Section 1222 and Administrative Code Section 4.2014 shall be made without regard to any impact resulting from the inclusion of members included in this transfer.

Under the ordinance, City Council delegates authority to the Board to adopt any necessary rules to manage the transfer process.

#### Refunds for Certain Tier 6 Members

Measure FF also authorized City Council to provide refunds to certain Tier 6 Members who transferred pursuant to previous Charter amendments and purchased service with personal funds. Under the implementing ordinance, refunds will be paid through a tax-compliant method, either through a rollover, trustee-to-trustee transfer, or post-tax payment. LAFPP staff is coordinating with the City's Deferred Compensation Plan, which will provide an efficient and streamlined method to provide refunds to members who initially used deferred compensation accounts to make service purchases with personal funds. All personal tax consequences will be borne by the member and no interest will be paid on the amount refunded. The ordinance also includes a delegation of authority to the Board to adopt any necessary rules to manage the implementation of the refund process.

#### Additional Plan Updates

Finally, the implementing ordinance serves as an omnibus clean up vehicle for technical corrections, outdated references, and required tax compliance updates. This will include the Board's requested amendment to Los Angeles Administrative Code section 4.1154, [approved on January 16, 2025](#). The amendment removes the LACERS tie from the LAFPP Medicare dependent health subsidy formula and codifies the formula that has been historically used to determine this portion of the subsidy benefit.

The ordinance will require two readings by City Council before it is approved. The ordinance will first be considered by a City Council Committee and then presented to City Council for the first reading. The second reading will take place thirty (30) days after the first reading. Staff is coordinating with the CAO and LACERS to prepare election forms, presentations, and other counseling materials so that the enrollment period can begin shortly after the ordinance is formally adopted.

#### **BUDGET**

No budget impact associated with this report.

## **POLICY**

No policy changes associated with this report.

## **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

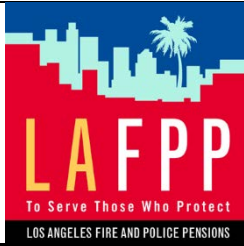
This report was prepared by:

Greg Mack, Assistant General Manager  
Pensions Division

JS:GM

### **Attachments (2)**

Attachment I: December 19, 2024 Board Report – Sworn Officer Transfer  
Attachment II: Implementing Ordinance – Measure FF

***DEPARTMENT OF FIRE AND POLICE PENSIONS***

701 E. 3rd Street, Suite 200  
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**REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**

---

**DATE:** DECEMBER 19, 2024

**ITEM:** D.1

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** STATUS UPDATE OF THE SWORN OFFICER TRANSFER FROM LACERS TO LAFPP AND POSSIBLE BOARD ACTION

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**RECOMMENDATION**

That the Board direct staff to send letters to Los Angeles Firemen's Relief Association, Los Angeles Police Relief Association, Los Angeles Police Protective League, and United Firefighters of Los Angeles City (collectively referred to as "Associations"), inquiring as to whether Park Rangers who transfer to Tier 6 will be permitted to join their medical and/or dental plans in retirement.

**BACKGROUND**

As detailed in a staff report to the Board on May 16, 2024, and subsequent Monthly Report updates, the City placed Measure FF on the November 5, 2024 ballot, which amends the City Charter to allow for the voluntary transfer of all sworn peace officers (Harbor, Airport, and LAPD) and Park Rangers who are currently members of the Los Angeles City Employees' Retirement System (LACERS) to LAFPP Tier 6 (Attachment I). According to the Los Angeles County Registrar-Recorder/County Clerk office, as of November 26, 2024, Measure FF was approved by voters, receiving 58.37% 'yes' votes. The Los Angeles County Registrar-Recorder/County Clerk certified the November election results on December 3, 2024.

The City Charter will now be amended to allow certain peace officers employed by the Police Department, Department of Airports, Harbor Department, and Recreation and Parks Department to make an irrevocable election to transfer membership and service from LACERS to LAFPP's Tier 6 (Tier 6); and will require the City to pay all associated costs of the transfer, including refunds to certain Airport and Police Department Tier 6 members for prior transfers.

Based on data provided by LACERS, as of November 21, 2024, there are 416 active sworn peace officers in LACERS. This total includes 335 Airport Police officers, 17 Municipal Police officers, 23 LAPD officers, 6 Port Police officers, and 35 Park Rangers.

**DISCUSSION**

The parameters of the process for eligible LACERS members to transfer their plan membership and service will be established via an implementing ordinance to be adopted by City Council. The amendments to Tier 6 provisions that became effective upon the County Clerk's certification of the election (Attachment II) provide a roadmap for the implementing ordinance, and the Letters of



Agreement (LOAs) between the City and affected Employee Labor Organizations provide an outline for the transfer process itself (see Attachment I).

### Transfer of Membership and Service

Consistent with the LOAs, each eligible member who is actively employed as of January 12, 2025 by the Police Department, Department of Airports, Harbor Department, or Recreation and Parks Department as a sworn peace officer will be provided with the opportunity to make an informed irrevocable decision to transfer into Tier 6 or to remain in their current tier of LACERS. Service that is transferred will be treated as years of service for all Tier 6 purposes, and eligible members will have access to the Deferred Retirement Option Plan (DROP) and the LAFPP Retiree Health Subsidy.

Specifically, the LOAs in the following MOUs state as follows:

- MOU 28 for Los Angeles Municipal Police Officers, MOU 30 for Los Angeles Airport Police Officers, and MOU 39 for Los Angeles Airport Supervisory Police Officers state that each eligible bargaining unit member, active as of January 12, 2025, will be permitted to make an informed individual decision whether to transfer into Tier 6 or remain in their current tier of LACERS. Those who elect to transfer will be awarded years of service for retirement benefit purposes as if they had been members of Tier 6 on the first date they commenced membership in LACERS and employment as a sworn peace officer.
- MOU 65 for Park Rangers has the same language as MOUs 28, 30, and 39; however, the LOA only states that members actively employed as sworn peace officers as of January 12, 2025, are eligible to transfer. Accordingly, Park Rangers hired after January 12, 2025 will become LACERS members, and including future Park Rangers in Tier 6 would require City Council to amend the Charter through a future ballot measure.
- MOU 38 for Los Angeles Port Police Association states that any bargaining unit member currently in LACERS will have the option to transfer to Tier 6 at the City's expense. This MOU and the ballot measure did not authorize any changes to Tier 5, which means that the implementing ordinance will not provide Tier 5 members with the opportunity to transfer service or obtain refunds, discussed below.

The implementing ordinance will effectuate these aspects of the transfer and will include participation requirements. For example, members will be required to transfer all prior City service from LACERS to Tier 6, even non-sworn City service. The implementing ordinance will also authorize certain Tier 6 Members to transfer remaining City service from LACERS to Tier 6. Finally, the implementing ordinance will include a provision that delegates authority to the Board to adopt rules for managing the implementation and resolving questions that come up in connection with the transfer.

### Refunds

Consistent with the LOAs, Municipal and Airport Police Officers who are actively employed as of January 12, 2025, and who previously paid to transfer to Tier 6 or paid for enhanced benefits to remain in LACERS, will be entitled to receive refunds for out-of-pocket costs, excluding interest.

- MOU 28 for Los Angeles Municipal Police Officers, MOU 30 for Los Angeles Airport Police Officers, and MOU 39 for Los Angeles Airport Supervisory Police Officers state that any bargaining unit member who: (i) previously opted to remain in LACERS rather than transfer to LAFPP, and who paid to receive enhanced public safety benefits in LACERS as Airport Peace Officer Members and Municipal Police Officers; or (ii) elected to terminate their LACERS membership and transfer into Tier 6, and to purchase their prior service at full actuarial cost, will receive a full reimbursement by the City for out-of-pocket costs incurred, in a method compliant with federal tax law requirements. Moreover, the City shall not pay any interest on reimbursed amounts.
- MOU 38 for Los Angeles Port Police Association states that any bargaining unit member who previously paid to be covered by the LACERS enhanced public safety benefits or LAFPP Tier 6 will receive a full reimbursement by the City for out-of-pocket costs incurred. An important note is that no Port Police Officers paid to transfer to LAFPP Tier 6. The Port Police transfer occurred in 2006-2007 and those members paid to transfer to LAFPP Tier 5. Refunds were not contemplated or established in the LOAs or successor MOUs, nor did City Council authorize refunds to Tier 5 members as part of Measure FF.<sup>1</sup>

The implementing ordinance will effectuate these agreements and include requirements to ensure tax compliance and cost-neutrality for the Plan. Refunds will be paid through a tax-compliant method, either through a rollover, trustee-to-trustee transfer, or post-tax payment. All personal tax consequences will be borne by the member, and no interest will be paid on the amount refunded to the member. The ordinance will also include a delegation of authority to the Board to adopt rules to manage the implementation of the refund process.

### Cost Neutrality

The impact of the approved ballot measure will be cost-neutral for the Plan. The Charter Amendment requires the City to pay the full actuarial cost of transferring personnel and service to LAFPP, as determined by the Plan's actuary, and providing refunds. This amount will be reduced by funds moving from LACERS to LAFPP in connection with the transferred service. The projected fiscal impact, as reported by the CAO on August 27, 2024, was estimated to be a one-time cost of \$109,500,000, including \$106,000,000 for transfer costs and \$3,500,000 for refunds, as well as an estimated annual cost of \$6,300,000. This cost estimate assumes that every eligible sworn officer transfers to Tier 6. The Plan's actuary will be asked to update its report as part of the implementation process. The cost will be borne by the City's General Fund, Airport Revenue Fund, and Harbor Revenue Fund.

The City will provide LAFPP with the full amount to be refunded in advance of any refund to the members. The Charter amendment states the City may provide funds at the same time as the City's first annual contribution to the Plan (customarily July 15<sup>th</sup>) that immediately follows the effective date of the ordinance. Additionally, any members paying for a prior transfer via a contractual payment plan (i.e., biweekly paycheck deduction) will stop making payments as of January 12, 2025, and the contract for service purchase will be terminated by LAFPP.

<sup>1</sup> Should the City Council wish to add a process for issuing similar refunds to Tier 5 members, this can be referred to the Ad Hoc Committee on City Governance Reform for consideration of future Tier 5 amendments.

Key Dates

<b>LOA or Charter Amendment Key Dates</b>	<b>Effective Date</b>
Date member must be actively employed to transfer	January 12, 2025
Date Municipal or Airport Police member must be actively employed to receive a refund for prior transfer costs	January 12, 2025
Date LAFPP must cancel prior transfer purchase contracts	January 12, 2025
Date City is expected to provide LAFPP with funds for member refunds	July 15, 2025

Retiree Medical and Dental Plans for Future Park Ranger Retirees

The LOAs state that eligibility for enrollment in group health plans administered by the Associations shall be subject to the enrollment criteria determined by those third parties and shall not be the responsibility of the City or LAFPP. However, Staff is recommending that the Board direct staff to send letters to the Associations at this time, asking that they consider opening their retiree medical and/or dental plans to future retired Park Rangers. As part of the transfer process, staff will counsel Park Rangers on LAFPP retirement benefits and will need to inform them of the retiree medical and dental plan options available to them.

Implementing Ordinance

The City Attorney is working with staff from LAFPP, LACERS, the City Administrative Officer (CAO), outside tax counsel, and the Plan's actuary on drafting the ordinance to implement the changes permitted by the Charter amendment in a manner that is cost neutral to LAFPP and complies with applicable tax laws. The ordinance is expected to be presented to the City Council by March 2025. The implementing ordinance will determine the deadline for LACERS members to transfer to LAFPP.

**BUDGET**

No budget impact associated with this report.

**POLICY**

No policy changes associated with this report.

**CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required by this report.

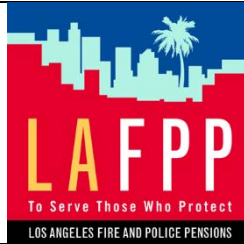
This report was prepared by:

Greg Mack, Assistant General Manager  
Pensions Division

JS:GM

Attachments (2)

Attachment I - May 16, 2024 Board Report – Proposed Sworn Officer Transfer  
Attachment II - Charter Amendment Adopted by City Council on 6/25/2024

**DEPARTMENT OF FIRE AND POLICE PENSIONS**

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

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**REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**

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**DATE:** MAY 16, 2024 **ITEM:** D.4

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** STATUS OF THE PROPOSED SWORN OFFICER TRANSFER FROM LACERS TO LAFPP

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**THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.**

**BACKGROUND**

Upon their graduation from an approved training academy, all new Harbor Port Police Officers (hired on/after January 8, 2006) and Airport Police Officers (hired on/after January 7, 2018) become members of LAFPP. Previously, these employees were members of the Los Angeles City Employees' Retirement System (LACERS) upon hiring. As discussed below, sworn peace officers employed by the Harbor, Airport, and General Services Department's Office of Public Safety ("OPS") were previously given the opportunity to transfer from LACERS to LAFPP.

**PORT POLICE**

In 2006-07, existing Harbor/Port Police officers were given the option to transfer from LACERS to LAFPP Tier 5 during a one-year election period. Transferring employees were required to pay a \$5,700 "Transfer Contribution Payment" and only service with the Harbor Department in specific sworn classifications was transferred from LACERS to LAFPP Tier 5. Any Harbor/Port Police who did not file an election during this one-year period remained LACERS members.

**OPS**

OPS was consolidated into the LAPD in July 2012. At that time, OPS officers were members of LACERS. These officers were able to transfer to regular LAPD police officer classifications following an abbreviated academy training period and, pursuant to Administrative Code Section 4.1002(c), were allowed to opt out of membership in LACERS to become members of LAFPP Tier 6. In addition, pursuant to a March 2013 Charter amendment, in conjunction with their change in employment status, these Tier 6 members had the option to purchase their years of LACERS service credit they earned while employed in specific OPS officer classifications.

**AIRPORT POLICE**

In 2017, existing Airport Police were also given the opportunity to transfer from LACERS to LAFPP Tier 6. As a condition of their transfer from LACERS to LAFPP, transferring Airport Police were required to purchase all their prior LACERS service by paying the full actuarial cost of the service being transferred, reduced by the amount of any funds transferred from LACERS to LAFPP in connection with the transferred service.

Due to a variety of factors, including the ultimate cost borne by these employees to become LAFPP members, many OPS/LAPD, Harbor, and Airport police chose to remain members of LACERS rather than transfer to LAFPP.

## **DISCUSSION**

On September 15, 2022, the Board directed Segal to conduct an actuarial study regarding the transfer of all sworn peace officers (Harbor, Airport, and LAPD) and Park Rangers who are currently members of LACERS to LAFPP Tier 6, as requested by the City Administrative Officer (CAO). Segal completed the actuarial study on August 24, 2023.

Since that time, the CAO has entered into Letters of Agreement (LOA) with the Airport, Port, and Municipal Police unions (Attachments 1-4), agreeing to place a measure on the November 2024 ballot to amend the Los Angeles City Charter to allow for a new transfer into LAFPP Tier 6. Additionally, the Los Angeles City Council will need to approve the inclusion of the Park Rangers in this transfer opportunity (Attachment 5). The measure is projected to be placed on the ballot for the November 5, 2024 election. If the measure is approved by a majority of the City's electorate, the Charter will be amended, and an implementing ordinance will be presented to the City Council to allow eligible LACERS members another opportunity to elect to terminate their LACERS membership and transfer into LAFPP Tier 6. The intent is for the City to pay for all costs associated with the transfer of these employees. The LOAs for Airport Police and Port Police also state that the City will reimburse members who previously elected to transfer to LAFPP for their out-of-pocket costs.

For this measure to be placed on the November 5, 2024 ballot, the City Council needs to request the City Attorney to prepare a resolution placing this item on the ballot no later than June 18, 2024. City Council then needs to adopt the resolution no later than July 3, 2024. Staff will continue to monitor this item and provide updates to the Board via the General Manager's Monthly Report.

## **BUDGET**

No budget impact associated with this report.

## **POLICY**

No policy changes associated with this report.

## **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required by this report.

This report was prepared by:

Greg Mack, Assistant General Manager  
Pensions Division

JS:GM

Attachments (5)

- Attachment 1 – MOU 28 LOA – Municipal Police Officers
- Attachment 2 – MOU 30 LOA – Airport Peace Officers
- Attachment 3 – MOU 38 LOA – Port Police Association
- Attachment 4 – MOU 39 LOA – Airport Supervisory Peace Officers
- Attachment 5 – MOU 65 LOA – Park Rangers

**LETTER OF AGREEMENT**  
**RETIREMENT BENEFITS ENHANCEMENT**

The City and the Association have an interest in ensuring an appropriate level of retirement benefit for bargaining Unit members. In that regard, the City commissioned an actuarial evaluation of transferring all eligible bargaining Unit members who are currently enrolled in the Los Angeles City Employees Retirement System (LACERS) into Tier 6 of the Los Angeles Fire and Police Pension System (LAFPP). The LACERS members who would be eligible to transfer are those actively employed as of January 12, 2025, as sworn peace officers in the Los Angeles Police Department, Airport Department, and Harbor Department, following certification of final election results if the proposed November 2024 ballot measure is approved by a majority vote of the electorate, and based on the subsequent decision to transfer by each eligible member, as discussed herein and as shall be set forth in an implementing ordinance of the Los Angeles City Council (Council) after certification of the approval of the ballot measure.

The Council may consider the additional inclusion of Park Rangers employed by the Department of Recreation and Parks at a later date following approval of this LOA and before the last date for Council to act to place the ballot measure on the November 2024 election ballot. As these employees are not employed by the Police Department or Fire Department, their benefits under LAFPP shall be subject to any tax compliance requirements, including, but not limited to, the actuarial reduction for retirement prior to age 62 under Internal Revenue Code section 415(b).

The transfer would require an amendment to the Los Angeles City Charter (Charter) and therefore must be approved by a vote of the City electorate in order to take effect. Upon such approval, and subject to the process set forth in an implementing ordinance of the Council, each eligible bargaining Unit member will be provided the opportunity to make an informed individual decision whether to transfer into Tier 6 of LAFPP or remain in their current tier of LACERS.

If a ballot measure (projected for the November 2024 election) is approved by a majority vote of the City electorate, the Charter would be amended, and an implementing ordinance would be presented to the Council to allow eligible members to make an informed and irrevocable decision to terminate their LACERS membership and to transfer into LAFPP Tier 6. Those who elect to transfer would be awarded years of service for retirement benefits purposes as if they had been members of LAFPP Tier 6 on the first date they commenced membership in LACERS and employment as a sworn peace officer with the Los Angeles Police Department, Airport Department, Harbor Department, or as a Park Ranger with the Department of Recreation and Parks (subject to the inclusion of the Park Ranger members by action of the Council), thereby providing all commensurate benefits for Tier 6 members, including, but not limited to, access to the Deferred Retirement Option Plan (DROP) and LAFPP Retiree Health Subsidy. Eligibility for enrollment in group health plans administered by third parties including the Los Angeles

Police Protective League, United Firefighters of Los Angeles City, Los Angeles Police Relief Association, and Los Angeles Fire Relief Association, shall be subject to the enrollment criteria determined by those third parties and shall not be the responsibility of the City or LAFPP.

The intent is for the City to pay all costs associated with the transfer of employees, including, but not limited to, the cost of all actuarial studies, the full cost of transferring each eligible employee into LAFPP Tier 6 who opts to make that transfer, and the costs associated with the ballot measure election.

If the ballot measure is approved by the voters:

- A. The bonus amounts illustrated in Appendix C of this MOU would be codified as base wage adjustments effective January 12, 2025.
- B. Bonus amounts and compensation adjustments illustrated in Appendices D and E of this MOU will be nullified in lieu of the Tier 6 pension enhancement.
- C. Notwithstanding Article 6.1 (Salaries) G. through I. (inclusive), the provisions of RIP will terminate at the end of January 11, 2025.
- D. Any bargaining Unit member who: (i) previously opted to remain in LACERS rather than transfer to LAFPP, and who paid to receive enhanced benefits in LACERS as Airport Peace Officer Members, pursuant to Los Angeles Administrative Code Section 4.1002(e)(2); or (ii) elected to terminate their LACERS membership and transfer into LAFPP Tier 6, and to purchase their prior service at full actuarial cost pursuant to Los Angeles Charter Section 1704(b)(1), will receive a full reimbursement by the City for out-of-pocket costs incurred, in a method compliant with federal tax law requirements, and consistent with level contribution rates. However, all personal tax consequences under either option remain the sole responsibility of the individual employee. Moreover, the City shall not pay any interest on reimbursed amounts.

If the ballot measure is rejected by the voters:

- A. The bonus amounts and compensation adjustments as illustrated in Appendices A through E and as outlined in Article 6.1 (Salaries), C. through F. (inclusive) will not terminate on January 11, 2025 and shall remain in effect.
- B. The Association may request to meet and confer over another form of enhanced retirement benefit.



**LETTER OF AGREEMENT**  
**RETIREMENT BENEFITS ENHANCEMENT**


**FOR LAAPOA:**

*Stephen Leonesio*  
Stephen Leonesio  
Labor Relations Consultant

03/19/2024

Date

**FOR THE CITY:**

  
Matthew W. Szabo  
City Administrative Officer

3/20/2024

Date

**LETTER OF AGREEMENT**  
**RETIREMENT BENEFITS ENHANCEMENT**

The City and the Association have an interest in ensuring an appropriate level of retirement benefit for bargaining Unit members. In that regard, the City commissioned an actuarial evaluation of transferring all eligible bargaining Unit members who are currently enrolled in the Los Angeles City Employees Retirement System (LACERS) into Tier 6 of the Los Angeles Fire and Police Pension System (LAFPP). The LACERS members who would be eligible to transfer are those actively employed as of January 12, 2025, as sworn peace officers in the Los Angeles Police Department, Airport Department, and Harbor Department, following certification of final election results if the proposed November 2024 ballot measure is approved by a majority vote of the electorate, and based on the subsequent decision to transfer by each eligible member, as discussed herein and as shall be set forth in an implementing ordinance of the Los Angeles City Council (Council) after certification of the approval of the ballot measure.

The Council may consider the additional inclusion of Park Rangers employed by the Department of Recreation and Parks at a later date following approval of this LOA and before the last date for Council to act to place the ballot measure on the November 2024 election ballot. As these employees are not employed by the Police Department or Fire Department, their benefits under LAFPP shall be subject to any tax compliance requirements, including, but not limited to, the actuarial reduction for retirement prior to age 62 under Internal Revenue Code section 415(b).

The transfer would require an amendment to the Los Angeles City Charter (Charter) and therefore must be approved by a vote of the City electorate in order to take effect. Upon such approval, and subject to the process set forth in an implementing ordinance of the Council, each eligible bargaining Unit member will be provided the opportunity to make an informed individual decision whether to transfer into Tier 6 of LAFPP or remain in their current tier of LACERS.

If a ballot measure (projected for the November 2024 election) is approved by a majority vote of the City electorate, the Charter would be amended, and an implementing ordinance would be presented to the Council to allow eligible members to make an informed and irrevocable decision to terminate their LACERS membership and to transfer into LAFPP Tier 6. Those who elect to transfer would be awarded years of service for retirement benefits purposes as if they had been members of LAFPP Tier 6 on the first date they commenced membership in LACERS and employment as a sworn peace officer with the Los Angeles Police Department, Airport Department, Harbor Department, or as a Park Ranger with the Department of Recreation and Parks (subject to the inclusion of the Park Ranger members by action of the Council), thereby providing all commensurate benefits for Tier 6 members, including, but not limited to, access to the Deferred Retirement Option Plan (DROP) and LAFPP Retiree Health Subsidy. Eligibility for enrollment in group health plans administered by third parties including the Los Angeles

Police Protective League, United Firefighters of Los Angeles City, Los Angeles Police Relief Association, and Los Angeles Fire Relief Association, shall be subject to the enrollment criteria determined by those third parties and shall not be the responsibility of the City or LAFPP.

The intent is for the City to pay all costs associated with the transfer of employees, including, but not limited to, the cost of all actuarial studies, the full cost of transferring each eligible employee into LAFPP Tier 6 who opts to make that transfer, and the costs associated with the ballot measure election.

If the ballot measure is approved by the voters:

- A. The bonus amounts illustrated in Appendix C of this MOU would be codified as base wage adjustments effective January 12, 2025.
- B. Bonus amounts and compensation adjustments illustrated in Appendices D and E of this MOU will be nullified in lieu of the Tier 6 pension enhancement.
- C. Notwithstanding Article 6.1 (Salaries) G. through I. (inclusive), the provisions of RIP will terminate at the end of January 11, 2025.
- D. Any bargaining Unit member who: (i) previously opted to remain in LACERS rather than transfer to LAFPP, and who paid to receive enhanced benefits in LACERS as Airport Peace Officer Members, pursuant to Los Angeles Administrative Code Section 4.1002(e)(2); or (ii) elected to terminate their LACERS membership and transfer into LAFPP Tier 6, and to purchase their prior service at full actuarial cost pursuant to Los Angeles Charter Section 1704(b)(1), will receive a full reimbursement by the City for out-of-pocket costs incurred, in a method compliant with federal tax law requirements, and consistent with level contribution rates. However, all personal tax consequences under either option remain the sole responsibility of the individual employee. Moreover, the City shall not pay any interest on reimbursed amounts.

If the ballot measure is rejected by the voters:

- A. The bonus amounts and compensation adjustments as illustrated in Appendices A through E and as outlined in Article 6.1 (Salaries), C. through F. (inclusive) will not terminate on January 11, 2025 and shall remain in effect.
- B. The Association may request to meet and confer over another form of enhanced retirement benefit.

**LETTER OF AGREEMENT**  
**RETIREMENT BENEFITS ENHANCEMENT**

**FOR LAAPOA:**

*Stephen Leonesio*  
Stephen Leonesio  
Labor Relations Consultant

03/19/2024

Date

**FOR THE CITY:**



Matthew W. Szabo  
City Administrative Officer

3/20/2024

Date

## LETTER OF AGREEMENT

### RETIREMENT BENEFITS ENHANCEMENT

The City and the Association have an interest in ensuring an appropriate level of retirement benefit for bargaining Unit members. In that regard, the City has commissioned an actuarial evaluation of transferring all bargaining Unit members who are currently enrolled in the Los Angeles City Employees Retirement System (LACERS) into the Los Angeles Fire and Police Pension System (LAFPP) Tier 6 into said Tier. The move must be effectuated by a vote of the City of Los Angeles electorate.

A ballot measure (projected for the November 2024 election) calling for the voluntary transfer of LACERS members into LAFPP Tier 6 would provide that all elected members become LAFPP Tier 6 members retroactively to the date of an individual employee's employment, thereby providing all commensurate benefits, including but not limited to access to the Deferred Retirement Option Plan (DROP) and LAFPP Retiree Health Subsidy.

The intent is for the City to pay all costs associated with the transfer of employees, including but not limited to the cost of all actuary studies, the full cost of each employee's transfer into LAFPP Tier 6, and costs associated with the election.

If the ballot measure is approved by the voters:

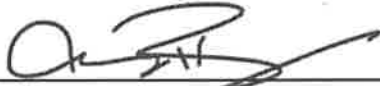
- A. Any bargaining Unit member currently in LASERS will have the option to transfer to the LAFPP Tier 6 at City expense.
- B. Any bargaining Unit member who previously paid to be enrolled in and covered by the LACERS Public Safety Enhancement or LAFPP Tier 6 will receive a full reimbursement by the City for out-of-pocket costs incurred.

If the ballot measure is **rejected** by the voters:

- A. This Letter of Agreement will be null and void.


**IN WITNESS WHEREOF**, the parties have caused their duly authorized representatives to execute this Memorandum of Understanding the day, month, and year first above written.

**FOR THE UNION:**

  
\_\_\_\_\_  
Angelo Cumpian  
Los Angeles Port Police Association

11-30-23  
\_\_\_\_\_  
Date

**FOR THE CITY:**

  
\_\_\_\_\_  
Matthew W. Szabo  
City Administrative Officer

12/5/2023  
\_\_\_\_\_  
Date

**Approved as to Form and Legality:**

  
\_\_\_\_\_  
Office of the City Attorney

11/30/23  
\_\_\_\_\_  
Date

**LETTER OF AGREEMENT**  
**RETIREMENT BENEFITS ENHANCEMENT**

The City and the Association have an interest in ensuring an appropriate level of retirement benefit for bargaining Unit members. In that regard, the City commissioned an actuarial evaluation of transferring all eligible bargaining Unit members who are currently enrolled in the Los Angeles City Employees Retirement System (LACERS) into Tier 6 of the Los Angeles Fire and Police Pension System (LAFPP). The LACERS members who would be eligible to transfer are those actively employed as of January 12, 2025, as sworn peace officers in the Los Angeles Police Department, Airport Department, and Harbor Department, following certification of final election results if the proposed November 2024 ballot measure is approved by a majority vote of the electorate, and based on the subsequent decision to transfer by each eligible member, as discussed herein and as shall be set forth in an implementing ordinance of the Los Angeles City Council (Council) after certification of the approval of the ballot measure.

The Council may consider the additional inclusion of Park Rangers employed by the Department of Recreation and Parks at a later date following approval of this LOA and before the last date for Council to act to place the ballot measure on the November 2024 election ballot. As these employees are not employed by the Police Department or Fire Department, their benefits under LAFPP shall be subject to any tax compliance requirements, including, but not limited to, the actuarial reduction for retirement prior to age 62 under Internal Revenue Code section 415(b).

The transfer would require an amendment to the Los Angeles City Charter (Charter) and therefore must be approved by a vote of the City electorate in order to take effect. Upon such approval, and subject to the process set forth in an implementing ordinance of the Council, each eligible bargaining Unit member will be provided the opportunity to make an informed individual decision whether to transfer into Tier 6 of LAFPP or remain in their current tier of LACERS.

If a ballot measure (projected for the November 2024 election) is approved by a majority vote of the City electorate, the Charter would be amended, and an implementing ordinance would be presented to the Council to allow eligible members to make an informed and irrevocable decision to terminate their LACERS membership and to transfer into LAFPP Tier 6. Those who elect to transfer would be awarded years of service for retirement benefits purposes as if they had been members of LAFPP Tier 6 on the first date they commenced membership in LACERS and employment as a sworn peace officer with the Los Angeles Police Department, Airport Department, Harbor Department, or as a Park Ranger with the Department of Recreation and Parks (subject to the inclusion of the Park Ranger members by action of the Council), thereby providing all commensurate benefits for Tier 6 members, including, but not limited to, access to the Deferred Retirement Option Plan (DROP) and LAFPP Retiree Health Subsidy. Eligibility for enrollment in group health plans administered by third parties including the Los Angeles

Police Protective League, United Firefighters of Los Angeles City, Los Angeles Police Relief Association, and Los Angeles Fire Relief Association, shall be subject to the enrollment criteria determined by those third parties and shall not be the responsibility of the City or LAFPP.

The intent is for the City to pay all costs associated with the transfer of employees, including, but not limited to, the cost of all actuarial studies, the full cost of transferring each eligible employee into LAFPP Tier 6 who opts to make that transfer, and the costs associated with the ballot measure election.

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If the ballot measure is rejected by the voters:

- A. The bonus amounts and compensation adjustments as illustrated in Appendices A through E and as outlined in Article 6.1 (Salaries), C. through F. (inclusive) will not terminate on January 11, 2025 and shall remain in effect.
- B. The Association may request to meet and confer over another form of enhanced retirement benefit.



**LETTER OF AGREEMENT**  
**RETIREMENT BENEFITS ENHANCEMENT**


**FOR LAAPOA:**

*Stephen Leonesio*  
Stephen Leonesio  
Labor Relations Consultant

03/19/2024

Date

**FOR THE CITY:**

  
Matthew W. Szabo  
City Administrative Officer

3/20/2024

Date

**LETTER OF AGREEMENT**  
**RETIREMENT BENEFITS ENHANCEMENT**

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The transfer would require an amendment to the Los Angeles City Charter (Charter) and therefore must be approved by a vote of the City electorate in order to take effect. Upon such approval, and subject to the process set forth in an implementing ordinance of the Council, each eligible bargaining Unit member will be provided the opportunity to make an informed individual decision whether to transfer into Tier 6 of LAFPP or remain in their current tier of LACERS.

If a ballot measure (projected for the November 2024 election) is approved by a majority vote of the City electorate, the Charter would be amended, and an implementing ordinance would be presented to the Council to allow eligible members to make an informed and irrevocable decision to terminate their LACERS membership and to transfer into LAFPP Tier 6. Those who elect to transfer would be awarded years of service for retirement benefits purposes as if they had been members of LAFPP Tier 6 on the first date they commenced membership in LACERS and employment as a sworn peace officer with the Los Angeles Police Department, Airport Department, Harbor Department, or as a Park Ranger with the Department of Recreation and Parks (subject to the inclusion of the Park Ranger members by action of the Council), thereby providing all commensurate benefits for Tier 6 members, including, but not limited to, access to the Deferred Retirement Option Plan (DROP) and LAFPP Retiree Health Subsidy. Eligibility for enrollment in group health plans administered by third parties including the Los Angeles

Police Protective League, United Firefighters of Los Angeles City, Los Angeles Police Relief Association, and Los Angeles Fire Relief Association, shall be subject to the enrollment criteria determined by those third parties and shall not be the responsibility of the City or LAFPP.

The intent is for the City to pay all costs associated with the transfer of employees, including, but not limited to, the cost of all actuarial studies, the full cost of transferring each eligible employee into LAFPP Tier 6 who opts to make that transfer, and the costs associated with the ballot measure election.

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**LETTER OF AGREEMENT**  
**RETIREMENT BENEFITS ENHANCEMENT**


**FOR LAAPOA:**

*Stephen Leonesio*  
Stephen Leonesio  
Labor Relations Consultant

03/19/2024

Date

**FOR THE CITY:**

  
Matthew W. Szabo  
City Administrative Officer

3/20/2024

Date

## RESOLUTION

Resolution providing the ballot measure text and the ballot title and question for a Charter amendment to be submitted to the qualified voters of the City of Los Angeles regarding the following subject: transfer of membership of peace officers currently employed by the City's Police, Airport, Harbor, and Recreation and Parks Departments from the Los Angeles City Employees' Retirement System to the Los Angeles Fire and Police Pension Plan.

**WHEREAS**, the City Council wishes to submit the Charter amendment referenced above to the qualified voters of the City of Los Angeles at a Special Election to be consolidated with the City's General Municipal Election and the State General Election held on November 5, 2024; and

**WHEREAS**, the City Attorney has prepared and presented an impartial ballot title and question for the Charter amendment as required under the City Election Code.

### **NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

Section 1. The Charter amendment attached to this Resolution shall be submitted to the qualified voters of the City of Los Angeles at a Special Election consolidated with the City's General Municipal Election and the State General Election held on November 5, 2024.

Sec. 2. The vote requirement for the Charter amendment to pass is a majority of the votes cast.

Sec. 3. The impartial ballot title and question for the Charter amendment shall be as follows and shall include a letter designation as determined by the City Council in accordance with applicable City and State law:

### **LOS ANGELES FIRE AND POLICE PENSIONS; PEACE OFFICERS. CHARTER AMENDMENT \_\_\_\_.**

Shall the City Charter be amended to: allow peace officers employed by the Police, Airport, Harbor, and Recreation and Parks Departments to transfer membership and service from the Los Angeles City Employees' Retirement System to the Los Angeles Fire and Police Pension Plan; and require the City to pay associated costs, including refunds to certain Airport and Police Department members for prior transfers?

Sec. 4. The City Clerk is hereby authorized to make technical and formatting adjustments to the attached Charter amendment as needed to facilitate presentation in ballot materials.

Sec. 5. The City Clerk is hereby authorized and directed to publish a notice containing the proposed Charter amendment and specifying the date of the election for the Charter amendment. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles, and in each edition thereof during that day of publication.

Sec. 6. The City Clerk is hereby authorized and directed to publish once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed Charter amendment may be obtained upon request in the City Clerk's office. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the voter information pamphlets and to distribute them to persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the voter information pamphlets to the qualified voters of the City of Los Angeles.

Sec. 7. The City Clerk shall file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on \_\_\_\_\_.

I CERTIFY THAT THE FOREGOING  
RESOLUTION WAS ADOPTED BY THE  
COUNCIL OF THE CITY OF LOS ANGELES  
AT ITS MEETING OF 6/25/2024  
BY A MAJORITY OF ALL ITS MEMBERS

HOLLY L. WOLCOTT, City Clerk



By *Maria V. S.*  
DEPUTY

By \_\_\_\_\_ Deputy



## TEXT OF THE PROPOSED BALLOT MEASURE

## CHARTER AMENDMENT \_\_\_\_

Section 1. Subsection (e) of Section 1202 of the Charter of the City of Los Angeles is amended to read as follows:

(e) **Department Member:** A person who is a sworn Member of the Fire Department or a sworn Member of the Police Department, as those terms are defined for each Tier. This term shall not include a person who is a sworn Member of the Police Department who was eligible to make the election authorized by Charter Section 1703 or 1709 but remained a member of the Los Angeles City Employees' Retirement System. This term also includes a person who is a sworn Member of the Harbor Department who qualifies for membership in the Plan pursuant to the provisions of any Tier of the Plan, but shall not include any sworn employee of the Harbor Department who was appointed prior to January 8, 2006 and was eligible to make the election authorized by Charter Section 1709 but remained a member of the Los Angeles City Employees' Retirement System. Additionally, this term includes a person who is a sworn Member of the Department of Airports ~~Department~~ who qualifies for membership in the Plan pursuant to the provisions of any Tier of the Plan, but shall not include any employee of the Department of Airports ~~Department~~ who was appointed prior to January 7, 2018 and was eligible to make the election authorized by Charter Section 1704 or 1709 but remained a member of the Los Angeles City Employees' Retirement System. Lastly, this term includes a person who is a sworn Member of the Department of Recreation and Parks who qualifies for membership in the Plan pursuant to Charter Section 1709, but it shall not include a person who is a sworn Member of the Department of Recreation and Parks who was eligible to make the election authorized by Charter Section 1709 but remained a member of the Los Angeles City Employees' Retirement System.

Sec. 2. Section 1700 of the Charter of the City of Los Angeles is amended to read as follows:

**Sec. 1700. Membership in Tier 6.**

(a) **Appointed Chief.** A Chief of Police, a Fire Chief, or a Port Warden (Chief) who is appointed to that position on or after July 1, 2011, and a Chief of the Airport Police who is appointed to that position on or after January 7, 2018, and who is neither a Plan Member nor a Retired Plan Member at the time of appointment, shall become a Tier 6 Plan Member upon appointment unless, within seven calendar days of appointment, he or she files a written opt out election with the Department of Fire and Police Pensions to elect to become a member of the Los Angeles City Employees' Retirement System (LACERS) in lieu of membership in Tier 6. A Chief who is appointed to that position on or after July 1, 2011 and is already a Department Member on the day of his or her appointment, shall continue to be a member of the Tier to which he or she



belonged prior to appointment as Chief. A Retired Plan Member who is appointed to the position of a Chief on or after July 1, 2011, shall become a member of LACERS at the time of appointment, rather than a Tier 6 Plan Member, and shall continue to receive all benefits to which he or she is entitled as a Retired Plan Member and as permitted under federal tax laws governing in-service distributions, but shall not accrue any additional right to benefits from the Plan by virtue of his or her employment as a Chief. A Chief Park Ranger who is already a Plan Member on the day of his or her appointment shall continue to be a member of the Tier to which he or she belonged prior to appointment to Chief, but a Chief Park Ranger who is not a Plan Member at the time of appointment shall become or continue to be a member of LACERS. A Chief Park Ranger who is a Retired Plan Member at the time of appointment shall become a member of LACERS and shall continue to receive all benefits to which he or she is entitled as a Retired Plan Member and as permitted under federal tax laws governing in-service distributions, but shall not accrue any additional right to benefits from the Plan by virtue of his or her employment as Chief Park Ranger.

(b) **Appointed Members.** Each person, other than a Chief, who shall be appointed as a Department Member on or after July 1, 2011, shall become a Tier 6 Plan Member upon (1) graduation by such person from training at the Police or Fire Academies or equivalent facility imparting basic training as a firefighter or police officer and maintained as such by the City of Los Angeles, or (2) graduation from academy training required by the Harbor Department. Upon becoming a Tier 6 Plan Member, a member may elect to purchase Years of Service credit for the period of such training in accordance with rules adopted by the Board.

(c) **Persons Who Do Not Become Tier 6 Plan Members.** Notwithstanding the provisions of subsections (b), (f), (g), and (h) of this section:

(1) A person who is a Plan Member of another Tier and who is appointed, without a break in service, to a different position that would otherwise qualify him or her for membership in Tier 6, shall not, by virtue of this new appointment, become a member of Tier 6, but shall continue to be a member of the Tier to which he or she belonged prior to his or her new appointment.

(2) A person appointed to a sworn position with the Harbor Department prior to January 8, 2006, who did not elect to transfer into Tier 5 or Tier 6 and remained a member of LACERS, if subsequently appointed without a break in Harbor Department service to a different Harbor Department sworn position that would otherwise qualify him or her for membership in Tier 6, shall not become a member of Tier 6 upon appointment, but shall remain a LACERS member.

(3) Any Plan Member who retired on a disability pension from another Tier and is subsequently restored to active duty as a Department Member shall not become a member of Tier 6, but shall return to membership in the Tier from which he or she retired.



(4) Any Plan Member who retired on a service pension from another Tier and is subsequently returned to active duty as a Department Member shall not become a member of Tier 6, but shall return to membership in the Tier from which he or she retired.

(5) A person appointed to a sworn position with the Department of Airports ~~Department~~ or Fire Department on or after January 7, 2018, who did not elect to transfer into Tier 6 and remained a member of LACERS, if subsequently appointed without a break in Department of Airports ~~Department~~ service to an Department of Airports ~~Department~~ sworn position or a Fire Department sworn position that would otherwise qualify him or her for membership in Tier 6, shall not become a member of Tier 6 upon appointment, but shall remain a LACERS member.

(6) A person appointed to a sworn position with the Department of Recreation and Parks, who did not elect to transfer into Tier 6 and remained a Member of LACERS.

(7) A person appointed to a sworn position with the Department of Recreation and Parks after January 12, 2025.

(d) **Former Members.** Any former member of any Tier, who ceased to be a member as a result of resignation or discharge and who subsequently is reappointed as a Department Member on or after July 1, 2011, shall become a Tier 6 Member. In the event such person did not receive a refund of contributions for his or her prior service, the definition of "Years of Service" contained in this Tier 6 shall be controlling with respect to such person's entitlement to service credit and such person need not make back contributions on account of such former service. In the event that the member had no right to a refund of contributions from his or her former Tier, then he or she shall not have any right to have contributions formerly made by him or her under the provisions of a former Tier refunded in the event he or she should subsequently terminate as a Plan Member. In the event such person received a refund of his or her contributions as a result of his or her termination, then such person's entitlement to Years of Service credit for the period of such former service shall be conditioned upon such person electing to repay and having paid to the Fire and Police Pension Plan the amount of previously refunded contributions, with interest thereon in an amount calculated as interest which would have been earned between the date of such termination and the date of entry into service as a Plan Member in accordance with rules adopted by the Board. In the event such member does not elect to so repay, the term Years of Service as elsewhere used in this Tier 6 shall not include any periods prior to his or her reappointment, notwithstanding the definitions contained in Section 1702(e)(r) and (r)(s).

(e) **Council Authority to Allow Transfers to Tier 6.** The Council may by ordinance authorize Plan Members of other Tiers to voluntarily transfer to Tier 6, provided such transfers shall be actuarially cost neutral to the Plan. Ordinances adopted pursuant to this subsection shall be adopted in the same manner as provided in



Section 1618(b) of this Charter, but the City Council shall be advised in writing by an enrolled actuary as to the cost of the proposed changes.

(f) **Department of Airports Department Members.** In addition to those Department Members described in Subsection (b) of this section, the following persons qualify for membership in Tier 6 as provided below:

(1) **Persons Appointed On or After January 7, 2018.** Each person appointed on or after January 7, 2018, as a Member of the Department of Airports Department, as defined in Section 1702(d), shall become a Tier 6 Plan Member upon graduation by the person from academy training required by the Department of Airports Department. Upon becoming a Tier 6 Plan Member, a member may elect to purchase Years of Service credit for the academy training period in accordance with rules adopted by the Board, provided that only academy training time during which the person was a member of the Pension Savings Plan for Part-time, Seasonal and Temporary Employees is eligible for purchase. An Airport Police Chief appointed on or after January 7, 2018, may irrevocably elect in writing at the time of appointment not to become a member of Tier 6, provided that he or she meets the eligibility requirements for such election as set forth in Section 1700(a).

(2) **Persons Appointed Prior to January 7, 2018.** A person appointed prior to January 7, 2018 as a Member of the Department of Airports Department, as defined in Section 1702(d), and who is employed on that date as a Member of the Department of Airports Department, as defined in Section 1702(d), may make an irrevocable election in writing to become a Tier 6 Plan Member in lieu of membership in LACERS, on the terms and conditions set forth below and in any ordinance adopted by the City Council to implement this provision, provided that no person shall become a Tier 6 Plan Member until he or she has completed the academy training required by the Department of Airports Department. A person who does not file an election within the period specified below shall continue as a LACERS member and shall remain a LACERS member if subsequently appointed without a break in Department of Airports Department service to an Department of Airports Department sworn position, or Fire Department sworn position that would otherwise require him or her to become a Tier 6 Plan Member.

(g) **Harbor Members and Former Office of Public Safety Police Department Members.** In addition to those Department Members described in Subsection (b) of this section, persons who are sworn employees of the Harbor Department and persons who became sworn employees of the Police Department as a result of their prior, continuous employment in the Office of Public Safety may make an irrevocable election in writing to become a Tier 6 Plan Member in lieu of membership in LACERS, in compliance with any ordinance adopted by the City Council to implement this provision. A person who does not file an election within the period specified in the ordinance shall continue as a LACERS member and shall remain a LACERS member if subsequently appointed



without a break in Department service to another sworn position that would otherwise require him or her to become a Tier 6 Plan Member.

(h) **Department of Recreation and Parks Members.** In addition to those Department Members described in Subsection (b) of this section, persons who are sworn employees of the Department of Recreation and Parks may make an irrevocable election in writing to become a Tier 6 Plan Member in lieu of membership in LACERS, in compliance with any ordinance adopted by the City Council to implement this provision. A person who does not file an election within the period specified in the ordinance shall continue as a LACERS member and shall remain a LACERS member if subsequently appointed without a break in Department service to another sworn position that would otherwise require him or her to become a Tier 6 Plan Member.

(i) All elections made pursuant to this Subdivissections (f)(2), (g), or (h) must meet the requirements of the ordinance adopted by Council, as authorized by Sections 1703, 1704, or 1709, to govern the election, including all related requirements governing service purchases, contributions, and the cost of the election.

(j) For purposes of Sections 1706 and 1708, relating to Tier 6 Disability Pensions and Tier 6 Survivorship Pensions, and Section 1212, relating to the effect of a Department Member's receipt of Worker's Compensation, a Tier 6 Plan Member who transfers under Subsections division (f)(2), (g), or (h) of this Ssection, Sections 1703, 1704 or 1709 and the ordinances adopted by the Council as authorized by those Ssections1704, shall be considered a Department Member as defined in Section 1202(e) during all employment periods for which the member receives Years of Service credit pursuant to Sections 1703, 1704 or 1709 and the ordinances adopted by the Council as authorized by those Ssections 1704, notwithstanding that the person was not an actual Tier 6 Plan Member at the time of employment. The intent of this provision is that the person shall be considered a Department Member at the time of employment for purposes of these sections, so that the amount of any disability or survivorship pension granted pursuant to the provisions of Tier 6 shall be reduced as provided in Section 1212.

Sec. 3. Subsections (d), and (q) of Section 1702 of the Charter of the City of Los Angeles are amended, a new subsection (e) is added, and subsections (e), (f), (g), (h), (i), (j), (k), (l), (m), (n) (o), (p), (q), (r), (s), are renumbered to subsections (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), respectively, to read as follows:

### **Sec. 1702. Definitions.**

In addition to the words and phrases defined in the Fire and Police Pension Plan's General Provisions in Part 3, and for the purposes of this Tier 6, the following words or phrases shall have the meaning ascribed to them in this section, unless a different meaning is clearly indicated in the context.



(a) **Member of the Fire Department.** Member of the Fire Department means the Fire Chief and a person duly and regularly appointed in the Fire Department, under civil service rules and regulations or provisions of the Charter, or both, governing the making of original regular and permanent appointments which require the serving of probationary periods but not of original emergency or temporary appointments, to perform duties as a firefighter for the City, under whatever designation such person may be described in any salary or departmental ordinance providing salaries for the members of the department, but such person shall be a member of the department only until his or her status as such shall be terminated by reason of retirement, resignation or discharge or for any other reason.

(b) **Member of the Police Department.** Member of the Police Department means the Chief of Police and a person duly and regularly appointed in the Police Department, under civil service rules and regulations or provisions of the Charter, or both, governing the making of original regular and permanent appointments which require the serving of probationary periods but not of original emergency or temporary appointments therein, and sworn in, as provided by law, to perform duties as a police officer for the City, under whatever designation such person may be described in any salary or departmental ordinance providing salaries for the members of the department, but such person shall be a member of the department only until his or her status as such shall be terminated by reason of retirement, resignation or discharge or for any other reason.

(c) **Member of the Harbor Department.** Member of the Harbor Department means the Port Warden and a person duly and regularly appointed, under civil service rules and regulations or provisions of the Charter, or both, governing the making of original regular and permanent appointments which require the serving of probationary periods but not of original emergency or temporary appointments therein, and sworn in, as provided by Penal Code Section 830.1, to perform police duties for the Harbor Department, under whatever designation such person may be described in any salary or departmental ordinance providing salaries for members of the department, but such person shall be a member of the department only until his or her status as such shall be terminated by reason of his or her retirement, resignation or discharge or for any other reason.

(d) **Member of the Airport Department of Airports.** Member of the Airport Department of Airports means the Chief of the Airport Police, the Assistant Chief of the Airport Police, the Chief Airport Safety Officer, and a person duly and regularly appointed, under civil service rules and regulations or provisions of the Charter, or both, governing the making of original regular and permanent appointments which require the serving of probationary periods but not of original emergency or temporary appointments therein, and sworn in, as provided by Penal Code Section 830.1, to perform police or firefighting duties for the ~~Airport~~ Department of Airports, under whatever designation such person may be described in any salary or departmental ordinance providing salaries for members of the department, but such person shall be a



member of the department only until his or her status as such shall be terminated by reason of his or her retirement, resignation or discharge or for any other reason.

(e) **Member of the Department of Recreation and Parks.** Member of the Department of Recreation and Parks means the Chief Park Ranger and a person duly and regularly appointed, under civil service rules and regulations or provisions of the Charter, or both, governing the making of original regular and permanent appointments, which require the serving of probationary periods but not of original emergency or temporary appointments therein, and sworn in, as provided by Penal Code Section 830.31, to perform police or firefighting duties for the Department of Recreation and Parks, under whatever designation such person may be described in any salary or departmental ordinance providing salaries for members of the department, but such person shall be a member of the department only until his or her status as such shall be terminated by reason of his or her retirement, resignation or discharge or for any other reason.

~~(e)~~(f) **Tier 6 Plan Member.** Tier 6 Plan Member means a person who is a Department Member and whose pension rights and benefits are governed by this Tier 6. For purposes of the provisions governing Tier 6, the term Plan Member shall generally refer to a Tier 6 Plan Member, unless the context in which the term is used indicates a usage that refers to or includes members of other Tiers. Status as a Tier 6 Plan Member is limited by the provisions of Section 1700.

~~(f)~~(g) **Qualified Surviving Spouse.** Qualified Surviving Spouse means a person who was married to the Tier 6 Plan Member:

- (1) for at least one year prior to the date of his or her nonservice-connected death while a Tier 6 Plan Member, or
- (2) on the date of the Tier 6 Plan Member's service-connected death, or
- (3) for at least one year prior to the effective date of the Tier 6 Plan Member's retirement upon a service pension or a nonservice-connected disability pension, or
- (4) on the effective date of the Tier 6 Plan Member's retirement upon a service-connected disability pension, or
- (5) on the date of the Tier 6 Plan Member's nonservice-connected death while on military leave.

In addition, on the date of the member's death, this person must be either the domestic partner (registered with the state or filed with the Plan) or spouse of such member.

To the extent required by state law, two persons of the same sex whose legal union, other than a marriage, has been validly formed in another jurisdiction and is substantially equivalent to a state registered domestic partnership shall be treated the same as spouses for purposes of this Plan. For these purposes, any reference to the date of a marriage shall be deemed to refer to the date of a legal union in another jurisdiction.

~~(g)~~(h) **Qualified Surviving Domestic Partner.** Qualified Surviving Domestic Partner means a person whose Declaration of Domestic Partnership with the Tier 6 Plan Member was on file with the Board of Fire and Police Pension Commissioners, as provided in Section 4.2204 of the Los Angeles Administrative Code, or whose domestic partnership with the Tier 6 Plan Member was registered with the state:

- (1) for at least one year prior to the date of the Tier 6 Plan Member's nonservice-connected death, or
- (2) on the date of the Tier 6 Plan Member's service-connected death, or
- (3) for at least one year prior to the effective date of the Tier 6 Plan Member's retirement upon a service pension or a nonservice-connected disability pension, or
- (4) on the effective date of the Tier 6 Plan Member's retirement upon a service-connected disability pension, or
- (5) on the date of the Tier 6 Plan Member's nonservice-connected death while on military leave.

In addition, on the date of the member's death, this person must be either the domestic partner (registered with the state or filed with the Plan) or spouse of such member.

~~(h)~~(i) **Qualified Survivor.** Qualified Survivor means a person who is either a Qualified Surviving Spouse or a Qualified Surviving Domestic Partner.

~~(i)~~(j) **Child.** Minor Child means a person who is a child or an adopted child of a deceased Tier 6 Plan Member or Retired Tier 6 Plan Member but such person shall be a Minor Child only until such person shall attain the age of 18 years or shall marry, whichever shall be earlier. A person may further qualify for the benefits provided for a Minor Child under the provisions of this Tier until he or she reaches the age of 22 years if such person is enrolled in school on a full-time basis as determined by the Board but such person's marriage terminates entitlement to the benefits of a Minor Child.

~~(j)~~(k) **Dependent Child.** Dependent Child means a person who is a child of a deceased Tier 6 Plan Member or a deceased Retired Tier 6 Plan Member, who, while under the age of 21 years, had become disabled, either prior to or after the date of



death of such member, from earning a livelihood for any cause or reason whatsoever, but such person shall be a Dependent Child only until he or she shall cease to be disabled from earning a livelihood. Should disability cease before the age of 22 years, the limitations set forth in subsection ~~(h)~~(i) shall be applicable.

~~(k)~~(l) **Dependent Parent.** Dependent Parent means a person who is a parent of a deceased Tier 6 Plan Member or a deceased Tier 6 Retired Plan Member and to or for whom such deceased member, during at least one year immediately preceding his or her death, contributed one-half or more of such Dependent Parent's necessary living expenses and who is unable to pay such expenses without the receipt of a pension, but such person shall be a Dependent Parent only until he or she shall be able to pay his or her necessary living expenses.

~~(h)~~(m) **Length of Service Pay.** Length of Service Pay means any additional gross monthly pay which, by reason of length of service, shall be provided by ordinance or by Memorandum of Understanding.

~~(m)~~(n) **Special Pay.** Special Pay means any additional gross monthly pay which, by reason of assignment to perform special duties other than hazardous duties, shall be provided by ordinance or Memorandum of Understanding.

~~(h)~~(o) **Hazard Pay.** Hazard Pay means any additional gross monthly pay which, by reason of assignment to perform helicopter duties, two-wheel motorcycle duties or any other hazardous duties, shall be provided by ordinance or Memorandum of Understanding.

~~(e)~~(p) **Assignment Pay.** Assignment Pay means any additional gross monthly pay which, by reason of assignment to perform special duties or hazardous duties, in a higher class, position, grade, code or other title than the lowest thereof within the Tier 6 Plan Member's permanent rank, shall be provided by ordinance or Memorandum of Understanding.

~~(p)~~(q) **Year.** Year means a period of 12 months or, in aggregating partial years for purposes of determining Years of Service, means 365 days.

~~(q)~~(r) **Years of Service.** Years of Service means and includes only those periods during or for which the Plan Member was a Department Member of the Fire Department, a Department Member of the Police Department, a Department Member of the Harbor Department, or a Department Member of the Airport Department of Airports, or a Department Member of the Department of Recreation and Parks, and whether prior to or after his or her becoming a Tier 6 Plan Member and subject to the limitations contained in Section 1700 of this Tier 6:

- (1) did or shall receive salary, whether in full or reduced amounts thereof;



(2) did or shall receive either a service-connected disability pension or a nonservice-connected disability pension from the Plan if he or she was or shall be restored to active duty as a Department Member and did or shall perform his or her duties as such for at least one year prior to again retiring or being retired pursuant to this Tier 6, which year shall not include any time off from work by reason of any injury or illness which had been caused by or contributed to by any injury or illness which had been sustained or suffered by him or her prior to such restoration. The restored Plan Member, upon completing one Year of Service following restoration, shall be eligible for such credit only to the extent that the length of service following restoration matches the period the disability pension was received; but upon completing three years of restored service, the restored Plan Member is eligible for credit for the entire period the disability pension was received; and provided further that a period during which a Plan Member was on a nonservice-connected disability pension may only be counted toward his or her Years of Service if the Plan Member makes contributions therefore as provided in Section 1714 of this Tier 6 in accordance with the rules to be adopted by the Board;

(3) is or shall become entitled, under any provision of general law or ordinance of the City, to credit toward retirement for periods of military service or military leave;

(4) did or shall receive Workers' Compensation benefits for temporary disability as provided by general law on account of any injury or illness arising out of and in the course of employment, but such period shall be made a part of the Plan Member's Years of Service only if the Plan Member has made contributions to the Fire and Police Pension Plan in the manner prescribed by Board rule;

(5) is or shall become entitled to compensation for injury on duty pursuant to any ordinance of the City or any applicable Memorandum of Understanding; and

(6) had served as a member of the Fire and Police Pension System – Tiers 2, 3, 4, or 5, without having become eligible to service retirement benefits.

A person who has previously been a Plan Member of any Tier, who has ceased to be such by virtue of his or her resignation or discharge, and who subsequently becomes a Tier 6 Plan Member, shall be entitled to credit for Years of Service during the prior membership period only if he or she has first redeposited with interest, any contributions previously withdrawn by him or her, in the manner provided by the Board.

A Qualified Survivor of a Tier 6 Plan Member may complete the purchase of Years of Service credit elected by the Plan Member.



~~(p)~~(s) **Partial Year of Service.** Partial Year of Service means any period mentioned in subsection ~~(p)~~(q) of this section which is less than 12 months. Any such Partial Year of Service shall be calculated from the end of the Plan Member's last completed Year of Service to the end of the payroll period immediately prior to the date of his or her retirement and shall be counted as part of a Plan Member's Years of Service for his or her retirement upon a service pension hereafter granted or for a pension hereafter granted to his or her Qualified Survivor, Minor Child or Children, Dependent Child or Children or Dependent Parent or Parents if he or she hereafter shall die while upon a service pension hereafter granted or while eligible for a service pension.

~~(s)~~(t) **Final Average Salary.** Final Average Salary means an amount equivalent to a monthly average of salary actually earned during any 24 consecutive months of service as a Plan Member as designated by the Plan Member. In the absence of such designation, the last 24 consecutive months preceding the date upon which retirement would become effective shall be used as the basis for the calculation of Final Average Salary.

For the purposes of determining Final Average Salary for periods during which the Plan Member receives less than full salary on account of injury or illness, pursuant to any applicable ordinance of the City, the Final Average Salary shall be based upon the salary, including any Length of Service Pay, Special Pay, Assignment Pay or Hazard Pay, the Plan Member would have received but for the injury or illness.

Included in the calculation of Final Average Salary shall be Length of Service Pay, Special Pay, Assignment Pay and Hazard Pay actually earned during the 24 consecutive months used to determine Final Average Salary.

For those Tier 6 Plan Members who retire from the Fire Department while holding a rank no higher than Captain or from the Police Department holding a rank no higher than Lieutenant: If Hazard Pay was not earned during all or any part of the 24 consecutive months used to determine Final Average Salary, then an amount equivalent to 10% of the Hazard Pay earned at the time of the termination of the last assignment of hazardous duties for each year in the aggregate of the assignment to hazardous duties shall be added to the Final Average Salary, not to exceed 10 years in the aggregate. The total amount of Hazard Pay included in Final Average Salary may not exceed 100% of the amount the Plan Member would have earned had he or she been entitled to Hazard Pay during the entire 24 month period utilized in the calculation of Final Average Salary.

Overtime compensation or payments of money to the member not designated as salary by an ordinance or Memorandum of Understanding shall not be considered for purposes of calculating Final Compensation.

Should a Tier 6 Plan Member not have completed 24 consecutive months of service as a Plan Member, then and in that event only shall the Final Average Salary be



calculated as a monthly average of all consecutive calendar months completed, and, if the Plan Member has completed less than one month of total service as a Plan Member, the salary actually received shall be used to calculate its monthly equivalent.

Notwithstanding any of the foregoing, if a Retired Tier 6 Plan Member were to be restored to active duty as a Department Member and thereby again were to become a Tier 6 Plan Member and if he or she again were to retire or to be retired without having performed his or her duties for at least one year subsequent to such restoration, which year shall not include any time off from work by reason of any injury or illness which had been caused by or contributed to by any injury or illness which had been sustained or suffered by him or her prior to such restoration, the Final Average Salary which shall be applicable to his or her later retirement shall be the Final Average Salary which had been applicable to his or her previous retirement. Should the Plan Member have performed the requisite one year subsequent to such restoration, but not have completed 24 consecutive months of service since being restored, then in that event Final Average Salary shall be calculated as a monthly average of all consecutive months completed after such restoration.

Sec. 4. Subsections (a) and (b) of Section 1703 of the Charter of the City of Los Angeles are amended to read as follows:

**Sec. 1703. Authority of City Council to Allow Transferring Police Personnel to Purchase Prior Sworn City Service.**

(a) **Council Authority.** Subject to Sections 1709 and 1711, ~~the~~ Council may, by ordinance adopted in accordance with the provisions of this section, allow police personnel who are transferred to the Police Department from the Department of General Services and gain status in one of the following Class Codes 2214, 2217, 2223, 2227, 2232, and 2244 to transfer prior sworn service with the City from the Los Angeles City Employees' Retirement System (LACERS) to Tier 6 after they become members of the Plan pursuant to the applicable provisions of the Charter and the Los Angeles Administrative Code. Notwithstanding the provisions of Section 1702~~(q)~~(r), transferred service may count as Years of Service for all Tier 6 purposes.

(b) **Limitations on Service Purchases.** Subject to Sections 1709 and 1711, ~~the~~ authority given to the Council to allow the transfer of prior service is specifically limited as follows:

(1) **Purchases Shall Be Cost Neutral.** The member shall be required to pay the full actuarial cost of the service to be transferred, as determined by the Plan's actuary without taking into consideration incidental administrative expenses incurred by the Plan, reduced by the amount of any funds transferred from LACERS to the Plan in connection with the transferred service.

(2) **Only Certain Service May Be Transferred.** Sworn service that may be transferred shall be limited to prior service with the City in Class Codes 3183,



3185, 3188, and 3198 for which the employee paid contributions and earned service credit with LACERS.

Sec. 5. Subsections (a) and (b) of Section 1704 of the Charter of the City of Los Angeles are amended to read as follows:

**Sec. 1704. Authority of City Council to Allow Transfer of Airport Peace Personnel to Tier 6 and to Allow Transferring Personnel to Purchase Prior City Service.**

(a) **Council Authority.** Subject to Sections 1709 and 1713, ~~t~~The Council may, by ordinance adopted in accordance with the provisions of this ~~S~~section, and pursuant to applicable provisions of the Charter and the Los Angeles Administrative Code, allow a person who entered City service prior to January 7, 2018, as a Member of the Airport Department, as defined in Section 1702(d), to become a Tier 6 Plan Member in lieu of membership in the Los Angeles City Employees' Retirement System (LACERS), and to transfer all prior City service from LACERS to Tier 6 after he or she becomes a member of the Plan, provided such person shall continue to make member contributions at the rate applicable to his or her LACERS membership to the extent required by the Internal Revenue Code and as further described in Section 1714(a)(3). Notwithstanding the provisions of Section 1702~~(q)~~~~(r)~~, service transferred pursuant to this ~~S~~section and the implementing ordinance adopted by Council shall count as Years of Service for all Tier 6 purposes.

(b) **Limitations on Service Purchases.** Subject to Sections 1709 and 1713, ~~t~~The authority given to the Council to allow the transfer of prior service is specifically limited as follows:

(1) **Purchases Shall Be Cost Neutral.** The member shall be required to pay the full actuarial cost of the service to be transferred, as determined by the Plan's actuary without taking into consideration incidental administrative expenses incurred by the Plan, reduced by the amount of any funds transferred from LACERS to the Plan in connection with the transferred service.

(2) **All Prior Service Must Be Transferred.** As a condition of making the election to transfer from LACERS to the Plan, a member must transfer all prior service from LACERS to the Plan, including prior City service earned as a contributing member of LACERS and any service purchased from LACERS, and pay the full actuarial cost of the service to be transferred, as determined by the Plan's actuary and pursuant to requirements of the ordinance adopted in accordance with this ~~S~~section.

(3) **Election and Service Purchase Shall Be Irrevocable.** A member's election to enter Tier 6 membership shall be irrevocable after January 7, 2018. A member's agreement to purchase his or her prior service shall be nonrefundable. Neither the Council nor the Board shall have the authority to revoke or refund a member's election or purchase, or to allow transfers after January 7, 2018.



Sec. 6. A new Section 1709 is added to the Charter of the City of Los Angeles to read as follows:

**Sec. 1709. Authority of City Council to Allow Transfer of Police, Airport, Harbor, Recreation and Parks Peace Officer Personnel to Tier 6 and to Require Transfer of All Prior LACERS Service at Full Actuarial Cost.**

**(a) Council Authority to Allow Transfers of Police, Airport, Harbor, Recreation and Parks Peace Officer Personnel.** The Council may, by ordinance adopted in accordance with the provisions of this section, and pursuant to applicable provisions of the Charter and the Los Angeles Administrative Code, allow a person, actively employed on January 12, 2025, as a sworn peace officer by the Police Department, as defined in Section 1702(b), the Department of Airports, as defined in Section 1702(d), the Harbor Department, as defined in Section 1702(c), or the Department of Recreation and Parks, as defined in Section 1702(e), to become a Tier 6 Plan Member in lieu of membership in Los Angeles City Employees' Retirement System (LACERS), provided such person shall transfer all prior City service from LACERS to Tier 6 after they become a Tier 6 Plan Member, and continue to make pre-tax member contributions at the rate applicable to their LACERS membership to the extent required by the Internal Revenue Code and as further described in Section 1714(a)(3). Notwithstanding the provisions of Section 1702(r), service transferred pursuant to this section and the implementing ordinance adopted by Council shall count as Years of Service for all Tier 6 purposes.

**(b) Requirements for Transfer of City Service.** The authority given to the Council to allow the transfer of personnel and prior City service is specifically limited as follows:

**(1) Costs Associated with Transfer.** The City shall be required to pay the full actuarial cost to transfer personnel and prior City service to Tier 6, as determined by the Plan's actuary. The actuarial cost shall include costs attributable to the initial transfer of prior City service in addition to all future costs to the Plan attributable to this transfer of membership. This amount shall be reduced by the amount of any funds transferred from LACERS to the Plan in connection with the transferred service, which shall include both employee and employer contributions and any interest credited to an employee's LACERS account as provided in Section 1162(b).

**(2) All Prior City Service Must Be Transferred.** As a condition of transferring from LACERS to Tier 6, a Member must transfer all prior City service from LACERS to Tier 6, including prior service earned as a contributing member of LACERS, regardless of the duties performed at the time such service was earned, and any service purchased from LACERS. City service that was previously excluded from transfer pursuant to Section 1703(b)(2) will be



transferred to Tier 6 according to the terms and conditions described in Subsection (b)(1) of this section.

(3) **Irrevocable Election to Transfer to Tier 6.** A Member's election to transfer into Tier 6 and the transfer of the Member's City service to Tier 6 shall be irrevocable after January 11, 2026 or after some other date as provided by ordinance, whichever date is earlier. Neither the Council nor the Board shall have the authority to revoke or to allow transfers after either January 11, 2026 or some other date as provided by ordinance, whichever date is earlier.

(c) **Mode of Adoption.** Ordinances adopted pursuant to this section shall be adopted in the same manner as provided in Section 1618(b), but the Council shall be advised in writing by an enrolled actuary as to the full actuarial cost of the proposed change.

Sec. 7. Subdivision (2) of subsection (b) of Section 1710 of the Charter of the City of Los Angeles is amended as follows:

(2) all contributions and donations to the Fire Department, the Police Department, the Harbor Department, or the Airport-Department of Airports, or the Department of Recreation and Parks for services by any Tier 6 Plan Members, except amounts of money donated to provide for any medal or permanent competitive award;

Sec. 8. A new Section 1711 is added to the Charter of the City of Los Angeles to read as follows:

**Sec. 1711. Authority of City Council to Refund Costs Paid by Members of the Police Department Who Previously Transferred to Tier 6 Pursuant to Section 1703.**

(a) **Council Authority to Authorize Refunds to Tier 6 Members.** The Council may, by ordinance adopted in accordance with the provisions of this section, and pursuant to applicable provisions of the Charter and the Los Angeles Administrative Code, authorize a refund to every Member, actively employed as a Member of the Police Department on January 12, 2025, who previously transferred to Tier 6 pursuant to Section 1703, and purchased any portion of their prior City service or Tier 6 health benefits pursuant to any existing provisions of the Los Angeles Administrative Code. For the purposes of this section, such Tier 6 Members shall be referred to as "Qualifying Tier 6 Member(s)."

(b) **Limitations on Authority to Provide Refunds.**

(1) **Cost Neutrality for Plan.** The City shall be required to issue payment to the Plan in an amount that covers the full cost of refunds that will be issued to Qualifying Tier 6 Members pursuant to any ordinance adopted pursuant to this section. The City shall make this payment in advance of the Plan's issuing any



refunds. This payment may be made at the same time as the City's first annual contribution to the Plan that immediately follows the effective date of the ordinance adopted pursuant to this section.

(2) **Payment Source and Method.** The Plan shall refund to a Qualifying Tier 6 Member all monies paid to purchase any portion of City service or Tier 6 health benefits pursuant to any existing provisions of the Los Angeles Administrative Code, whether purchased by a lump sum or payment plan. All payments issued pursuant to this subsection may be made prior to a Qualifying Tier 6 Member's separation in a manner consistent with the Internal Revenue Code, either as a rollover, a trustee-to-trustee transfer, or a post-tax payment. Any personal tax consequences will be borne by the Qualifying Tier 6 Member.

(3) **No Interest.** Notwithstanding any language to the contrary in Section 1714 or in any existing provisions of the Los Angeles Administrative Code, the Plan shall not pay interest on any refund issued pursuant to this section, other than interest calculated according to Section 1714(c) that is attributable to a refund authorized by this section.

(4) **Nonrefundable LACERS Member Contributions.** Notwithstanding any language to the contrary in any existing provisions of the Los Angeles Administrative Code, a Qualifying Tier 6 Member shall not receive a refund for member contributions transferred from LACERS to the Plan to purchase City service or Tier 6 health benefits.

(5) **Termination of Payment Plans.** Effective January 12, 2025, any payment plan between the Plan and a Qualifying Tier 6 Member entered into pursuant to any existing provisions of the Los Angeles Administrative Code shall be terminated. The balance of any outstanding payments owed by a Qualifying Tier 6 Member to purchase prior City service pursuant to any existing provisions of the Los Angeles Administrative Code shall be forgiven and no longer owed.

Sec. 9. A new Section 1713 is added to the Charter of the City of Los Angeles to read as follows:

**Sec. 1713. Authority of City Council to Refund Costs Paid by Members of the Department of Airports Who Previously Transferred to Tier 6 Pursuant to Section 1704.**

(a) **Council Authority to Authorize Refunds to Tier 6 Members.** The Council may, by ordinance adopted in accordance with the provisions of this section, and pursuant to applicable provisions of the Charter and the Los Angeles Administrative Code, authorize a refund to a person, actively employed as a Member of the Department of Airports on January 12, 2025, who previously transferred to Tier 6 pursuant to Section 1704, and purchased any portion of their prior City service or Tier 6 health benefits pursuant to any existing provisions of the Los Angeles Administrative



Code. For purposes of this section, such Tier 6 Members shall be referred to as "Qualifying Tier 6 Member(s)."

**(b) Limitations on Authority to Provide Refunds.**

**(1) Cost Neutrality for Plan.** The City shall be required to issue payment to the Plan in an amount that covers the full cost of refunds that will be issued to Qualifying Tier 6 Members pursuant to any ordinance adopted pursuant to this section. The City shall make this payment in advance of the Plan's issuing any refunds, and it may be made at the same time as the City's first annual contribution to the Plan that immediately follows the effective date of the ordinance adopted pursuant to this section.

**(2) Payment Source and Method.** Notwithstanding any language to the contrary in Section 1704(b)(3), the Plan shall refund to a Qualifying Tier 6 Member all monies paid to purchase any portion of City service or Tier 6 health benefits pursuant to any existing provisions of the Los Angeles Administrative Code, whether purchased by a lump sum or payment plan. All payments issued pursuant to this subsection shall be made prior to a Qualifying Tier 6 Member's separation in a manner consistent with the Internal Revenue Code, either as a rollover, a trustee-to-trustee transfer, or a post-tax payment. Any personal tax consequences will be borne by the Qualifying Tier 6 Member.

**(3) No Interest.** Notwithstanding any language to the contrary in Section 1714 or in any existing provisions of the Los Angeles Administrative Code, the Plan shall not pay interest on any refund issued pursuant to this section, other than interest calculated according to Section 1714(c) that is attributable to a refund authorized by this section.

**(4) Termination of Payment Plans.** Effective January 12, 2025, any payment plan between the Plan and a Qualifying Tier 6 Member entered into pursuant to any existing provisions of the Los Angeles Administrative Code shall be terminated. The balance of any outstanding payments owed by a Qualifying Tier 6 Member to purchase prior City service pursuant to any existing provisions of the Los Angeles Administrative Code shall be forgiven and no longer owed.

Sec. 10. Subdivision (3) of subsection (a) of Section 1714 of the Charter of the City of Los Angeles is amended to read as follows:

*(3) Internal Revenue Code Requirements for Contributions by Members Who Transferred From LACERS Pursuant to Sections 1703, 1704, or 1709.* Notwithstanding any language in subsection (a) to the contrary, a Tier 6 Plan Member who elected to transfer into the Plan and purchase his or her prior LACERS service pursuant to Charter Sections 1703, 1704 or 1709 and the ordinances adopted in accordance therewith shall continue to make member contributions at the rate applicable to his or her LACERS membership to the



extent required by the Internal Revenue Code, provided however: (i) if this subsection (a) would otherwise require additional member contributions by such a member, such additional member contributions shall be made by the member on an after-tax basis to the extent required by the Internal Revenue Code; and (ii) provided further, if this subsection (a) would otherwise require member contributions at a rate that is lower than the rate applicable to the member's LACERS membership, the Council may, by ordinance adopted in accordance with the provisions of this Section, and pursuant to applicable provisions of the Charter and the Los Angeles Administrative Code, provide for a larger annuity benefit at the time of retirement for such a member to reflect the additional contribution amounts, as determined by the actuary and subject to all limitations of the Internal Revenue Code.

Sec. 11. Subsection (g) of Section 1714 of the Charter of the City of Los Angeles is amended to read as follows:

(g) **Assuring Full Member Contributions.** The Board shall have rule-making authority to ensure insure that the Fire and Police Pension Plan – Tier 6 receives member contributions for all periods of credited service, except that the Board shall not have authority to require contributions for service credit for military service and for periods while a Tier 6 Plan Member is receiving a disability pension, or full pay for Injury On Duty. Tier 6 Plan Members, however, may elect to make contributions for periods of Injury On Duty compensated at the rate provided by general law in order to acquire credit for Years of Service for such period. Such contributions shall be at the contribution rate herein provided and shall be based on the salary the Plan Member would have received if he or she had not occupied Injury On Duty status.

Sec. 12. If any section, clause, sentence, phrase, or portion of this Charter amendment is held unconstitutional or invalid by any court or tribunal of competent jurisdiction, the remaining sections, clauses, sentences, phrases, or portions of this article shall remain in full force and effect, and to this end the provisions of this article are severable. In addition, the voters declare that they would have passed all sections, clauses, sentences, phrases, or portions of this Charter amendment without the section, clause, sentence, phrase or portion held unconstitutional or invalid.

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**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Chapters 10, 11, 11.5, 18.5, 20, 21, and 22 of Division 4 of the Los Angeles Administrative Code to authorize the transfer of membership and service credit for sworn peace officers currently employed by the City's Police, Airports, Harbor, and Recreation and Parks Departments from the Los Angeles City Employees' Retirement System (LACERS) to Tier 6 of the Los Angeles Fire and Police Pension Plan (LAFPP); to provide for the issuance of refunds to certain Tier 6 Members; and make amendments to plan provisions for LACERS, LAFPP, and the Limited Term Retirement Plan (LTRP), and the retiree health programs.

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Subsection (a) of Section 4.1001 of the Los Angeles Administrative Code is amended to read as follows:

(a) For the purposes of Article 1 of Chapter 10 and Article 2 of Chapter 11 of Division 4 of the Los Angeles Administrative Code, the following words and phrases shall have the meaning ascribed to them in this section unless elsewhere defined:

**Accumulated Contributions.** The total of the amounts paid into the Retirement Fund by the Member and any regular interest credited to the Member's account, as provided in Charter Section 1162(b).

**Active Employee.** A person who currently is employed by any City department. This definition does not include a person who has terminated employment with the City for any reason.

**Airport Peace Officer Member.** A Member of Tier 1 of the Retirement System who: (i) while a City employee and on their retirement date was employed by the Department of Airports as a peace officer as defined in California Penal Code Section 830.1 and was appointed to that position before January 7, 2018; or (ii) on their retirement date was employed by the Fire Department as a firefighter, was appointed to that position before January 7, 2018, directly following employment by the Department of Airports as a peace officer as defined by California Section 830.1, and served as a firefighter for the Fire Department from the date of appointment until the date of retirement. An Airport Peace Officer Member shall include an individual who became a Member of Tier 1 of the Retirement System pursuant to Section 4.1080.2(b)(8). Notwithstanding anything in this subsection or elsewhere in this Code to the contrary, an Airport Peace Officer Member shall be ineligible for any enhanced benefits under Sections 4.1007(a), 4.1008.1, and 4.1010.1, and shall revert to status as a Tier 1 Member, if LACERS did not receive a lump sum payment of \$5,700, by cashier's check, on a post-tax basis, before January 8, 2019, or prior to the Member's retirement date, whichever was earlier.

**Airport Peace Officer Former Member.** A former Member of Tier 1 of the Retirement System who was eligible for, and elected to, remain in LACERS rather than transfer to LAFPP under Charter Section 1704 and Section 4.1002(e) and who: (i) while a City employee and on the date that they separated from City service or ceased to be a Member of the Retirement System was employed by the Department of Airports as a peace officer as defined in California Penal Code Section 830.1 and was appointed to that position before January 7, 2018; or (ii) on the date they separated from City service or ceased to be a Member of the Retirement System was employed by the Fire Department as a firefighter, was appointed to that position before January 7, 2018, directly following employment by the Department of Airports as a peace officer as defined by California Section 830.1, and served as a firefighter for the Fire Department from the date of appointment until the date of separation. Notwithstanding anything in this subsection or elsewhere in this Code to the contrary, an Airport Peace Officer Former Member shall be ineligible for any enhanced benefits under Sections 4.1007(a), 4.1008.1, and 4.1010.1, and shall revert to status as a former Tier 1 Member or Tier 1 Member, as applicable, if LACERS did not receive a lump sum payment of \$5,700, by cashier's check, on a post-tax basis, before January 8, 2019, or prior to the Member's retirement date, whichever was earlier.

**Airport Peace Officer Retired Member.** A Member of Tier 1 of the Retirement System who, on their retirement date: (i) was employed by the Department of Airports as a peace officer as defined in California Penal Code Section 830.1, and was appointed to that position before January 7, 2018; or (ii) was employed by the Fire Department as a firefighter, and was appointed to that position before January 7, 2018, directly following employment by the Department of Airports as a peace officer as defined by California Section 830.1; and (iii) had paid to LACERS the \$5,700 mandatory additional contribution payment required by Section 4.1002(e)(2). An Airport Peace Officer Retired Member shall include an individual who became a Member of Tier 1 of the Retirement System pursuant to Section 4.1080.2(b)(8).

**Annuity.** Payments for life derived from the Accumulated Contributions of a Member as provided in this Article.

**Base Amount.** That portion of a Retirement Allowance resulting if cost of living amount is deducted therefrom.

**Beneficiary.** A person entitled to receive a benefit from the Retirement System.

**Board of Administration or Board.** The Board of Administration for the Los Angeles City Employees' Retirement System established in Charter Section 1104(b).

**City Service or Service.** Only those periods during which a Member received compensation from the City as an employee or during which the Member not only received Workers' Compensation benefits (Div. IV, California Labor Code) for temporary disability on account of any injury or illness arising out of and in the course of

employment with the City, but for which the Member also made contributions to the Retirement Fund as provided in Charter Section 1162. Notwithstanding the foregoing, a Member shall be entitled, at the time of death or retirement, to receive credit for their years of service from the date such Member entered employment with the City of Los Angeles in a capacity that would entitle the Member to membership in the Retirement System.

**City Service Credit or Service Credit.** The time component of the formula used by the Retirement System for purposes of calculating benefits pursuant to applicable Los Angeles Administrative Code and Board Rules.

**Compensation Earnable.** The full salary, wage or compensation established for any position or office in City service for the particular period involved in any calculation required.

**Continuous Service.** Uninterrupted City Service except that discontinuance of such service of a Member for any cause whatever, followed by re-entrance into City Service within three years from the date of such discontinuance, shall not be considered as a break in the continuity of service.

**Cost of Living Amount.** That portion of a Retirement Allowance resulting from adjustments made pursuant to Section 4.1022.

**Dependent Parent.** A person whom the Board of Administration, upon investigation and after a hearing in the matter, shall find is the parent of a Member to or for whom the Member, during the last year of the Member's service, contributed at least one-half the necessary living expenses.

**Domestic Partner.** A person who has formed a valid domestic partnership by filing a Declaration of Domestic Partnership with the Retirement System, as authorized in Section 4.1009 herein, or with the State of California, as authorized in Family Code Section 298.5, or a person who has established a legal union which was validly formed in another jurisdiction that is substantially equivalent to a domestic partnership, as provided in Family Code Section 299.2. Domestic Partner shall not include a person who has established a domestic partnership pursuant to any other authority, unless expressly otherwise provided in this article. A partnership shall be established, for purposes of this article, on the date of the filing with the Retirement System or state.

**Employee.** Every person in the employ or service of the City of Los Angeles in any capacity or rank whatever at a regular salary, wage or compensation, and regardless of whether the position held by any such person is classified as an office or employment.

**Fire and Police Pension Plan or LAFPP.** The retirement plan for sworn members established in Article XI, Part 3 of the Los Angeles City Charter.

**Larger Annuity.** The annuity funded entirely by the Member as provided in Section 4.1021.

**LACERS Peace Officer Former Member.** A former Member of the Retirement System who is an Active Employee of the Police Department on and as of January 12, 2025; transferred to Tier 6 pursuant to Charter Section 1703 and Section 4.2214 of this Code; has Service remaining with the Retirement System; serves as a sworn peace officer pursuant to California Penal Code Section 830.1; performs police duties; and belongs to one of the following class codes: 2214-1, 2214-2, 2214-3, 2217, 2223-1, 2223-2, 2223-3, 2227-1, 2227-2, 2232-1, 2232-2, 2244-1, 2244-2, 2244-3, 2251, 2262-1, 2262-2, 3188-1, 3188-2, 3183-1, 3183-2, or 3183-3. An employee in Class Code 2112 is not a LACERS Peace Officer Former Member for the purposes of this definition.

**LACERS Peace Officer Member.** A Member of the Retirement System who, on and as of January 12, 2025, is an Active Employee of the Police Department, the Department of Airports, the Harbor Department, or the Department of Recreation and Parks; serves as a sworn peace officer pursuant to California Penal Code Section 830.1 or Section 830.31; performs police or firefighting duties; and belongs to one of the following class codes: 1968-0, 1966-0, 1967-1, 1967-2, 2214-1, 2214-2, 2214-3, 2217, 2223-1, 2223-2, 2223-3, 2227-1, 2227-2, 2232-1, 2232-2, 2244-1, 2244-2, 2244-3, 2251, 2262-1, 2262-2, 3188-1, 3188-2, 3183-1, 3183-2, 3183-3, 3221-1, 3221-F, 3221-2, 3238-0, 3221-3, 3222-0, 3225-1, 3225-F, 3225-2, 3225-3, 3333-0, 3185-0, 3226-0, 3227-0, 3228-0, 3205, 3234, 3233, or 3232. An employee in Class Code 2112 is not a LACERS Peace Officer Member for the purposes of this definition.

**LACERS Peace Officer Retired Member.** A retired Member of the Retirement System who elected to remain in the Retirement System and not to transfer to Tier 6, though the Member was eligible to participate in the LACERS Peace Officer Transfer Program because the Member was, on and as of January 12, 2025, an Active Employee of the Police Department, the Department of Airports, the Harbor Department, or the Department of Recreation and Parks; served as a sworn peace officer pursuant to California Penal Code Section 830.1 or Section 830.31; performed police or firefighting duties; and belonged to one of the following class codes: 1968-0, 1966-0, 1967-1, 1967-2, 2214-1, 2214-2, 2214-3, 2217, 2223-1, 2223-2, 2223-3, 2227-1, 2227-2, 2232-1, 2232-2, 2244-1, 2244-2, 2244-3, 2251, 2262-1, 2262-2, 3188-1, 3188-2, 3183-1, 3183-2, 3183-3, 3221-1, 3221-F, 3221-2, 3238-0, 3221-3, 3222-0, 3225-1, 3225-F, 3225-2, 3225-3, 3333-0, 3185-0, 3226-0, 3227-0, 3228-0, 3205, 3234, 3233, or 3232. An employee in Class Code 2112 is not a LACERS Peace Officer Retired Member for the purposes of this definition.

**LACERS Peace Officer Transfer Program.** The voluntary program that allows LACERS Peace Officer Members and LACERS Peace Officer Former Members who are Active Employees on and as of January 12, 2025, to transfer membership and/or LACERS Service from LACERS to Tier 6.



**Member or Tier 1 Member.** An employee of the City of Los Angeles who meets the membership requirements contained in Section 4.1002 of this article. Member, as used in this article, shall mean a Member of Tier 1 unless otherwise specified. Notwithstanding the foregoing, a person who is no longer employed by the City, but who qualifies for reciprocity under Section 4.1096 and whose Tier 1 member contributions remain on deposit with the Retirement Fund may be considered to be a Member, but only to the limited extent necessary to comply with the reciprocity provisions contained in Section 4.1096.

**Operative Date.** Shall mean the “effective date”, unless a different date is specified by any ordinance adopted pursuant to the provisions of Charter Section 1168.

**Public Safety Officer Member.** The following definition shall apply only to Article 1 of Chapter 10 of this Code. A Member of Tier 1 of the Retirement System who while a City employee and on their retirement date, which shall occur on or after March 25, 2022, was employed by the Police Department, Harbor Department, or Recreation and Parks Department as a peace officer as defined in California Penal Code Section 830.1 or Section 830.31. Public Safety Officer Member also shall include an Airport Peace Officer Member who elected not to make a one-time lump sum payment of \$5,700 on or before January 8, 2019, in exchange for the enhanced benefits provided by Sections 4.1007(a), 4.1008.1, and 4.1010.1 as set forth in Section 4.1002(e)(2). To the extent a Public Safety Officer Member qualifies retroactively for the enhanced benefits provided for in Sections 4.1008.2 and 4.1010.2, LACERS will adjust those benefits accordingly.

**Public Safety Officer Former Member.** The following definition shall apply only to Article 1 of Chapter 10 of this Code. A former Member of Tier 1 of the Retirement System who while a City employee and on the date that they separated from City Service or ceased to be a Member of the Retirement System, which shall occur on or after March 25, 2022, was employed by the Police Department, Harbor Department, or Recreation and Parks Department as a peace officer as defined in California Penal Code Section 830.1 or Section 830.31. Public Safety Officer Former Member also shall include an Airport Peace Officer Former Member who elected not to make a one-time lump sum payment of \$5,700 on or before January 8, 2019, in exchange for the enhanced benefits provided by Sections 4.1007(a), 4.1008.1 and 4.1010.1 as set forth in Section 4.1002(e)(2). To the extent a Public Safety Officer Former Member qualifies retroactively for the enhanced benefits provided for in Sections 4.1008.2 and 4.1010.2, LACERS will adjust those benefits accordingly.

**Public Safety Officer Retired Member.** The following definition shall apply only to Article 1 of Chapter 10 of this Code. A retired Member of Tier 1 of the Retirement System who while a City employee and on their retirement date, which shall occur on or after March 25, 2022, was employed by the Police Department, Harbor Department, or Recreation and Parks Department as a peace officer as defined in California Penal Code Section 830.1 or Section 830.31. Public Safety Officer Retired Member also shall include an Airport Peace Officer Retired Member who elected not to make a one-time

lump sum payment of \$5,700 on or before January 8, 2019, in exchange for the enhanced benefits provided by Sections 4.1007(a), 4.1008.1 and 4.1010.1 as set forth in Section 4.1002(e)(2). To the extent a Public Safety Officer Retired Member qualifies retroactively for the enhanced benefits provided for in Sections 4.1008.2 and 4.1010.2, LACERS will adjust those benefits accordingly.

**Regular Interest.** Interest credited to the individual account of each Member as provided in Charter Section 1162(b).

**Reserve Basis.** A system that provides for the accumulation and maintenance of a fund that will at all times be equal to the difference between the present value of the obligations assumed and the present value of the money to be received for paying such obligations, where such present values are estimated in accordance with accepted actuarial methods and on the basis of an assumed rate of interest and the mathematical probabilities of the occurrence of such contingencies as affect both the payment of the assumed obligations and the receipt of money with which they are to be paid.

**Retirement Allowance or Allowance.** An allowance granted under this article, except for those allowances granted pursuant to Section 4.1010(a)(2), together with all subsequent adjustments thereto.

**Retired Member or Retired Tier 1 Member.** A former Member who is receiving a monthly benefit from Tier 1 of the Retirement System. A retired Member shall not be considered a Member for purposes of this article and, if re-employed as authorized in Charter Section 1164, shall continue to be a retired Member.

**Retirement Fund.** The trust fund established for the Retirement System in Charter Section 1154.

**Retirement System or System.** The Los Angeles City Employees' Retirement System (LACERS).

**Spouse.** A person who is a party to a valid marriage.

**Tier 6.** The Tier of the Fire and Police Pension Plan established in Charter Sections 1700-1726.

Sec. 2. A new paragraph is added to the end of Subdivision (e)(2) of Section 4.1002 of the Los Angeles Administrative Code to read as follows:

Notwithstanding the foregoing, effective January 12, 2025, all actively employed Airport Peace Officer Members who previously made the \$5,700 lump sum after-tax payment described above and subsequently elect to transfer their LACERS contributions and membership to Tier 6, shall be entitled to a no-interest, tax-compliant refund of this lump sum payment, as provided in Subsection (h) below and consistent with any rules established by the LACERS Board of Administration.

Sec. 3. Subsections (f), (g), and (h) are added to Section 4.1002 of the Los Angeles Administrative Code to read as follows:

(f) **LACERS Peace Officer Member.** A LACERS Peace Officer Member shall make an irrevocable election in writing whether to remain a LACERS Member or to become a Member of Tier 6 in lieu of membership in LACERS and to transfer LACERS Service to Tier 6, on the terms and conditions set forth in Subdivision (1) below and further set forth in Charter Section 1709 and Section 4.2216 of this Code.

(1) **Election for LACERS Peace Officer Members Actively Employed as of January 12, 2025.**

(A) **Election Requirements.** LACERS shall have the authority to administer the election process consistent with the below requirements, including to create written election forms, require counseling, promulgate election filing rules and procedures, and determine the election period and deadlines.

(i) **Mandatory Counseling Sessions.** Every LACERS Peace Officer Member shall attend a mandatory counseling session administered by LACERS in coordination with LAFPP, the Police Department, the Department of Airports, the Harbor Department, or the Department of Recreation and Parks, in order to make an informed and voluntary decision whether to transfer to Tier 6 or to remain a LACERS Member. The counseling sessions shall be held at dates and times established by LACERS and LAFPP. The counseling sessions shall include, but shall not be limited to, information regarding a comparison of the benefits offered by each plan.

(ii) **Irrevocable Election to Transfer or Remain.** Every LACERS Peace Officer Member shall file a written election form with LACERS indicating whether the Member elects to transfer to Tier 6 or to remain a LACERS Member by the election deadline, which shall be January 9, 2026, or an earlier date selected by the Board of Fire and Police Pension Commissioners and the LACERS Board of Administration. A LACERS Peace Officer Member's failure to file an election form before the election deadline shall be deemed an irrevocable election to remain a LACERS Member.

(iii) **Irrevocable Agreement to Transfer All Prior Service.** A LACERS Peace Officer Member electing to transfer to Tier 6 must agree to transfer all prior LACERS Service to Tier 6 pursuant to the requirements set forth in Charter Section 1709 and Section 4.2216 of this Code, and to forfeit any and all benefits

administered by LACERS. A LACERS Peace Officer Member shall file their election form to transfer to Tier 6 from LACERS as provided in Subparagraph (ii) above.

**(B) Election and Service Transfer Shall Be Irrevocable.**

Consistent with Charter Section 1709(b)(3), a LACERS Peace Officer Member's election to remain a LACERS Member or transfer to Tier 6 shall be irrevocable after LACERS accepts the election form. Neither the Board of Fire and Police Pension Commissioners nor the LACERS Board of Administration shall have any authority to revoke a LACERS Peace Officer Member's election or allow transfers after the election deadline, except as provided by Section 4.2216.

**(C) Transfer Effective Date.**

A LACERS Peace Officer Member's election to transfer to Tier 6 shall be effective on January 11, 2026, or an earlier date selected by the Board of Fire and Police Pension Commissioners and the LACERS Board of Administration.

**(D) Responsibility for Payment.**

To ensure cost neutrality for the Retirement System, the City, Department of Airports, and Harbor Department shall pay the full actuarial cost of the transfer of membership and LACERS Service and all associated costs and expenses as set forth in Charter Section 1709 and Section 4.2216 of this Code, as well as all costs and expenses incurred by the Retirement System in connection with administering the election process for LACERS Peace Officer Members belonging to their respective departments, excluding LACERS staff time dedicated to administering the election process, which may be reimbursed at the City's discretion. Mandatory reimbursement includes but is not limited to the following costs and expenses: the cost of any necessary reports prepared by the Retirement System's actuary, the cost of programming any changes to the pension administration system, and any legal expenses incurred by the Retirement System. The City shall pay all costs and expenses associated with Members of the Police Department and Department of Recreation and Parks who elect to transfer. LACERS shall be responsible for preparing invoices for all costs and expenses incurred, and submitting them to the City, the Department of Airports, or the Harbor Department, for their review and approval, provided that any requests for reimbursement of LACERS staff time shall be submitted as a separate invoice.

**(E) Board's Administration of the Program.**

The LACERS Board of Administration shall administer the Program and adopt all rules necessary to implement this section. The LACERS Board of Administration shall determine any factual questions arising in connection with the Program, and shall take all appropriate action. The Board's determination shall be final and binding on all parties.



(g) **LACERS Peace Officer Former Member.** A LACERS Peace Officer Former Member shall make an irrevocable election in writing whether to transfer remaining LACERS Service to Tier 6, on the terms and conditions set forth in Subdivision (1) below and further set forth in Charter Section 1709 and Section 4.2216 of this Code.

(1) **Transfer of Service for LACERS Peace Officer Former Members Actively Employed as of January 12, 2025.**

(A) **Election Requirements.** LACERS shall have the authority to administer the election process consistent with the below requirements, including to create written election forms, require counseling, promulgate election filing rules and procedures, and determine the election period and deadlines.

(i) **Mandatory Counseling Sessions.** Every LACERS Peace Officer Former Member shall attend a mandatory counseling session administered by LACERS, in coordination with LAFPP and the Police Department in order to make an informed and voluntary decision whether to transfer remaining LACERS Service to Tier 6. The counseling sessions shall be held at dates and times established by LACERS and LAFPP. The counseling sessions shall include, but shall not be limited to, information regarding a comparison of the benefits offered by each plan.

(ii) **Irrevocable Election to Transfer or Remain.** Every LACERS Peace Officer Former Member shall file a written election form with LACERS indicating whether the Member elects to transfer remaining LACERS Service from LACERS to Tier 6 by the election deadline, which shall be January 9, 2026, or an earlier date selected by the Board of Fire and Police Pension Commissioners and the LACERS Board of Administration. A LACERS Peace Officer Former Member's failure to file an election form with LACERS before the election deadline shall be deemed an irrevocable election to keep LACERS Service in LACERS.

(iii) **Irrevocable Agreement to Transfer All Prior Service.** A LACERS Peace Officer Former Member must elect to transfer all prior LACERS Service to Tier 6, pursuant to the requirements set forth in Charter Section 1709 and Section 4.2216 of this Code, and to forfeit any and all benefits administered by LACERS. A LACERS Peace Officer Former Member shall file their election form to transfer LACERS Service to Tier 6 from LACERS as provided in Subparagraph (ii) above.

**(B) Election and Service Transfer Shall Be Irrevocable.**

Consistent with Charter Section 1709(b)(3), a LACERS Peace Officer Former Member's election to transfer remaining LACERS Service to Tier 6 shall be irrevocable after LACERS accepts the election form. Neither the Board of Fire and Police Pension Commissioners nor the LACERS Board of Administration shall have any authority to revoke a LACERS Peace Officer Former Member's election or to allow transfers after the election deadline, except as provided by Section 4.2216.

**(C) Transfer Effective Date.**

A LACERS Peace Officer Former Member's election to transfer LACERS Service to Tier 6 shall be effective on January 11, 2026, or an earlier date selected by the Board of Fire and Police Pension Commissions and the LACERS Board of Administration.

**(D) Responsibility for Payment.**

To ensure cost neutrality for the Retirement System, the City shall pay the full actuarial cost of the transfer of LACERS Service and all associated costs and expenses as set forth in Charter Section 1709 and Section 4.2216 of this Code, as well as all costs and expenses incurred by the Retirement System in connection with administering the election process for LACERS Peace Officer Former Members, excluding LACERS staff time dedicated to administering the election process, which may be reimbursed at the City's discretion. Mandatory reimbursement includes but is not limited to the following costs and expenses: the cost of any necessary reports prepared by the Retirement System's actuary, the cost of programming any changes to the pension administration system, and any legal expenses incurred by the Retirement System. LACERS shall be responsible for preparing invoices for all costs and expenses incurred, and submitting them to the City for review and approval, provided that any requests for reimbursement of LACERS staff time shall be submitted as a separate invoice.

**(E) Board's Administration of the Program.**

The LACERS Board of Administration shall administer the Program and adopt all rules necessary to implement this section. The LACERS Board of Administration shall determine any factual questions arising in connection with the Program, and shall take all appropriate action. The Board's determination shall be final and binding on all parties.

**(h) Refunds to Airport Peace Officer Members for LACERS Enhanced Benefits.** LACERS shall refund to an Airport Peace Officer Member the exact amount of monies paid to receive Enhanced LACERS Benefits pursuant to Subsection (e) of this section, subject to the following terms and conditions.

**(1) LACERS Peace Officer Program Participants.**

Only those Airport Peace Officer Members who elect to transfer to Tier 6 are eligible to receive a refund of monies paid for Enhanced Benefits. Any Airport Peace

Officer Member who remains a LACERS Member is not eligible to receive a refund of monies paid for LACERS Enhanced Benefits.

(2) **No Interest.** LACERS shall not pay an Airport Peace Officer Member any interest on the refunded monies. Any accrued regular interest credited to the Airport Peace Officer Member's account with the Retirement System cannot be refunded pursuant to this section and only may be refunded to the Airport Peace Officer Member pursuant to the terms and conditions of Charter Section 1714 or Section 4.1004 of this Code.

(3) **Payment Source and Method.** Enhanced Benefits refunds will be paid in a manner that complies with the Internal Revenue Code and any rules adopted by the LACERS Board of Administration to implement the refund process.

(4) **No Fiscal Impact on LACERS.** The Department of Airports shall issue up-front payments to the Retirement System in an amount that covers the full cost of refunds for LACERS Enhanced Benefits. The amount of funds due and the timing of payment from the Department of Airports shall be agreed upon between the Retirement System, the Department of Airports, and the City. The Retirement System shall not issue any refunds until after it has received payment from the Department of Airports. At its discretion, the City may reimburse the Retirement System for LACERS staff time dedicated to processing refunds. LACERS shall be responsible for preparing invoices for all costs and expenses incurred and submitting them to the City for review and approval, provided that any requests for reimbursement of LACERS staff time shall be submitted as a separate invoice.

(5) **Board's Administration of Refunds.** The LACERS Board of Administration shall administer the payment of refunds and adopt all rules necessary to implement this section. The LACERS Board of Administration shall determine any factual questions arising in connection with refunds, and shall take all appropriate action. The Board's determination shall be final and binding on all parties.

Sec. 4. Subsection (g) is added to Section 4.1003 of the Los Angeles Administrative Code to read as follows:

(g) Notwithstanding any language in this Section 4.1003 to the contrary, a LACERS Peace Officer Member who opted to remain in the Retirement System rather than transfer to Tier 6 pursuant to Charter Section 1709 and Sections 4.1002(f) and 4.2216 of this Code shall, to the extent required by the Internal Revenue Code, continue to make member contributions in the manner applicable to the LACERS Peace Officer Member's membership without regard to the irrevocable election to remain in LACERS. If this Section 4.1003 would otherwise require additional member contributions by such LACERS Peace Officer Member, such additional member contributions shall be made

on an after-tax basis to the extent required by the Internal Revenue Code. If Section 4.1003 would otherwise require member contributions at a rate that is lower than the rate applicable to the LACERS Peace Officer Member's membership in LACERS, the Council may, subject to applicable provisions of the Charter and this Code, provide for a larger annuity benefit at the time of retirement for such LACERS Peace Officer Member to reflect the additional contribution amounts, as determined by the System's actuary and subject to all limitations of the Internal Revenue Code.

Sec. 5. Subdivision (a)(2) of Section 4.1006 of the Los Angeles Administrative Code is amended to read as follows:

(2) **Early Retirement.** A former Member who is not yet 60 may retire with an age-based reduced retirement allowance at age 55 or older, provided 10 years must have elapsed since the former member first became a member.

A former Member does not need to have five years of continuous service if the former Member has been a member while employed for any period of time as a part-time employee whose membership terminates for any reason on or after October 18, 1993.

Sec. 6. Subsection (b) of Section 4.1008 of the Los Angeles Administrative Code is amended to read as follows:

(b) **Disability Determination.** The Board shall cause each Member who applies to be examined by, and a written report thereon rendered by, at least three regularly licensed, practicing physicians selected by the Board, unless the Member is terminally ill, in which case the Board only shall require the Member to be examined by one such physician selected by the Board. If, upon considering the report(s) of such physician(s) and such other evidence as shall have been presented to it, the Board finds that the Member has become physically or mentally incapacitated and is incapable, as a result thereof, of performing their duties, and if said Board finds that such disability was not due to intemperance unattributable to a physical or mental impairment, or the willful misconduct of such Member, the Member shall be retired as of the date of the discontinuance of their service on account of such disability or termination of sick leave with pay.

Sec. 7. The first paragraph of Subdivision (d)(2) of Section 4.1008 of the Los Angeles Administrative Code is amended to read as follows:

(2) That the disabling condition(s) and death of the applicant were not due to the applicant's intemperance unattributable to a physical or mental impairment, or willful misconduct.



Sec. 8. Subsection (a) of Section 4.1008.1 of the Los Angeles Administrative Code is amended to read as follows:

(a) **Application for Disability Retirement.** Any Airport Peace Officer Member who has graduated from basic training and taken the Oath of Office, applying for a service-connected disability, or who has five or more years of continuous service, applying for a nonservice-connected disability, who has become physically or mentally incapacitated and who is incapable, as a result thereof, of performing the Member's duties, may be retired upon written application of such Member, or any person acting on the Member's behalf, or on behalf of the head of the Department of Airports or Fire Department wherein such Member is employed. Any such application may be made at any time, but no later than one year after the discontinuance of the service of such employee, provided such incapacity has been continuous from the discontinuance of such service. No application may be filed under this Section 4.1008.1 prior to January 7, 2018.

Sec. 9. The first two paragraphs of Subsection (d) of Section 4.1008.1 of the Los Angeles Administrative Code are amended to read as follows:

(d) **Determination of Disability.** The Board shall have the power to hear and determine all matters pertaining to the granting and denying of any application for a disability retirement. The Board shall cause each Member who applies to be examined by, and a written report thereon rendered by, at least three regularly licensed, practicing physicians selected by the Board, unless the Member is terminally ill, in which case the Board shall only require the member to be examined by one such physician selected by the Board. The Board shall hold a hearing with respect to such application. The Board shall hear or receive such other evidence relating to or concerning the Member's disability or claimed disability as may be presented to it.

The Board first shall determine whether or not the Member is incapable of performing the Member's duties or those to which the Member would be assigned within the Member's civil service classification if returned to duty. If the Board were to determine that the Member is not so incapable, it shall then be the duty of the Board to deny the application. If the Board were to determine that the Member is so incapable, it then shall determine, pursuant to the language used in Subsections (b) and (c) of this section, whether the Member's incapacity or disability is service-connected or nonservice-connected. The Board shall then determine the percentage of the Member's incapacity or disability, within the limitations prescribed in Subsections (b) and (c) of this section, and shall grant the application accordingly. If the Board were to determine that the incapacity or disability was principally due to or caused by voluntary action by the Member intended to entitle the Member to a nonservice-connected disability retirement allowance, or due to intemperance unattributable to a physical or mental impairment, or the willful misconduct of such Member, it shall then be the duty of the Board to deny the application. In the case of any Airport Peace Officer Former Member, the Board, in order to grant any application filed by the Member for a disability retirement, must also determine, in addition to all of the foregoing, that any existing incapacity or disability

upon the Member's part occurred prior to the termination of the Member's active status, and that such incapacity or disability had been continuous up to the date of the Board's determinations.

Sec. 10. Subsection (l) of Section 4.1008.1 of the Los Angeles Administrative Code is amended to read as follows:

(l) **Exclusion for Willful Misconduct.** In making its determinations and findings relative to Subsections (a), (b), and (c) of this section, the Board shall consider whether and to what extent the activity giving rise to the disability of an Airport Peace Officer Member was caused or aggravated by such member's willful misconduct. If the Board finds that the disability was caused or aggravated by such willful misconduct, the Board shall deny the Airport Peace Officer Member's application for a disability retirement.

Sec. 11. Subsection (a) of Section 4.1008.2 of the Los Angeles Administrative Code is amended to read as follows:

(a) **Application for Disability Retirement.** Any Public Safety Officer Member who has completed Peace Officer Standards and Training and taken the Oath of Office, applying for a service-connected disability, or who has five or more years of Continuous Service, applying for a nonservice-connected disability, who has become physically or mentally incapacitated and who is incapable, as a result thereof, of performing their duties, may be retired upon written application of such Member, or any person acting on their behalf, or on behalf of the head of the department wherein such Member is employed. Any such application may be made at any time, but no later than one year after the discontinuance of the service of such employee, provided such incapacity has been continuous from the discontinuance of such service. No application may be filed under this Section 4.1008.2 prior to March 25, 2022.

Sec. 12. The first paragraph of Subsection (c) of Section 4.1008.2 of the Los Angeles Administrative Code is amended to read as follows:

(c) **Nonservice-Connected Disability.** Upon the filing by any Public Safety Officer Member's written application for a disability retirement allowance who shall have five or more years of Continuous Service, or upon the filing of a written application by any person acting on the Member's behalf, or on behalf of the head of the department wherein such Member is employed, for any Public Safety Officer Member whom the Board shall determine has become physically or mentally incapacitated by reason of injuries or sickness other than injuries received or sickness caused by the discharge of the duties of such person, and who is incapable as a result thereof from performing their assigned duties or those to which they would be assigned within the Member's civil service classification if returned to duty, shall be retired by order of the Board from further active duty as an employee. As a further condition of entitlement to such a retirement, the Board also shall determine that such disability was not due principally to or caused by intemperance unattributable to a physical or mental impairment, or the

willful misconduct of the Member intended to entitle them to a nonservice-connected disability retirement.

Sec. 13. The second paragraph of Subsection (d) of Section 4.1008.2 of the Los Angeles Administrative Code is amended to read as follows:

The Board first shall determine whether or not the Member is incapable of performing their duties or those to which they would be assigned within the Member's civil service classification if returned to duty. If the Board were to determine that they are not so incapable, it then shall be the duty of the Board to deny the application. If the Board were to determine that they are so incapable, it then shall determine, pursuant to the language used in Subsections (b) and (c) of this section, whether their incapacity or disability is service-connected or nonservice-connected. The Board then shall determine the percentage of the Member's incapacity or disability, within the limitations prescribed in Subsections (b) and (c) of this section, and shall grant the application accordingly. If the Board were to determine that the incapacity or disability was principally due to or caused by voluntary action by the Member intended to entitle them to a nonservice-connected disability retirement allowance, or due to intemperance unattributable to a physical or mental impairment, or the willful misconduct of such Member, as defined in rules promulgated by the Board, it then shall be the duty of the Board to deny the application. In the case of any Public Safety Officer Former Member, the Board, in order to grant any application filed by them for a disability retirement, also must determine, in addition to all of the foregoing, that any existing incapacity or disability upon their part occurred prior to the termination of their active status, and that such incapacity or disability had been continuous up to the date of the Board's determinations.

Sec. 14. Subsection (l) of Section 4.1008.2 of the Los Angeles Administrative Code is amended to read as follows:

(l) **Exclusion for Willful Misconduct.** In making its determinations and findings relative to Subsections (a), (b), and (c) of this section, the Board shall consider whether and to what extent the activity giving rise to the disability of a Public Safety Officer Member was caused or aggravated by such Member's willful misconduct. If the Board finds that the disability was caused or aggravated by such willful misconduct, the Board shall deny the Public Safety Officer Member's application for a disability retirement.

Sec. 15. Subdivision (2) of Subsection (a) of Section 4.1010 of the Los Angeles Administrative Code is amended to read as follows:

(2) **Limited Pension.** In the event such Member shall have had at least one year of City Service for which the Member is entitled to receive Service Credit, then a limited pension shall be paid as provided herein. The limited pension shall be paid in equal monthly payments of one-half of the average monthly Compensation Earnable of such Member during the Member's last year

of service. For each year of service, not to exceed six years, two monthly payments shall be paid, not to exceed a total of 12 monthly payments for six or more years of service. Such limited pension shall be paid to the surviving spouse or Domestic Partner of such deceased Member or, in the event there shall be no surviving spouse or Domestic Partner, to the minor children of such Member. The payment to a minor child shall continue beyond the month the child reaches age 18 if the child was a minor on the date of the Member's death. In the event there be no surviving spouse or Domestic Partner or minor children, the limited pension shall be paid to the dependent parents of such Member. However, no limited pension shall be paid in the event the Board of Administration, upon investigation and after a hearing in the matter, finds that the death of such Member was due to or resulted from the intemperance unattributable to a physical or mental impairment, or the willful misconduct of such Member. In the event any such beneficiary dies before receiving the full amount of such limited pension, the same shall be continued to the persons who, in the order hereinabove set forth, qualify as beneficiaries thereof as of the date of death of such deceased beneficiary and who, within sixty (60) days after such date make demand for payment thereof; provided, however, that in the event no such demand is made within such time, the said limited pension shall be deemed conclusively to have been terminated as of such date of death.

Sec. 16. Subsection (g) of Section 4.1010 of the Los Angeles Administrative Code is amended to read as follows:

(g) All benefits payable upon the death of a Public Safety Officer Member or Public Safety Officer Former Member shall be determined by Section 4.1010.2, and the provisions of this section and Sections 4.1010.1, 4.1011, 4.1012(b) and (c), 4.1013, 4.1014 and 4.1015, shall not apply. All benefits payable upon the death of a Public Safety Officer Retired Member, who at the time of death was receiving a disability retirement allowance pursuant to Section 4.1008.2, shall be determined by Section 4.1010.2, and the provisions of this section and Sections 4.1010.1, 4.1011, 4.1012(b) and (c), 4.1013, 4.1014 and 4.1015, shall not apply. The provisions of Section 4.1090 establishing the Family Death Benefit Plan shall apply only to the extent that it would not cause a survivor allowance to be paid that exceeds any limitations imposed by the Internal Revenue Code.

Sec. 17. The first paragraph of Section 4.1010.1 of the Los Angeles Administrative Code is amended to read as follows:

All benefits payable upon the death of an Airport Peace Officer Member, Airport Peace Officer Former Member, or Airport Peace Officer Retired Member, as defined in Section 4.1001(a), shall be determined by this Section 4.1010.1, and the provisions of Sections 4.1010, 4.1011, 4.1012(b) and (c), 4.1013, 4.1014, and 4.1015, shall not apply. Notwithstanding anything to the contrary, no survivor allowance shall be paid



under this Section 4.1010.1 to the extent it exceeds any limitations imposed by the Internal Revenue Code. The Board shall have the authority to adopt rules to implement this limitation.

Sec. 18. The first paragraph of Section 4.1010.2 of the Los Angeles Administrative Code is amended to read as follows:

All benefits payable upon the death of a Public Safety Officer Member or Public Safety Officer Former Member, as defined in Section 4.1001(a), shall be determined by this Section 4.1010.2, and the provisions of Sections 4.1010, 4.1010.1, 4.1011, 4.1012(b) and (c), 4.1013, 4.1014 and 4.1015, shall not apply. All benefits payable upon the death of a Public Safety Officer Retired Member as defined in Section 4.1001(a), who at the time of death was receiving a disability retirement allowance pursuant to Section 4.1008.2, shall be determined by this Section 4.1010.2, and the provisions of Sections 4.1010, 4.1010.1, 4.1011, 4.1012(b) and (c), 4.1013, 4.1014 and 4.1015, shall not apply. Notwithstanding anything to the contrary, no survivor allowance shall be paid under this Section 4.1010.2 to the extent it exceeds any limitations imposed by the Internal Revenue Code. The Board shall have the authority to adopt rules to implement this limitation.

Sec. 19. Subsection (g) is added to Section 4.1017 of the Los Angeles Administrative Code to read as follows:

(g) **Effect of Transfer to Fire and Police Pension Plan.** For any Member who has entered into an agreement to provide back contributions and elects to transfer membership to the Fire and Police Pension Plan pursuant to Section 4.2216, LACERS shall transfer all service credit and associated contributions that have been purchased, subject to the terms and conditions of the LACERS Peace Officer Transfer Program and the terms and conditions provided in this section.

Sec. 20. Subsection (j) is added to Section 4.1019 of the Los Angeles Administrative Code to read as follows:

(j) **Effect of Transfer to Fire and Police Pension Plan.** For any Member who has entered into a buy back agreement and elects to transfer membership to the Fire and Police Pension Plan pursuant to Section 4.2216, LACERS shall transfer all service credit and associated contributions that have been purchased, subject to the terms and conditions of the LACERS Peace Officer Transfer Program and the terms and conditions provided in this section.

Sec. 21. Subsection (l) is added to Section 4.1020 of the Los Angeles Administrative Code to read as follows:

(l) **Effect of Transfer to Fire and Police Pension Plan.** For any Member who has entered into a buy back agreement and elects to transfer membership to the Fire and Police Pension Plan pursuant to Section 4.2216, LACERS shall transfer all

service credit and associated contributions that have been purchased, subject to the terms and conditions of the LACERS Peace Officer Transfer Program and the terms and conditions provided in this section.

Sec. 22. Subsection (i) is added to Section 4.1020.1 of the Los Angeles Administrative Code to read as follows:

(i) **Effect of Transfer to Fire and Police Pension Plan.** For any Member who has entered into a purchase agreement and elects to transfer membership to the Fire and Police Pension Plan pursuant to Section 4.2216, LACERS shall transfer all service credit and associated contributions that have been purchased, subject to the terms and conditions of the LACERS Peace Officer Transfer Program and the terms and conditions provided in this section.

Sec. 23. Subsection (b) of Section 4.1022 of the Los Angeles Administrative Code is amended to read as follows:

(b) The Board of Administration, not later than the 1st day of May of each year, shall determine with respect to the Federal Bureau of Labor Statistics Consumer Price Index for the Los Angeles area ("the C.P.I.") the percentage of increase or decrease, if any, in the C.P.I. for the whole of the first next preceding calendar year from the C.P.I. for the whole of the second next preceding calendar year, and shall round any such percentage increase or decrease to the nearest one-tenth of one percent. This percentage increase or decrease in the C.P.I. that can be applied to a member's or beneficiary's benefit as provided in Subsection (a) is the Cost of Living Adjustment (COLA), and the accumulated balance of the COLA that is carried over each year as a result of following the process described in Subdivision (c)(2) is the "COLA Bank."

Sec. 24. Subdivision (c)(2) of Section 4.1022 of the Los Angeles Administrative Code is amended to read as follows:

(2) If the percentage of increase or decrease in the C.P.I. in any calendar year, as determined by the Board of Administration, were to exceed three percent, as compared with the C.P.I. in the preceding year, the percentage of increase or decrease in the C.P.I. in excess of three percent shall be accumulated and carried over and added to or subtracted from the percentage of increase or decrease in the C.P.I. in the next succeeding calendar year, and such procedure shall be complied with from year to year. For those years prior to 1974, in which the COLA was capped at two percent, the percentage of increase or decrease of the C.P.I. which was in excess of two percent, rather than three percent, shall be accumulated and carried over as provided herein. The foregoing provisions of this subdivision shall not apply to any recipient whose benefits were not paid for the entire fiscal year (July 1 to June 30) immediately preceding the fiscal year to which the COLA was first applied, unless the recipient is receiving a continuance benefit following the death of a retired member and the combined benefits paid to the continuance beneficiary and

previously paid to the deceased member cover the entire fiscal year immediately preceding the fiscal year when the COLA was first applied.

Sec. 25. Subdivision (3) is added to Subsection (c) of Section 4.1022 of the Los Angeles Administrative Code to read as follows:

(3) In no event shall any COLA Bank contain a balance that is less than zero percent.

Sec. 26. Section 4.1030 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

**Sec. 4.1030. Provisions Required to Comply with Internal Revenue Code Section 401(a)(9).**

The Retirement System will pay all benefits in accordance with a reasonable and good faith interpretation of the requirements of Section 401(a)(9) of the Internal Revenue Code and the regulations in effect under that section, as applicable to a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code. The Retirement System is subject to the following provisions:

(a) Distribution of a Member's benefit must begin by the required beginning date. The required beginning date shall be the later of April 1 following the calendar year in which the member terminates service or the calendar year in which the member reaches the Applicable Age. The Applicable Age shall mean:

- (1) Age 70 ½ for members born before July 1, 1949;
- (2) Age 72 for members born after June 30, 1949 but before January 1, 1951;
- (3) Age 73 for members born on or after January 1, 1951 but before January 1, 1960;
- (4) Age 75 for members born on or after January 1, 1960; or
- (5) The Applicable Age set forth in Section 401(a)(9)(C)(v) of the Internal Revenue Code, as amended from time-to-time.

If a Member fails to apply for retirement benefits or request a refund, as applicable, by the later of either of those dates, the Board shall begin distribution as required by this rule in the form provided in Section 4.1007 or Section 4.1004 of this Code, as applicable.

(b) The Member's entire interest must be distributed over the Member's life or the lives of the Member and a qualified survivor, or over a period not extending beyond the life expectancy of the Member or of the Member and a designated beneficiary.

(c) The Retirement System, pursuant to a court order, may pay a portion of the Member's benefit to a nonmember.

(d) If a Member dies after the required distribution of benefits has begun, the remaining portion of the Member's interest must be distributed at least as rapidly as under the method of distribution before the Member's death.

(e) If a Member dies before required distribution of the Member's benefits has begun, the Member's entire interest must be either:

(1) distributed (in accordance with federal regulations) over the life or life expectancy of the qualified survivor, with the distributions beginning no later than December 31 of the calendar year following the calendar year of the Member's death; or

(2) distributed within five years of the Member's death.

(f) The amount of an annuity paid to a Member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Section 401(a)(9)(G) of the Internal Revenue Code, and the minimum distribution incidental benefit rule under Treasury Regulation Section 1.401(a)(9)-6(b).

(g) The death and disability benefits provided by the retirement system are limited by the incidental benefit rule set forth in section 401(a)(9)(G) of the Internal Revenue Code and Treasury Regulation Section 1.401-1(b)(1)(i), or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed 25 percent of the cost for all of the Members' benefits received from the retirement system.

(h) Notwithstanding the other provisions of this rule or the provisions of the Treasury Regulations, benefit options may continue so long as the option satisfies Section 401(a)(9) of the Internal Revenue Code based on a reasonable and good faith interpretation of that section.

Sec. 27. Section 4.1031 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

**Sec. 4.1031. Former Spouse or Domestic Partner's Option to Elect a Life Annuity.**

When a court of competent jurisdiction does not order a separate account as specified in Section 4.1032, but instead awards the former spouse or former domestic

partner (the "Ex") a portion of the retirement benefits payable to the member and to the member's surviving spouse or domestic partner (survivor), if any, the Ex, in lieu of receiving the Ex's portion of the benefits payable based upon the lifetime of the member and/or survivor, may instead make an irrevocable election to convert the Ex's interest in such retirement benefits into an actuarially equivalent life annuity payable for the lifetime of the Ex. If the member has not yet retired, the Ex must make this irrevocable election to receive a life annuity in writing prior to receiving payment of the Ex's community property portion of the retirement allowance. If the member has already retired, the election must be made at the time the Ex requests direct payment of the Ex's community property portion of the retirement allowance. The Ex must make the election to receive a life annuity within 90 days of LACERS providing written notice to the Ex. If this irrevocable election is not made prior to the applicable times specified herein, the Ex will be deemed to have waived the right to elect to receive a life annuity.

This option is not available in a legal separation where the parties' marriage or domestic partnership has not been legally terminated.

Sec. 28. Subsection (a) of Section 4.1080.1 of the Los Angeles Administrative Code is amended to read as follows:

(a) For the purposes of Article 3 of Chapter 10 and Article 4 of Chapter 11 of Division 4 of the Los Angeles Administrative Code, the following words and phrases shall have the meaning ascribed to them in this section unless elsewhere defined:

**Accumulated Contributions.** The total of the amounts paid into the Retirement Fund by the Member and any regular interest credited to the Member's account, as provided in Charter Section 1162(b).

**Active Employee.** A person who currently is employed by any City department. This definition does not include a person who has terminated employment with the City for any reason.

**Annuity.** Payments for life derived from the accumulated contributions of a Member as provided in this article.

**Base Amount.** That portion of a retirement allowance resulting if cost of living amount is deducted therefrom.

**Beneficiary.** A person entitled to receive a benefit from the Retirement System.

**Board of Administration or Board.** The Board of Administration of the Los Angeles City Employees' Retirement System, established in Charter Section 1104(b).

**City Service or Service.** Only those periods during which a Member: (1) received compensation from the City as an employee; or (2) during which the employee



both received Workers' Compensation benefits (Div. IV, California Labor Code) for temporary disability on account of any injury or illness arising out of and in the course of employment with the City, and made contributions to the Retirement Fund as provided in Charter Section 1162. Notwithstanding the foregoing, a Member shall be entitled, at the time of death or retirement, to receive credit for the Member's years of service from the date such Member entered employment with the City of Los Angeles in a capacity that would entitle them to membership in the Retirement System.

**City Service Credit or Service Credit.** The time component of the formula used by the Retirement System for purposes of calculating benefits pursuant to applicable Los Angeles Administrative Code and Board Rules.

**Compensation Earnable.** The base salary established for service in any City position or office for the period involved in any calculation required, plus any items of compensation that are designated as pension based in an applicable Memorandum of Understanding or City ordinance. All other items of compensation shall be excluded from the calculation of compensation earnable.

**Continuous Service.** Uninterrupted City service except that discontinuance of such service for any cause whatever, followed by re-entrance into City service within three (3) years from the date of such discontinuance, shall not be considered as an interruption in the continuity of service.

**Cost of Living Amount.** That portion of a retirement allowance resulting from adjustments made pursuant to Section 4.1080.17.

**Dependent Parent.** A person who the Board of Administration, upon investigation and after a hearing in the matter, shall find is the parent of a Member to or for whom the Member, during the last year of the Member's service, contributed at least one-half the necessary living expenses.

**Domestic Partner.** A person who has formed a valid domestic partnership by filing a Declaration of Domestic Partnership with the Retirement System, as authorized in Section 4.1080.9 herein, or with the State of California, as authorized in Family Code Section 298.5, or a person who has established a legal union which was validly formed in another jurisdiction that is substantially equivalent to a domestic partnership, as provided in Family Code Section 299.2. Domestic partner shall not include a person who has established a domestic partnership pursuant to any other authority, unless expressly otherwise provided in this article. A partnership shall be established, for purposes of this article, on the date of the filing with the Retirement System or state.

**Employee.** Every person in the employ or service of the City of Los Angeles in any capacity, rank, or office, at a regular salary, wage, or compensation.

**Fire and Police Pension Plan or LAFPP.** The retirement plan for sworn members established in Article XI, Part 3 of the Los Angeles City Charter.



**Forfeit or Forfeiture** shall have the meaning provided by Internal Revenue Code Section 401(a)(8).

**Larger Annuity.** The annuity funded entirely by the Member as provided in Section 4.1080.3(d).

**LACERS Peace Officer Member.** A Member of the Retirement System who, on and as of January 12, 2025, is an Active Employee of the Police Department, the Department of Airports, the Harbor Department, or the Department of Recreation and Parks; serves as a sworn peace officer pursuant to California Penal Code Section 830.1 or Section 830.31, performs police or firefighting duties; and belongs to one of the following class codes: 1968-0, 1966-0, 1967-1, 1967-2, 2214-1, 2214-2, 2214-3, 2217, 2223-1, 2223-2, 2223-3, 2227-1, 2227-2, 2232-1, 2232-2, 2244-1, 2244-2, 2244-3, 2251, 2262-1, 2262-2, 3188-1, 3188-2, 3183-1, 3183-2, 3183-3, 3221-1, 3221-F, 3221-2, 3238-0, 3221-3, 3222-0, 3225-1, 3225-F, 3225-2, 3225-3, 3333-0, 3185-0, 3226-0, 3227-0, 3228-0, 3205, 3234, 3233, or 3232. An employee in Class Code 2112 is not a LACERS Peace Officer Member for the purposes of this definition.

**LACERS Peace Officer Retired Member.** A retired Member of the Retirement System who elected to remain in the Retirement System and not to transfer to LAFPP Tier 6, though the Member was eligible to participate in the LACERS Peace Officer Transfer Program because the Member was on and as of January 12, 2025, an Active Employee of the Police Department, the Department of Airports, the Harbor Department, or the Department of Recreation and Parks; served as a sworn peace officer pursuant to California Penal Code Section 830.1 or Section 830.31; performed police or firefighting duties; and belonged to one of the following class codes: 1968-0, 1966-0, 1967-1, 1967-2, 2214-1, 2214-2, 2214-3, 2217, 2223-1, 2223-2, 2223-3, 2227-1, 2227-2, 2232-1, 2232-2, 2244-1, 2244-2, 2244-3, 2251, 2262-1, 2262-2, 3188-1, 3188-2, 3183-1, 3183-2, 3183-3, 3221-1, 3221-F, 3221-2, 3238-0, 3221-3, 3222-0, 3225-1, 3225-F, 3225-2, 3225-3, 3333-0, 3185-0, 3226-0, 3227-0, 3228-0, 3205, 3234, 3233, or 3232. An employee in Class Code 2112 is not a LACERS Peace Officer Retired Member for the purposes of this definition.

**LACERS Peace Officer Transfer Program.** The voluntary program that allows LACERS Peace Officer Members and LACERS Peace Officer Former Members, who are Active Employees on and as of January 12, 2025, to transfer membership and/or LACERS Service from LACERS to Tier 6.

**Member or Tier 3 Member.** An employee of the City of Los Angeles who meets the membership requirements contained in Section 4.1080.2. Notwithstanding the foregoing, a person who is no longer employed by the City but who qualifies for reciprocity under Section 4.1096 and whose Tier 3 Member contributions remain on deposit with the Retirement Fund may be considered to be a Member, but only to the limited extent necessary to comply with the reciprocity provisions contained in Section 4.1096. Member, as used in this article, shall mean a Member of Tier 3 unless otherwise specified.

**Operative Date.** The “effective date”, unless a different date is specified by any ordinance adopted pursuant to the provisions of Charter Section 1168.

**Public Safety Officer Member.** The following definition shall apply only to Article 3 of Chapter 10 of this Code. A Member of Tier 3 of the Retirement System who while a City employee and on their retirement date, which shall occur on or after March 25, 2022, was employed by the Police Department, Harbor Department, or Recreation and Parks Department as a peace officer as defined in California Penal Code Section 830.1 or Section 830.31. Public Safety Officer Member also shall include an Airport Peace Officer Member who elected not to make a one-time lump sum payment of \$5,700 on or before January 8, 2019 in exchange for the enhanced benefits provided by Sections 4.1007(a), 4.1008.1 and 4.1010.1 as set forth in Section 4.1002(e)(2). To the extent a Public Safety Officer Member qualifies retroactively for the enhanced benefits provided for in Sections 4.1080.8.1 and 4.1080.10.1, LACERS will adjust those benefits accordingly.

**Public Safety Officer Former Member.** The following definition shall apply only to Article 3 of Chapter 10 of this Code. A former Member of Tier 3 of the Retirement System who while a City employee and on the date that they separated from City Service or ceased to be a Member of the Retirement System, which shall occur on or after March 25, 2022, was employed by the Police Department, Harbor Department, or Recreation and Parks Department as a peace officer as defined in California Penal Code Section 830.1 or Section 830.31. Public Safety Officer Former Member also shall include an Airport Peace Officer Former Member who elected not to make a one-time lump sum payment of \$5,700 on or before January 8, 2019 in exchange for the enhanced benefits provided by Sections 4.1007(a), 4.1008.1 and 4.1010.1 as set forth in Section 4.1002 (e)(2). To the extent a Public Safety Officer Former Member qualifies retroactively for the enhanced benefits provided for in Sections 4.1080.8.1 and 4.1080.10.1, LACERS will adjust those benefits accordingly.

**Public Safety Officer Retired Member.** The following definition shall apply only to Article 3 of Chapter 10 of this Code. A retired Member of Tier 3 of the Retirement System who while a City employee and on their retirement date, which shall occur on or after March 25, 2022, was employed by the Police Department, Harbor Department, or Recreation and Parks Department as a peace officer as defined in California Penal Code Section 830.1 or Section 830.31. Public Safety Officer Retired Member also shall include an Airport Peace Officer Retired Member who elected not to make a one-time lump sum payment of \$5,700 on or before January 8, 2019 in exchange for the enhanced benefits provided by Sections 4.1007(a), 4.1008.1 and 4.1010.1 as set forth in Section 4.1002 (e)(2). To the extent a Public Safety Officer Retired Member qualifies retroactively for the enhanced benefits provided for in Sections 4.1080.8.1 and 4.1080.10.1, LACERS will adjust those benefits accordingly.

**Regular Interest.** Interest credited to the individual account of each member as provided in Charter Section 1162(b).

**Reserve Basis.** A system which provides for the accumulation and maintenance of a fund which will at all times be equal to the difference between the present value of the obligations assumed and the present value of the money to be received for paying such obligations, where such present values are estimated in accordance with accepted actuarial methods and on the basis of an assumed rate of interest and the mathematical probabilities of the occurrence of such contingencies as affect both the payment of the assumed obligations and the receipt of money with which they are to be paid.

**Retirement Allowance or Allowance.** An allowance granted under this article, together with all subsequent adjustments thereto, if any.

**Retired Member or Retired Tier 3 Member.** A former member who is receiving a monthly benefit from Tier 3 of the Retirement System. A retired member shall not be considered a member for purposes of this article and, if re-employed as authorized in Charter Section 1164, shall continue to be a retired member.

**Retirement Fund.** The trust fund established for the Retirement System in Charter Section 1154.

**Retirement System or System.** The Los Angeles City Employees' Retirement System (LACERS).

**Spouse.** A person who is a party to a valid marriage.

**Tier 6.** The Tier of the Fire and Police Pension Plan established in Charter Sections 1700-1726.

Sec. 29. The first paragraph of Subdivision (9) of Subsection (c) of Section 4.1080.2 of the Los Angeles Administrative Code is amended to read as follows:

(9) Any officer of the City elected for a fixed term who files a written declaration of the officer's desire not to become a member of the System within 90 days following the last day of the calendar month in which the Board received notice from the City Clerk indicating the officer's eligibility to opt out of membership in the System. When the declaration is filed, any contributions already taken attributable to the fixed term to which the officer was just elected, including interest thereon, shall be transferred to the officer's account with the Limited Term Retirement Plan and said officer shall have no right to benefits from the System for any periods for which such contributions were taken. Any officer who has filed such a declaration may revoke it in writing and, upon filing the written revocation with the Board of Administration, shall become a member of the System.

Sec. 30. The first paragraph of Subsection (d) of Section 4.1080.2 of the Los Angeles Administrative Code is amended to read as follows:

(d) **Part-Time Employee Members.** Employees who qualify for membership in the Retirement System pursuant to Subsection (c)(8) herein shall be referred to as "part-time employee members." As provided in Subsection (b)(7), employees who commence employment with the City prior to February 21, 2016, in a position eligible for part-time employee membership in LACERS pursuant to the requirements of Subsection (c)(8), who become eligible for part-time employee membership pursuant to the requirements of Subsection (c)(8) on or after February 21, 2016, shall become members of LACERS Tier 1.

Sec. 31. Subsection (e) is added to Section 4.1080.2 of the Los Angeles Administrative Code to read as follows:

(e) **LACERS Peace Officer Member.** A LACERS Peace Officer Member shall make an irrevocable election in writing whether to remain a LACERS Member or to become a Member of Tier 6 in lieu of membership in LACERS and to transfer LACERS Service to Tier 6, on the terms and conditions set forth in Subdivision (1) below and further set forth in Charter Section 1709 and Section 4.2216 of this Code.

(1) **Election for LACERS Peace Officer Members Actively Employed as of January 12, 2025.**

(A) **Election Requirements.** LACERS shall have the authority to administer the election process consistent with the below requirements, including to create written election forms, require counseling, promulgate election filing rules and procedures, and determine the election period and deadlines.

(i) **Mandatory Counseling Sessions.** Every LACERS Peace Officer Member shall attend a mandatory counseling session administered by LACERS, in coordination with the Department of Recreation and Parks, in order to make an informed and voluntary decision whether to transfer to Tier 6 or to remain a LACERS Member. The counseling sessions shall be held at dates and times established by LACERS and LAFPP. The counseling sessions shall include, but shall not be limited to, information regarding a comparison of the benefits offered by each plan.

(ii) **Irrevocable Election to Transfer or Remain.** Every LACERS Peace Officer Member shall file a written election form with LACERS indicating whether the Member elects to transfer to Tier 6 or to remain a LACERS Member by the election deadline, which shall be January 9, 2026, or an earlier date selected by the Board of Fire and Police Pension Commissioners and the LACERS



Board of Administration. A LACERS Peace Officer Member's failure to file an election form before the election deadline shall be deemed an irrevocable election to remain a LACERS Member.

(iii) **Irrevocable Agreement to Transfer All Prior Service.** A LACERS Peace Officer Member electing to transfer to Tier 6 must agree to transfer all prior LACERS Service to Tier 6 pursuant to the requirements set forth in Charter Section 1709 and Section 4.2216 of this Code, and to forfeit any and all benefits administered by LACERS. A LACERS Peace Officer Member shall file their election form to transfer to Tier 6 from LACERS as provided in Subparagraph (ii) above.

(B) **Election and Service Transfer Shall Be Irrevocable.** Consistent with Charter Section 1709(b)(3), a LACERS Peace Officer Member's election to remain a LACERS Member or transfer to Tier 6 shall be irrevocable after LACERS accepts the election form. Neither the Board of Fire and Police Pension Commissioners nor the LACERS Board of Administration shall have any authority to revoke a LACERS Peace Officer Member's election or allow transfers after the election deadline, except as provided by Section 4.2216.

(C) **Transfer Effective Date.** A LACERS Peace Officer Member's election to transfer to Tier 6 shall be effective on January 11, 2026, or an earlier date selected by the Board of Fire and Police Pension Commissioners and the LACERS Board of Administration.

(D) **Responsibility for Payment.** To ensure cost neutrality for the Retirement System, the City shall pay the full actuarial cost of the transfer of membership and LACERS Service and all associated costs and expenses as set forth in Charter Section 1709 and Section 4.2216 of this Code, as well as all costs and expenses incurred by the Retirement System in connection with administering the election process for LACERS Peace Officer Members, excluding LACERS staff time dedicated to administering the election process, which may be reimbursed at the City's discretion. Mandatory reimbursement includes but is not limited to the following costs and expenses: the cost of any necessary reports prepared by the Retirement System's actuary, the cost of programming any changes to the pension administration system, and any legal expenses incurred by the Retirement System. The City shall pay all costs and expenses associated with Members of the Department of Recreation and Parks who elect to transfer. LACERS shall be responsible for preparing invoices for all costs and expenses incurred, and submitting them to the City for review and approval, provided that any requests for reimbursement of LACERS staff time shall be submitted as a separate invoice.

(E) **Board's Administration of the Program.** The LACERS Board of Administration shall administer the Program and adopt all rules necessary to implement this section. The LACERS Board of Administration shall determine any factual questions arising in connection with the Program, and shall take all appropriate action. The Board's determination shall be final and binding on all parties.

Sec. 32. Subsection (b) of Section 4.1080.6 of the Los Angeles Administrative Code is amended to read as follows:

(b) **Continuous Service Requirement.** Service purchased under Section 4.1080.20 shall not count toward establishing the minimum five years of continuous City service required for retirement under this section. The requirement for five years of continuous City service set forth in this section, however, may be satisfied based upon service with a reciprocal system to the extent necessary to comply with the provisions of Section 4.1096. A former Member does not need to have five years of continuous service if the former Member has been a member while employed for any period of time as a part-time employee whose membership terminates for any reason on or after October 18, 1993.

Sec. 33. Subsection (b) of Section 4.1080.8 of the Los Angeles Administrative Code is amended to read as follows:

(b) **Disability Determination.** The Board shall cause each Member who applies for disability retirement to be examined by, and a written report thereon rendered by, at least three regularly licensed, practicing physicians selected by the Board. If the Member is terminally ill, however, the Board only shall require the Member to be examined by one such physician selected by the Board. If, upon considering the report(s) of such physician(s) and such other evidence as shall have been presented to it in connection with the disability retirement application, the Board finds that: (1) the Member has become physically or mentally incapacitated and is incapable, as a result thereof, of performing the Member's duties; and (2) such disability was not due to intemperance unattributable to a physical or mental impairment, or the willful misconduct of such Member, then the Board shall determine that the Member shall be retired as of the date of the discontinuance of the Member's service on account of such disability or termination of sick leave with pay.

Sec. 34. The first paragraph of Subdivision (2) of Subsection (d) of Section 4.1080.8 of the Los Angeles Administrative Code is amended to read as follows:

(2) That the disabling condition(s) and death of the applicant were not due to the applicant's intemperance unattributable to a physical or mental impairment or willful misconduct.

Sec. 35. Subsection (a) of Section 4.1080.8.1 of the Los Angeles Administrative Code is amended to read as follows:

(a) **Application for Disability Retirement.** Any Public Safety Officer Member who has completed Peace Officer Standards and Training and taken the Oath of Office, applying for a service-connected disability, or who has five or more years of Continuous Service, applying for a nonservice-connected disability, who has become physically or mentally incapacitated and who is incapable, as a result thereof, of performing their duties, may be retired upon written application of such Member, or any person acting on their behalf, or on behalf of the head of the department wherein such Member is employed. Any such application may be made at any time, but no later than one year after the discontinuance of the service of such employee, provided such incapacity has been continuous from the discontinuance of such service. No application may be filed under this Section 4.1080.8.1 prior to March 25, 2022.

Sec. 36. The first paragraph of Subsection (c) of Section 4.1080.8.1 of the Los Angeles Administrative Code is amended to read as follows:

(c) **Nonservice-Connected Disability.** Upon the filing by any Public Safety Officer Member's written application for a disability retirement allowance who shall have five or more years of continuous service, or upon the filing of a written application by any person acting on the Member's behalf, or on behalf of the head of the department wherein such Member is employed, for any Public Safety Officer Member whom the Board shall determine has become physically or mentally incapacitated by reason of injuries or sickness other than injuries received or sickness caused by the discharge of the duties of such person, and who is incapable as a result thereof from performing their assigned duties or those to which they would be assigned within the Member's civil service classification if returned to duty, shall be retired by order of the Board from further active duty as an employee. As a further condition of entitlement to such a retirement, the Board also shall determine that such disability was not due principally to or caused by intemperance unattributable to a physical or mental impairment, or the willful misconduct of the Member intended to entitle them to a nonservice-connected disability retirement.

Sec. 37. The second paragraph of Subsection (d) of Section 4.1080.8.1 of the Los Angeles Administrative Code are amended to read as follows:

The Board first shall determine whether or not the Member is incapable of performing their duties or those to which they would be assigned within the Member's civil service classification if returned to duty. If the Board were to determine that they are not so incapable, it then shall be the duty of the Board to deny the application. If the Board were to determine that they are so incapable, it then shall determine, pursuant to the language used in Subsections (b) and (c) of this section, whether their incapacity or disability is service-connected or nonservice-connected. The Board then shall determine the percentage of the Member's incapacity or disability, within the limitations prescribed in Subsections (b) and (c) of this section, and shall grant the application

accordingly. If the Board were to determine that the incapacity or disability was principally due to or caused by voluntary action by the Member intended to entitle them to a nonservice-connected disability retirement allowance, or due to intemperance unattributable to a physical or mental impairment, or the willful misconduct of such Member, as defined in rules promulgated by the Board, it then shall be the duty of the Board to deny the application. In the case of any Public Safety Officer Former Member, the Board, in order to grant any application filed by them for a disability retirement, also must determine, in addition to all of the foregoing, that any existing incapacity or disability upon their part occurred prior to the termination of their active status, and that such incapacity or disability had been continuous up to the date of the Board's determinations.

Sec. 38. Subsection (l) of Section 4.1080.8.1 of the Los Angeles Administrative Code is amended to read as follows:

(l) **Exclusion for Willful Misconduct.** In making its determinations and findings relative to Subsections (a), (b), and (c) of this section, the Board shall consider whether and to what extent the activity giving rise to the disability of a Public Safety Officer Member was caused or aggravated by such Member's willful misconduct. If the Board finds that the disability was caused or aggravated by such willful misconduct, the Board shall deny the Public Safety Officer Member's application for a disability retirement.

Sec. 39. Subdivision (a)(2) of Section 4.1080.10 of the Los Angeles Administrative Code is amended to read as follows:

(2) **Limited Pension.** In the event such Member shall have had at least one year of City Service for which the Member is entitled to receive Service Credit, then a limited pension shall be paid as provided herein. The limited pension shall be paid in equal monthly payments of one-half of the average monthly Compensation Earnable of such Member during the Member's last year of service. For each year of service, not to exceed six years, two monthly payments shall be paid, not to exceed a total of 12 monthly payments for six or more years of service. Such limited pension shall be paid to the surviving spouse or Domestic Partner of such deceased Member or, in the event there shall be no surviving spouse or Domestic Partner, to the minor children of such Member. The payment to a minor child shall continue beyond the month the child reaches age 18 if the child was a minor on the date of the Member's death. In the event there be no surviving spouse or Domestic Partner or minor children, the limited pension shall be paid to the dependent parents of such Member. However, no limited pension shall be paid in the event the Board of Administration, upon investigation and after a hearing in the matter, finds that the death of such Member was due to or resulted from the intemperance unattributable to a physical or mental impairment, or the willful misconduct of such Member. In the event any such beneficiary dies before receiving the full amount of such limited pension, the limited pension shall be continued to the persons who, in the order hereinabove set forth, qualify as beneficiaries as of the date of death of the deceased beneficiary and who, within 60 days after such date make



demand for payment thereof; provided, however, that in the event no such demand is made within such time, the said limited pension shall be deemed conclusively to have been terminated as of such date of death.

Sec. 40. Subsection (e) of Section 4.1080.10 of the Los Angeles Administrative Code is amended to read as follows:

(e) All benefits payable upon the death of a Public Safety Officer Member or Public Safety Officer Former Member shall be determined by Section 4.1080.10.1, and the provisions of this section and Sections 4.1080.11, 4.1080.12(b) and (c), 4.1080.13, and 4.1080.14, shall not apply. All benefits payable upon the death of a Public Safety Officer Retired Member, who at the time of death was receiving a disability retirement allowance pursuant to Section 4.1080.8.1, shall be determined by Section 4.1080.10.1, and the provisions of this section and Sections 4.1080.11, 4.1080.12(b) and (c), 4.1080.13, and 4.1080.14, shall not apply. The provisions of Section 4.1090 establishing the Family Death Benefit Plan shall apply only to the extent that it would not cause a survivor allowance to be paid that exceeds any limitations imposed by the Internal Revenue Code.

Sec. 41. The first paragraph of Section 4.1080.10.1 of the Los Angeles Administrative Code is amended to read as follows:

All benefits payable upon the death of a Public Safety Officer Member or Public Safety Officer Former Member, as defined in Section 4.1080.1, shall be determined by this Section 4.1080.10.1, and the provisions of Sections 4.1080.10, 4.1080.11, 4.1080.12(b) and (c), 4.1080.13, and 4.1080.14 shall not apply. All benefits payable upon the death of a Public Safety Officer Retired Member, as defined in Section 4.1080.1, who at the time of death was receiving a disability retirement allowance pursuant to Section 4.1080.8.1, shall be determined by this Section 4.1080.10.1, and the provisions of Sections 4.1080.10, 4.1080.11, 4.1080.12(b) and (c), 4.1080.13, and 4.1080.14 shall not apply. Notwithstanding anything to the contrary, no survivor allowance shall be paid under this Section 4.1080.10.1 to the extent it exceeds any limitations imposed by the Internal Revenue Code. The Board shall have the authority to adopt rules to implement this limitation.

Sec. 42. Subsection (b) of Section 4.1080.16 of the Los Angeles Administrative Code is amended as follows:

(b) **Option to Elect a Life Annuity.** When a court of competent jurisdiction awards a former spouse or former domestic partner a portion of the retirement benefits payable to the member/former member and to the member/former member's surviving spouse or domestic partner (survivor), if any, the former spouse or former domestic partner, in lieu of receiving the former spouse's or former domestic partner's portion of the benefits payable based upon the lifetime of the member/former member and/or survivor, may instead make an irrevocable election to convert the former spouse's or former domestic partner's interest in such retirement benefits into an actuarially

equivalent life annuity payable for the lifetime of the former spouse or former domestic partner. If the member/former member has not yet retired, the former spouse or former domestic partner must make this irrevocable election to receive a life annuity, in writing, prior to receiving payment of the former spouse's or former domestic partner's community property portion of the retirement allowance. If the member/former member has already retired, the election must be made at the time the former spouse or former domestic partner requests direct payment of the former spouse's or former domestic partner's community property portion of the retirement allowance. The former spouse or former domestic partner must make the election to receive a life annuity within 90 days of LACERS providing written notice to the former spouse or former domestic partner. If this irrevocable election is not made prior to the applicable times specified herein, the former spouse or former domestic partner will be deemed to have waived the right to elect to receive a life annuity.

This option is not available in a legal separation where the parties' relationship has not been legally terminated.

Sec. 43. Subsection (g) is added to Section 4.1080.18 of the Los Angeles Administrative Code to read as follows:

(g) **Effect of Transfer to Fire and Police Pension Plan.** For any Member who has entered into an agreement to provide back contributions and elects to transfer membership to the Fire and Police Pension Plan pursuant to Section 4.2216, LACERS shall transfer all service credit and associated contributions that have been purchased, subject to the terms and conditions of the LACERS Peace Officer Transfer Program and the terms and conditions provided in this section.

Sec. 44. Subsection (l) is added to Section 4.1080.20 of the Los Angeles Administrative Code to read as follows:

(l) **Effect of Transfer to Fire and Police Pension Plan.** For any Member who has entered into a buy back agreement and elects to transfer membership to the Fire and Police Pension Plan pursuant to Section 4.2216, LACERS shall transfer all service credit and associated contributions that have been purchased, subject to the terms and conditions of the LACERS Peace Officer Transfer Program and the terms and conditions provided in this section.

Sec. 45. Section 4.1080.27 of the Los Angeles Administrative Code is amended to read as follows:

**Sec. 4.1080.27. Compliance with Internal Revenue Code Section 401(a)(9) Regarding Required Distributions.**

The Retirement System will pay all benefits in accordance with a reasonable and good faith interpretation of the requirements of Section 401(a)(9) of the Internal Revenue Code and the regulations in effect under that section, as applicable to a

governmental plan within the meaning of Section 414(d) of the Internal Revenue Code. The Retirement System is subject to the following provisions:

(a) Distribution of a Member's benefit must begin by the required beginning date. The required beginning date shall be the later of April 1 following the calendar year in which the member terminates service or the calendar year in which the member reaches the Applicable Age. The Applicable Age shall mean:

- (1) Age 70 ½ for members born before July 1, 1949;
- (2) Age 72 for members born after June 30, 1949 but before January 1, 1951;
- (3) Age 73 for members born on or after January 1, 1951 but before January 1, 1960;
- (4) Age 75 for members born on or after January 1, 1960; or
- (5) The Applicable Age set forth in Section 401(a)(9)(C)(v) of the Internal Revenue Code, as amended from time-to-time.

If a Member fails to apply for retirement benefits or request a refund, as applicable, by the later of either of those dates, the Board shall begin distribution as required by this rule in the form provided in Section 4.1080.4 or Section 4.1080.7, as applicable.

(b) The Member's entire interest must be distributed over the Member's life or the lives of the Member and a qualified survivor, or over a period not extending beyond the life expectancy of the Member or of the Member and a designated beneficiary.

(c) The Retirement System, pursuant to a court order, may pay a portion of the Member's benefit to a nonmember.

(d) If a Member dies after the required distribution of benefits has begun, the remaining portion of the Member's interest must be distributed at least as rapidly as under the method of distribution before the Member's death.

(e) If a Member dies before required distribution of the Member's benefits has begun, the Member's entire interest must be either:

- (1) distributed (in accordance with federal regulations) over the life or life expectancy of the qualified survivor, with the distributions beginning no later than December 31 of the calendar year following the calendar year of the Member's death; or

(2) distributed within five years of the Member's death.

(f) The amount of an annuity paid to a Member's beneficiary may not exceed the maximum determined under the incidental death benefit requirement of Section 401(a)(9)(G) of the Internal Revenue Code, and the minimum distribution incidental benefit rule under Treasury Regulation Section 1.401(a)(9)-6(b).

(g) The death and disability benefits provided by the retirement system are limited by the incidental benefit rule set forth in Section 401(a)(9)(G) of the Internal Revenue Code and Treasury Regulation Section 1.401-1(b)(1)(i), or any successor regulation thereto. As a result, the total death or disability benefits payable may not exceed 25 percent of the cost for all of the Members' benefits received from the retirement system.

(h) Notwithstanding the other provisions of this rule or the provisions of the Treasury Regulations, benefit options may continue so long as the option satisfies Section 401(a)(9) of the Internal Revenue Code based on a reasonable and good faith interpretation of that section.

Sec. 46. Subsections (b) and (c) of Section 4.1095 of the Los Angeles Administrative Code are amended to read as follows:

(b) **Membership in the LACERS.** A Plan Member shall become a system member immediately upon changing employment from the Department of Water and Power to such other office, class, or position established by the City of Los Angeles as would make the Plan Member eligible for membership in the LACERS; provided, however, that there is no break in service of more than seven calendar days. If there is a break in service of more than seven calendar days, the former Plan Member shall become a System Member on the date that the former Plan Member's entrance into such employment with the City of Los Angeles makes the former Plan Member eligible to become a System Member.

If a Plan Member participates in the reciprocal retirement benefit arrangement established in this Section, the Plan Member shall become a member of Tier 1 upon becoming a System Member, provided that the Plan Member's employment with the DWP commenced prior to February 21, 2016, and there is no break in service of more than seven calendar days, as provided in the preceding paragraph. If a Plan Member becomes a System Member on or after February 21, 2016, the Plan Member shall become a member of Tier 3 upon becoming a System Member if: (1) the Plan Member did not commence employment with the DWP prior to February 21, 2016; (2) the Plan Member commenced employment with the DWP prior to February 21, 2016, but there was a break in service of more than seven calendar days upon the change in employment from the DWP; or (3) the system member elects not to participate in the reciprocal retirement benefits arrangement as provided in Subsection (d) herein.



Membership shall entitle the system member to all benefits for retirement, disability and death for which the system member would qualify based upon the system member's total service in both the LACERS and the WPERP.

(c) **Contributions of System Members Who Transfer from the Department of Water and Power.** A Plan Member who becomes a System Member shall contribute to LACERS at the rate provided in Tier 1 or Tier 3, as applicable.

Sec. 47. Subsection (g) of Section 4.1095 of the Los Angeles Administrative Code is amended to read as follows:

(g) **Continuous Service.** Continuous service to determine a System Member's eligibility for service or disability retirement shall include City service as defined in this section, and not as defined in Sections 4.1001 or 4.1080.1 of this Code; provided however, that the System Member has not exercised one of the elections provided in Subsection (d) of this section.

Sec. 48. Section 4.1104 of the Los Angeles Administrative Code is amended to read as follows:

The definitions of Service and Service Credit now set forth in Section 4.1110 for Tier 1 and Section 4.1125 for Tier 3 shall apply prospectively to Members and former Members who retire on or after February 21, 2016. Effective February 21, 2016, a part-time employee Member shall be eligible for a benefit under this Chapter when the Member is age 55 with a minimum of ten years of Service, provided that the Member is receiving a service retirement benefit or disability retirement benefit from LACERS under Chapter 10. After calculating the first ten years of Service, a part-time Member's health subsidy shall be calculated using Service Credit, which shall be prorated based upon the number of hours the Member worked per pay period. However, employees who became Members of LACERS prior to April 23, 1990, whose health subsidy is based on periods of part-time and less than full-time employment, shall receive a health subsidy based on Service, and not pro-rated Service Credit.

Any retired Member who retired before February 21, 2016, who would have been eligible for a benefit under this chapter had the retired Member retired on or after February 21, 2016, shall be entitled to apply to LACERS, under rules and procedures to be developed by LACERS, to enroll or participate in the retiree health program established by this Chapter. Such retirees shall receive, upon enrollment in a health plan administered by LACERS or the first date of participation in LACERS' Medical Premium Reimbursement Program, the monthly retiree medical subsidy amount to which they are entitled based upon their prorated Service Credit, effective as of the first date of such enrollment or participation.

Sec. 49. Section 4.1110 of the Los Angeles Administrative Code is amended to read as follows:

**Sec. 4.1110. Definitions.**

For purposes of this Article 2, the following words and phrases shall have the meaning ascribed to them in this section:

**Employee** shall refer to an employee who is a member of Tier 1 of LACERS.

**Member** shall refer to a person who is a member of Tier 1 of LACERS. Effective February 21, 2016, a part-time employee Member who qualifies for membership under Section 4.1002 of this Code shall be eligible for a benefit under this Article 2 when the Member is age 55 with a minimum of ten years of Service, provided that the Member is receiving a service retirement benefit or disability retirement benefit from LACERS under Chapter 10. After calculating the first ten years of Service, a part-time Member's health subsidy shall be calculated using Service Credit, which shall be prorated based upon the number of hours the Member worked per pay period. However, employees who became Members of the LACERS prior to April 23, 1990, whose health subsidy is based on periods of part-time and less than full-time employment, shall receive a health subsidy based on Service, and not pro-rated.

**Retired Employee or Retiree** shall refer to a person who is a retired Member of Tier 1 of LACERS and is receiving either a service retirement allowance or a disability retirement allowance pursuant to the provisions of Article 1 of Chapter 10 of Division 4 of this Code.

**Service.** Effective February 21, 2016, only those periods during which a Member (1) received compensation from the City as an employee, or (2) during which the employee both received Workers' Compensation benefits (Div. IV, California Labor Code) for temporary disability on account of any injury or illness arising out of, and in the course of, employment with the City, and made contributions to the Retirement Fund as provided in Charter Section 1162. Service shall exclude service purchased pursuant to the Public Service Buy Back (PSB) program set forth in Section 4.1019. Service purchased pursuant to the redeposit program set forth in Section 4.1018, and Service purchased pursuant to the back contributions program set forth in Section 4.1017 may be used to qualify for the benefits provided in this article, provided that such service is purchased while a Member of LACERS and does not exceed any limits imposed under federal tax law. Part-time employee Members shall receive full, rather than prorated, Service for purposes of qualifying for benefits under this article.

**Service Credit.** Effective February 21, 2016, Service Credit shall include any Service authorized by Chapter 10 of Division 4 of this Code that may be taken into consideration for purposes of qualifying for benefits provided in Chapter 10, excluding any purchased service purchased pursuant to the Public Service Buy Back (PSB) program set forth in Section 4.1019, and provided that any such service credit does not

exceed any limits imposed under federal tax law. Part-time employee Members shall have their Service Credit prorated based upon the number of hours worked per pay period for purposes of the calculation of their benefits under this article.

Sec. 50. A new paragraph is added to the end of Subsection (c) of Section 4.1154 of the Los Angeles Administrative Code to read as follows:

The amount of the medical plan premium subsidy applied toward the coverage of dependents of a retired member enrolled in both Part A and Part B of Medicare ("fully enrolled") shall not exceed the amount which may be applied toward the coverage of the dependent(s) of a retired member who is not enrolled in Medicare or is only enrolled in Part B of Medicare ("partially enrolled"), whichever is greater. The maximum coverage for a fully enrolled retired member's dependents shall not exceed the highest amount available to a retired member with the same years of service, who is not enrolled or partially enrolled in Medicare but covered by the same medical plan. If the same medical plan does not offer coverage for retirees who do not have both Medicare Parts A and B, the Board shall, by rule, determine the dependent subsidies in a manner that is consistent with plans that do offer both types of coverage.

Sec. 51. Subsection (a) of Section 4.1850 of the Los Angeles Administrative Code is amended to read as follows:

(a) **Definitions.** For the purpose of this ordinance, the following words and phrases shall have the meaning ascribed to them in this ordinance unless a different meaning is clearly indicated by the context:

**Annual Addition** shall mean the annual addition as defined in Code Section 415(c), which in general, is the sum of the City contributions, Participant contributions and forfeitures credited to a Participant's account for the Limitation Year under this Plan and any other qualified defined contribution plan maintained by the City.

**Average Member Cost** shall mean a percentage, in effect for such Plan Year, equal to the sum of:

(a) The percentage of City contributions needed to fund Tier 1 or Tier 3 of the LACERS, as applicable, for all benefits provided by that tier; and

(b) Any ancillary costs incurred by the City in support of benefits provided by Tier 1 or Tier 3 of the LACERS, as applicable, expressed as a percentage of covered payroll.

**Beneficiary** shall mean any person or legal entity designated in accordance with Subsection (h) hereof.

**Board or Board of Administration** shall mean the Board of Administration as defined in Section 1104(a) of Article XI of the Charter of the City of Los Angeles.

**City** shall mean the City of Los Angeles.

**Code** shall mean the Internal Revenue Code of 1986 as amended.

**Compensation** shall be determined in the same manner that "Compensation Earnable" is determined for members of LACERS. The annual compensation of each Participant taken into account for determining all benefits provided under this Plan for any Plan Year shall not exceed \$200,000, determined in accordance with Section 401(a)(17) of the Internal Revenue Code and the regulations thereunder, and as adjusted for increases in the cost-of-living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to the Plan Year beginning in that calendar year. If a Participant is an active member for less than a Plan Year, then the compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of full months in which the Participant was an active member and the denominator of which is 12.

**Effective Date** shall mean July 1, 1997.

**Fund** shall mean the Limited Term Retirement Fund.

**LAAC** shall mean the Los Angeles Administrative Code.

**LACERS** shall mean the Los Angeles City Employees Retirement System as defined under Section 1150 of Article XI, Part I of the Charter of the City of Los Angeles.

**Participant** shall mean those employees eligible for participation in this Plan. Employees eligible to participate in this Plan are those employees who are elected officials of the City and who are eligible and elect to opt out of Tier 1 of the LACERS under Section 4.1002(b)(9) of the LAAC, or elect to opt out of Tier 3 of the LACERS under Section 4.1080.2(c)(9) of the LAAC, as applicable. Except that any retired member of LACERS who is elected as an officer of the City shall become a Participant without being required to opt out of membership because Section 4.1002(b)(9) for Tier 1, or Section 4.1080.2(c)(9), for Tier 3, of the LAAC, as applicable, prohibits the retired member from re-entering membership in the tier of LACERS from which the retired member is retired. An employee shall cease to be a Participant as to additional contributions upon termination of employment with the City or entrance into a different retirement plan provided by the City. As used here, the term "employee" shall mean a person in the employ or service of the City as reflected on the payroll records of the City.



**Plan** shall mean the Limited Term Retirement Plan set forth herein, as amended from time to time.

**Plan Year** shall mean a 12-month consecutive period commencing with January 1 of each year and ending with December 31. The Plan Year shall be the "limitation year" for purposes of Section 415 of the Internal Revenue Code.

**Valuation Date** shall mean the last day of each Plan Year. In addition, the Board may fix, in a uniform and nondiscriminatory manner, one or more interim or recurring Valuation Dates.

Sec. 52. The first paragraph of Subsection (c) of Section 4.1850 of the Los Angeles Administrative Code is amended to read as follows:

(c) **Participant Contributions.** Each Participant shall contribute to the Fund by salary deduction at the same percentage of the Participant's Compensation that the Participant would be required to contribute to the Retirement Fund, as provided in Chapter 10 of Division 4 of the LAAC, had the Participant had not opted out of membership in either Tier 1, pursuant to Section 4.1002(b)(9), or Tier 3, pursuant to Section 4.1080.2(c)(9) of the LAAC, as applicable. Except that a Participant who is a retired member of LACERS shall contribute to the Fund by salary deduction at the same percentage of the Participant's Compensation that the Participant would have been required to contribute to the Retirement Fund, as provided in Chapter 10 of Division 4 of the LAAC, had the Participant not retired. Such contributions shall be treated as employer contributions for purposes of taxation in accordance with Section 414(h)(2) of the Internal Revenue Code and shall be paid from the same source of funds as is used in paying Compensation. For all other purposes, such contributions shall be treated as employee after-tax contributions. The wages of Participants shall be reduced by the amount of Participant contributions. Nothing herein shall be construed to permit or extend an option to Participants to directly receive Participant contributions instead of having them contributed to the Fund.

Sec. 53. Subsection (a) of Section 4.1902 of the Los Angeles Administrative Code is amended to read as follows:

(a) Distribution of a Member's benefit must begin by the required beginning date, which is the later of the April 1 following the calendar year in which the Member attains the Applicable Age, or April 1 of the year following the calendar year in which the Member terminates. For the purposes of this Section the Applicable Age shall mean:

- (1) Age 70 1/2 for Members born before July 1, 1949;
- (2) Age 72 for Members born after June 30, 1949 but before January 1, 1951;

(3) Age 73 for Members born on or after January 1, 1951 but before January 1, 1960;

(4) Age 75 for members born on or after January 1, 1960; or

(5) The Applicable Age set forth in Section 401(a)(9)(C)(v) of the Internal Revenue Code, as amended from time-to-time.

Sec. 54. Subsection (f) of Section 4.1902 of the Los Angeles Administrative Code is amended to read as follows:

(f) The amount of an annuity paid to a member's qualified survivor may not exceed the maximum determined under the incidental death benefit requirement of Section 401(a)(9)(G) of the Internal Revenue Code, and the minimum distribution incidental benefit rule under Treasury Regulation Section 1.401(a)(9)-6(b).

Sec. 55. Subsection (f) is renumbered to Subsection (g), and Subsections (f) and (h) are added to Section 4.2012 of the Los Angeles Administrative Code to read as follows:

(f) **OPS Purchase Program.** The determination of 100 percent funded status and the one percent payment by the City of Tier 5 employee contributions pursuant to Charter Section 1222 and Section 4.2014 of this chapter shall be made without regard to any impact resulting from the inclusion of certain Members of Department of General Services' Office of Public Safety, who elect to transfer from the Los Angeles City Employees' Retirement System to Tier 6 of the Plan, as authorized by Charter Section 1703.

(g) **Members of the Airport Department.** The determination of 100 percent funded status and the one percent payment by the City of Tier 5 employee contributions pursuant to Charter Section 1222 and Section 4.2014 of this chapter shall be made without regard to any impact resulting from the inclusion of Members of the Department of Airports in Tier 6 of the Plan, as authorized by Charter Section 1700(f).

(h) **LACERS Peace Officer Transfer Program.** The determination of 100 percent funded status and the one percent payment by the City of Tier 5 employee contributions pursuant to Charter Section 1222 and Section 4.2014 of this chapter shall be made without regard to any impact resulting from the inclusion of certain Members of the Police Department, Department of Airports, Harbor Department, and Department of Recreation and Parks, who elect to transfer from the Los Angeles City Employees' Retirement System to Tier 6 of the Plan, as authorized by Charter Section 1709.

Sec. 56. The first paragraph of Subsection (c) of Section 4.2100 of the Los Angeles Administrative Code is amended to read as follows:

(c) The City reserves the right to suspend the right of Members to enter the DROP program and to modify the program for future entrants as necessary to maintain cost neutrality and/or to meet the City's DROP goals of retaining and lengthening the careers of sworn personnel with the Police Department, Fire Department, Harbor Department, Department of Airports, and Department of Recreation and Parks. Any amendments to DROP enacted in accordance with this subsection will affect only those persons who enter DROP after the date the changes become effective.

Sec. 57. Subdivision (e)(5) of Section 4.2101 of the Los Angeles Administrative Code is amended to read as follows:

(5) Receive benefits from the Fire and Police Pension Plan upon termination of City employment as a sworn member of the Fire Department, Police Department, Harbor Department, Department of Airports, or Department of Recreation and Parks at the time and in the manner provided in this chapter.

Sec. 58. Subsection (d) of Section 4.2102 of the Los Angeles Administrative Code is amended to read as follows:

(d) Until a Member actually terminates employment as a sworn member of the City of Los Angeles Fire Department, Police Department, Harbor Department, Department of Airports, or Department of Recreation and Parks, no money shall be paid to any persons from the DROP account. After the Member terminates employment, the DROP account shall be subject to court orders in the same manner as the monthly service pension entitlement and according to the terms of the court order.

Sec. 59. Subsection (a) of Section 4.2106 of the Los Angeles Administrative Code is amended to read as follows:

(a) Upon the simultaneous termination of DROP participation and employment as a sworn member of the City's Fire Department, Police Department, Harbor Department, Department of Airports, or Department of Recreation and Parks, a Member shall be entitled to receive:

Sec. 60. Section 4.2216 is added to the Los Angeles Administrative Code to read as follows:

**Sec. 4.2216. LACERS Peace Officer Transfer Program.**

(a) **Definitions.** For the purposes of this section, the following words and phrases shall have the meaning ascribed to them in this subsection unless a different meaning is clearly indicated by the context.

**Active Employee** means a person who currently is employed by any City department. This definition does not include a person who has terminated employment with the City for any reason.

**Board** means the Board of Fire and Police Pension Commissioners.

**City Service or Service** means those periods during which a LACERS Member received compensation from the City as an employee or during which the LACERS Member not only received Workers' Compensation benefits (Div. IV, California Labor Code) for temporary disability on account of any injury or illness arising out of and in the course of employment with the City, but for which the LACERS Member also made Member contributions to LACERS as provided in Charter Section 1162.

**DROP** means the Deferred Retirement Option Plan established in Chapter 21 of Division 4 of the Los Angeles Administrative Code.

**Employer Contributions** means contributions paid by the Member's employing department, from the following revenue sources: the City's General Fund, the Airport Revenue Fund, or the Harbor Revenue Fund.

**Full Actuarial Cost** means the cost to be paid by the City, including costs attributed to the Department of Airports or Harbor Department for transferred service, membership, and associated ongoing costs to achieve cost neutrality for the Plan as determined by the Plan's actuary.

**LAAC** means the Los Angeles Administrative Code. All statutory references contained in this section are to the LAAC unless otherwise indicated.

**LACERS** means the Los Angeles City Employees' Retirement System.

**LACERS Board of Administration** means the Board of Administration of the Los Angeles City Employees' Retirement System.

**LACERS Peace Officer Former Member** means a former Member of LACERS who is an Active Employee on and as of January 12, 2025 of the Police Department, transferred to Tier 6 pursuant to Charter Section 1703 and Section 4.2214 of the LAAC; serves as a sworn peace officer pursuant to California Penal Code Section 830.1; performs police duties; and belongs to one of the following class codes: 2214-1, 2214-2, 2214-3, 2217, 2223-1, 2223-2, 2223-3, 2227-1, 2227-2, 2232-1, 2232-2, 2244-1, 2244-2, 2244-3, 2251, 2262-1, 2262-2, 3188-1, 3188-2, 3183-1, 3183-2, 3183-3. An employee in Class Code 2112 is not a LACERS Peace Officer Former Member for the purposes of this section.

**LACERS Peace Officer Member** means a Member of LACERS who, on and as of January 12, 2025, is an Active Employee of the Police Department, the Department of Airports, the Harbor Department, or the Department of Recreation and Parks; serves



as a sworn peace officer pursuant to California Penal Code Section 830.1 or Section 830.31; performs police or firefighting duties; and belongs to one of the following class codes: 1968-0, 1966-0, 1967-1, 1967-2, 2214-1, 2214-2, 2217, 2214-3, 2223-1, 2223-2, 2223-3, 2227-1, 2227-2, 2232-1, 2232-2, 2244-1, 2244-2, 2244-3, 2251, 2262-1, 2262-2, 3188-1, 3188-2, 3183-1, 3183-2, 3183-3, 3221-1, 3221-F, 3221-2, 3238-0, 3221-3, 3222-0, 3225-1, 3225-F, 3225-2, 3225-3, 3333-0, 3185-0, 3226-0, 3227-0, 3228-0, 3205, 3234, 3233, or 3232. An employee in Class Code 2112 is not a LACERS Peace Officer Member for the purposes of this section.

**LACERS Service** means a Member's City Service and any periods of time purchased from LACERS, pursuant to Sections 4.1017, 4.1018, 4.1019, 4.1020, 4.1020.1, 4.1080.18, 4.1080.19, or 4.1080.20, provided that the terms and conditions for any service purchase agreements have been satisfied at the time of transfer or by a date selected by the Board and the LACERS Board of Administration. Any outstanding service purchase agreements shall be prorated for payments made as of the date of the Member's transfer of service to Tier 6.

**LAFPP or Plan** means the Fire and Police Pension Plan established in Article XI, Part 3 of the Los Angeles City Charter.

**LACERS Peace Officer Transfer Program or Program** means the voluntary program that allows LACERS Peace Officer Members or LACERS Peace Officer Former Members, who are Active Employees on and as of January 12, 2025, to transfer membership and/or LACERS Service from LACERS to Tier 6 on the terms and conditions established in this section.

**Tier 6** means the Tier of the Plan established in Charter Sections 1700-1726.

(b) **Participation in LACERS Peace Officer Transfer Program.** Only a LACERS Peace Officer Member or LACERS Peace Officer Former Member, who is an Active Employee of the Police Department, Department of Airports, Harbor Department, or Department of Recreation and Parks on and as of January 12, 2025, is eligible to make an irrevocable election in writing to participate in the Program on the terms and conditions set forth in Charter Section 1709 and Section 4.1002, Section 4.1080.2, and this Section 4.2216 of the LAAC.

(1) **Transfer of Membership and Service for LACERS Peace Officer Members.** Consistent with Charter Section 1709, a LACERS Peace Officer Member may make an irrevocable election in writing to become a Member of Tier 6 in lieu of membership in LACERS, and to transfer all LACERS Service to the Plan on the terms and conditions established in this section.

(2) **Transfer of Membership and Service for LACERS Peace Officer Former Members.** Consistent with Charter Section 1709, a LACERS Peace Officer Former Member may transfer all remaining LACERS Service from LACERS to the Plan, including LACERS Service that was previously excluded

from transfer pursuant to Section 4.2214(c) of the LAAC, on the terms and conditions established in this section.

(c) **Requirements for Participation.** A LACERS Peace Officer Member and LACERS Peace Officer Former Member shall transfer all prior periods of LACERS Service from LACERS to Tier 6 by filing an election form and executing a transfer agreement, subject to the following terms and conditions:

(1) **All LACERS Service Must Be Transferred.** Consistent with Charter Section 1709(b) and Subsection (b) of this section, a LACERS Peace Officer Member or LACERS Peace Officer Former Member who elects to participate in the Program must transfer all LACERS Service from LACERS to Tier 6, and shall forfeit all rights to receive any benefits from LACERS.

(2) **Election Deadline.** The rights granted in this section to transfer membership from LACERS to Tier 6 and to transfer LACERS Service to Tier 6, shall terminate on the election deadline, which shall be January 9, 2026 or on an earlier date selected by the Board and the LACERS Board of Administration, as provided in Sections 4.1002 and 4.1080.2 of the LAAC. A LACERS Peace Officer Member or LACERS Peace Officer Former Member must elect to transfer by the election deadline, unless the Board determines that a Member was unable to meet the deadline due to an authorized leave of absence.

(3) **Written Agreement.** The election to become a Member of Tier 6 and to transfer LACERS Service pursuant to this section shall become irrevocable once an election form is accepted by LACERS pursuant to Section 4.1002 or Section 4.1080.2 of the LAAC. The Plan requires a written agreement for the transfer of service.

(4) **Years of Service.** Notwithstanding the provisions of Charter Section 1702(r), service transferred through participation in the Program shall count as Years of Service for all Tier 6 purposes.

(5) **Level Contributions.** A LACERS Peace Officer Member who elects to transfer to Tier 6 shall continue to make contributions at the rate applicable to their LACERS membership to the extent required by the Internal Revenue Code and as provided in Charter Section 1714(a)(3).

(6) **Age-Based Reduction Factor for Early Retirement.** A LACERS Peace Officer Member or LACERS Peace Officer Former Member who does not satisfy the requirements to be a qualified participant as defined by the Internal Revenue Code, including an employee of the Department of Recreation and Parks, shall be subject to the age-based reduction factor for early retirement as provided in Section 4.1906(l) of the LAAC.

(d) **Actuarial Determinations for Costs.** The Plan's actuary shall determine the full actuarial cost of the Program, utilizing the actuarial assumptions in the most recent actuarial valuation as of June 30, 2024, and then adjusting those results for the passage of time from June 30, 2024, to the date of the actual transfer of membership and LACERS Service using the actuarial assumptions from the June 30, 2024 valuation, and taking into consideration the benefits that may be provided by the Plan as a result of the transferred LACERS Service. Factors to be considered by the actuary shall include: (a) projected salary increases; (b) probabilities of service retirement, disability retirement, DROP participation, termination, and death; (c) probability of leaving a spouse or domestic partner eligible for a continuance benefit; and (d) medical inflation and other assumptions included in the actuarial valuations. All the relevant actuarial assumptions used in the June 30, 2024 Plan actuarial valuations, will be used in the calculations, without taking into consideration incidental administrative expenses incurred by the Plan, which also may be reimbursed but separately tallied. There shall be a separate calculation for costs attributable to the transfer of LACERS Service, Tier 6 health benefits, and other Tier 6 benefits. The Plan's actuary shall calculate each Member's transfer cost as of the effective date of the transfer as provided in Section 4.1002 or Section 4.1080.2 of the LAAC.

(e) **Transfer of Funds from LACERS to the Plan.** For each Member who transfers LACERS Service pursuant to this section, LACERS shall transfer to the Plan by way of a direct trustee-to-trustee transfer and in a manner consistent with the Internal Revenue Code:

(1) Sufficient funds to cover all funded accrued liability related to the benefits provided in Chapter 10 of Division 4 of the LAAC for all periods of the Member's LACERS Service to include, but not necessarily be limited to, employee contributions, employer contributions, buy back contributions, and earnings. The funds that are transferred from the Member's contribution account with LACERS, including interest, shall be transferred to the Member's individual contribution account with the Plan (where they shall earn interest and be refundable as provided in Charter Section 1714); the balance of the funds transferred from LACERS shall be transferred to the appropriate Plan account and credited toward satisfying the City's liability for the benefits provided in Tier 6 of the Plan (excluding the City's liability for benefits provided in Chapter 11.5 of Division 4 of the LAAC).

(2) Sufficient funds from the LACERS Health Care Coverage Account shall be transferred to cover all funded accrued liability related to the health benefits provided in Chapter 11 of Division 4 of the LAAC for all periods of the Member's LACERS Service to include, but not necessarily be limited to, employer contributions and earnings. These funds shall be transferred in a manner consistent with the Internal Revenue Code directly to the LAFPP Health Care Coverage Account and credited toward satisfying the City's obligation to fund benefits provided in Chapter 11.5 of Division 4 of the LAAC. Sufficient funds from the LACERS Health Care Fund shall be transferred to cover all

funded accrued liability related to the health benefits provided in Chapter 11 of Division 4 of the LAAC for all periods of the Member's service to include, but not necessarily be limited to, employer contributions and earnings. These funds shall be transferred in a manner consistent with the Internal Revenue Code directly to the LAFPP Health Care Fund and credited toward satisfying the City's obligation to fund benefits provided in Chapter 11.5 of Division 4 of the LAAC.

The amount of funds due to the Plan from LACERS shall be agreed upon between the Plan and LACERS, subject to all requirements of the Internal Revenue Code, upon advice from their respective actuaries, and is to include, but not necessarily be limited to, employee contributions, employer contributions, and earnings to cover all funded accrued liability for the period of the transferred service determined by first using the results in the most recent actuarial valuation as of June 30, 2024, and then adjusting those results for the passage of time, including adjustments for both time value of money and City and employee contributions made from June 30, 2024, to the date of fund transfer to the Plan, using the actuarial assumptions from the June 30, 2024, valuation. All the relevant actuarial assumptions used in the June 30, 2024, actuarial valuations are to be used in the calculations. There shall be a separate calculation for purposes of Subdivision (1) and Subdivision (2) of this subsection. The total sum transferred shall be credited towards the costs associated with each Member's transfer, as provided in Subsection (f) herein.

(f) **Cost Neutrality for LAFPP.** The Program shall be cost-neutral for the Plan. The City, Department of Airports, and Harbor Department shall pay the Full Actuarial Cost for the transfer of personnel and service, Tier 6 benefits, and Tier 6 health benefits, including increased ongoing costs as determined by the Plan's actuary as provided in Subsection (d) above, and reduced by the amount of any funds transferred from LACERS to the Plan as provided in Subsection (e) above. The total transfer cost for each Member shall be allocated between the portion necessary to fund the Tier 6 benefits provided in the Charter and to fund the Tier 6 health benefits provided in Chapter 11.5 of Division 4 of the LAAC.

(1) **Costs Attributable to Tier 6 Benefits.** The City, Department of Airports, and Harbor Department shall pay the Full Actuarial Cost for the Years of Service transferred attributable to Tier 6 benefits, excluding the cost for the health benefits provided in Chapter 11.5 of Division 4 of the LAAC as described in Subdivision (2) of this subsection. To the extent that the cost required to fund Tier 6 benefits exceeds the funds transferred under Subsection (e), the City, Department of Airports, and the Harbor Department shall make additional contributions, which shall be credited to the Plan to ensure this section is cost-neutral and shall not be placed in the Member's individual contribution account.

(2) **Costs Attributable to Tier 6 Health Benefits.** The City, Department of Airports, and Harbor Department shall pay the Full Actuarial Cost for the Years of Service transferred attributable to the Tier 6 health benefits



provided in Chapter 11.5 of Division 4 of the LAAC, as determined in Subsection (d). In accordance with the Internal Revenue Code, in the event that the funds transferred from the LACERS Health Care Coverage Account to the LAFPP Health Care Coverage Account and from the LACERS Health Care Fund to the LAFPP Health Care Fund are insufficient to fund the Full Actuarial Cost of the transferred service attributable to the benefit provided in Chapter 11.5 of Division 4 of the LAAC to a given Member, then the City, Department of Airports, or Harbor Department, as applicable, shall make additional contributions to the LAFPP Health Care Coverage Account and the LAFPP Health Care Fund. The purpose of the additional contributions is to offset the additional liability incurred by the Plan for the benefits payable to the Member from the LAFPP Health Care Coverage Account and the LAFPP Health Care Fund, pursuant to the provisions in Chapter 11.5 of Division 4 of the LAAC, to ensure that each Member's transfer is cost-neutral for the Plan.

(3) **Costs Attributable to Administration.** The City, Department of Airports, and Harbor Department shall pay the costs and expenses necessary to administer the Program, excluding LAFPP staff time, which may be reimbursed at the City's discretion. Reimbursement is required for all costs and expenses, including, but not limited to: the cost of any necessary reports prepared by the Plan's actuary, the cost of any changes to the pension administration system, and expenses incurred by the Plan in connection with this election.

(g) **Responsibility for Payment.** The City's General Fund, the Airport Revenue Fund, and the Harbor Revenue Fund shall be responsible for all costs and expenses associated with the Program. The unfunded actuarial accrued liability for the Program shall be paid at the time of transfer to ensure there is no impact on the Plan's funded status. The Department of Airports and the Harbor Department shall pay the Plan for the costs and expenses, described in Subsection (f) above, for all transferring LACERS Peace Officer Members employed by their respective departments. The City shall pay the Plan for all other costs and expenses, including those associated with the Members of the Police Department and Department of Recreation and Parks who elect to participate in the Program. LAFPP shall be responsible for preparing invoices for all costs and expenses incurred and submitting them to the parties responsible for review and payment, provided that any requests for reimbursement of LAFPP staff time shall be submitted as a separate invoice.

(h) **Reversion of Funds to LACERS.** A LACERS Peace Officer Member or a LACERS Peace Officer Former Member who transferred service and membership pursuant to this section shall have Member contributions reversed and their membership reverted to the appropriate LACERS Tier only if it is required by the Internal Revenue Service to preserve the qualified status of either LACERS or LAFPP. In the instance of reversion, the former Plan Member shall waive all rights to benefits from the Plan. All Member contributions shall be transferred to LACERS, including all Member contributions made to the Plan during periods of Plan membership plus any Member contributions made to LACERS that were previously provided by the City, the

Department of Airports, or the Harbor Department to the Plan and the Member's service shall be reestablished in LACERS. In addition to transferring all Member contributions, the Plan shall transfer to LACERS all other funds transferred to the Plan from LACERS on account of the former Plan Member, together with any interest and/or earnings attributable thereto. These funds shall be transferred from the appropriate Plan account (Member contributions, City regular contributions and investment income, LAFPP Health Care Coverage Account, and LAFPP Health Care Fund) and shall be returned to the appropriate LACERS fund (Member contributions, City regular contributions and investment income, LACERS Health Care Coverage Account, and LACERS Health Care Fund).

(i) **Boards' Administration of the Program.** The Board shall administer the Program and adopt all the rules necessary to facilitate LAFPP's implementation of the Program. The Board shall determine any factual questions that may arise during LAFPP's operation of the Program and shall take any action the Board deems appropriate. The Board's determination shall be final. The LACERS Board shall adopt any rules necessary to support the Plan's implementation of the Program and may work with the Board to determine a deadline for eligible LACERS Peace Officer Members to participate in the Program.

Sec. 61. Section 4.2217 is added to the Los Angeles Administrative Code to read as follows:

**Sec. 4.2217. Qualifying Tier 6 Member Refund Program.**

(a) **Definitions.** For the purposes of this section, the following words and phrases shall have the meaning ascribed to them in this subsection unless a different meaning clearly is indicated by the context.

**Active Employee** means a person who currently is employed by any City department. This definition does not include a person who has terminated employment with the City for any reason.

**Board** means the Board of Fire and Police Pension Commissioners.

**LAAC** means the Los Angeles Administrative Code. All statutory references contained in this section are to the LAAC unless otherwise indicated.

**LACERS** means the Los Angeles City Employees' Retirement System.

**LAFPP or Plan** means the Fire and Police Pension Plan established in Article XI, Part 3 of the Los Angeles City Charter.

**Qualifying Tier 6 Member** means an Airport Peace Officer or Member of the Police Department who was an Active Employee on January 12, 2025, served as a sworn peace officer pursuant to California Penal Code Section 830.1, and previously

purchased Tier 6 service or health benefits in connection with a transfer from LACERS to LAFPP Tier 6.

**Tier 6** means the Tier of the Plan established in Charter Sections 1700-1726.

(b) **Refund for Purchased Service.** The Plan shall refund a Qualifying Tier 6 Member the exact amount of money paid to purchase any portion of City service or Tier 6 health benefits through the OPS Service Purchase Program or the Airport Peace Officer Service Purchase Program pursuant to Section 4.2214 or Section 4.2215 of the LAAC, whether purchased via trustee-to-trustee transfer, lump sum payment, or installment payment plan. A Qualifying Tier 6 Member shall not receive reimbursement for any LACERS member contributions that were used to purchase Tier 6 service or health benefits. A Qualifying Tier 6 Member who retires, dies, or terminates employment with the City, prior to receiving the refund, shall not be disqualified from receiving the refund.

(c) **No Interest on Refunded Monies.** The Plan shall not pay Qualifying Tier 6 Members any interest on the monies refunded to them. Any accrued regular interest credited to a Qualifying Tier 6 Member's account with the Plan may not be refunded pursuant to this section and only may be refunded to the Qualifying Tier 6 Member pursuant to the terms and conditions of Charter Section 1714.

(d) **Payment Source and Method.** All payments issued pursuant to this subsection may be made prior to a Qualifying Tier 6 Member's separation in a manner consistent with the Internal Revenue Code, either as a rollover or a post-tax payment. The Plan may look to the original payment method to determine the most appropriate manner to provide the refund, and the Board shall have authority to determine how any payment should be made. Any personal tax consequences or early withdrawal penalties shall be borne exclusively by the Qualifying Tier 6 Member.

(e) **Cost Neutrality for Plan.** The Department of Airports and the City shall be required to issue up-front payments to the Plan in an amount that covers the full cost of refunds that will be issued to Qualifying Tier 6 Members. The amount of funds due and the timing of payment from the Department of Airports and the City shall be agreed upon by the Plan, the Department of Airports, and the City. The Plan shall not issue any refunds until after it has received payment in full. The City will cover all costs associated with the implementation of the refund process, following the review and approval of invoices, excluding LAFPP staff time, which shall be presented in a separate invoice and may be reimbursed at the City's discretion.

(f) **Termination of Installment Payment Plans.** Effective January 12, 2025, any incomplete installment payment plans to purchase service through the OPS Service Purchase Program or the Airport Peace Officer Service Purchase Program shall be terminated. The Plan shall credit Qualifying Tier 6 Members with service for the entire period that was covered by the installment payment plan, as if the service purchase agreement was paid in full.

(g) **Board's Administration of Refunds.** The Board shall administer the payment of refunds and adopt all the rules necessary to implement this section. The Board shall determine any factual questions arising in connection with refunds, and shall take appropriate action. The Board's determination shall be final.



Sec. 62. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

HYDEE FELDSTEIN SOTO, City Attorney

By   
 GINA DI DOMENICO  
 Deputy City Attorney

Date 09/08/2025

File No. \_\_\_\_\_

M:\Muni Counsel\CAO ORDINANCES\Final Yellow Ordinance Measure FF.docx

The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

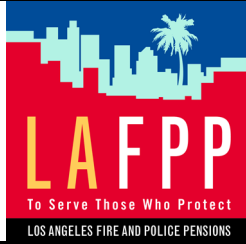
MAYOR

\_\_\_\_\_

\_\_\_\_\_

Ordinance Passed \_\_\_\_\_

Approved \_\_\_\_\_



## ***DEPARTMENT OF FIRE AND POLICE PENSIONS***

360 East Second Street, Suite 400  
Los Angeles, CA 90012  
(213) 978-4545

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### **REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**

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**DATE:** SEPTEMBER 18, 2025

**ITEM:** D.2

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** APPROVAL OF CONTRACT AMENDMENT WITH LOS ANGELES POLICE RELIEF ASSOCIATION (LAPRA) TO ALLOW PARK RANGERS WHO TRANSFER TO LAFPP TIER 6 TO ENROLL IN LAPRA MEDICAL AND/OR DENTAL PLANS IN RETIREMENT AND POSSIBLE BOARD ACTION

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#### **RECOMMENDATION**

That the Board authorize the General Manager, on behalf of the Board, to execute an amendment to the contract between the Board and LAPRA, which will allow Park Rangers who transfer to Tier 6 to enroll in LAPRA medical and/or dental plans in retirement, subject to the approval of the City Attorney as to form.

#### **BACKGROUND**

On March 16, 2023, the Board approved a five-year contract with LAPRA for the administration of retiree health and dental plans to be made available to LAFPP retired members and their eligible beneficiaries. The contract was effective on July 1, 2023, and will expire on June 30, 2028.

#### **DISCUSSION**

Measure FF, which was approved by voters on the November 5, 2024 ballot, amended the City Charter to allow for the voluntary transfer of all sworn peace officers who were employed on and as of January 12, 2025, by the Harbor, Airports, Police, and Recreation and Parks Departments,<sup>1</sup> from the Los Angeles City Employees' Retirement System (LACERS) to LAFPP Tier 6.

Under the terms of the current contract with LAPRA, Harbor, Airports, and Police retirees are eligible to enroll in LAPRA retiree health and dental plans. Pursuant to the Board's direction at the December 19, 2024 meeting, staff submitted a request to LAPRA asking that they allow Park Rangers to enroll in their retiree health and dental plans. LAPRA has since agreed to accept Park Rangers into their retiree medical and dental plans. This arrangement requires an amendment to the contract to include Park Rangers.

#### **BUDGET**

There is no budget impact associated with this report.

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<sup>1</sup> Measure FF allows for the inclusion of Park Rangers who are sworn peace officers that were actively employed on and as of January 12, 2025. Any Park Rangers who were hired after this date will be LACERS members and are not eligible to transfer to LAFPP Tier 6.

## **POLICY**

There are no policy changes associated with this report.

## **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Jennifer Chan, Manager  
Medical and Dental Benefits Section

JS:GM:AT:JC



## ***DEPARTMENT OF FIRE AND POLICE PENSIONS***

701 East Third Street, Suite 200  
Los Angeles, CA 90013  
(213) 279-3000

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### **REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**

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**DATE: SEPTEMBER 18, 2025**

**ITEM: D.3**

**FROM: JOSEPH SALAZAR, GENERAL MANAGER**

**SUBJECT: APPROVAL OF A THREE-YEAR CONTRACT EXTENSION WITH NORTHERN TRUST COMPANY FOR INTEGRATED DISBURSEMENT SERVICES AND POSSIBLE BOARD ACTION**

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#### **RECOMMENDATION**

That the Board:

1. Determine that conducting a competitive bidding process for disbursement and third-party check printing services at this time is undesirable and impractical;
2. Authorize the General Manager to amend the Integrated Disbursement Services contract with Northern Trust Company to extend the term for an additional three (3) years, beginning October 5, 2025 and ending October 4, 2028;
3. Authorize the General Manager, on behalf of the Board, to execute the contract amendment subject to the approval of the City Attorney as to form; and,
4. Authorize staff to issue a Request for Proposals (RFP) for disbursement and third-party check printing services in Fiscal Year 2027-28, with the target of executing a new three-year contract beginning October 5, 2028.

#### **BACKGROUND**

On April 17, 2017, the Board approved a sole source contract with Northern Trust Company to provide disbursement and third-party print services for the monthly issuance of all benefit payments to LAFPP pensioners. The Integrated Disbursement Services contract was executed on October 5, 2017. During the three-year contract term, staff customized files and layouts needed for printing checks and direct deposit advices, as well as handling Automated Clearing House (ACH) payments, in time for the January 2019 go-live of the new Pension and Retirement Information (PARIS) system.

After PARIS went live, staff mapped/setup the files needed 1) for processing the annual 1099-R tax forms, 2) to print and mail the tax forms no later than January 31, 2020, and 3) to send the files to the Internal Revenue Service and Franchise Tax Board by March 31, 2020. Taking over these new tasks proved to be challenging as they had historically been outsourced to other entities, but staff was able to meet both deadlines.



On August 20, 2020, the Board authorized the General Manager to execute a three-year contract extension with Northern Trust through October 4, 2023, and instructed staff to return to the Board to request authority to issue an RFP for Integrated Disbursement Services. In June and July 2022, staff updated the Board with the idea of conducting the next Integrated Disbursement Services RFP in parallel with the Custodial Bank and Master Trust Services RFP. Consolidating procurement of these services may increase efficiency, reduce operational costs, and enhance security. This approach also appeared advantageous since staff was in the middle of the City's new Human Resources and Payroll (HRP) system implementation to replace the existing legacy system (PaySR) with the new Workday system and staff had to reprioritize work. However, the approach was ultimately set aside as a joint RFP may limit responses from only vendors who provide both types of services.

Subsequently, on March 16, 2023, staff updated the Board of the ongoing work with the HRP technical team to create, validate, and test the necessary Active Payroll files, and that initiating an RFP process at the time would be disruptive as new vendors may require new file specifications for our print files. Thus, the Integrated Disbursement Services RFP would be postponed until after Phase 2 of the HRP Project was completed in December 2023.

## **DISCUSSION**

On July 20, 2023, the Board authorized the General Manager to amend the Integrated Disbursement Services contract with Northern Trust to extend the term for an additional two years and to report back to the Board in August 2024 to initiate an RFP for a new print services contract. However, due to three major activities outlined below, publishing the Integrated Disbursement Services RFP has been further postponed.

a) Workday Go-Live

The City's HRP team moved its Workday Go-Live date from December 2023 to June 2024 to address and resolve critical issues. Staff was heavily involved during the parallel testing phase to report/retest numerous data discrepancies found. The reconciliation and data correction work also continued post Workday Go-Live as discrepancies found were being investigated and fixed by the HRP technical team through October 2024.

b) Northern Trust (NT) five-year contract extension in July 2024 for Custodial Bank Services

With the NT Custodial Services contract expiring in October 2024, staff anticipated the possibility of replacing NT as our disbursement and print services vendor as well. However, the Custodial Services contract with NT was extended for an additional five years, and staff believes keeping NT for print services provides unique advantages such as ease of fund transfer to the Benefit Payment Account each pension roll, staff familiarity with various NT reports, and the flexibility to use their Treasury Passport application for ACH and Wire Transfers.

c) New Information Returns Intake System (IRIS) by Internal Revenue Services (IRS)

The IRS is shutting down their current system for filing electronic forms in December 2026 and replacing it with the new IRIS system. This is a major administrative change and staff is already in the process of setting up the Transmission Control Code (TCC) with the IRS to gain access to IRIS. Staff will be heavily involved customizing PARIS to create the new and more complex file layout for our 1099-R, including the setup for Combined Federal/State Filing (CF/SF) Program. These layouts must be designed, tested, and readily working by the IRS' March 2027 filing deadline.

To date, staff has been satisfied with the disbursement and print services provided by Northern Trust, as they have proven to be responsive to our requests and inquiries. Their Treasury Passport application has been reliable and provides staff the ability to manually correct ACH/Wire transactions as needed instead of having to send a separate corrected file for processing, which expedites the monthly pension roll processing. It is also reasonably priced in comparison to other third-party print services vendors. The contract renewal will allow LAFPP to extend the use of Northern Trust disbursement and print services for the next three years.

The Board can amend the contract with Northern Trust to extend the term and make any necessary modifications without a competitive bid process, pursuant to the plenary authority granted by the City Charter and Article XVI, Section 17 of the California Constitution (i.e., to ensure the prompt delivery of pension benefits) and other contracting authority provided in the Charter and Los Angeles Administrative Code. Charter Section 371(e)(10) and Administrative Code Section 10.15(a)(10) authorize the Board, as the “contracting authority,” to award a contract without engaging in a competitive bid process when competitive bidding would be undesirable or impractical. As explained above, staff believes that conducting a competitive bid process for the desired services would be disruptive at this time and not in the best interest of Plan members and beneficiaries. Accordingly, staff recommends that the Board make a finding that at this time it would be undesirable and impractical to engage in a competitive bid process for the disbursement and printing services currently provided by Northern Trust.

## **BUDGET**

Funding for this purpose has been included in the FY 2025-26 budget.

## **POLICY**

There is no required policy change.

## **CONTRACTOR DISCLOSURE INFORMATION**

The Northern Trust Company complied with LAFPP’s Contractor Disclosure Policy regarding campaign contributions, charitable contributions, intermediaries, gifts, and contacts on July 2, 2025. Internal Audit Section reviewed the provided information and determined there was nothing new to report under this policy.

This report was prepared by:

Alfredo Domagat Jr., Sr. Systems Analyst II  
Systems Section

JS:MTS:DN:AD



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# View of the World

Townsend Global Macroeconomic and Real Estate Market Outlook

Presented September 2025

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## 02 Global Outlook

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# Major Economies Face Near-Term Growth Uncertainty

Experts disagree on growth outlook and revise their views frequently in response to fluid U.S. policies

## United States

- The U.S. administration’s shifting tariff policies have created uncertainty, leading businesses to adopt a wait-and-see approach before making major investments
- Further, policy shifts on taxes, regulation, DOGE, and immigration in the U.S. and other newly elected administrations in Canada, the UK, Germany, and Australia are adding to caution on the part of businesses
- Unemployment is anticipated to rise from 4.0% to 4.7% affecting consumer spending. Recent layoffs or hiring cautions have been announced at Microsoft, Meta, Dell, PwC, Panasonic, Burberry, etc.

## EU & UK

- Increasing economic and geopolitical uncertainty – largely precipitated by U.S. policies – have increased headwinds. However, rising household incomes, higher infrastructure and defense spending, and easing financing conditions are anticipated to support growth
- U.S. trade policy may be disinflationary for region if goods originally destined for the U.S. are ‘dumped’ elsewhere
- The UK’s moderate recovery is anticipated to continue due to resilient consumer spending, services sector strength and a potential recovery in trade ties with the EU

## Asia

- On a relative basis, the Australian growth outlook continues to be better than other Western economies due to immigration led population growth, and a healthy labor market supporting consumer spending
- Japanese growth outlook remains low as its exports face pressure from U.S. tariffs and slowing demand from China
- The Chinese economy growth rate is gradually declining weighed down by U.S. tariff pressures and a still struggling property market; however, a positive trade agreement with the U.S. could improve the overall economic outlook

Source: Bloomberg (May 2025), Wall Street Journal (April 2025).

Townsend’s views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

## Global Economic Growth Forecasts Suppressed by Tariffs

Real GDP Forecasts (YoY%)

Major Regions	2024	2025	2026	2027
North America	2.6	1.3	1.4	2.0
European Union	1.0	1.1	1.5	1.7
Asia Pacific	4.5	3.8	3.7	3.8
Selected Markets	2024	2025	2026	2027
United States	2.8	1.4	1.5	2.0
United Kingdom	1.1	0.9	1.2	1.5
Germany	-0.2	0.0	1.1	1.6
China	5.0	4.2	4.0	4.0
Japan	0.1	1.0	0.8	0.8
Australia	1.1	1.9	2.3	2.5

## Considerable Dispersion in U.S. Growth Forecasts

U.S. Real GDP Forecasts Among Major Economic Organizations

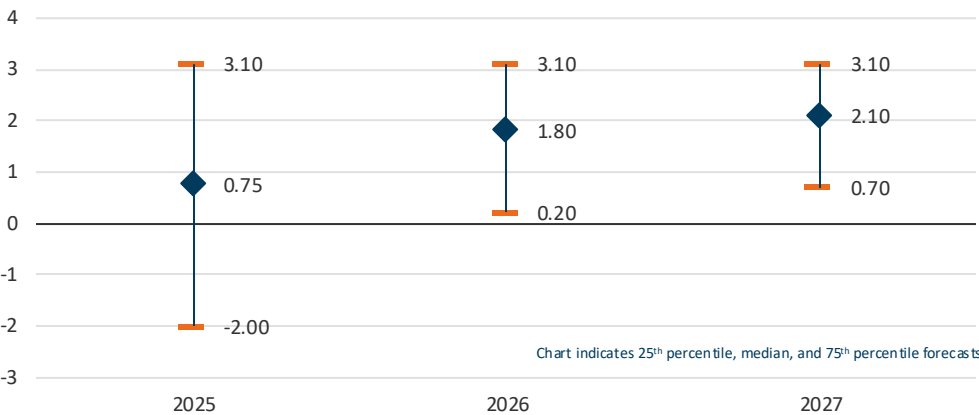


Chart indicates 25<sup>th</sup> percentile, median, and 75<sup>th</sup> percentile forecasts

# For Now, Interest Rates and Inflation Anticipated to Hold at Current Levels

Central bankers, particularly in the U.S. and Asia, have ability to lower rates to address growth issues

## United States

- Inflation is anticipated to inch slightly higher due to the tariff impact and anticipated to linger due to various onshoring initiatives; however, these projections have turned out to be unreliable in the past
- As such, while the dot plot points towards two rate cuts, the Chair emphasized the Fed is in a “good place to wait and see”
- The forecasted higher rates in the near-term will continue to weigh on asset valuations, but many sectors in real estate are poised well to capture inflation. Additionally, recent inflationary-linked cost increases have increased replacement values, potentially benefitting existing assets

## EU & UK

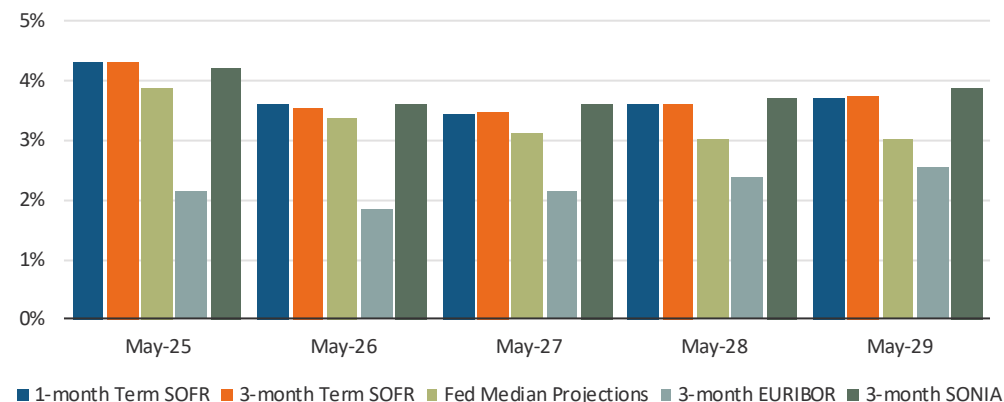
- The ECB has been reducing rates and is likely to continue the gradual lowering path as inflation trends down. Interest rates are lower than in the U.S. and UK, leading to a positive spread between yields and rates, supporting asset values
- The BoE also lowered rates in May but is now cautious as the services sector inflation rate continues to be elevated

## Asia

- In Australia, the RBA continues to be cautious in lowering rates, but inflation has been coming under control. The forecast is for rates to come down by 50 bps, which will be supportive of property values
- In Japan where the interest rates are already low, the outlook is for BoJ to increase rates; inflation is higher than its historical levels, shifting consumer investment behavior to seek more risky stocks
- In China, PBoC may reduce rates to support growth but might be limited in doing so to protect the value of its currency

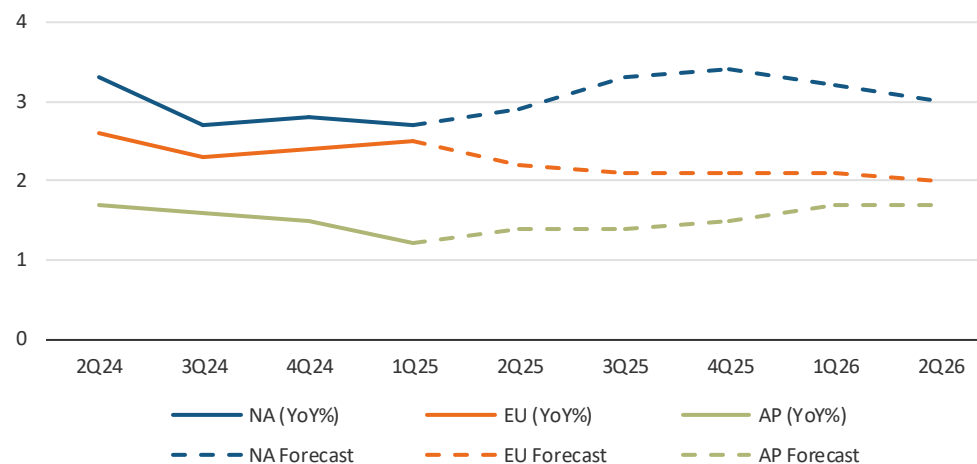
## Interest rates forecast to hold steady

### Forward Curves



## Inflation trends vary by region

### CPI Quarterly

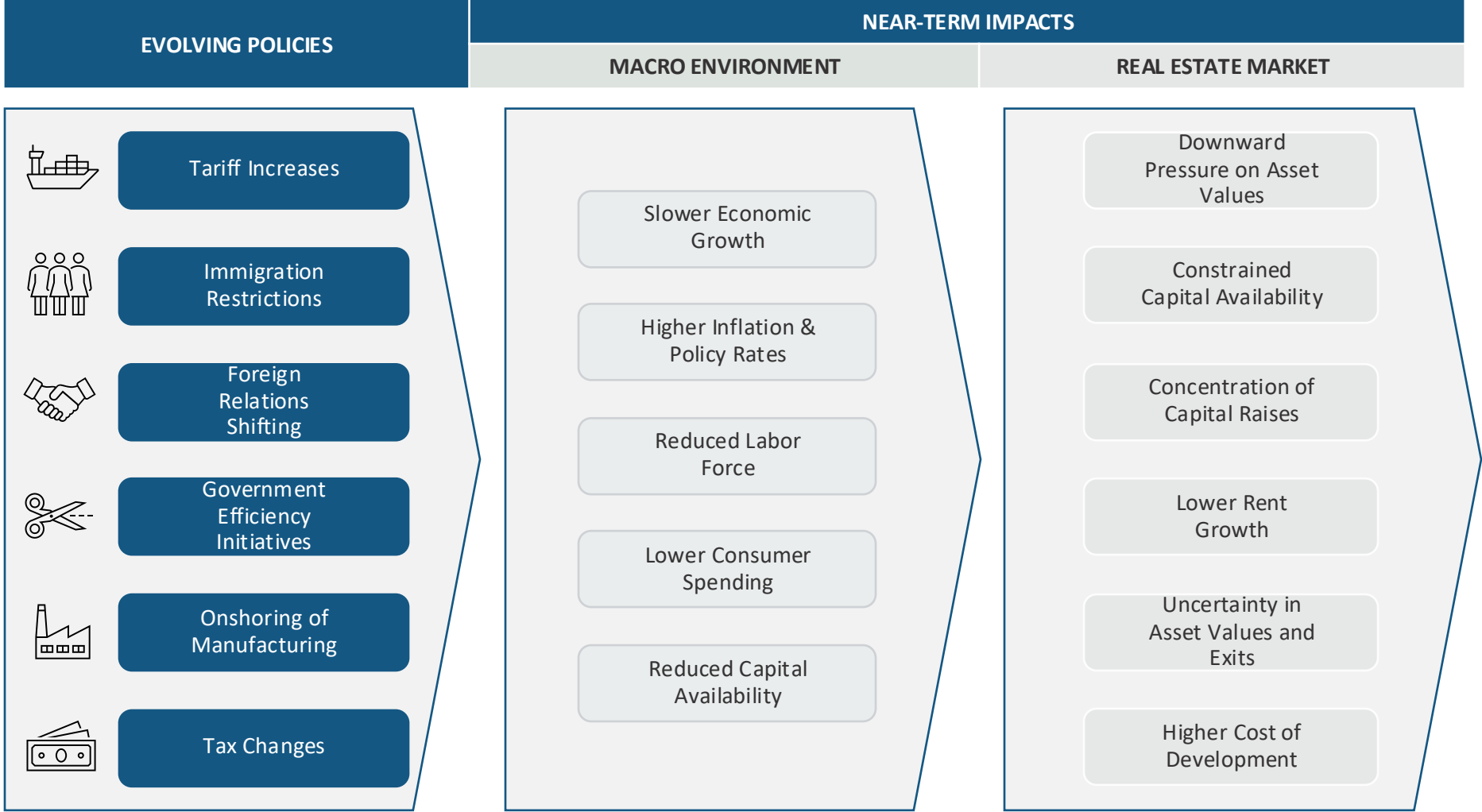


Source: Townsend Group, Barclays Private Bank (April 2025), Chatham Financial (May 2025), Bloomberg (May 2025).

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# While Shifting U.S. Fiscal Policy is Causing Uncertainty Over the Next Two Years

Fluid policies impacting macro environment and real estate market



Source: Townsend Group.  
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# ... Many Long-Term Secular Trends Remain Intact

Secular trends can guide long-term real estate investors



## Acute Housing Shortage

- Millennials, the largest age cohort comprising 22% of the population, are demanding bigger dwellings leading to acute single family housing shortage
- Excess apartment supply in sunbelt market getting absorbed and new supply shrinking. Annual completions are projected to decline from +2.3% (2024) to +1.4% (2025-2029E)



## Evolving Consumer Habits Requiring Logistics Infrastructure

- E-commerce remains a strong driver of industrial demand: as of 4Q24, e-commerce represented 16.4% of total retail sales. Speculative development starts fell 6% year-over-year in 2024, resulting in the total industrial development pipeline reaching its lowest level since 2017



## Continued Digitization and AI Adoption

- Explosive growth of AI and growing need for cloud computing are driving demand for Data Centers as digital economy expands globally. In 2024, hyperscale tenants invested over \$150 billion in capital expenditures into data centers and data infrastructure



## Demographic Trends

- The “Silver Tsunami” is anticipated to create need for over 500k new units over the next 10 years, and the percentage of 80 + years age population is projected to increase by +93% by 2040, driving demand for Senior Housing. Annualized same store NOI growth for Senior Housing is forecast to be +9.8% across 2026-2029



## Institutionalization of Alternative Sectors

- Outside of the main four property types, niche/alternative sectors have seen outsized capital inflows from institutional investors. Alternative property type exposure within the NCREIF Property Index (“NPI”) has increased from 1.7% in 1Q15 to 11.9% in 1Q25

Source: Townsend Group, U.S. Census Bureau (4Q24), Prologis (1Q25), Green Street (March 2025), Harrison Street (January 2025), NCREIF (1Q25).

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# Due to Uncertainty, Supply is Shrinking and Pent-up Demand is Building

Long-term real estate operating fundamentals are strengthening



## Tapering Supply Driving Fundamentals For Existing Asset Owners

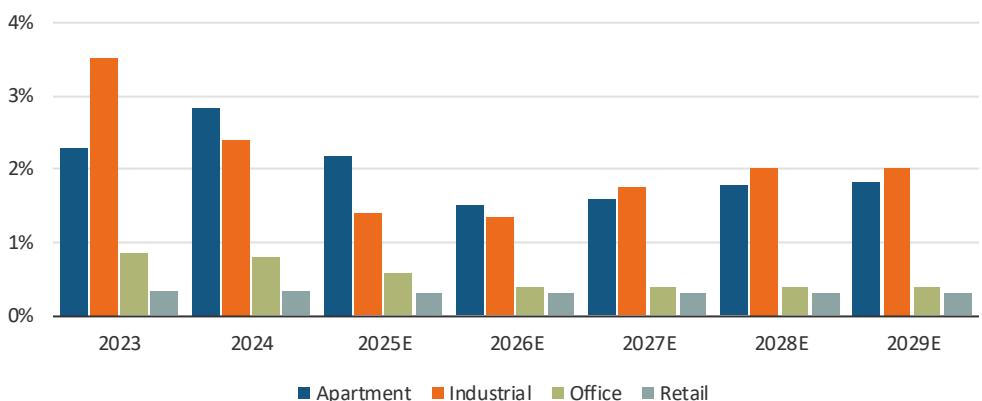
- In the Apartment and Industrial sectors, elevated supply is forecasted to moderate as development costs have risen, construction labor shortages are anticipated, and capital has become more scarce
- Apartment supply remains elevated in the Sunbelt markets, including Austin, Phoenix, and Denver, but is anticipated to be absorbed due to rising demand over the medium-term
- Industrial supply is concentrated in Southwest markets, including Las Vegas, Riverside/Inland Empire, Phoenix, and Dallas/Fort Worth, but other markets witnessing a healthier demand/supply balance
- Supply levels for Office and Retail continue to remain low

## Short-Term Demand Erosion Offset By Medium-Term Pent-Up Demand

- Oversupply and tariff implications have hindered short-term fundamentals in Apartments, but medium-term outlook remains healthy
- The Industrial sector has seen declining rent growth concentrated in the Inland Empire/Western markets. Existing portfolios still hold in-place rents below market, and growth is anticipated to pick-up in 2026 and beyond as supply declines
- Retail demand remains healthy. Class A regional malls are generating sales per square foot at pre-pandemic levels. Neighborhood and Community Centers have been among the best performing subsectors, driven by consumer preference for retail adjacent to suburban locations
- Office fundamentals are beginning to improve in select submarkets including markets in the Southeast (Charlotte, Palm Beach, and Miami) and Northeast (New York, Boston)

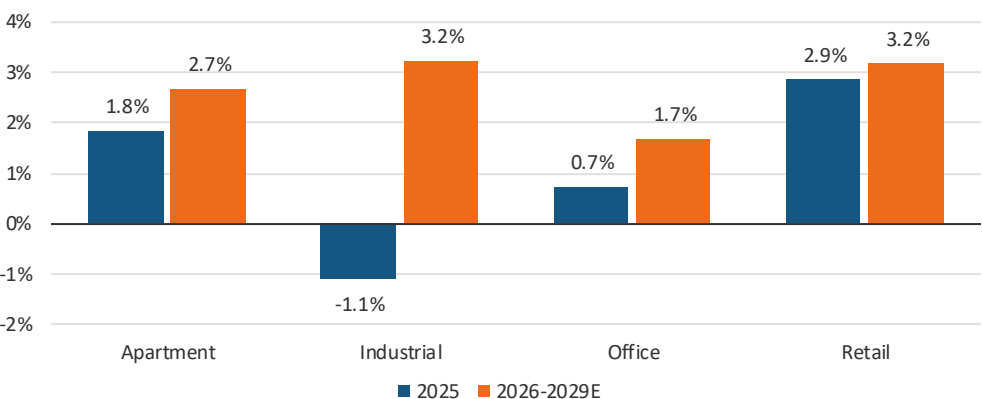
## Supply growth to taper off across main property types

Supply Growth



## Growth slowing in near-term, but steady over medium-term

M-RevPAF Growth



Source: Green Street (April 2025). Market Revenue per Available Foot (M-RevPAF) is a Green Street metric combining changes in rents with changes in occupancies.

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# Investment Markets Are Stressed Offering Compelling Entry Valuations

Transaction volume plummets and market repricing

## Global Commercial Real Estate Transaction Volume Signals Stress

- Commercial real estate transaction volume has declined since 2022 as interest rates started to rise in the post-pandemic world
- Many transactions were initiated over the record investment period from 2013 to 2020. Investors in those assets are now seeking exits at a time when other investors are wary of putting additional capital to work. This is leading to significantly better entry valuations for those with a medium-term mindset
- Additionally, many investors are still looking to reduce real estate exposure, and the exit queues of open-end funds continue to be elevated
- LPs seeking to rebalance portfolios are eager for exit opportunities
- GPs are under pressure to offer an exit and are motivated to offer better terms to a new set of investors

## Lag Between Appraisal Values And Anticipated Transaction Values

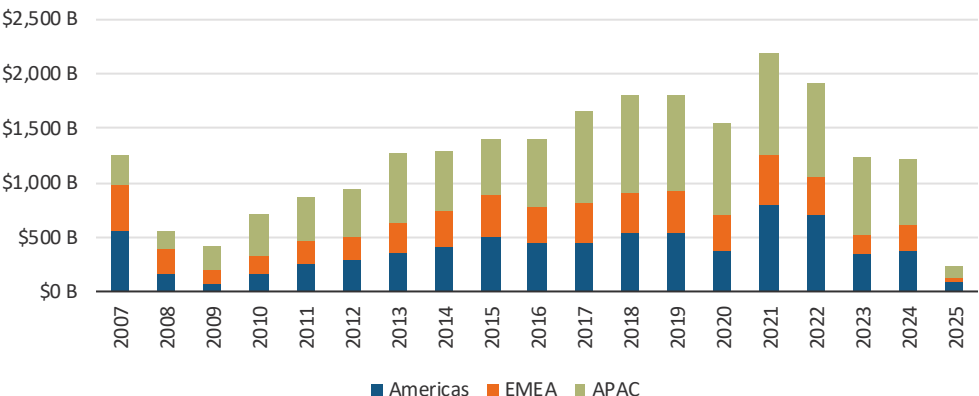
- Rising interest rates since 2022 have driven material cap rate expansion. NCREIF cap rates increased from 3.70% in 3Q22 to 4.65% in 1Q25
- U.S. Transaction Cap Rates suggest assets are still trading at a premium to current valuations. The weighted average transaction cap rate was 5.66% in 1Q25. Transaction cap rates are useful guidepost, but not necessarily a precise representation of broader asset values
- Public REIT valuations remain discounted to private real estate valuations in U.S. and Europe
- Closed-end funds with legacy portfolios might also be subject to a disconnect in appraised valuations versus market valuations
- Detachment of appraisal market from transaction market is driving demand for secondaries and GP staking

Source: MSCI Real Assets (May 2025), NCREIF (First Quarter 2025), Green Street (May 2025).

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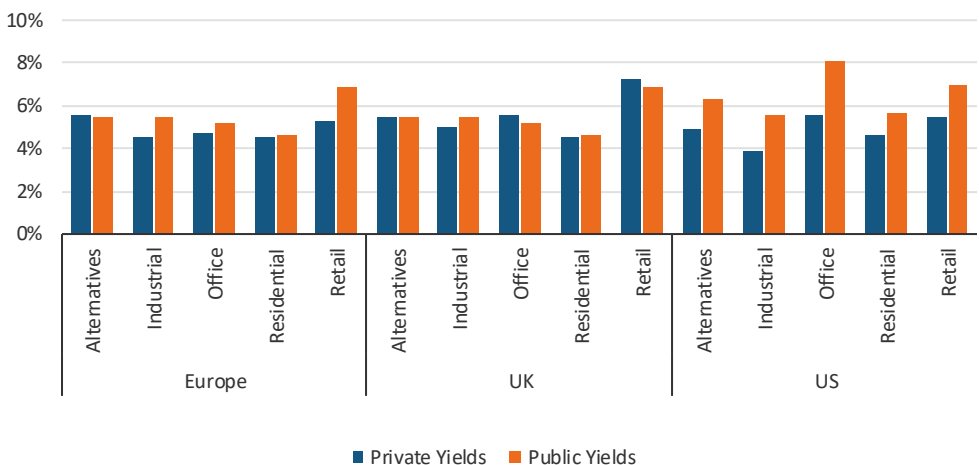
## Transaction volume held steady in 2024 but remains low

Global Commercial Real Estate Transaction Volume



## U.S. Exhibits largest disconnect between private and public values

CRE Yields Spring 2025



# Investment Opportunities: Townsend's Real Estate Investment Themes

Aligning favorable structures with global macroeconomic and property trends



## Property Type Themes

### Alternative Sectors

1

Underlying drivers of traditional thematic strategies like IOS, cold storage, movie studios, etc. are gaining institutional acceptance, leading to early mover advantage



### Residential

3

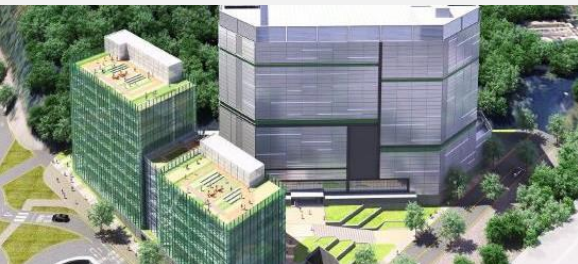
Housing is undersupplied across developed economies and BTR strategies are compelling. Multifamily lenders/operators are challenged, leading to an attractive entry point



### Digital Infrastructure

2

Data Centers are benefiting from the surging demand of the digital economy, growth of content streaming, and acceleration of AI model input parameter scaling



### Global Supply Chain

4

Expansion and modernization of logistics and warehouse properties are integral to the global supply chain and are critical for e-commerce growth



## Capital Market Themes

### LP/GP Secondaries

1

Limited transaction activity and evolving investor allocations are creating favorable opportunities for liquidity providers to LPs and GPs alike



### GP Capital Solutions

2

Stress in the real estate debt and equity markets are creating funding gaps, shifting negotiating power toward those with strategic and/or growth capital



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# Regional Investment Preferences

Tilting portfolio construction towards regions and property types with compelling fundamentals

	NORTH AMERICA		EUROPE		ASIA PACIFIC			
	United States		Continental Europe	United Kingdom / Ireland		Australia	Japan	China
Primary Strategies								
Apartment	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Industrial	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Office	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Retail	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Alternative Strategies								
Data Centers	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Manufactured Housing	<div></div>		N/A	N/A		<div></div>	N/A	N/A
Build-to-Rent	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Life Science	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Medical Office	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Senior Housing	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Self-Storage	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>
Debt/Credit	<div></div>		<div></div>	<div></div>		<div></div>	<div></div>	<div></div>

 Positive  
 Neutral  
 Cautious

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03

## United States Outlook

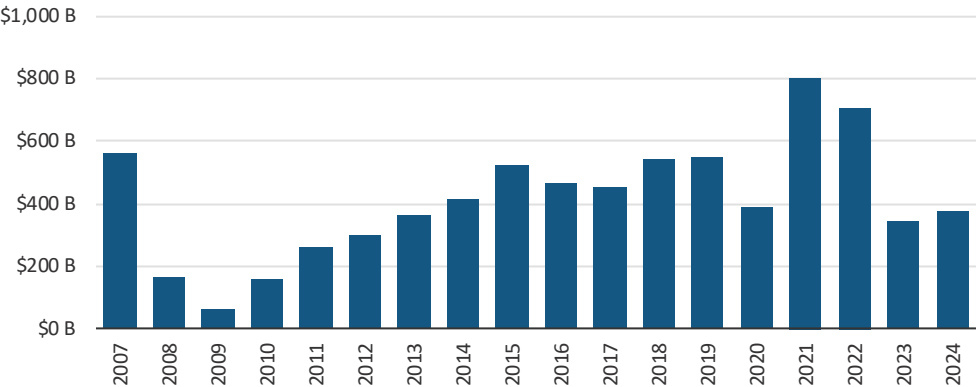
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# Real Estate Market Conditions

Capital markets remain soft, but most property sectors poised for growth

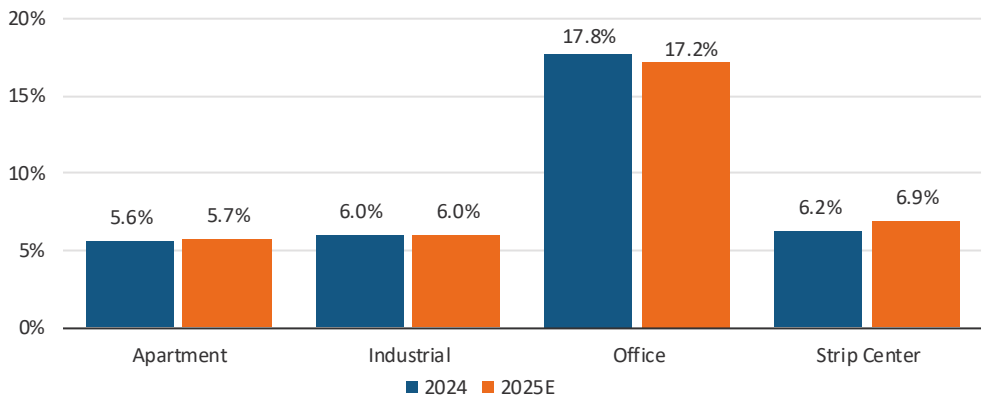
## Transaction volumes have declined over 50% from peak

U.S. Commercial Real Estate Transaction Volume



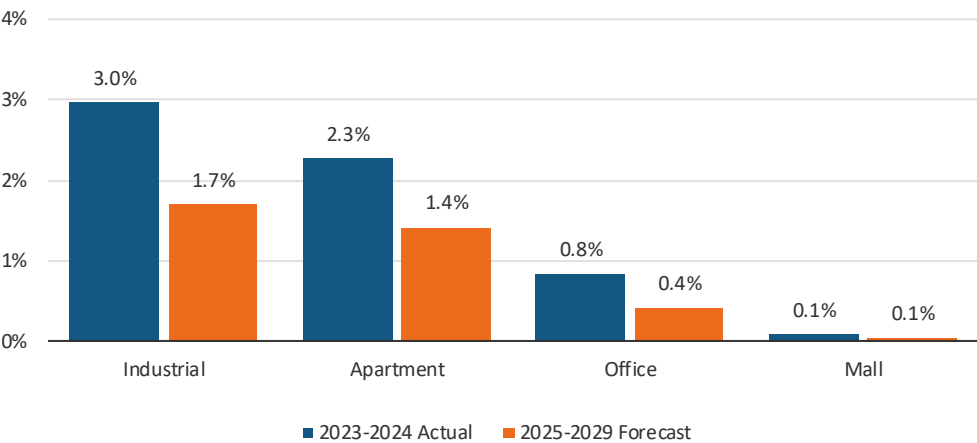
## Vacancy rates remain low (except office)

U.S. Vacancy Rates by Sector



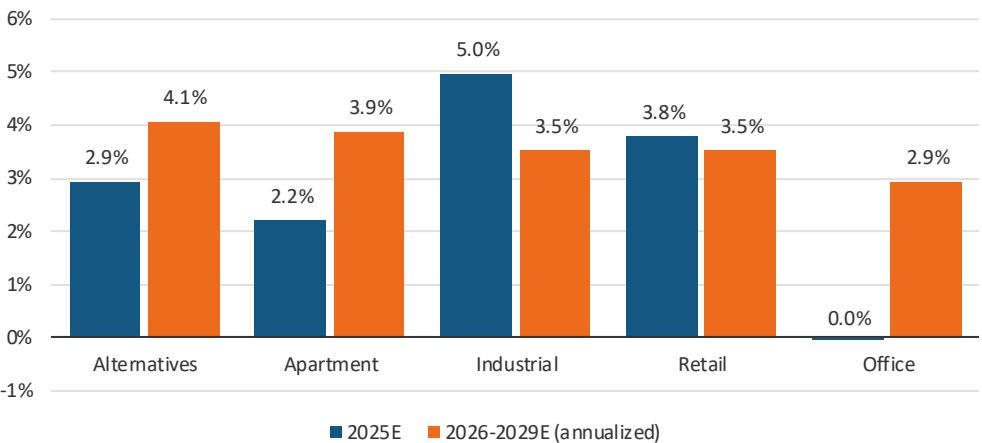
## Supply growth is contracting meaningfully across sectors

Annual Completions as % of Existing Stock



## Growth forecasts remain above long-term inflation

NOI Growth



Source: Townsend Group, NCREIF, MSCI Real Assets (May 2025), Green Street (March 2025). Alternatives NOI Growth is the average of Cold Storage, Health Care, Single Family Rental, Data Center, Manufactured Housing, and Self Storage. Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

# U.S. Real Estate Sector Opportunity Set

## Most Compelling Sectors Today

### Data Centers

Digital data creation, usage, and storage has been growing exponentially. On-going in-place technology-led digital transformational trends are everywhere, increasing data demand and consumption, requiring more physical data center space and power within data centers



### Single Family Rental/Build-to-Rent

Rising interest rates creating barrier for first-time homebuyers, resulting in growing population of long-term single-family renters. Higher entry yields and greater income characteristics offer compelling opportunity for institutional capital targeting single family housing



## Sectors Offering More Selective Opportunities

### Industrial

E-commerce demand driving strong rent growth. Many existing leases exhibit rents well below market, representing strong mark-to-market growth opportunity. Higher entry yields and greater income characteristics offer compelling opportunity for institutional capital targeting industrial



### Apartments

High mortgage rates driving short-term housing preference for millennials. Supply growth forecasted to contract meaningfully through year-end 2024. Higher entry yields and greater income characteristics offer compelling opportunity for institutional capital targeting residential



## Sectors Requiring Caution

### Life Sciences

Reduced private market funding and rapid supply growth have resulted in weakened demand across the life sciences sector. Vacancy has continued to climb, particularly outside of the prime life sciences submarkets of Boston, San Diego, and San Francisco



### Office

Continued distress post-pandemic as employers and tenants adjust to work-from-home demands. Near-term debt maturities and lack of available financing pose significant risk. Tenant requirements subject to high capital costs and rental concessions



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# Apartments - Pockets of Oversupply but Medium-Term Outlook Intact



Tapering supply and secular demand growth to drive recovery

## Supply Forecasts Moderating Despite Record Deliveries in 2024

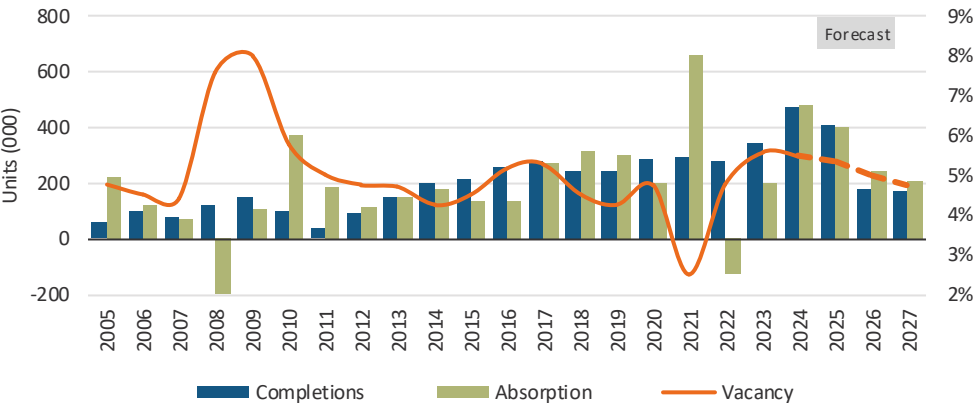
- New completions reached record levels in 2024, with significant supply growth concentrated primarily in the Sunbelt markets
  - Markets such as Austin, Raleigh, Charlotte, Nashville, and Denver experienced between +6-8% supply growth in 2024
  - Other markets in the Northeast, Midwest, and Northwest saw much less supply delivery. Average supply growth across the U.S. was +2.8%
- Despite record completions, new construction starts declined significantly in 2024, driven by rising interest rates, supply costs, and labor costs. Multifamily construction starts have declined over 60% since mid-2022, implying lower levels of supply over the next 2-3 years

## Rising Demand Driving Emerging Recovery in Apartment Sector

- Apartment absorption in 2024 reached its second highest level of demand since 2000
- Rental demand increased broadly across the U.S., driven by rising household creation, wage growth, and dislocation of housing market
- Home affordability remains out of reach for many residents
  - The 30-year fixed rate mortgage increased to 6.8% as of May 2025 following Moody’s U.S. debt downgrade
- Apartment vacancy is forecasted to decline below 5% by 2027

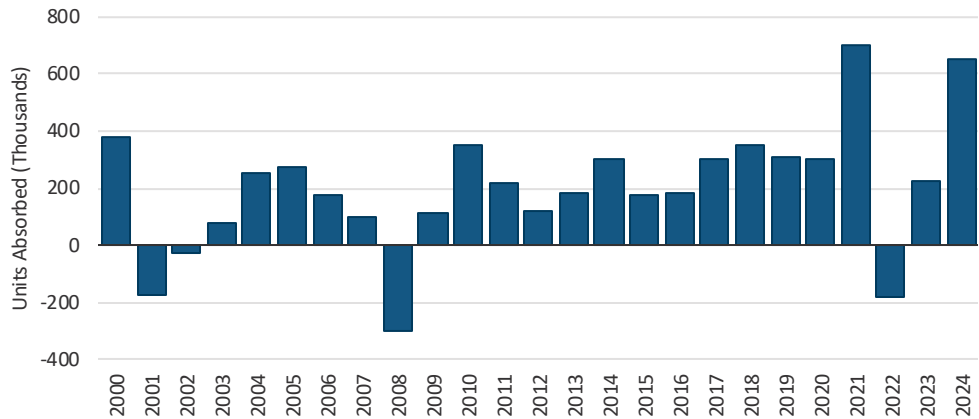
## Apartment Completions slowing while absorption remains robust

Annual Supply, Demand, and Vacancy



## Demand continues to rebound from cyclical lows

U.S. Apartment Demand



Source: DWS (December 2024), CoStar (April 2025), LaSalle Investment Management (January 2025), Green Street (April 2025).

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# Industrial Fundamentals Strong Overall but Regional Differences Exist

Coastal valuations are elevated with supply in the pipeline, but inland markets are better positioned



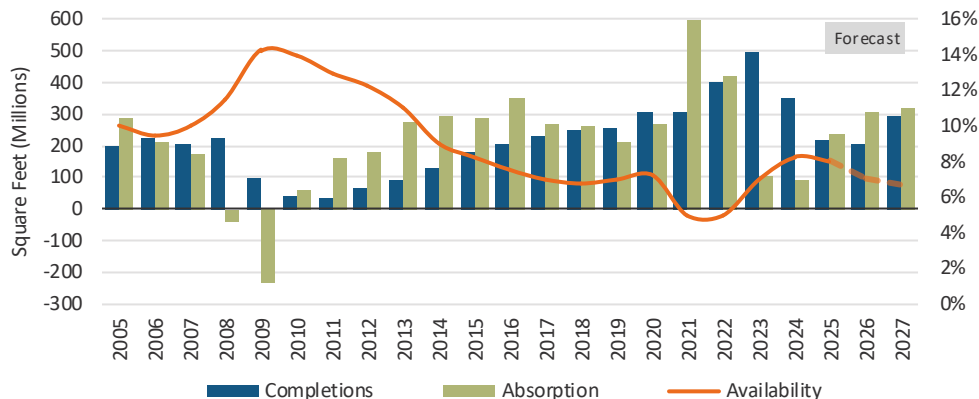
## Vacancy ticked up in 2024 but remains historically low

- Vacancy rates reached record lows post pandemic as portfolio managers targeted aggressive lease-up of vacant space
- Over the past 12-24 months, GPs sought rent mark-to-market opportunities with vacancy, and retailers and third-party logistics (3PL) firms began to scale back leasing needs
- Negative demand growth (-1% to -2%) was mostly concentrated in coastal markets in the Pacific and Northeast regions, which serve as primary import markets for international goods
- Construction starts are down meaningfully since peak in 2022/2023 and supply is anticipated to further moderate due to rising construction costs and labor costs. This is anticipated to be a tailwind to existing supply and demand growth

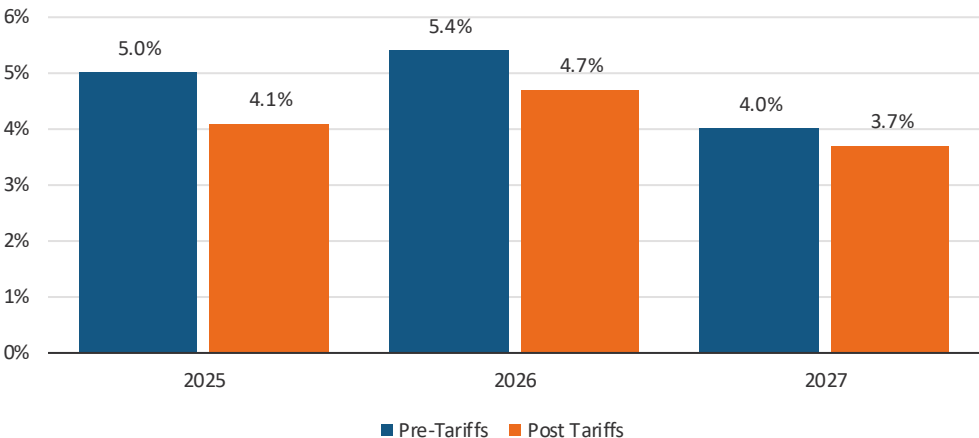
## NOI growth remains strong but may face risk from proposed tariffs

- E-commerce remains a strong driver of industrial demand and continues to outpace retail sales
  - E-commerce as a percentage of total retail sales was 16.4% as of 4Q24 (Census Bureau)
- Proposed tariffs in 2025 pose a potential threat that could impact near-term demand in port-centric markets, although other markets may benefit from onshoring

Industrial Vacancy Elevated Following Record Supply Growth  
Annual Supply, Demand, and Availability



Growth Forecasts Have Moderated Due to Tariff Impacts  
Industrial NOI Growth



Source: LaSalle Investment Management (January 2025), U.S. Census Bureau (4Q24), Green Street (April 2025). Townsend’s views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.



# Office Fundamentals Stabilizing but Only for High Quality Assets

Return to office (RTO) mandates driving occupancy and demand for high quality office space



## RTO Flexibility Persists While Overall Vacancy Remain Elevated

- Despite RTO mandates from tech and financial companies, hybrid work schedules continue to be the market choice for employers
  - More than two-thirds of companies surveyed in 2024 offer work flexibility, while only 32% have full-time in-office policies (Flex Index, 4Q24)
  - Office visits in March 2025 were 32% below pre-pandemic (March 2019) levels (Placer.ai, March 2025)
  - Employers that have imposed RTO mandates report annual turnover rates approximately 13% higher than those that have become more supportive of remote work (ZipRecruiter, 2024 Annual Survey)
- Vacancy remains elevated (>20%) in lower-quality office assets, well below pre-pandemic levels, as employers/employees show preference for higher quality

## Class A Office And Southeast Anticipated To Outperform

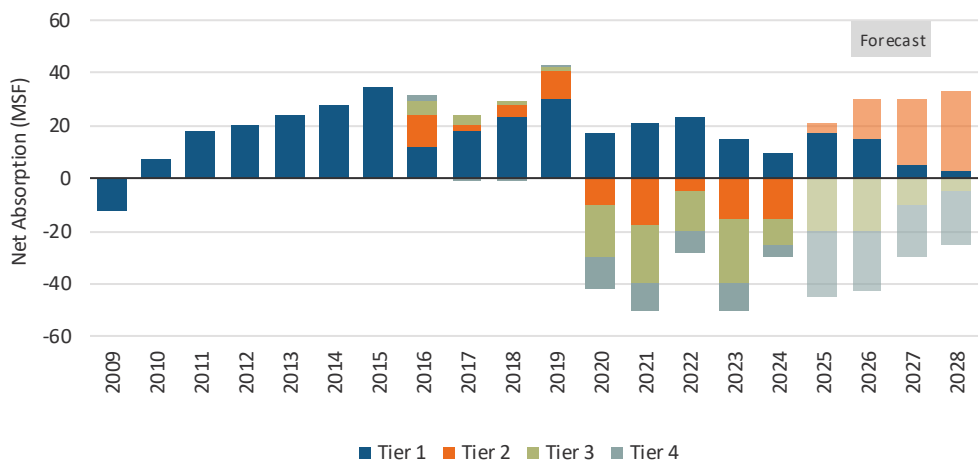
- Office absorption concentrated in high quality assets
  - Per JLL, vacancy in Tier 1 office assets declined to 13.7% in 2024, on par with pre-pandemic levels
  - New supply growth in the U.S. was only +0.8% in 2024
  - Markets that exhibited higher supply in 2024 include Palm Beach (+2.3%) and Miami (+1.5%), as employers show preference for Florida due to lower taxes, warmer climate, and the region’s growing financial and tech hub presence. Other markets that saw supply increases include Seattle, Nashville, and Denver
- Positive NOI Growth was concentrated in Southeast markets
  - While NOI growth for CBD Office is forecasted to be -1.2% through 2027, markets in Florida (Palm Beach, Miami, and Fort Lauderdale) are amongst the highest forecasts, ranging between +3-4% annually

## Office Growth Remains Low, While CapEx is Significant

Metric Comparison	Office	REIT Avg
M-RevPAF Growth (2026-2029E)	1.7%	3.9%
NOI Growth (2026-2029E)	2.9%	3.7%
CapEx % NOI (2025)	28.9%	15.2%
Vacancy (2025E)	17.2%	6.2%

## Meaningful Bifurcation in Demand Driven by Asset Quality

### Net Absorption by Property Tier



Source: Trepp (April 2025), Green Street (April 2025), Kastle (April 2025), LaSalle Investment Management, Jones Lang LaSalle (January 2025).  
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# Retail Fundamentals Becoming Healthy for Necessity-Based Retail

Divergence in performance anticipated by region and sub-sectors

## Middle- & Upper-Income Households Driving Consumption

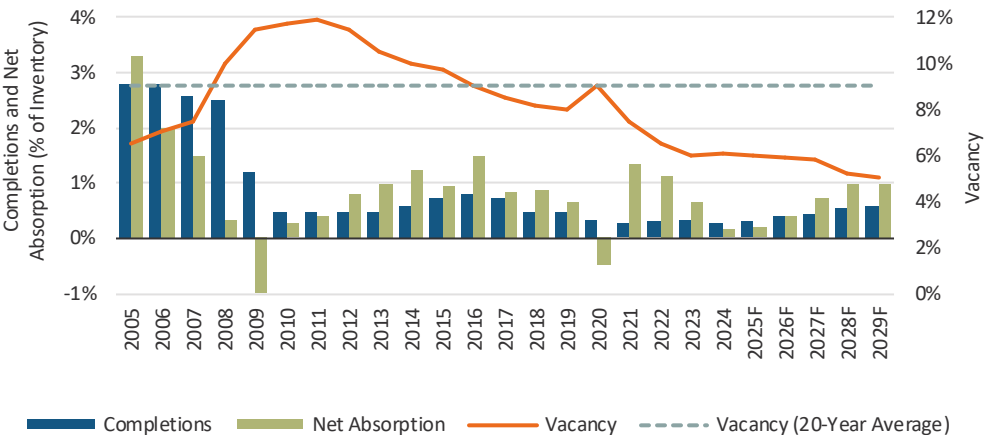
- Despite growth of e-commerce, demand for physical retail remains as a necessity for U.S. consumers, especially amongst the growing suburban population
  - Physical retail stores complement e-commerce by allowing delivery and returns from stores. This trend is best demonstrated in strip retail storefronts that have benefited from suburban population growth and hybrid/remote work, where customers are closer to home and local storefronts
- U.S retail and food services sales were up +1.4% from the previous month and +4.6% over the trailing twelve-month period as of 1Q25
- Personal income increased +0.8% and disposable personal income increased +0.9% month-over-month in February 2025
- Credit and debit card spending per household increased +1.1% year-over-year in March 2025. Higher-income households continued to show relatively stronger spending growth than lower-income households

## Absorption Outpacing Supply

- Annual net absorption outpaced net deliveries in 2024
  - Retail net absorption rose +69.3% quarter-over-quarter to 6.8 million sf as of fourth quarter 2024, driven by demand for neighborhood and strip centers (JLL)
  - New leasing activity remains constrained by lack of available space due to limited new supply deliveries
- Rent growth was up +1.9% year-over-year (JLL). Cities in the Sunbelt region experienced the highest rent growth, while major urban nodes experienced flat to negative rent growth

## Vacancy Well-Below Historical Average due to Limited Supply Growth

Retail Net Absorption and Completions as % of Stock and Availability Rate



## Retail rent growth stronger in sunbelt markets

1	Phoenix	6.7%	11	Detroit	2.3%
2	Las Vegas	4.8%	12	Miami	2.3%
3	Charlotte	4.4%	13	Chicago	1.2%
4	Orlando	4.3%	14	Houston	0.9%
5	Dallas	4.2%	15	Philadelphia	0.9%
6	Washington, D.C.	4.0%	16	Seattle	0.7%
7	Atlanta	3.8%	17	New York	-0.1%
8	Tampa	3.7%	18	Boston	-0.2%
9	Nashville	3.1%	19	Los Angeles	-1.2%
10	Denver	2.7%	20	San Francisco	-3.3%

Source: DWS (December 2024), Census Bureau (April 2025), Bureau of Economic Analysis (February 2025), Bank of America (April 2025), JLL (4Q24).

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# Data Center Fundamentals To Remain Strong Driven By AI Growth

Increased demand and significant capital investment from hyperscale tenants

## Demand Guidance Remains Strong

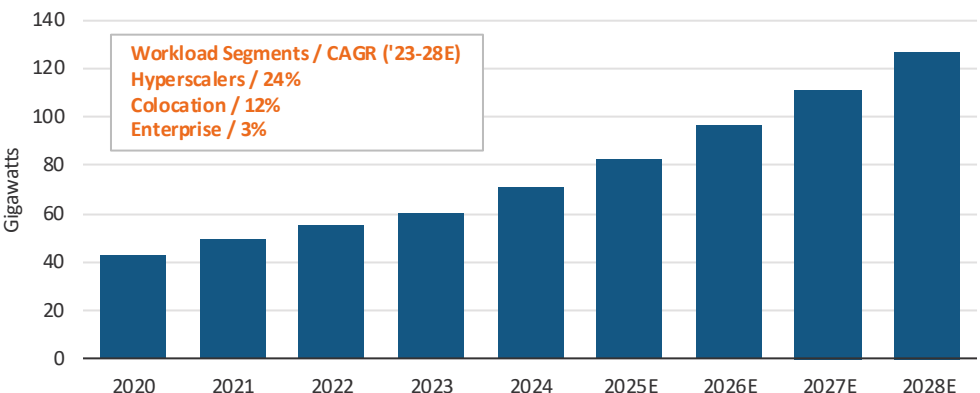
- The growth of Artificial Intelligence (AI) applications and continued need for cloud computing are driving demand for data centers
  - Vacancy rates in top US markets were below 2% as of 4Q24
- Power availability, measured in Megawatts (MW), remains concentrated in Northern Virginia
  - Power availability in Northern Virginia reached 2,500 MW in 2024
  - Power availability is growing in other markets, with supply growth projected to accelerate through 2029 in Dallas (+15.8%), Atlanta (+14.9%), Phoenix (+13.0%), Chicago (+12.3%), Portland (+12.3%), and Salt Lake City (+11.1%), per Green Street
- Limited supply driving strong demand and higher NOI Growth Forecasts
  - Green Street forecasts +5.2% SS NOI Growth annualized through 2026-2029

## Tenant Capital Spend and Recent Headlines

- Tenant capital expenditures are forecasted to increase through 2026
  - In 2024, hyperscale tenants (Amazon, Alphabet, Meta, Microsoft) invested over \$150 billion in capital expenditures into data centers and data infrastructure
- Recent headlines suggest further spend from hyperscale tenants, while Microsoft remains the exception:
  - Google recommits to \$75 billion spend on data centers (Google Cloud Next 2025 conference, April 2025)
  - Meta in talks for \$200 billion AI Data Center project for LA, WY, or TX (Reuters, February 2025)
  - Microsoft cancels 200MW of AI Data Center leases (February 2025)

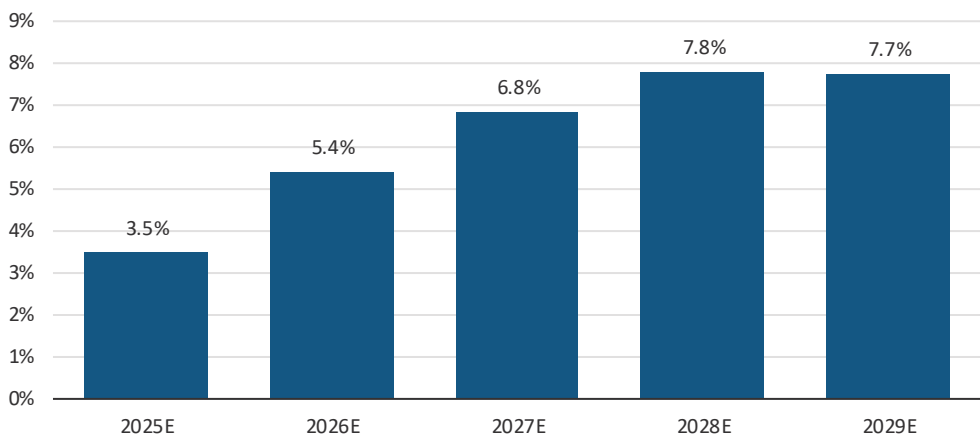
## Significant power Still Required to meet Rapidly Growing Demand

Global Data Center Power Required To Serve Projected Computing Demand (Gigawatts)



## Data Center NOI Growth Remains Compelling

U.S. Same Store NOI Growth Forecasts



Source: Principal Asset Management (January 2025), Harrison Street (January 2025), Green Street (March 2025).

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# Senior Housing – Demographic Tailwinds Anticipated to Drive Demand

Supply remains constrained, while secular demand growth continues



## Aging U.S. Population Creating Need For Senior Housing

- Senior Housing occupancy reached 88% in 2024, in-line with pre-covid occupancy
- As the Baby Boomer population continues to age, demand for Senior Housing should continue to increase
  - This “Silver Tsunami” is anticipated to create need for over 500k new units over the next 10 years
  - The percentage of 80+ years age population is projected to increase by +93% by 2040

## New Supply Remains Constrained

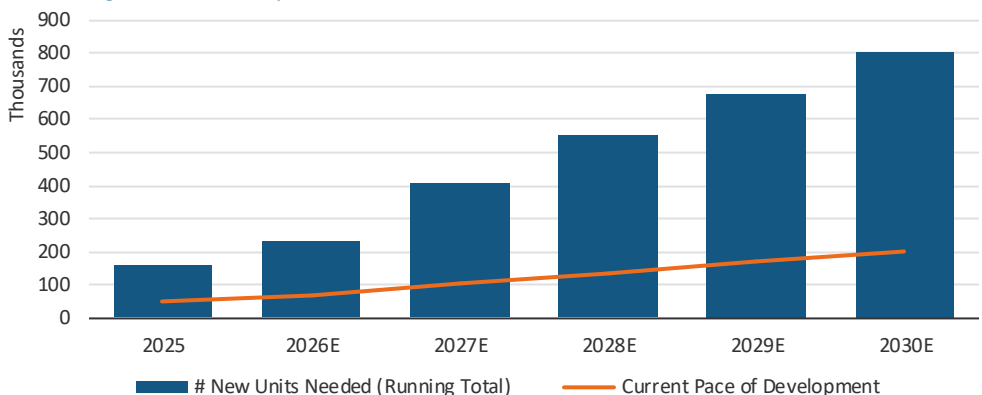
- New supply remains constrained by higher costs of capital, including costs associated with construction, labor, and financing. Current supply forecasts are falling short of estimated demand for Senior Housing
  - Green Street is forecasting 1.2% overall supply growth through 2026, which compares to mid-3% growth seen in the oversupplied timeframe of 2016-2018
  - Supply growth is projected to exceed 3.0% in select markets, including Washington D.C., Raleigh, Boston, San Antonio, Sacramento, Austin, Columbus, and Nashville through 2029, per Green Street
- Pre-pandemic, stabilized assets traded at 25-50% above replacement cost. Deals today are valued at 20-40% below replacement cost on average, making acquisitions attractive

## Higher NOI Margins Exhibited In Lower Cost Subsectors

- GPs have shown preference towards lower acuity facilities such as Active Adult and Independent Living. These facilities tend to have a longer length of stay and lower overall costs to manage the facilities versus Assisted Living and Memory Care
- Green Street forecasts +12.5% SS NOI Growth annualized 2025-2028

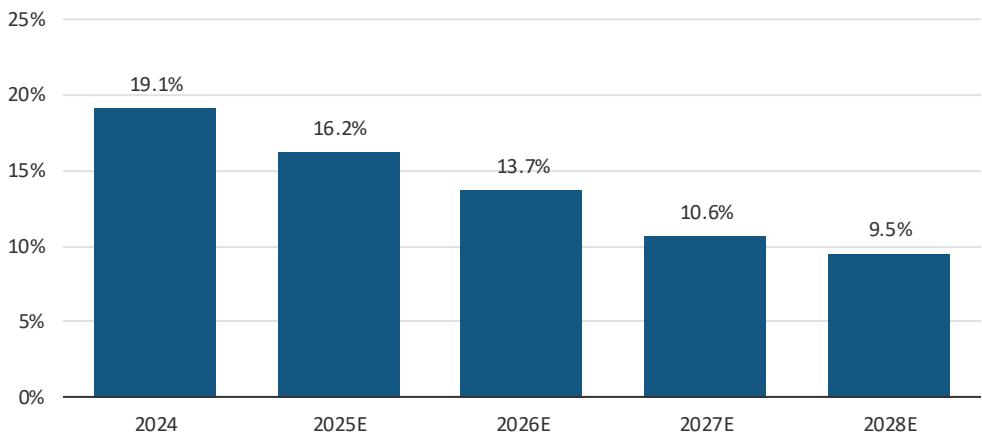
## Demand Significantly Exceeds Current Pace of Construction

SH Housing Demand Development



## Robust Growth Forecasts Driven by Demographic Trends

Senior Housing NOI Growth Forecasts



Source: Kayne Anderson (March 2025), Green Street (January 2025), Townsend Group.

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# Build-To-Rent Housing Fundamentals Strong Due to Acute Housing Shortage

Investors and regulators appreciate the need to add supply to alleviate housing affordability problem

## Demographics And High Interest Rates Driving Rental Demand

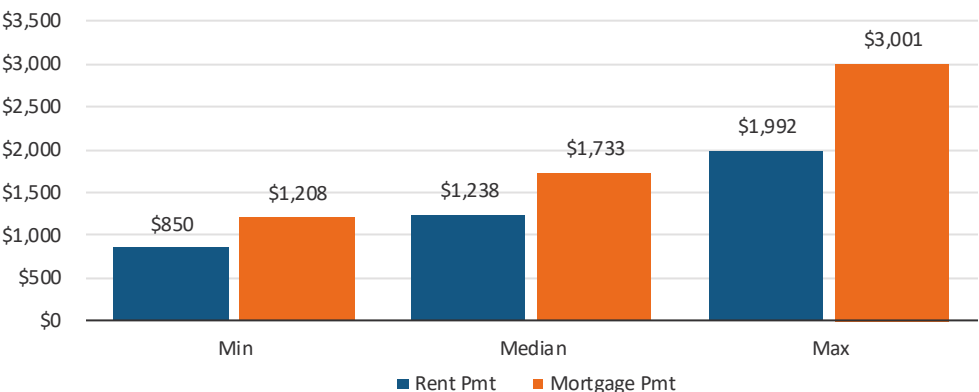
- Need for additional housing space has been rising as millennials age, live with partners, and have kids. Hybrid work schedules and adoption of work-from-home are adding to rising housing space demand
- Due to higher mortgage rates, the cost of home ownership across the US exceeds monthly rent
- Occupancy levels in SFR have remained steady between 95-97%, leading to healthy environment for continued rent growth
- Private going-in yields range between 4.5-5.5%, providing an attractive income component
- Preference is shifting to contiguous communities that can be managed like apartments vs. scattered homes that present challenges in building scale

## BTR vs Scattered Site

- BTR single family rentals are newly developed housing communities, often with amenities and a focus on community living
  - High quality, brand-new homes are desirable to renters and in demand
  - Projects/communities with dedicated amenities tend to perform best and receive a rental premium
  - Favorable operating margins are similar or slightly better than traditional multifamily (30-35% operating expense margin) and materially better than the margins for scatter-site single-family rental at 40-45%
- Scattered-site single family rental strategies acquire individual homes across multiple markets
  - Home quality can vary widely, and scattered-site homes may require higher maintenance and operational expertise

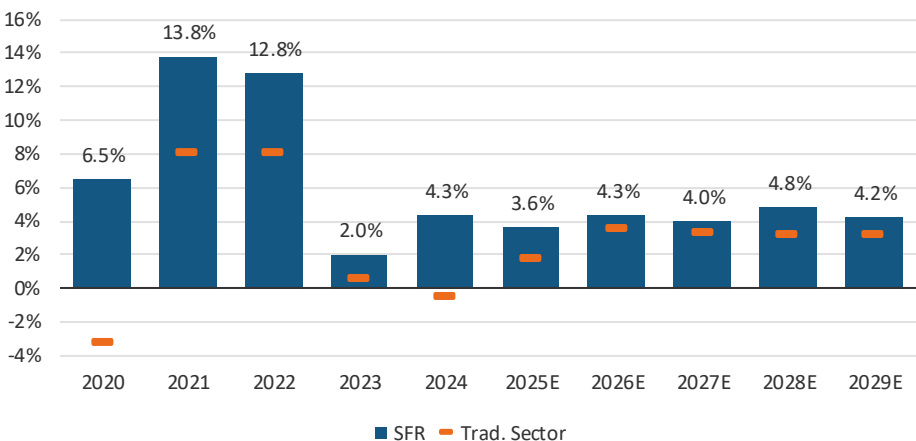
## Mortgages Remain Unaffordable for Much of the Population

US 50 State Median Rents vs Mortgage Payment (2024)



## BTR/SFR Growth Forecast to Exceed Apartment Growth

US SFR M-RevPAF Growth - Top 25 Markets



Source: Townsend Group, U.S. Census Survey (October 2024), Green Street (January 2025).

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# Triple Net Lease Strategies Offer Defensive Positioning Through Durable Income



High-credit tenants and low expenses drive compelling yields

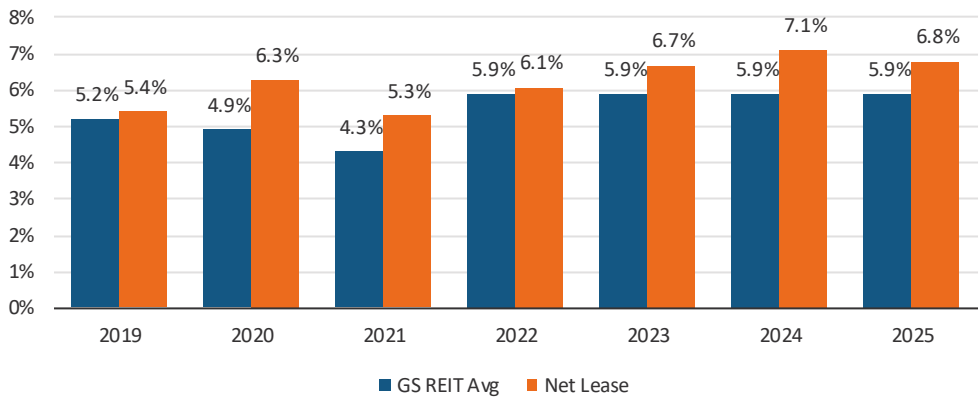
## Higher Yields Provide Complement to Traditional Real Estate Sectors

- Higher interest rates and cap rate expansion have created compelling entry yield for triple net lease (“NNN”) strategies
- In both the private and public real estate sectors, NNN strategies provide a yield premium of 50 to 150 bps on average to traditional real estate sectors. As of 2025:
  - Public net lease implied nominal cap rates ranged between 5.7% and 7.9%
  - Private net lease going-in nominal cap rates ranged between 6.0% and 6.3%
- Of the private real estate investment strategies that Townsend tracks, sector exposure is primarily concentrated in industrial, retail, and data center, mitigating risk from higher-risk sectors, such as office, present in traditional core strategies

## Stable Source of Income Through Long-Term Leases to High-Credit Tenants

- Net leases offer lower risk, consistent cash flows, and lower expenses through long-term lease structures
- In net leases, the tenant covers all property expenses, mitigating capital expenditure risk present in other real estate sectors
- Lease terms are longer, typically ranging from 10-20 years in length, providing durability of income
- Leases are typically negotiated with annual rent increases, ranging from 2.0 to 3.0%, providing consistent growth with less volatility
- High investment grade tenancy results in lower default rates and downside protection

NNN Yields At Premium To Total Sector Average  
Implied Cap Rates



## Long-Term Leases and High-Credit Tenants Provide Durable Income

	Triple Net Lease	Traditional Diversified Core
Tenant Credit Quality	Single-tenant investment grade, BBB- or higher	Multi-tenant, mixed credit quality
Lease-Term	Long-Term (10-20 years)	Varies by sector, but typically shorter-term (5-10 years)
Lease-Structure	Net lease, tenant covers all expenses	Varies by sector, but subject to capital expenditures
Pricing	6.0-7.0% Entry Yield	4.0-5.5% Entry Yield
Rent Growth	2.0-3.0% annual rent increases	Varies by sector, long-term ODCE appreciation 2.0-3.0%

Source: Townsend Group, Blue Owl Real Estate (March 2025), Realty Income (May 2025), Green Street (May 2025). Townsend’s views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

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## 04 Europe Outlook

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# Europe's Growth Outlook is Low but Low EU Rates are Attractive

Positive spread of property yields over the EU interest rates bode well for property values

## Economic growth

- European GDP growth to be low in comparison to other regions. However, concerns about potential slowdown and rising inflation in the U.S. could lead to reallocation of capital to Europe
- UK: Workers' rights reforms have dampened business confidence and driven an uptick in unemployment, although closer ties with Europe may prove positive
- Germany: Higher defense and infrastructure spending and announced fiscal loosening are anticipated to enhance GDP growth
- France: Weak economy, high debt, and no room for fiscal stimulus as no party has a clear majority in the National Assembly
- Nordics: While the Nordics remain in a position of relative political, fiscal and demographic health, recent economic growth has slowed down
- Spain: The Spanish economy is anticipated to perform on account of an ongoing wave of immigration – much from Latin America
- Italy: Low growth anticipated due to restrictive fiscal policy and demographic issues
- Ireland: Growth could be negatively impacted due to U.S. tariffs

## Inflation and Interest Rate Outlook

- The ECB and BoE have continued with their policy of moderate rate cutting as inflation abates. Further declines in interest rates anticipated
- Many countries in the EU exhibit a positive spread between the property yields and the interest rates, making real estate attractive despite low growth outlook
- Interest rate outlook in UK is similar to U.S., where further rate reductions will depend on inflation that may be impacted by tariffs

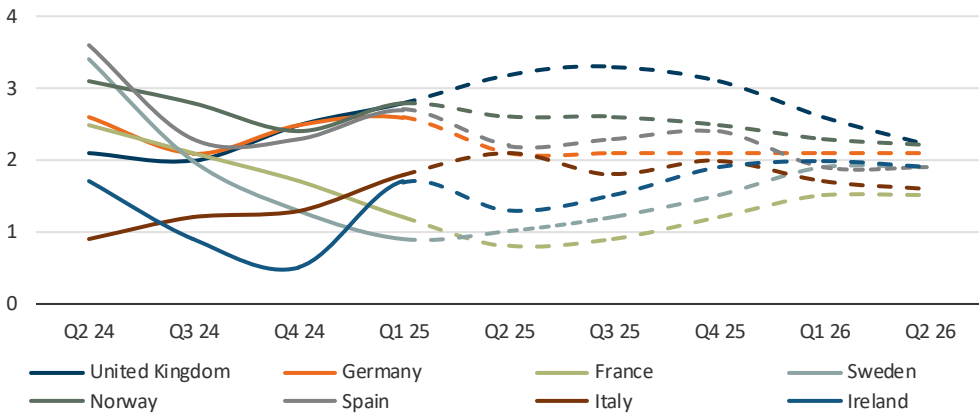
## Growth Forecasts muted but Led by Nordics and Spain

Real GDP Forecasts (YoY%)

European Markets	2024	2025	2026	2027
United Kingdom	1.1	0.9	1.2	1.5
Germany	-0.2	0.0	1.1	1.6
France	1.2	0.5	0.9	1.4
Sweden	2.9	1.2	1.8	2.0
Norway	3.2	2.6	2.2	2.1
Spain	3.2	2.4	1.8	1.8
Italy	0.7	0.5	0.9	0.9
Ireland	1.2	3.6	2.5	2.8

## Regional Inflation Forecast to Converge over Next 12 months

Quarterly CPI (YoY%)



Source: Bloomberg (May 2025)

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# Europe Real Estate Sector Opportunity Set

## Most Compelling Sectors Today

### Data Centers

Data center development activity in Europe has lagged that in the U.S. Third-party ownership of data centers also lags the U.S. Both imply an extended period of growth in the sector. The development yields are attractive but capital formation is still slow.



### Niche Property Types

This is an emerging area in Europe with select investment opportunities in sectors like student housing, senior housing, self-storage, and life-sciences. While the returns are attractive, the number of competent institutional-grade operators are limited.



## Sectors Offering More Selective Opportunities

### Residential

Chronic shortage of housing in key European cities, combined with recent significant reduction in development activity has caused a multi-year demand/supply mismatch. Values have reduced materially making entry point attractive, however, regulatory issues limit opportunity set.



### Logistics

Supply has increased recently which has led to an increase in vacancy and slowing of rent growth to more normal levels. However, demand continues to be robust. The recent decline in asset values have created a better entry point for investors.



## Sectors Requiring Caution

### Office

Work-from-home continues to impact the sector with office utilization in key cities still below pre-pandemic levels. While the values have corrected significantly, the rent growth outlook is still bleak, and capex burden is high. High-quality green buildings are better positioned. Focus on prime only.



### Retail

Sector has recently outperformed in the recent real estate downturn. Values seem to be stabilizing but consumer confidence is low, retail sales growth uncertain, and e-commerce is continuing to impact the sector. Investors should revisit the sector in 6 months.



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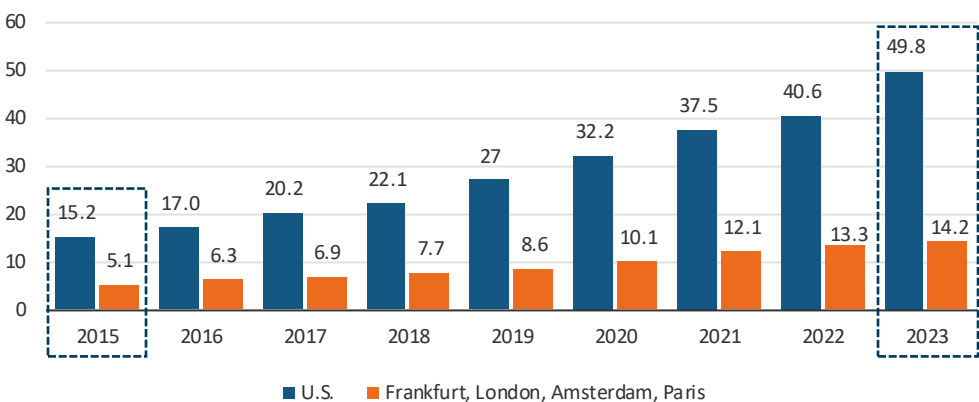
# Europe Data Centers Build-Out Trailing That in the U.S.

European data center investment volume likely to continue to rise

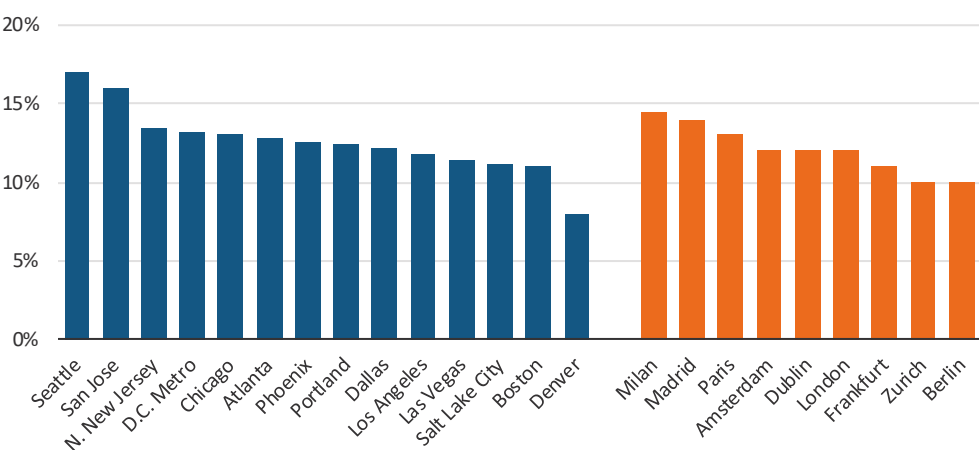


- **Market Growth** – Data center market is expanding rapidly, with a CAGR of ~12% (2023-2028)<sup>1</sup>, driven by AI, and digital transformation
- **Key Markets** – Major hubs include London, Frankfurt, Amsterdam, Paris, and Dublin, accounting for ~70% of Europe’s data center capacity<sup>2</sup>
- **Hyperscale Demand** – Cloud providers dominate leasing but many other tenants taking up space now
- **Power Constraints** – Rising energy costs and sustainability regulations push operators toward green energy solutions
- **Vacancy Rates** – Vacancy in prime markets remains below 5%, indicating severe supply shortages, especially in Frankfurt and Amsterdam
- **Investment Surge** – Data center investment in Europe is likely to continue to rise led by strong fundamentals attracting investors
- **Edge Computing Growth** – Secondary markets (Madrid, Milan, Warsaw) are seeing growth due to edge demand, with 15% YoY increase in deployments<sup>3</sup>
- **Sustainability Mandates** – The EU’s Energy Efficiency Directive (EED) requires data centers to report PUE (Power Usage Effectiveness), pushing for PUE <1.3
- **Land and Power Costs** – Prices for land with power access have risen 20-30% in key markets due to competition<sup>4</sup>
- **Future Outlook** – Europe needs an additional 2.5 GW of data center capacity by 2026 to meet demand, with Nordic regions (Sweden, Norway) gaining traction due to renewable energy<sup>5</sup>

Major European Markets Lagging U.S. Power Output...  
Data Center Watts per Capita



...But Sector Growth remains Robust  
U.S. vs European Markets: 2024 RevPAF/PAM Growth



Source: Townsend Group, 1. CBRE (1Q25), 2. JLL (1Q25), 3. Structure Research (1Q25), 4. Savills (1Q25), 5. McKinsey (1Q25), PIMCO (1Q25), Green Street (1Q25).  
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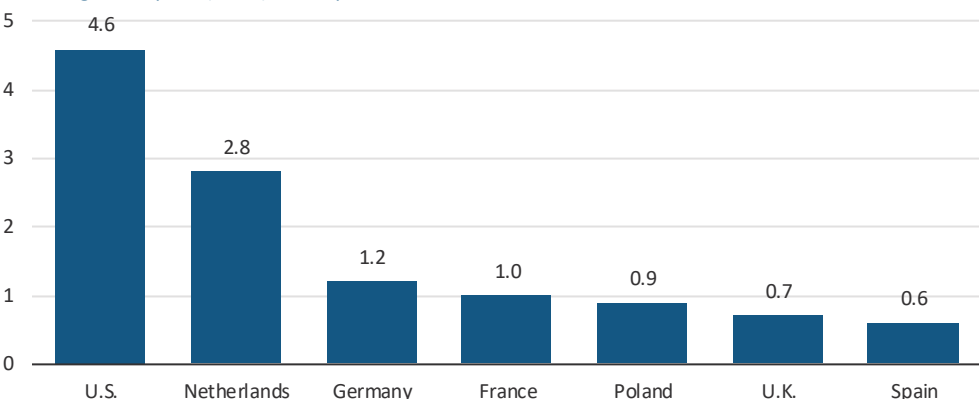
# Europe Logistics and Warehouses Fundamentals are Improving

Recent value correction has created a compelling entry point for investors

- Private market values down by around 20-25% from peak driven by factors like higher cost of debt, lower leasing velocity, and elevated supply; however, the capital values are up 25-30% on a five-year basis
- Vacancy rates have increased from record lows in 2022. Tenant incentive packages of 8-10% of lease length rent-free required in some markets
- Driven by higher cost of debt and lack of capital availability, supply is shrinking from 8% to 5% of stock. Obsolescence is accelerating as sustainability demands reduce the supply of suitable stock
- Demand is anticipated to remain robust over the medium-term driven by continued growth in e-commerce and redrawing of supply routes, as supply chain realigns to protectionist U.S. trade policy
- The rental growth outlook is more akin to other sectors. Many leases remain highly reversionary despite indexation to recent high inflation.
- Supply Shortages Despite Construction Boom: UK: New builds have risen, but demand outpaces supply—42% of space pre-leased<sup>1</sup>; Germany faces 5% vacancy, with 80% of new EU logistics space already leased
- Golden Triangle (M1 corridor) remains Europe's #1 logistics hotspot, with rents 2x EU average<sup>2</sup>; EU: Netherlands and Belgium benefit from UK rerouted trade, with +25% leasing activity<sup>3</sup>
- Sustainability Push Reshaping Assets: UK: 80% of new warehouses target BREEAM "Excellent" due to investor ESG mandates<sup>4</sup>. EU: Germany leads with solar-powered warehouses, 30% of stock now green-certified<sup>5</sup>
- Manufacturing Reshoring Boosts Demand: EU: Automotive & pharma sectors drive 18% rise in build-to-suit projects<sup>6</sup>. UK: £4.5B invested in Midlands "gigafactories,"<sup>7</sup> lifting industrial land values (+22% YoY)<sup>8</sup>

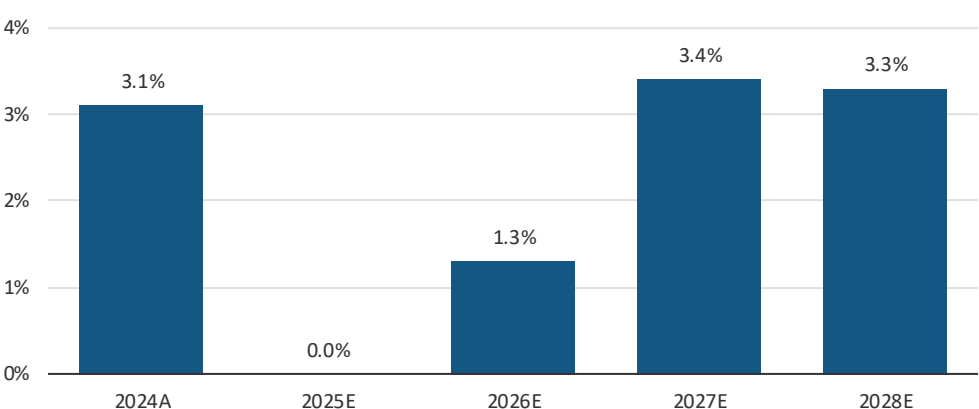
## Logistics space per capita still far below U.S. levels

Total Logistics Space (SQM) Per Capita



## Weaker near term leasing environment

Industrial Market RevPAM Growth



Source: Townsend Group, 1. JLL (1Q25), 2. Knight Frank (1Q25), 3. Prologis (1Q25), 4. BNP Paribas (1Q25), 5. Deloitte (1Q25), 6. Colliers (1Q25), 7. EV Batteries (1Q25), 8. Savills (1Q25) EQT (March 2025), Green Street (1Q25). Townsend's views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

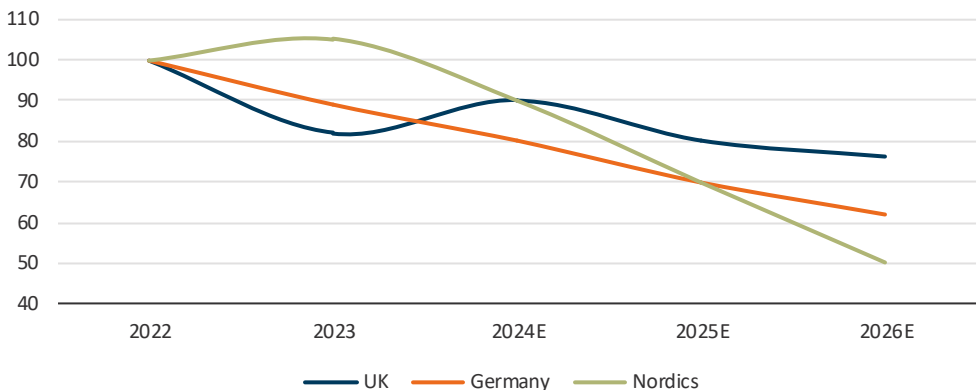
# Europe Housing Shortage Makes it an Attractive Sector for Investors

Recent yield expansion and interest rate declines makes an attractive entry point

- Residential values have corrected sharply by 20-25% on average since its last peak in 2022; current initial yield stands at around 4.4-5.0% on average which, given the low-risk inherent in this asset class, is an attractive entry point
- Investor caution and a restrictive regulatory environment across many countries is leading a sharp decline in much needed supply as the region in general was short on housing units to begin with
- New supply is needed but elevated construction costs and rental regulations discourage new starts
- Value-Add conversion opportunities exist within some regulated systems and in the unregulated UK market
- Core strategies have performed poorly as the market values corrected and the potential to increase rents is limited; however, rebased entry pricing will improve core return outlooks. These may benefit further if interest rates fall
- Rental growth forecasts remain strong and consistently positive across various markets. Compelling opportunities also exist in alternative residential strategies such as student housing and single-family rental / build-to-rent

## Residential supply declining across major regions

Residential Completions (2022 = 100)



## Strong rental growth projected to continue

Residential M-RevPAM Growth '25-29E



Source: Townsend Group, Green Street (April 2025).

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# Retail and Office Outlooks Remain Uncertain

However, both sectors offer select investment opportunities

## Retail

- Retail property now offers entry yields combined with more solid operating fundamentals, particularly in the retail warehouse sub-sector with many retailers effectively adopting ‘omni-channel’ models
- Europe benefits from a lower share of retail space per capita than the U.S. market. There has been little new retail space added since 2020
- Consumer confidence still low but improving across Europe and the outlook for retail rent growth, while positive, remains shaky
- Occupancy has continued to increase, and customer footfall and sales have generally improved since the end of the COVID-19 pandemic. However, customer confidence is starting to wane
- Banks like high debt yields on retail assets, while leverage is generally accretive to income returns
- Increasing transaction volumes and liquidity anticipated to encourage investor confidence in retail

## Office

- European office values have corrected 39% from their recent peak but the investor interest in the asset class is still limited
- The WFH trends are not that dissimilar to the U.S.; office attendance is anticipated to cap out at 3-4 days per week
- While many research outlets are forecasting positive NOI growth, these forecasts are subject to downward revisions as tenants continue to rationalize office space
- The capex burden to renovate space is high and, given the leasing uncertainty and high cost of capital, landlords are cautious in taking on such projects
- The only bright spot are high quality buildings in the heart of CBD that are green and well leased; there is a window to acquire trophy assets as ultra low cost-of-capital acquirers are not present

Source: Townsend Group, INREV (1Q25), AEW (1Q25), Green Steet (May 2025).

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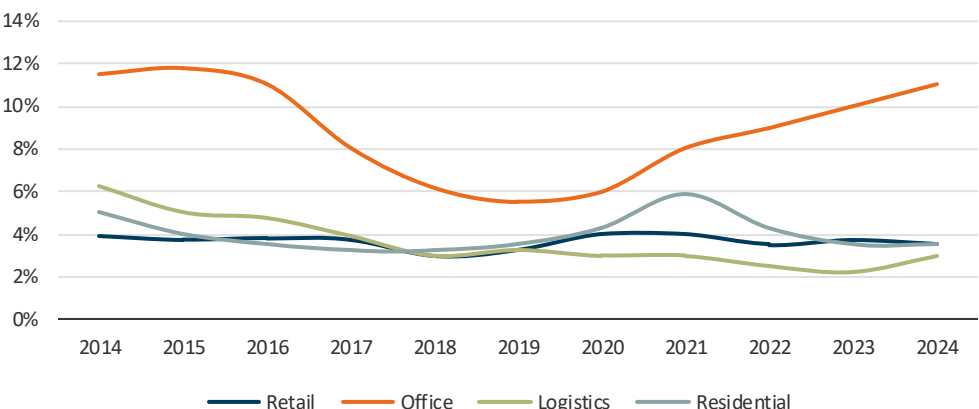
## Retail Yields remain Attractive in Key Markets

Retail Economic Cap Rates



## Office Vacancy Continues to Rise

Vacancy Rates by Property Type



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# 05 Asia Pacific Outlook

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# Asia Pacific Growth Outlook is Modest, but Interest Outlook has Stabilized

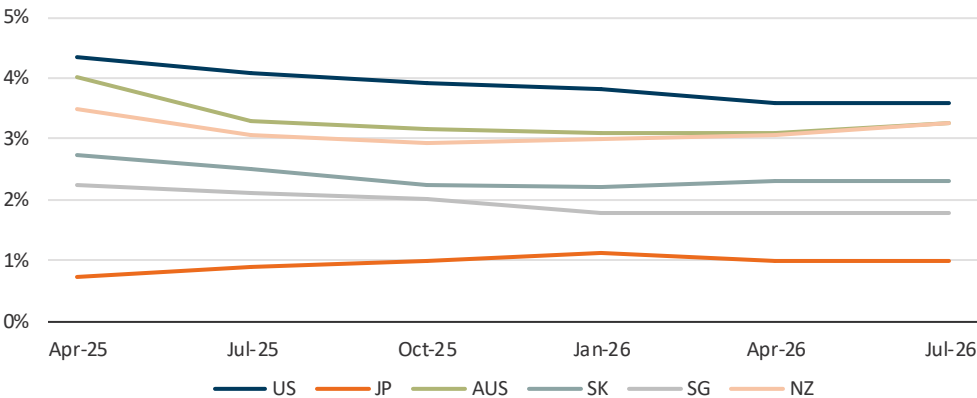
Macro outlook dampened by trade policy uncertainties, although impact varies by country

- APAC outlook has been dampened by prevailing U.S. trade policy uncertainties with forecast lower industrial production, reduced trade and weaker business sentiment
- **Australia:** Immigration and domestic consumption will drive gradual recovery; however, high interest rates could keep growth moderate. Trade deficit with U.S. will limit direct tariff related risk but China dependency poses risks
- **Japan:** Japan’s grapples with labor shortages and tepid consumer spending. The BoJ’s shift away from ultra-loose monetary policy is anticipated to keep inflation in the range of 2.0-2.5%
- **South Korea:** The economy is anticipated to face headwinds from soft global demand for semiconductors—one of its key export drivers. Domestic consumption and government stimulus may help counteract some of the external pressures. Inflation is forecasted to stabilize at 1.9%, as price pressures in energy and food ease
- **Singapore:** Economic growth is projected to slow as external demand weakens, and global trade uncertainties persist. However, the country’s strong financial sector and government investments in innovation may provide some resilience. Inflation is likely to remain muted at 1.1%, with stable consumer prices but some upward pressures in food and services
- **China:** Growth is projected to slow as structural challenges—such as an aging population and weak consumer confidence—continue to weigh on the economy. The Chinese government’s policy support, including stimulus measures, may help, but a property sector slump remains a major risk. Inflation is anticipated to stay weak at 0.1%, reflecting subdued demand and overcapacity in some industries

## APAC Growth Led by China While Japan Remains Stagnant Real GDP Forecasts (YoY%)

APAC Markets	2024	2025	2026	2027
Australia	1.1	1.9	2.3	2.5
Japan	0.1	1.0	0.8	0.8
Singapore	4.3	2.4	2.1	2.5
South Korea	2.1	1.2	1.9	1.9
China	5.0	4.2	4.0	4.0
<b>Total APAC</b>	<b>4.5</b>	<b>3.8</b>	<b>3.7</b>	<b>3.8</b>

## 3-month Forward Rates Forecast to Converge over next Year Forward Rates



Source: JLL Research (April 2025), Oxford Economics (April 2025), Bloomberg (April 2025).

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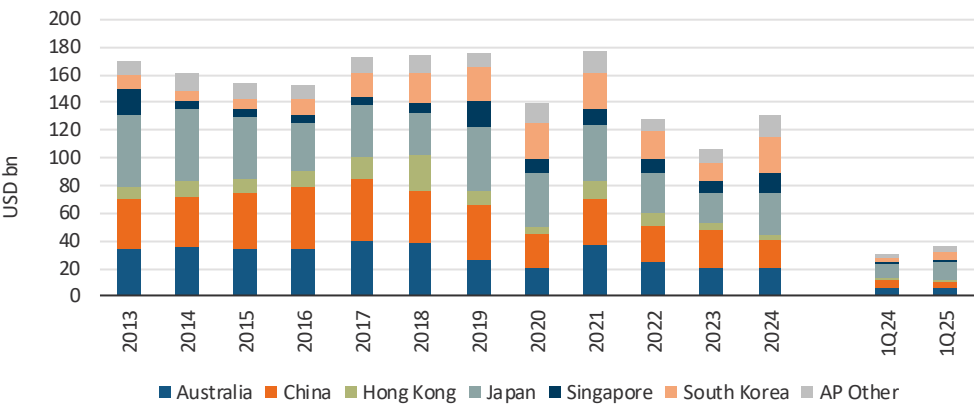
# Transaction Volumes and Values are Down, Creating Good Entry Point

Investment transactions have recovered but sentiment has turned cautious

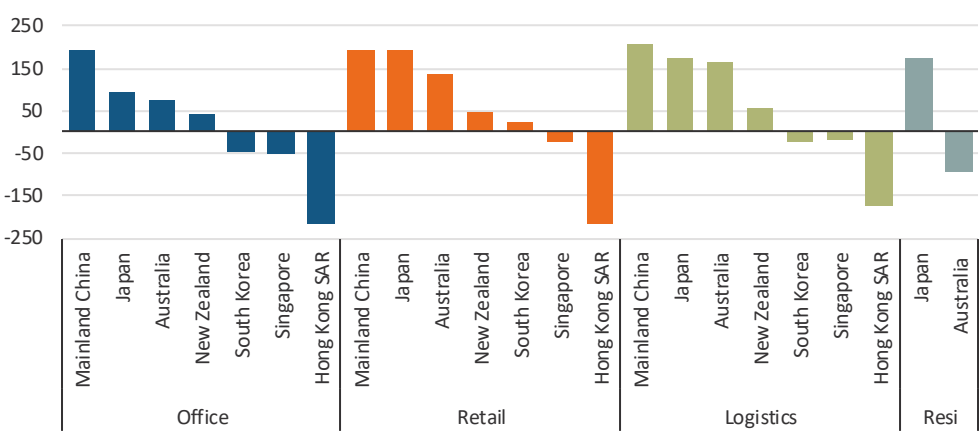


- Real estate investment activity recovered over the past 12 months (+23% y-o-y) supported by peaking inflation/interest rates, reduced debt costs and looser monetary conditions going forward
- Borrowing costs have edged lower (ex. Japan), resulting in reemergence in positive yield spreads in most markets. While investment volumes improved in 2024, it remains ~25% below the peak of 2021
- For 2025, downgraded GDP growth forecasts stemming from the U.S. tariffs should soften demand across all CRE sectors. The logistics sector is projected to see the largest immediate impact amidst cautious business sentiment, reduced manufacturing & less warehouse demand as well as potential shifts in supply chains
- Nevertheless, the impact may be cushioned by increasing intra-regional APAC trade supported by continued structural trends with a growing middle class and rising e-commerce penetration
- Prudent consumer spending should support non-discretionary retail centers vs. shopping malls and office occupancy and rental outlook are likely to be tempered
- Market-sectors with more resilient occupier fundamentals include Australia/Japan residential & logistics (within select submarkets) and Australia non-discretionary retail, underpinned by demographic tailwinds, low vacancy and limited new pipeline
- We remain cautious on market-sectors such as China logistics, Melbourne office and South Korea cold storage which are weighed down by oversupply and high vacancy

APAC Transaction Volume Recovered Y-O-Y, Remains 25% Below Peak  
Investment Volume by Country



Spreads Bifurcated by Region  
Prime Yield Spread Against Borrowing Costs (bps)



Source: JLL Research (1Q25), CBRE (1H25).  
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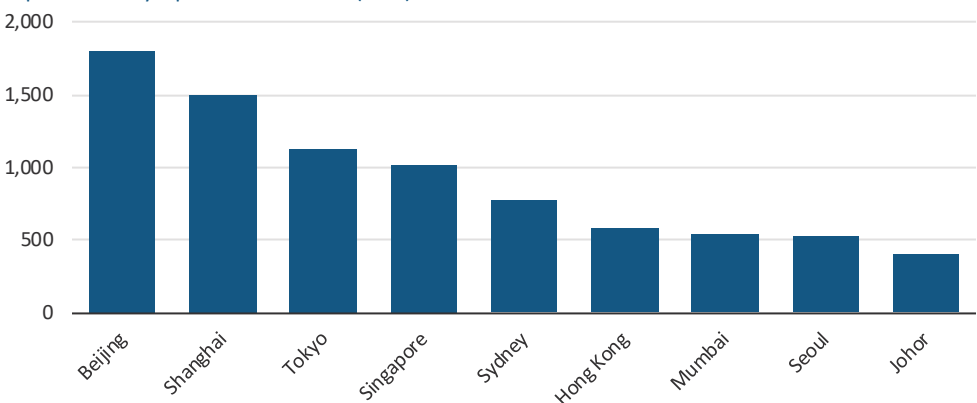
# Digitization and AI to Drive Growth in Demand

As investor interest grows, power availability and local expertise may limit supply in near-term

- APAC data center demand is experiencing exponential growth in digital consumption, creation and storage across cloud services, e-commerce & AI applications
- Demand has been focused in Tier 1 markets like Japan, Singapore, South Korea, Australia and Greater China (including Taiwan & Hong Kong) with spillover demand flowing into Tier 2 markets (Malaysia, Thailand, Indonesia, etc.)
- Forecast demand outlook is robust, increasing from 9.3 GW in 2024 to 16.3 GW in 2027 (21% CAGR, compared to 13% and 14% in the US and EMEA, respectively)
- Supply in Tier 1 markets continues to be constrained by limited power, land, and water capacity as well as policy restrictions (focused on sustainability) & supply chain shortages resulting in high construction and MEP (Mechanical, Electrical & Plumbing) costs. In 2024, Tier 1 live occupancy rates averaged ~95%
- 2024 was a record year in APAC investment volume led by Blackstone’s acquisition of AirTrunk for AUD 24 billion. As data centers are increasingly capital intensive, lending appetite by major banks and institutional bondholders has also strengthened for the sector
- Investment focus on Tier 1 markets to forward purchase/develop colocation projects with high level of pre-commitments
- Partner with managers that have strong local capabilities across the digital ecosystem (e.g., connectivity and infrastructure divisions to procure green energy and MEP, etc.) and with strong relationships with global hyperscalers and corporates

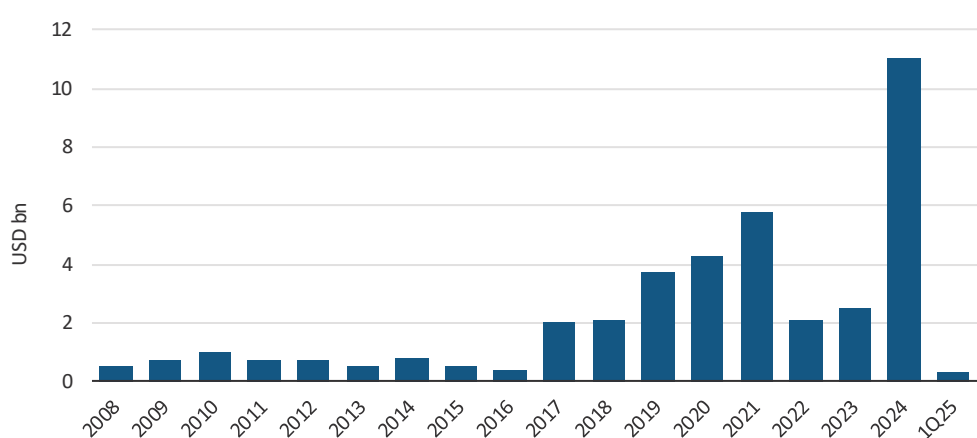
## Major Markets Positioned for Data Center Growth

Top Markets by Operational IT Load (MW)



## Total APAC Data Center Investment Trending Upwards

APAC Data Center Investment Volume



Source: Cushman & Wakefield (1H & 2H 2024), DC Byte (March 2025), JLL (1Q25).

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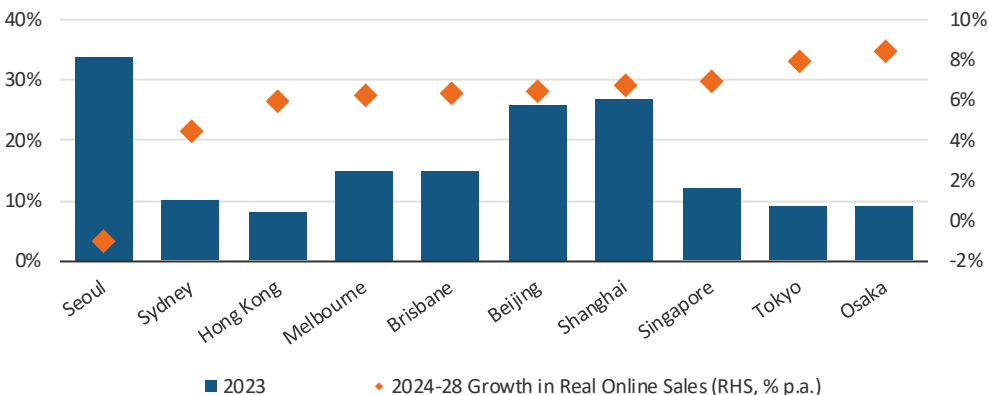
# Industrial/Logistics Fundamentals Vary Considerably Across the Region

## Trade deficit Australia in better shape vs. trade surplus China

- While short-term demand growth has been dampened by tariffs, longer term secular tailwinds continue to support demand for modern logistics: e-commerce penetration, growing population & urbanization, industrial production (particularly high-tech manufacturing) and reconfiguring of post-pandemic supply chains
- Spreads between industrial yields and borrowing costs are forecast to remain positive/further widen and support investment activity
- In Australia, the impact of U.S. tariffs is anticipated to be relatively limited given an existing trade deficit and only 5% of Australia's total exports going to the U.S. As a result, occupier demand across e-commerce, manufacturing and cold storage warehouse is forecast to remain healthy, particularly in urban infill locations, while demand has softened in Western submarkets of both Sydney and Melbourne.
- In Japan/South Korea, exports to the U.S. comprises 20% and 19% of total exports, respectively. A current 25% automotive tariff is forecast to weigh heavily on automotive production and trade. Rental outlook is moderating but certain submarkets in Greater Tokyo & Osaka should be more resilient. Shortage of modern stock, e-commerce growth, and regulatory changes create a structural longer-term undersupply. Greater Seoul currently faces high warehouse vacancy, particularly in cold storage, although future supply is anticipated to drop off from 2026 onwards
- In China, cross-border e-commerce and manufacturing firms are extremely cautious amidst global uncertainties and subdued consumption. Effective rents are forecast to continue to decline amidst a nationwide vacancy of 21%

### Logistics to Benefit from Continued E-Commerce Growth

Online Penetration Rates (%) & Forecast Growth in Online Sales (% P.A.)



### New Supply trending Downwards across Major Regions

New Logistics Supply as % of Stock



Source: PGIM (November 2024), AEW (December 2024), DWS (December 2024), Colliers (December 2024), JLL (December 2024), CBRE (December 2024), R Square (December 2024).

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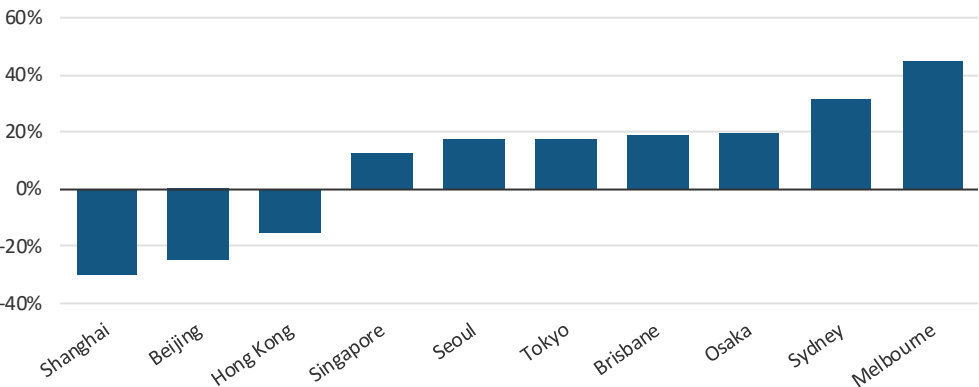
# Institutionalization of the Living Sector Across APAC Gaining Momentum

Australia and Japan exhibit attractive fundamentals, while outlook for China remains cautious

- While still an emerging sector (with the exception of Japan), APAC rental housing is gathering momentum, supported by positive structural demographic trends from increased immigration, urbanization, growing wages, high livability/education rankings, unaffordability, and declining new completion pipelines
- In Australia, population growth is driving renter demand across all age cohorts for built-to-rent (BTR), student housing (PBSA), retirement living, etc. BTR and PBSA continue to see low national vacancy rates (2% and ~5%, respectively) and solid rent growth averaging 4-6% in 2024. Nevertheless, there remains lingering policy risk and uncertainty around restricting foreign students in the short-to-medium term
- In Japan, home unaffordability has driven buyers to the rental market. Cities like Tokyo and Osaka, particularly in centrally-located wards, are seeing high occupancy and significant rental demand by individuals aged 15–29, including students and young professionals, driving rents for studio units by over 6% in 2024
- Dual-income households among couples have also grown. The changing demographic with stronger household income is also creating demand towards better accessibility, slightly larger units, amenities and proximity to workplaces
- While the sector fundamentals are strong and institutionalization will continue, investors need to make sure to consider fund managers and platforms with necessary vertical integration or capabilities due to the operational complexities of this sector

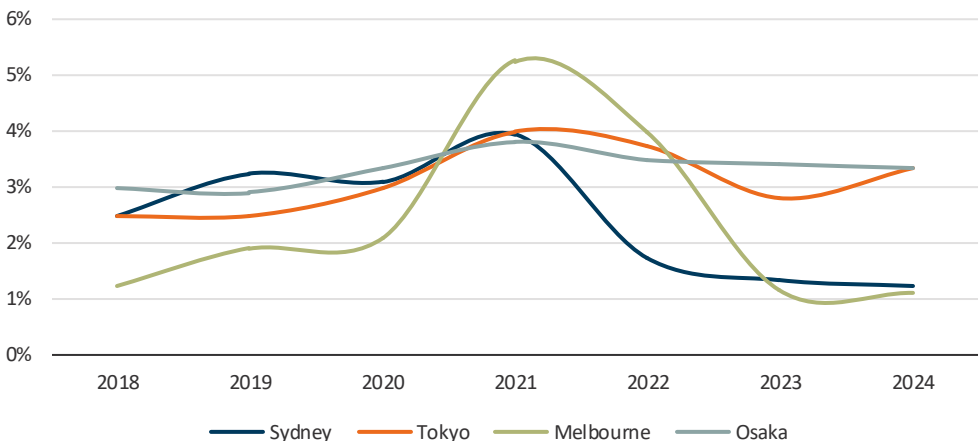
## Home Prices Outpacing Income Growth in Ex-China Regions

House Price to Household Income Ratio (2028 Relative to 2015)



## Vacancy Remains Low in Australia and Japan

Residential Vacancy Rates



Source: PGIM, JLL, PMA (November 2024), DWS, CBRE, SQM Research, ARES, Australia Bureau of Statistics, LMC (December 2024)

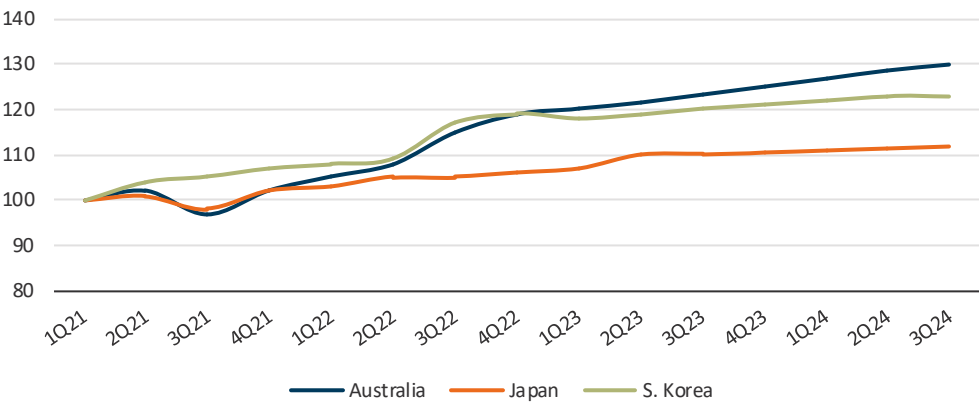
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# Retail Sector to Benefit from Rising Consumer Spending Across APAC Region

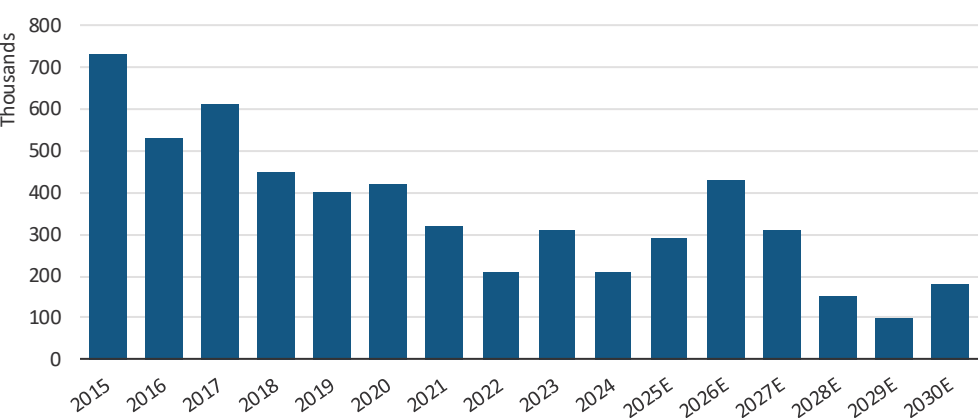
Potential sector bottom – prefer non-discretionary anchored

- The APAC retail sector has been challenged by changing consumer behaviors, increased cost of living, e-commerce growth and high savings rate amidst economic uncertainties
- Landlords continue to adapt by adjusting their tenant mix with increased non-discretionary/F&B offerings, enhancing experiential retail and embracing omnichannel strategies
- Amidst operational challenges, retail opportunities have undergone meaningful rationalization from the rise of e-commerce as well as from the COVID-19 pandemic
- Retail stock per capita across major APAC markets is now lower than 2015 and upcoming new supply is below the 10-year historic average
- In Australia, yields have largely stabilized, and new supply is constrained by scarcity of urban land sites and elevated construction costs. Values have declined by 15-25% since the peak
- There is opportunity to reposition sub-regional centers and re-tenant with non-discretionary anchors and drive income amidst an outlook underpinned by population growth boosting catchment demand and limited new supply
- Tokyo prime high street retail could be worth monitoring for non-core strategies given the strong recovery in inbound tourists, low vacancy rate and positive yield spread over borrowing costs

Consumer Spending Positive Across Major Regions  
Growth in Nominal Consumer Spending Since 1Q21



Australian Retail Supply well-Below Historical Average  
Australia National Retail Supply Sqm ('000)



Source: Oxford Economics, MSREI Strategy (October 2024), Charter Hall (December 2024), AEW (December 2024). Townsend’s views are as of the date of this publication and may be changed or modified at any time and without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.



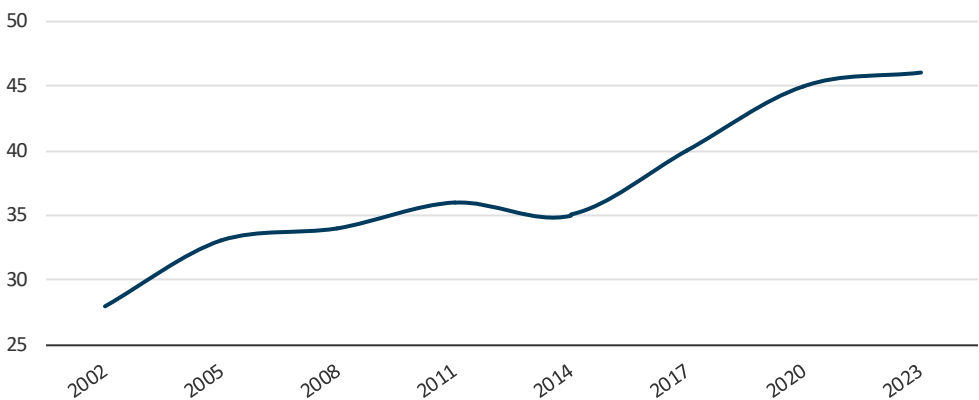
# Australia Healthcare May Offer Good Investment Opportunity for Core Returns

## Compelling demographic fundamentals with near-term challenges

- The Australian healthcare sector continues to face near-term challenges from cost inflation, staffing issues and funding sources which has become politicized. However, underlying long-term fundamentals for healthcare services remains backed by secular trends including aging population growth, increasing chronic conditions, long waitlists and continued government support
- Governments are investing in public hospitals. However, capacity uplift has been outpaced by population growth. While hospital capacity is forecast to increase by 5%, the population is anticipated to grow by 10% by 2030
- Median waiting time for elective surgery in public hospitals has remained elevated at 46 days, 13 days longer than in 2008. The number of patients undergoing elective surgery reached a record high in 2023-24, with 778,500 admissions, a 5.8% y-o-y increase
- Private hospitals are considered critical infrastructure, delivering over 40% of all hospital activity and showing steady growth of 2.3% per annum pre-Covid
- Healthcare property yields and returns have been stabilizing through 2024. Nevertheless, healthcare operators continue to face short-term challenges as funding from private health insurers (PHI) has failed to keep pace with recent cost inflation mainly driven by wages, personal protective equipment and utility expenses. Government (at both State and Federal levels) are becoming more engaged with the broader situation

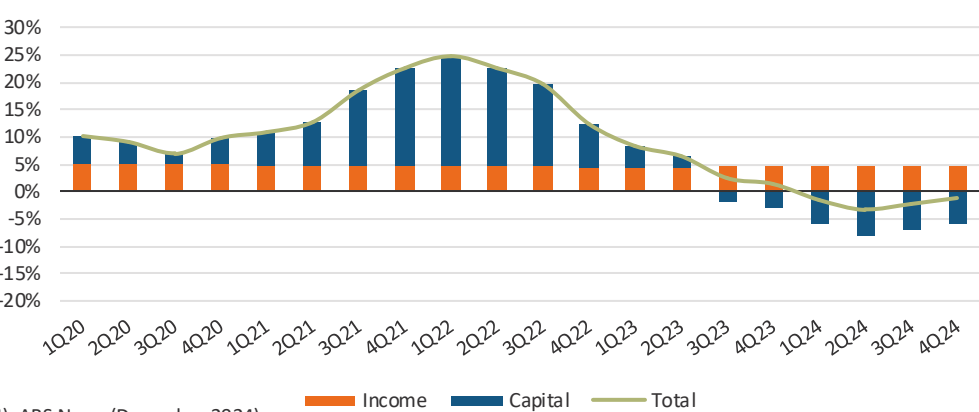
### Public Hospitals Proving to be Inefficient

Public Hospital Elective Surgery Wait Times (Days)



### Australian healthcare Offers Compelling Income Returns

MSCI Australia Healthcare Property Index Total Returns



Source: Dexus Research (December 2024), MSCI (December 2024), Australian Institute of Health and Welfare (December 2024), ABS News (December 2024).

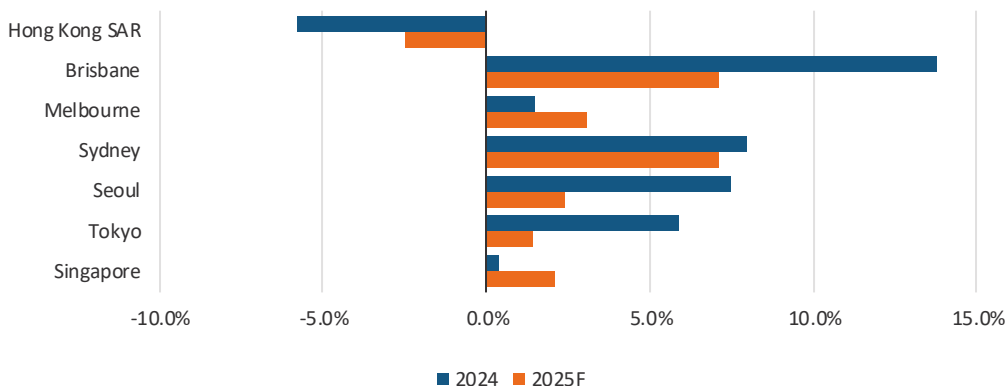
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# Office Fundamentals Remain Uncertain

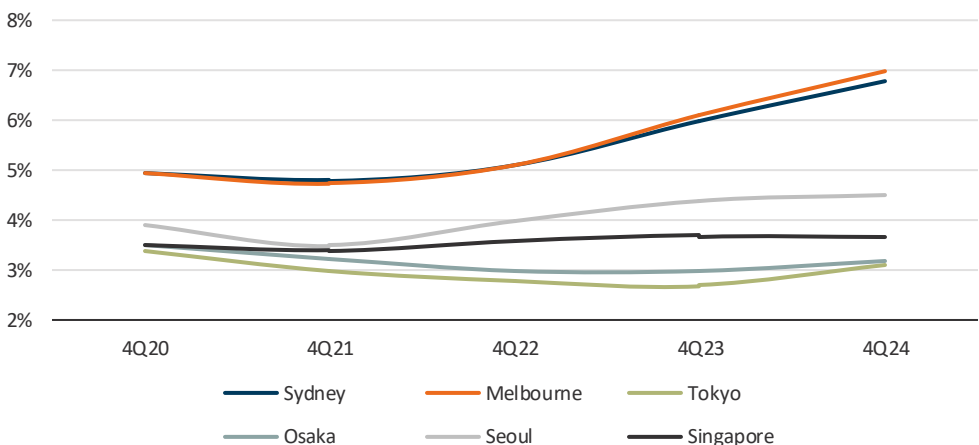
Maintain underweight except for select opportunities in Japan

- Performance is bifurcated between grade A vs B offices across key submarkets
- Flight-to-quality trend persists in major office markets. Tenants prefer quality assets located in prime locations with strong transport and high amenity offerings/ESG credentials. Landlords continue to invest in fit-outs to attract/retain tenants and improve office utilization
- Tokyo, Seoul, Singapore and Sydney registered positive rental growth through 2024, driven by demand growth for newly completed buildings and expansion in technology, professional services and financial wealth management sectors. Nevertheless, many corporates have turned cautious amidst global uncertainties
- In Japan, rising corporate earnings continues to boost demand for quality office space in central Tokyo, with the vacancy rate hitting a three-year low of ~4%. Many small to medium-sized offices, primarily owned by non-institutional investors, are neglected and mismanaged, creating value-add opportunities
- The outlook for Australian offices, particularly in Melbourne, remains challenged, given lagging office utilization rates, high incentives and significant vacancy within certain CBD submarkets. The decline in values has recently stabilized in anticipation of interest rate cuts going forward
- New supply forecast to remain constrained over the near term due to high construction costs, labor shortages and challenges related to project financing

## Australia, Seoul, & Japan Exhibiting Stronger Fundamentals Office Rent Growth by Region



## Office Cap Rates Vary by Region across APAC APAC Office Cap Rate Trend



Source: DWS (December 2024), JLL (December 2024), Avison Young (December 2024), CBRE (December 2024).

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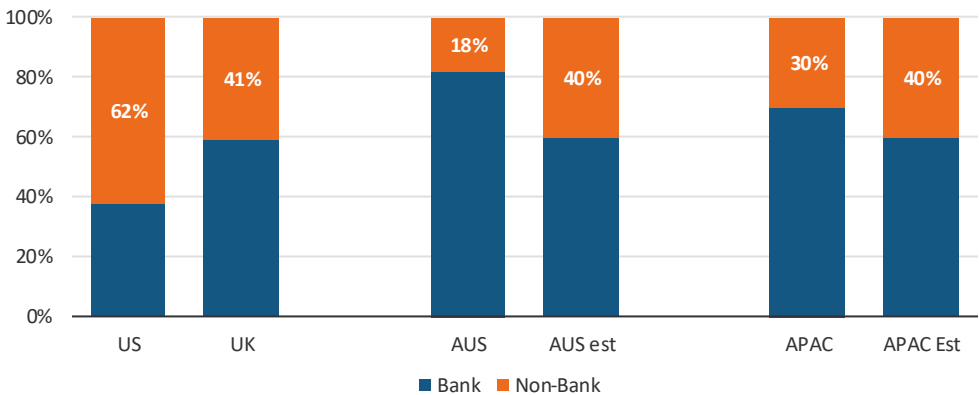
# Private Credit Replacing Bank Borrowing Across APAC

Increasing opportunity for non-bank lenders, particularly in Australia

- APAC financing remains dominated by banks, although regulatory pressures and softened lending appetite are driving a funding gap and increase in non-bank lending, particularly in Australia and New Zealand
- In Australia, bank share of CRE lending continued to retreat, dropping from 90% to 82% from 2020 to 2024. Banks continue to pivot away from CRE construction and investment loans to residential mortgages
- Non-bank lenders are capturing larger market share focused on residential developers with ability to offer flexible loan structures and projects backed by secular population demand growth. Compared to the U.S. and UK, Australia remains far behind in terms of non-bank lenders' share of the CRE market
- Current financing environment provides an attractive risk-adjusted return proposition with development senior priced circa 8-10%; mezzanine 12-18%; value-add gap financing 14-16%
- In South Korea, Hong Kong & Singapore, situational opportunities are arising to provide financing solutions amidst market dislocation including transitional/value-add loans, rescue financing and residual stock loans
- Finding the right platform to originate, structure and aggregate a diversified portfolio (by borrower, sponsor, sector & geography) as well as monitor such loans (with in-house capability to step in and workout situations if needed) is critical and the opportunity set is anticipated to present attractive risk-adjusted returns

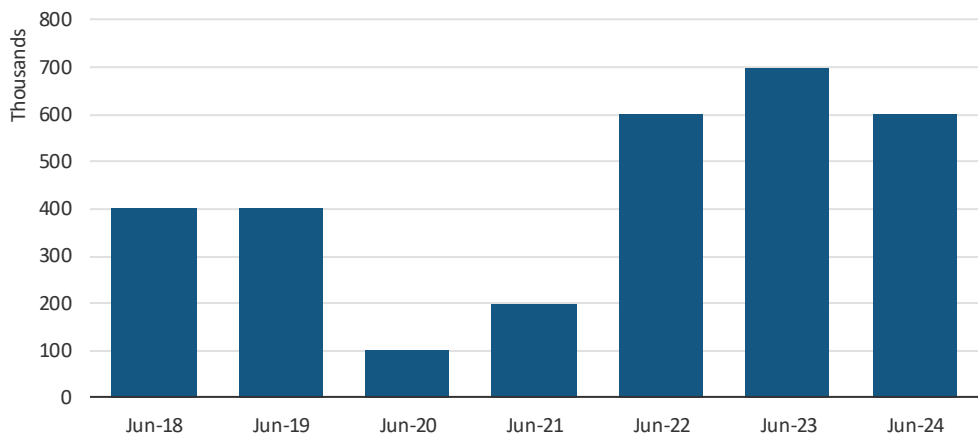
## Growing Opportunity set for Non-Bank Lenders

Market Composition: Banks vs Non-Bank Share of CRE Lending



## Population Growth in Australia a Tailwind for CRE Lenders

Australia Net Immigration Growth



Source: PGIM (December 2024), Metrics (December 2024), Australia Bureau of Labor Statistics (December 2024).

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05

## Los Angeles Market Update

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# Los Angeles Market Overview

## Market Drivers and Sector Overview

### Key Market Drivers

- Los Angeles has a dense and affluent population supported by top-tier universities and is a desired location for technology start-ups and firms
- The local economy is anchored by mix of tourism, hospitality, and media
- Los Angeles is highly regulated with limited new development due to high construction costs
- The market has experienced slow population growth due to lack of affordability



Sector	Positive Drivers	Considerations
Residential	<ul style="list-style-type: none"><li>• High home prices, mortgage rates and taxes driving rental demand</li><li>• Strong rent growth in Santa Monica, El Segundo, and Beverly Hills</li><li>• Slowing supply growth</li></ul>	<ul style="list-style-type: none"><li>• Tenant protections and rent control measures may limit growth</li><li>• High taxes &amp; cost of living</li><li>• Poor public transit, heavy traffic</li></ul>
Industrial	<ul style="list-style-type: none"><li>• Strategic location near major seaports</li><li>• Key distribution hub for Western U.S. (ports, LAX)</li><li>• Strong long-term outlook due to land scarcity &amp; ecommerce</li></ul>	<ul style="list-style-type: none"><li>• Aging inventory with small footprints</li><li>• Tariffs may impact port-centric asset rent growth</li><li>• High rents may push users to Inland Empire</li></ul>
Office	<ul style="list-style-type: none"><li>• Santa Monica, Beverly Hills, and Century City show strong rent growth potential</li><li>• High barriers to new supply (regulatory and physical)</li><li>• Diverse economy reduces risk</li></ul>	<ul style="list-style-type: none"><li>• High vacancy &amp; distressed assets in downtown</li><li>• WFH trends reduce demand</li><li>• Expensive to live and do business in LA &amp; CA</li></ul>
Retail	<ul style="list-style-type: none"><li>• Upscale retail drives high sales/sq ft</li><li>• Strong tourism supports A++ malls</li><li>• High occupancy in top centers</li><li>• Dense population &amp; affluent submarkets</li></ul>	<ul style="list-style-type: none"><li>• Rising wages &amp; taxes pressure retailer margins</li><li>• Limited disposable income</li><li>• Unfavorable business policies</li><li>• High sales tax</li></ul>

Source: Green Street (September 2025), Trepp (August 2025). Townsend’s views are as of this date of this publication and may be changed or modified at any time without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.



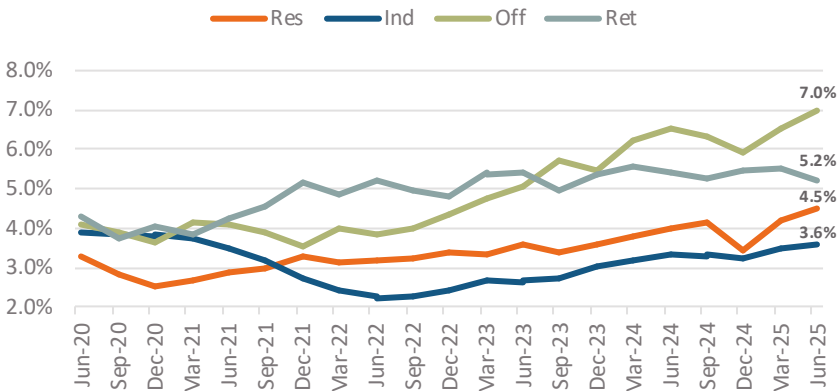
# Los Angeles Property Type Trends

Valuations Have Corrected and Growth Prospects Look Strong for Industrial and Residential



## Going-in Yields Have Corrected Across All Sectors

Los Angeles Appraisal Cap Rates



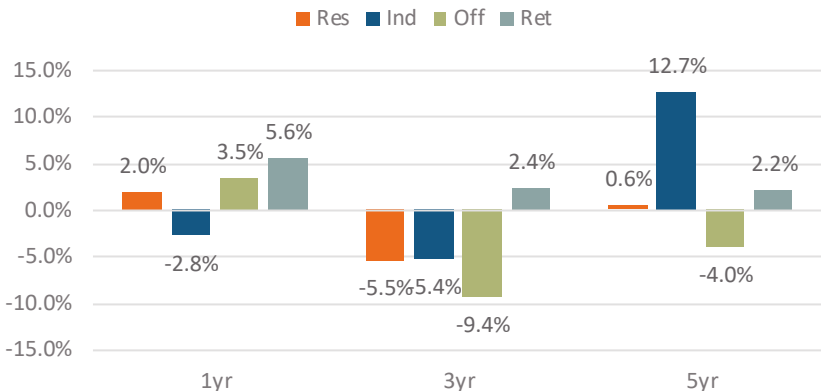
## Rents Are Forecasted To Increase In Residential and Industrial

Los Angeles Rent Growth Forecasts

Rent Growth (Baseline Forecasts)	2024	2025	2026	2027	2028	2029	2030
Residential	0.0%	1.6%	3.0%	3.5%	3.2%	2.9%	2.8%
Industrial	-7.0%	-10.4%	-3.4%	2.6%	3.9%	3.6%	3.3%
Office	-2.5%	-0.3%	-2.3%	-0.3%	0.8%	1.6%	1.9%
Retail	2.5%	2.7%	2.5%	1.7%	1.2%	0.9%	0.8%

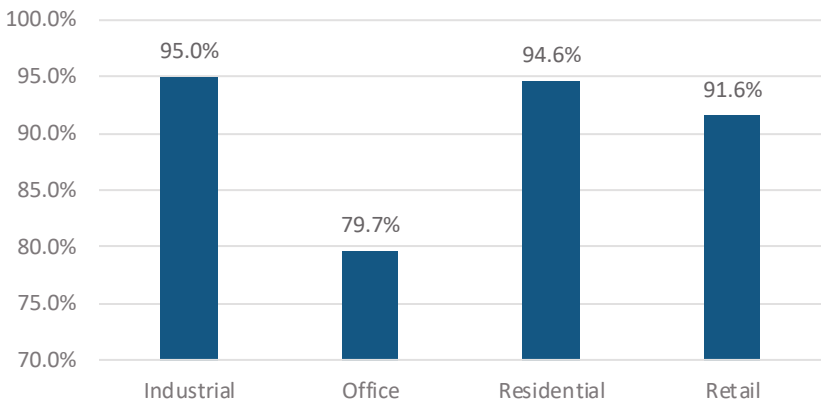
## Industrial Returns Have Lagged Other Sectors, Creating Attractive Re-Entry Point

Los Angeles Unlevered Return Performance



## Occupancy Remains Low In Office

Los Angeles Occupancy Rate (Second Quarter 2025)



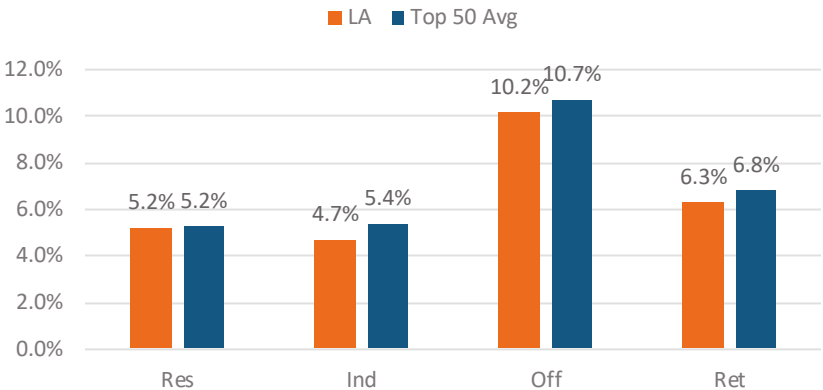
Source: NCREIF (Second Quarter 2025, September 2025), Green Street Baseline Forecasts (Second Quarter 2025). Townsend's views are as of this date of this publication and may be changed or modified at any time without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

# Los Angeles Market Comparison and Transactions

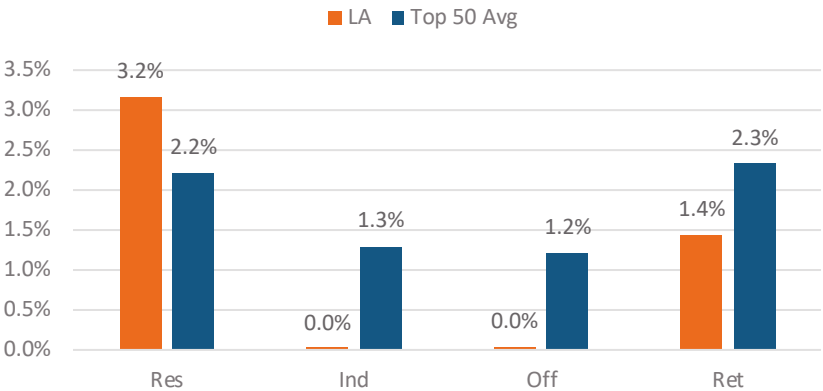
## Market Comparison and Annual Transaction Volume



### Port Industrial Maintains Premium Valuation Versus Major Markets Market Cap Rates (3Q25)



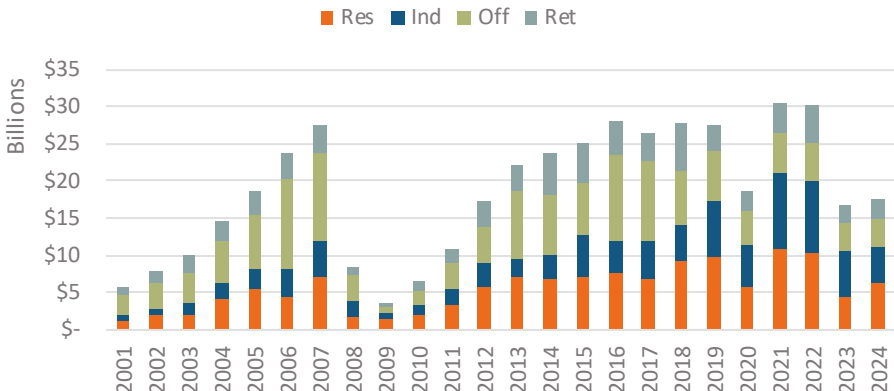
### Growth Forecasts for Los Angeles Trail Major Market 5-year M-RevPAF Forecasts



### Industrial Quality Further Reflected In Market Grade Assessment Versus Major Markets Market Grades

Sector	LA	Top 50 Avg
Res	A-	A-
Ind	A+	B+
Off	B+	B+
Ret	B+	B+

### Residential and Industrial Account For Majority Of Recent Transactions Los Angeles Annual Transaction Volume



Source: Green Street (September 2025), MSCI Real Capital Analytics (September 2025). Green Street's Market Revenue per Available Foot (M-RevPAF) is a proprietary commercial real estate metric that combines changes in market rents and occupancies into a single measure, providing a way to assess and compare the health and trends of different real estate sectors. Townsend's views are as of this date of this publication and may be changed or modified at any time without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

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Returns reflect the equal-weighted returns calculated during the periods indicated. Note: If including Core, this is value-weighted. In addition, the valuations reflect various assumptions, including assumptions of actual unrealized value existing in such investments at the time of valuation. As a result of portfolio customization/blending and other factors, actual investments made for your account may differ substantially from the investments of portfolios comprising any indices or composites presented.

Due to the customized nature of Townsend's client portfolios, the performance stated may be considered "hypothetical" as it does not reflect the experience of individual client portfolios, but rather aggregate client positions in the stated investment strategy.

## NON REGULATORY ASSETS UNDER MANAGEMENT

As of September 30, 2024, Townsend had assets under management of approximately \$19.3 billion. When calculating assets under management, Townsend aggregates net asset values and unfunded commitments on a quarterly basis. Townsend relies on third parties to provide asset valuations, which typically takes in excess of 90 days after the quarter end. Therefore, assets under management have been calculated using September 30, 2024 figures where available but may also include June 30, 2024 figures. Assets under management are calculated quarterly and includes discretionary assets under management and non-discretionary client assets where the client's contractual arrangement provides the client with the ability to opt out of or into particular transactions, or provides other ancillary control rights over investment decision-making (a/k/a "quasi-discretionary"). Regulatory AUM is calculated annually and can be made available upon request.

## ADVISED ASSETS

As of September 30, 2024, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding \$233.6 billion. Advised assets includes real estate and real asset allocation as reported by our clients for whom Townsend provides multiple advisory services—including strategic and underwriting advice for the entire portfolio. Advised assets are based on totals reported by each client to Townsend or derived from publicly available information. Advised assets are calculated quarterly. Select clients report less frequently than quarterly in which case we roll forward prior quarter totals. The recent change in Advised Assets is due to a change in the reporting of certain special projects.

**Global Non-core Capital Solutions Strategies** employ a global non-core multi strategy approach with 90% or more of the investments invested in non primary fund investments such as secondaries, recapitalizations, joint ventures, platform investments, and co-investments. Strategies are diversified by geography, sector, property type, manager and vintage year.

**U.S. Core/Core-plus Strategy and U.S. Core/Core-plus Strategy – ERISA** employ a global core/core plus multi strategy approach investing in primary funds, joint ventures, co-investments, secondaries, direct investments, debt strategies and REITs. Strategies are diversified by geography, sector, property type, manager and vintage year.

**Separate Accounts** includes all Townsend active discretionary accounts which invest in a variety of investment styles and structures.



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Los Angeles Fire and Police Pensions

# Annual Real Assets Investment Plan

September 2025

# Real Estate Investment Plan



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# 01 Executive Summary

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# LAFPP Real Estate Background

## Inception Date & Target Allocation

LAFPP targets 10% of total plan assets to Real Estate: 8.5% in private & 1.5% in public

- Since inception date is 1Q88

## Private Real Estate

Includes investments through commingled funds and a Separately Managed Account

- Since inception date is 1Q88 for commingled funds and 4Q89 for the SMA

## Public Real Estate

Investments in real estate securities that are publicly traded, such as Real Estate Investment Trusts (REITs) or listed real estate companies

- Since inception date is 3Q06

## LP Interest in Commingled Funds

Limited Partner's ("LP") share in pooled investment vehicles

- Provides diversification, scale, and sector or geographical specialization
- Less control than SMA

## Separately Managed Account (SMA)

A portfolio of direct real estate assets managed by an investment firm

- AEW manages the LAFPP SMA
- LAFPP wholly owns the underlying properties
- Provides more control & transparency



# Understanding Private Real Estate Strategies

**Core:** Focus on high-quality, stabilized assets in established markets

- Long-term leases with creditworthy tenants, reliable income & lower volatility, lower on risk/return spectrum

**Value-Add:** Focus on properties requiring leasing, repositioning, or moderate renovations

- Potential to increase Net Operating Income (“NOI”) through operational improvements, moderate risk with enhanced returns

**Opportunistic:** Focus on development, distressed assets, emerging markets

- Highest risk and execution complexity, returns driven primarily by appreciation, not income, higher risk with potential for outsized returns

## Real Estate Strategy

- The LAFPP private real estate portfolio is structured to balance income stability with growth opportunities across different segments of the risk/return spectrum
- Portfolio is composed of core & non-core (value-add & opportunistic) investments

## LAFPP Annual Investment Plan 2026

### Private Real Estate Portfolio

#### Core Portfolio

Target Up to \$150M\*

- Commit capital to specialist core and/or core plus funds while selectively considering thematic opportunities that are complementary in the portfolio to manage the core exposure and adjust for return and risk purposes

#### Non-Core Portfolio

Target Up to \$350M

- Selectively commit capital to new investments at an average amount of \$75 million per fund; continue vintage year diversification
- Pursue targeted strategies and continue to build relationships with top performing managers

- *Align pacing to reach new private real estate target allocation*
- *Maintain an increased non-core investment size per fund*
- *Focus on high conviction thematic opportunities and continue to further diversify the portfolio*

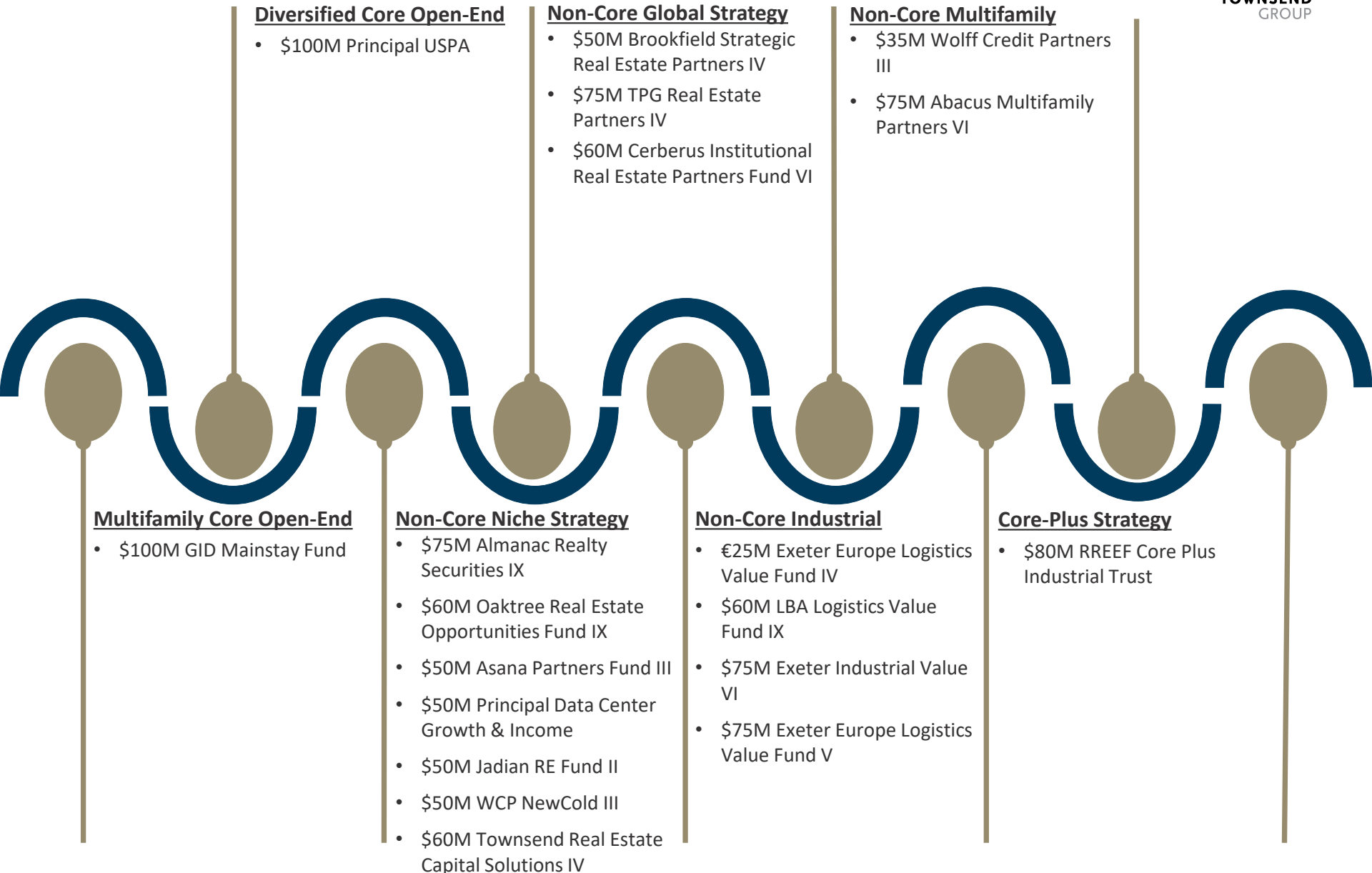
\*The \$150 million represents investments in core open-end commingled funds, subject to potential new core acquisitions by separately managed account manager.

## Review of 2025 Investment Plan

- The 2025 Investment Plan was presented and approved in September 2024.

REAL ESTATE PLANNING OBJECTIVES		RESULTS AND COMMENTARY	
Core Portfolio	<ul style="list-style-type: none"> <li>• Consider up to \$150M in commitments to core/core-plus funds to manage the core exposure.</li> <li>• Look for attractive opportunities with new core open-end fund launches as well as specialist managers with exposure to the alternative space.</li> <li>• Maintain current portfolio mix and overweight in the near term to increase overall private real estate exposure; Rebalance as non-core positions fund to align with allocation targets.</li> <li>• Continue to monitor AEW's SMA and ensure that investment activity is accretive to the Total LAFPP Real Estate Portfolio returns and diversification.</li> </ul>	<ul style="list-style-type: none"> <li>• Committed \$75M through a new investment to a triple net lease core-plus fund. The investment represents a new fund launch with exposure to a seed portfolio at a discount to market.</li> <li>• Additional \$75M is planned in 2025 for an alternative strategy fund.</li> <li>• Risk profile continues to track the benchmark with current Core Portfolio making up approximately 65% of the private portfolio.</li> <li>• Reviewed 3 SMA acquisition recommendations and participated in the annual SMA portfolio and budget review.</li> </ul>	
Non-Core Portfolio	<ul style="list-style-type: none"> <li>• Target up to \$300M in new non-core commitments</li> <li>• Consider re-up commitments to high conviction managers already represented in the portfolio.</li> <li>• Consider niche investment opportunities to enhance diversification such as secondaries, industrial outdoor storage, life sciences, cold storage, data centers, and single-family residential strategies.</li> <li>• Focus on maximizing fee savings to boost net returns when possible.</li> </ul>	<ul style="list-style-type: none"> <li>• Committed \$135M to two non-core funds that presented attractive opportunities.</li> <li>• One of the funds was a re-up to an existing value-add industrial manager. The other \$60M investment was in a secondaries fund.</li> <li>• Additional \$150M is planned in 2025, a re-up with a non-core fund and a new fund in the triple net lease space bringing the total non-core commitments to \$285M.</li> <li>• Townsend and staff negotiated attractive fee savings for all offerings.</li> </ul>	
General	<ul style="list-style-type: none"> <li>• Manage private exposures and core/non-core split to target allocations.</li> </ul>	<ul style="list-style-type: none"> <li>• Private exposure and core/non-core split are projected to reach respective targets over 3-4 years.</li> </ul>	7

# Recent Commitments and Strategic Initiatives



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## 02 LAFPP Current Portfolio

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# Portfolio Funding Status

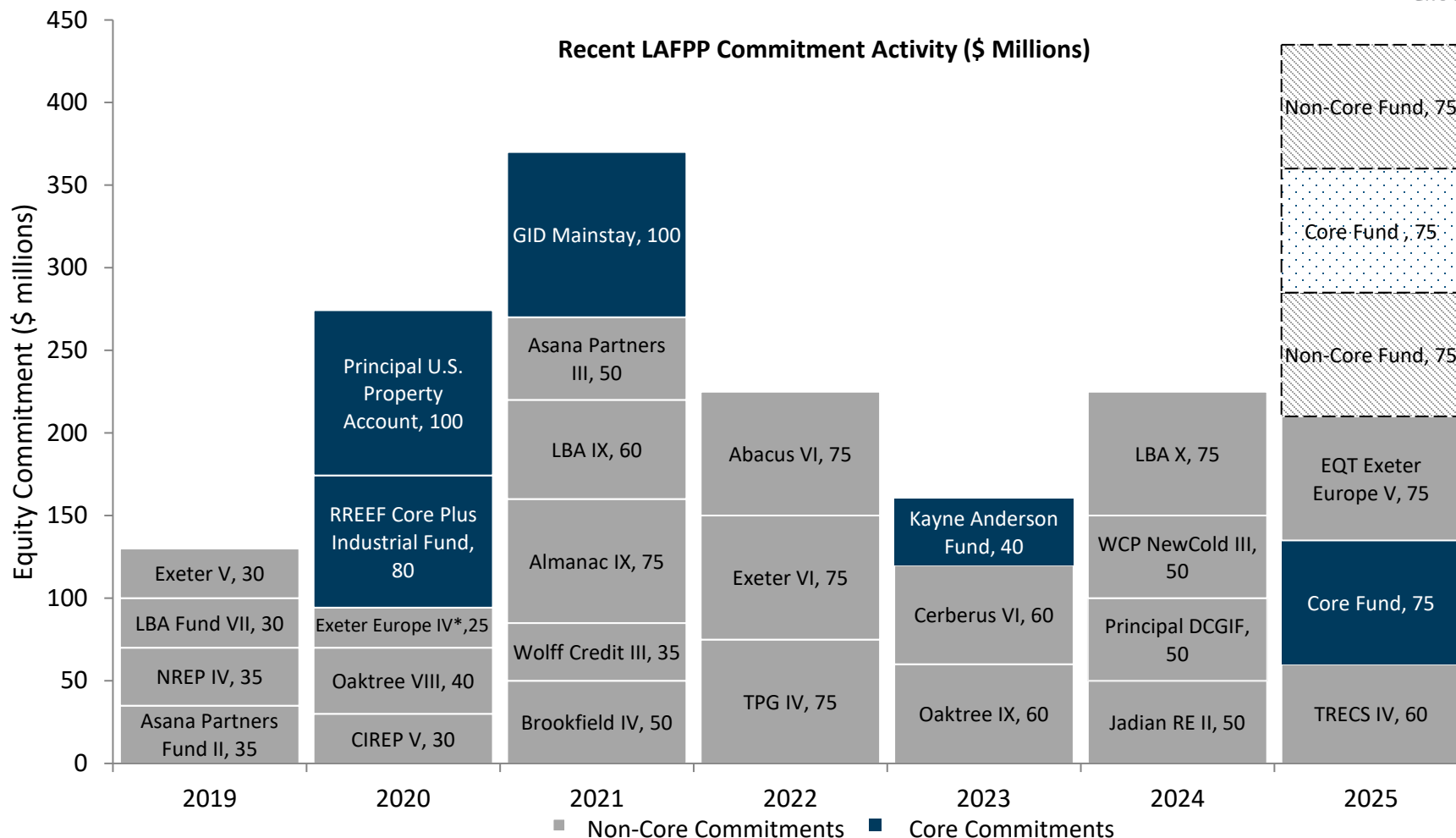
Portfolio Funding Status	Market Value (\$ millions)*	% LAFPP Plan
<b>LAFPP Total Plan Assets</b>	<b>\$32,389</b>	
<b>Real Estate Target</b>	<b>\$3,239</b>	<b>10.00%</b>
RE Market Value		
Public	\$1,205	3.72%
Private	\$2,028	6.26%
<i>Core</i>	\$1,326	4.09%
<i>Non-Core</i>	\$702	2.17%
<b>LAFPP Real Estate Market Value</b>	<b>\$3,232</b>	<b>9.98%</b>
<i>Unfunded Commitments</i>	\$577	1.78%
<b>RE Market Value &amp; Unfunded Commitments</b>	<b>\$3,809</b>	<b>11.76%</b>
<b>Remaining Allocation</b>	<b>-\$570</b>	<b>-1.76%</b>

## Highlights

- The following slides provide a review of key information for the Los Angeles Fire & Police Pension System (“LAFPP”) Real Estate Portfolio (the “Portfolio”) through March 31, 2025.
- LAFPP has a 10.0% target allocation to real estate and allows for additional flexibility of  $\pm 1.5\%$  of the Total Plan. On a funded basis, LAFPP is slightly below its established target but within the flexible range.
- Unfunded commitments include all approved investments, but the funded and committed figures do not take into account liquidating positions or planned redemptions.
- The Private Portfolio is well established and has 44 investment vehicles managed by 31 investment partners.

Source: Townsend Group. Data as of March 31, 2025. Townsend’s views are as of this date of this publication and may be changed or modified at any time without notice. Past performance is not indicative of future results. \*Figures may not add due to rounding

## Fund Activity Per Year



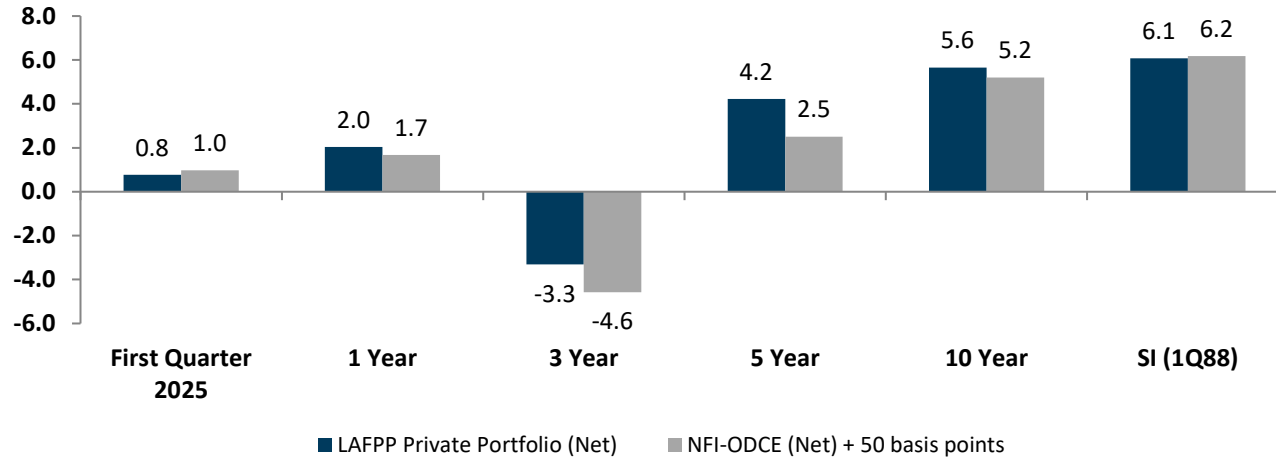
- LAFPP committed almost \$1.6 billion to private real estate since 2019. Commitment sizes have increased over historical norms and will create a larger concentration in recent vintage years.
- Commitment classifications are based on LAFPP's approval of the commitment in a given year.

\*Commitment value is in euros

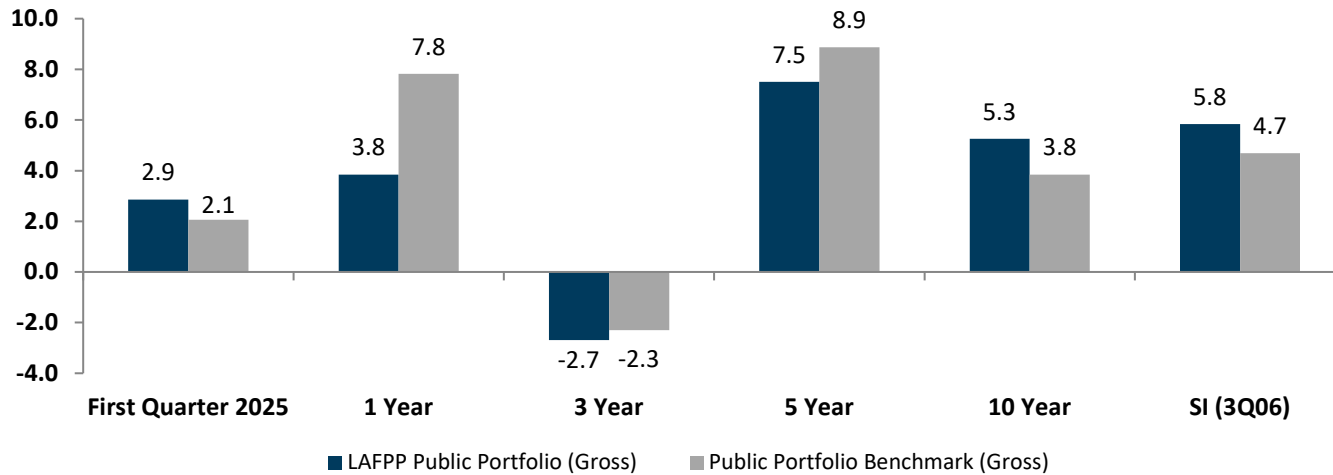
Los Angeles Fire & Police Pensions • Annual Real Assets Investment Plan

# Real Estate Program Performance

## LAFPP Private Portfolio Performance



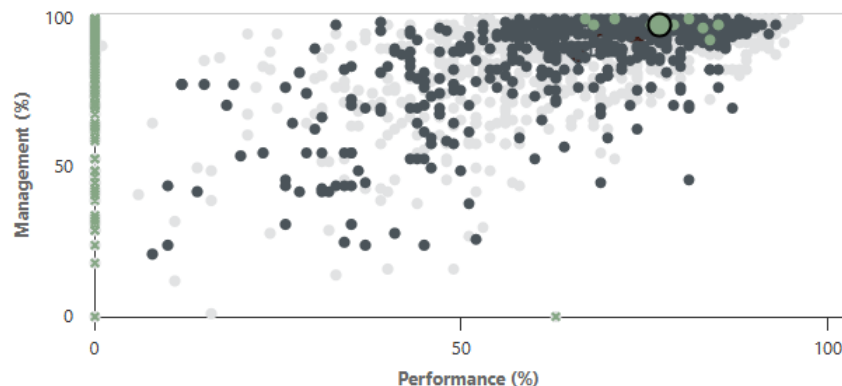
## LAFPP Public Portfolio Performance



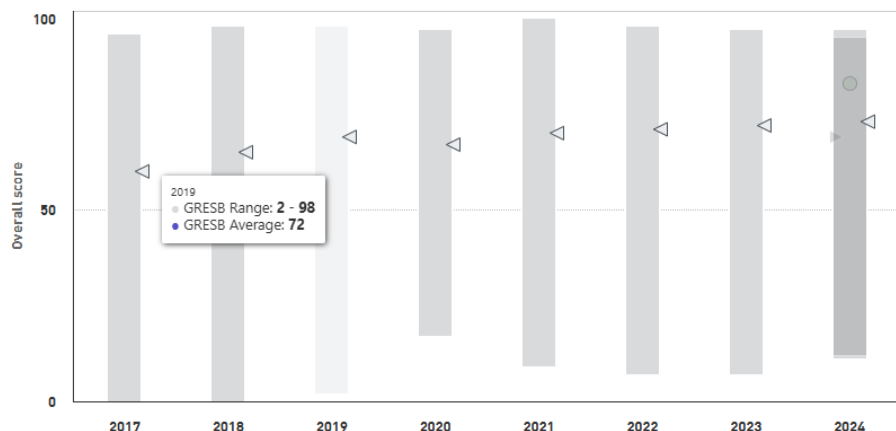
Source: The Townsend Group. Data as of March 31, 2025. Townsend's views are as of the date of this publication and may be changed or modified at any time without notice. Past performance is not indicative of future results.

# LAFPP Core Portfolio - ESG Reporting

## CORE Real ESTATE GRESB Report



● Portfolio ● Portfolio Avg. ◆ Benchmark Avg. ● Benchmark □ GRESB Average  
 ● GRESB Universe + Asia × Europe \* Americas × Oceania  
 # Globally diversified × Entities with only one component submitted



● Portfolio Average  
 ● Benchmark Range  
 ● GRESB Range  
 ► Benchmark Average  
 ◄ GRESB Average



**GRESB Score**

GRESB Average 76

**Green Star**

Peer Average 72

- GRESB is the global environmental, social and governance (ESG) benchmark for real assets. GRESB defines standards for sustainability performance in real assets by collecting and providing standardized and validated ESG data from institutional investors and their asset managers.

The report includes 10\* of LAFPP's Core open-ended funds (\$849M) making up (64%) of the Core Portfolio in market value. All funds were awarded GRESB Green Star status. On a weighted average the LAFPP Core portfolio score is 83, noticeably higher than the GRESB peer average of 72.

\*Funds in the ESG analysis include: Berkshire Multifamily Income Realty Fund, Jamestown Premier Property Fund, Heitman HART, Kayne Anderson Core Real Estate Fund, Lion Industrial Trust – 2007, MetLife Core Property Fund, PRISA SA, Principal US Property Account, GID Mainstay Fund and RREEF Core Property Industrial Fund. GID Mainstay was added this year. AEW IMA is excluded from the analysis as the properties do not report to GRESB.

- Source: Townsend, GRESB

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# 03

## LAFPP Forward-Looking Portfolio Considerations

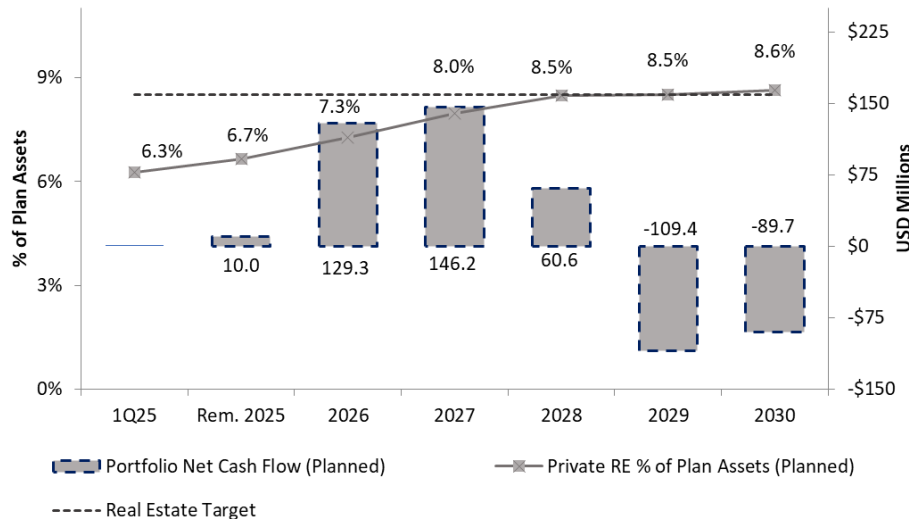
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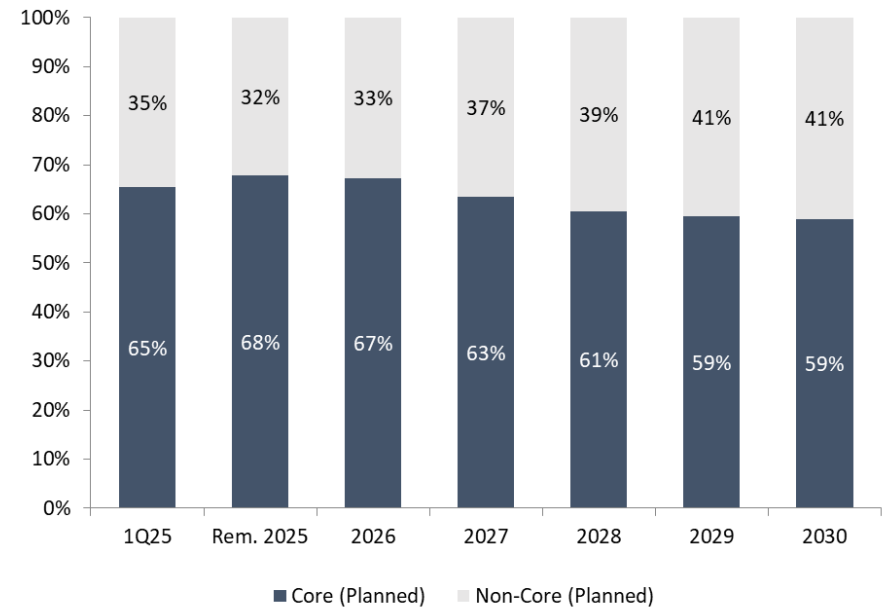
# LAFPP Private Portfolio Projections

- To build future private portfolio projections for LAFPP, Townsend collected forecasted capital calls and distributions from all managers in LAFPP's portfolio.
- The 'Planned Private Portfolio' below includes new commitments needed to reach the target allocation. These planned commitments are detailed on the following pages and will increase Non-Core exposure to move towards the long-term **60% Core/40% Non-Core target** (% of Private Portfolio) by 2028. Given LAFPP's benchmark is based on the above Core/Non-Core targets, LAFPP risks underperforming if deviating too much from these targets.
- The LAFPP Private Real Estate portfolio is 6.3% of the total plan assets and below the new 8.5% target allocation for Private Real Estate which was recently approved by the board. However, with continued commitments and investment planning the portfolio will reach the target by 2028.

Private RE % of Total Plan Assets (All Planned Activity)



Risk Sector Allocation Change



Source: Townsend Group. As of March 31, 2025.

# Core Portfolio Execution

## COMMIT UP TO \$150 MILLION TO CORE COMMINGLED FUNDS IN 2026

During 2024-2025, LAFPP made one commitment to a new fund launch with an additional investment planned in 2025 to an alternative strategy fund. LAFPP remained in the redemption queues for two core open-end funds (\$24 million outstanding). For the upcoming year, Townsend recommends the following for the Core portfolio\*:

### 1. Commit up to \$150M consider up to Core/Core Plus funds.

- Consider up to \$150M in commitments to core/core-plus positions to manage the core exposure. Take a measured approach to identifying the most effective deployment avenues, including:
  - New blind pool core open-end fund launches positioned to buy high quality properties at favorable valuations.
  - Specialist managers with exposure to the alternative space or niche sectors that complement the LAFPP Core Portfolio.

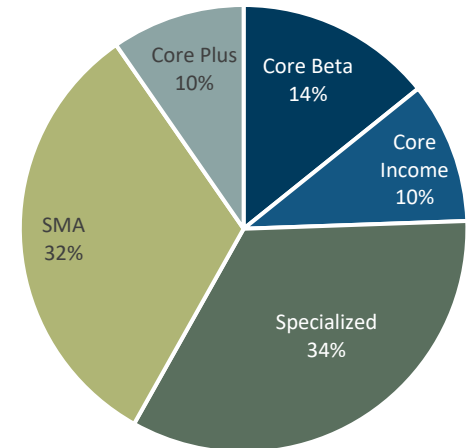
### 2. Near-term tactical overweight.

- Maintain current portfolio mix and overweight in the near term to increase overall private real estate exposure; rebalance as non-core positions draw capital to align with allocation targets.

### 3. Ensure Separate Account activity enhances portfolio goals.

- Continue to monitor AEW's Separate Account and ensure that investment activity is accretive to the Total LAFPP Real Estate Portfolio returns and diversification.

Current Core Portfolio



\*Recommended capital commitments are for the core commingled fund portfolio. Pacing model assumes separate account acquisitions are funded through dispositions  
Source: Townsend Group. As of March 31, 2025.

# Non-Core Portfolio Execution

## COMMIT UP TO \$350 MILLION TO NON-CORE IN 2026

LAFPP's Non-Core portfolio currently represents 35% of the total real estate exposure within the established range of 30%-50%. Townsend expects this exposure to increase over the near-term and move closer towards the 40% target.

### 1. Prioritize investments in high-conviction sectors.

- Focus on expanding exposure to niche sectors such as data centers, build-to-rent, cold storage, manufactured housing and industrial outdoor storage (IOS).
- Continue to invest in favorable sectors with long-term growth potential like residential and industrial.

### 2. Target up to \$350 million in new commitments.

- Aim for up to \$350 million of new fund commitments. A tactical and patient approach will be employed. Focus on opportunities that complement the existing portfolio, thematic investments with proven specialist managers and alternative specialty sectors with growth potential. Adjust based upon specific opportunities presented. The allocation target is intended to provide a general guideline for investment pace, not a mandate.

### 3. Consider re-ups with high-conviction managers.

- Evaluate opportunities with existing managers who have demonstrated strong performance ensuring continuity and leveraging established relationships.

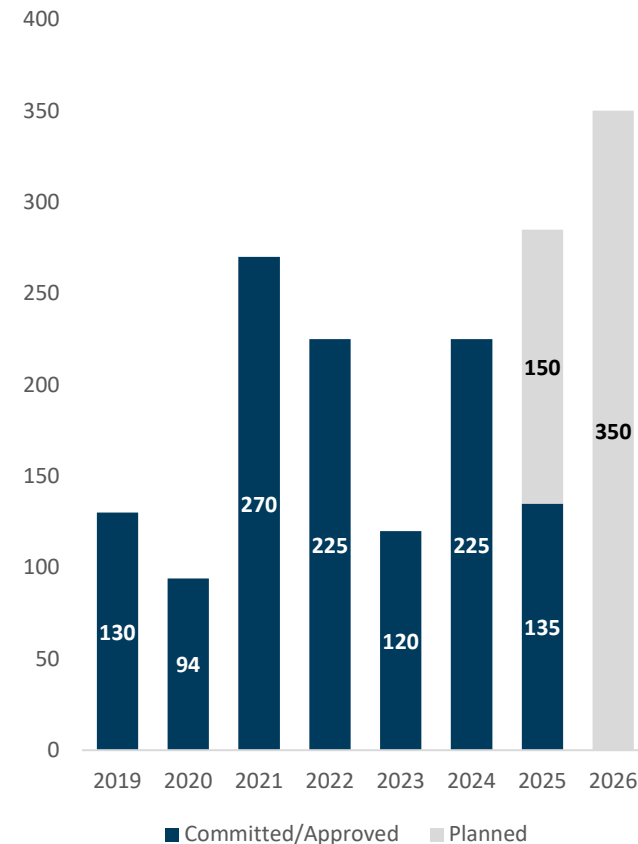
### 4. Take advantage of capital market themes.

- Consider investments in secondaries and recapitalizations to take advantage of capital market dislocation.
- Consider other structures such as co-investments, joint ventures and platform investments if it leads to higher expected risk-adjusted returns.

### 5. Focus on fee optimization .

- Identify opportunities to reduce fees and enhance net returns, both in new commitments and within existing portfolio structure.

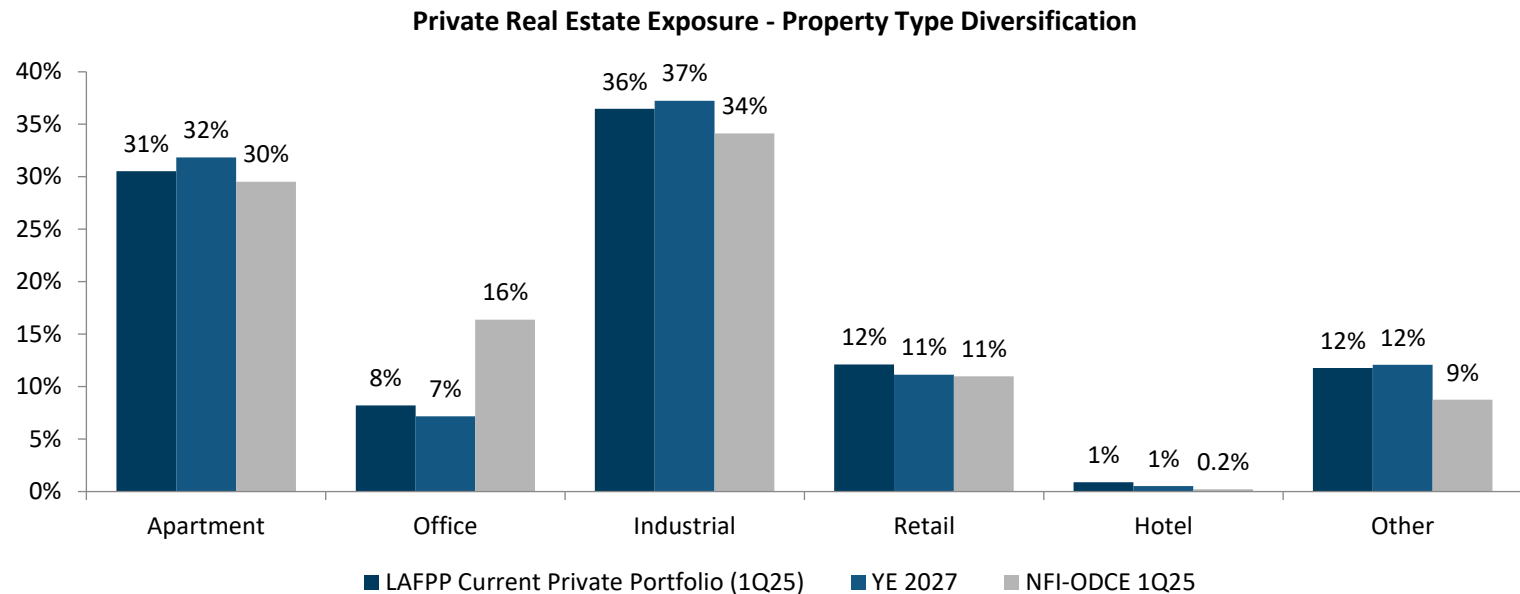
Non-Core Commitments by  
Vintage Year\*



\*Based upon year of investment approval at LAFPP Board.  
Los Angeles Fire & Police Pensions • Annual Real Assets Investment Plan

# Portfolio Diversification Projections

## SECTOR DIVERSIFICATION



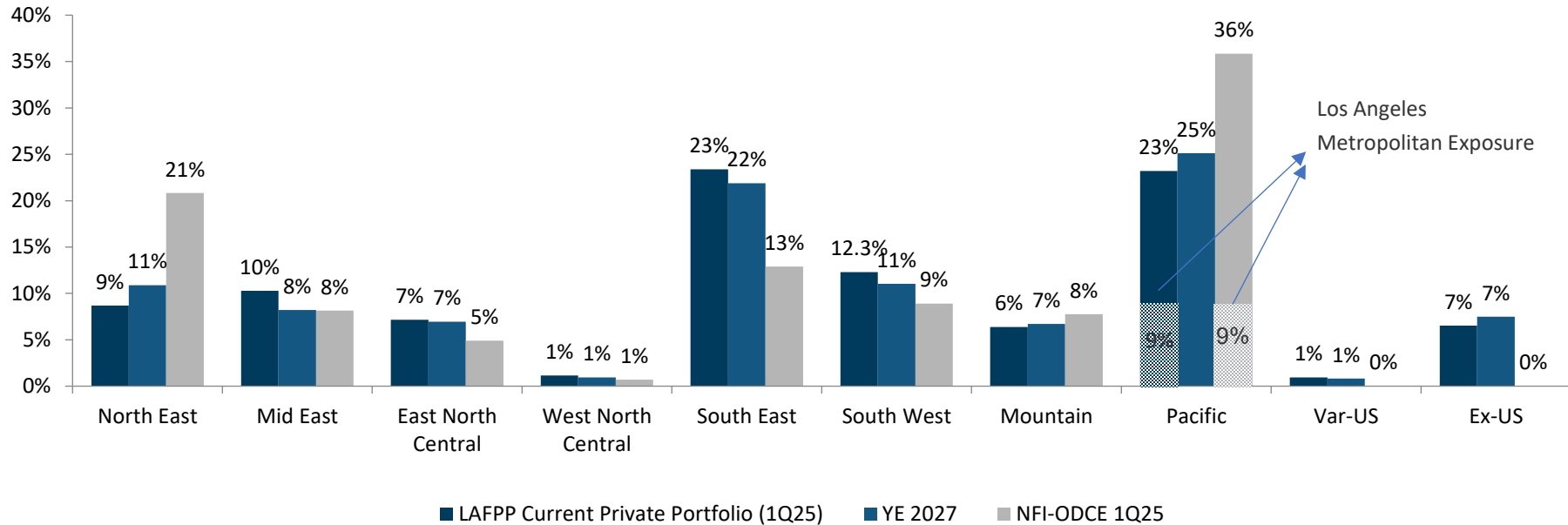
- Continuation of the plan to overweight favorable sectors.
  - Industrial, multifamily, and the other sectors.
- Maintain underweight position in office.
  - An office underweight is supported by Townsend’s View of the World, due to the sector’s correlation to the economic cycle and market conditions.
- Seek tactical opportunities to access attractive opportunities in retail.
- Other sectors includes data centers, medical offices, senior living, self storage, and land.

\*Projection for 2027 include current and future commitments.

# Portfolio Diversification Projections

## GEOGRAPHIC DIVERSIFICATION

### Private Real Estate Exposure - Geographic Diversification



- LAFPP continues to be underweight to the North East and Pacific regions. Continued emphasis is placed on investments focused to the Pacific.
  - Manage exposure to Sunbelt regions.
  - Look for opportunities to increase exposure in the Pacific region.
  - Consider modest tactical opportunities in the North East.
- Consider additional Ex-US opportunities to enhance geographic diversification and returns.

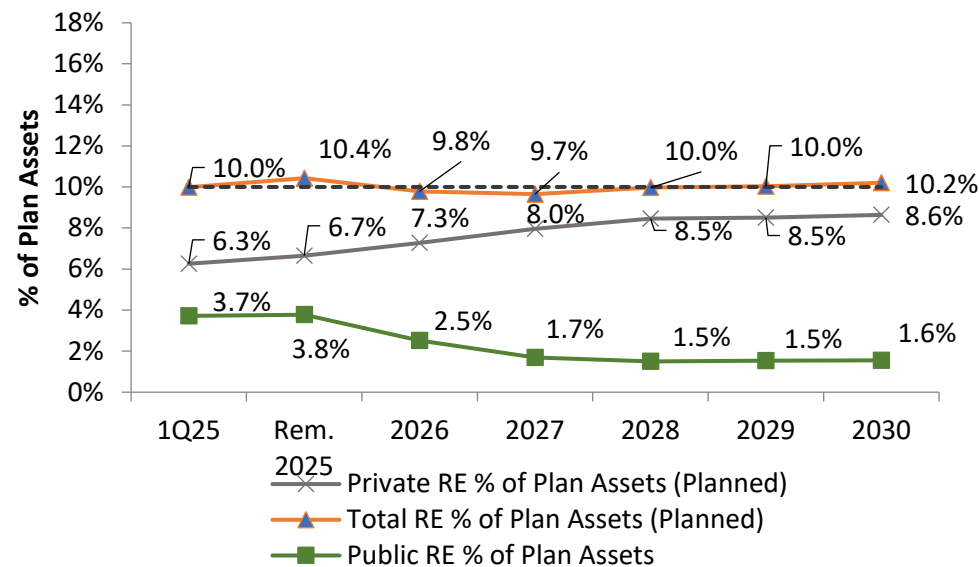
\*Projection for 2027 include current and future commitments.



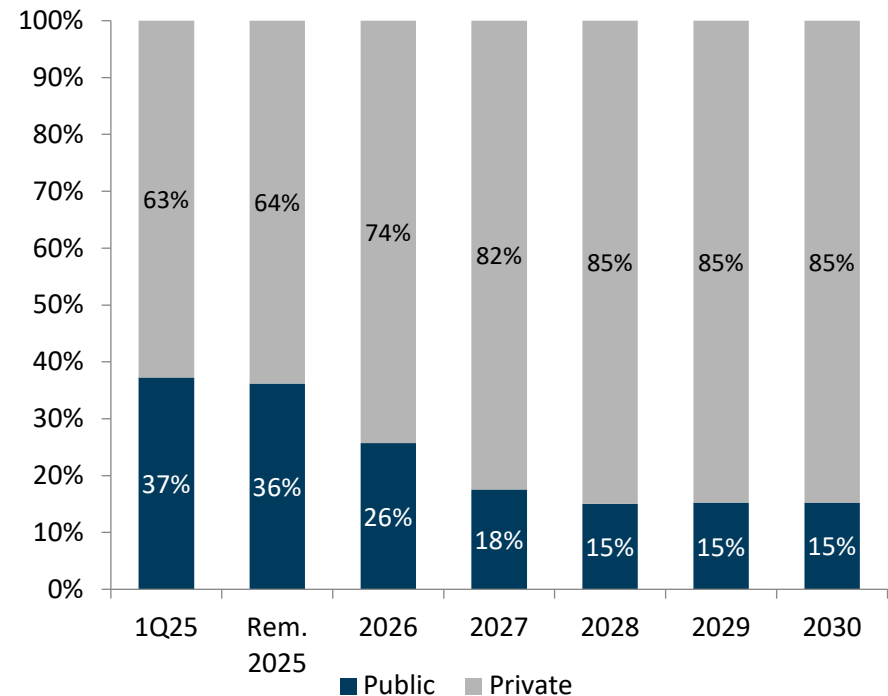
## LAFPP Public vs. Private Projections

- In 2024, LAFPP approved a plan to increase the private exposure to 85% and reduce public exposure to 15% of the 10% allocation to real estate. The projections below assume the public Real Estate Investment Trusts (REITs) are gradually sold as private real estate investments are funded to maintain a 10% exposure to real estate. The Public allocation is the most liquid investment in the real estate portfolio providing the ability to be nimble over time.
- Based on the pacing plan, the LAFPP is expected to reach the new target goals by 2028.

**Total Real Estate % of Total Plan Assets**



**Public vs. Private Portfolio**



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# 04 Investment Policy Overview

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## Overview - Current Policy Objectives and Guidelines

- LAFPP's Real Estate program is governed by a real estate Investment Policy, which establishes long-term objectives and risk controls.

PROGRAM FRAMEWORK	STRATEGIC GOALS	RISK CONTROLS	MECHANICS
<b>ALLOCATION TO REAL ESTATE</b> <ul style="list-style-type: none"> <li>• 10% of total plan assets</li> </ul>	<b>RETURN OBJECTIVE</b> <ul style="list-style-type: none"> <li>• Enhance the diversification of the Plan while achieving a long-term risk-adjusted return that is consistent with the General Consultant's expected return.</li> </ul>	<b>INVESTMENT DIVERSIFICATION</b> <ul style="list-style-type: none"> <li>• Single Manager: ≤ 30%</li> <li>• Single Investment (at purchase):               <ul style="list-style-type: none"> <li>Open-End Core: 10%*</li> <li>Closed-End: 5%*</li> <li>SMA: 5%*</li> </ul> </li> </ul> <p><small>*of private real estate portfolio market value</small></p>	<b>PERMITTED VEHICLES</b> <ul style="list-style-type: none"> <li>• Wide range of permitted structures and vehicles.</li> <li>• Focus on public and private vehicles.</li> </ul>
<b>CORE/NON-CORE BLEND</b> <ul style="list-style-type: none"> <li>• Public: <b>5%-25%</b></li> <li>• Private: <b>75%-95%</b> <ul style="list-style-type: none"> <li>• Core: 50%-70%</li> <li>• Non-Core: 30%-50%</li> </ul> </li> </ul>	<b>BENCHMARK</b> <ul style="list-style-type: none"> <li>• Primary: Meet or exceed a blend of <b>85%</b> Private benchmark and <b>15%</b> Public over a five-year period.               <ul style="list-style-type: none"> <li>• <b><i>New benchmark should be phased in over three-year period.</i></b></li> </ul> </li> <li>• Public: Exceed blend of 50% Dow Jones US Real Estate Securities Index (Gross) and 50% FTSE EPRA/NAREIT Developed Index (Gross) over a 5-yr period.</li> <li>• Private: Exceed ODCE plus 50 basis points net of fees over a 5-yr period.</li> </ul>	<b>GEOGRAPHIC DIVERSIFICATION</b> <ul style="list-style-type: none"> <li>• Maximum of 30% outside the United States.</li> <li>• For each U.S. region:               <ul style="list-style-type: none"> <li>No more than 40% of the Real Estate Portfolio</li> </ul> </li> </ul>	<b>ROLES AND RESPONSIBILITIES</b> <ul style="list-style-type: none"> <li>• Collaborative approach between Staff and Consultant, with Board oversight and control.</li> </ul>
	<b>DIVERSIFICATION</b> <ul style="list-style-type: none"> <li>• Low or negative correlation with stock and bond returns.</li> </ul>	<b>DIVERSIFICATION BY PROPERTY TYPE</b> <ul style="list-style-type: none"> <li>• For each property type:               <ul style="list-style-type: none"> <li>No more than 40% of the Real Estate Portfolio</li> </ul> </li> </ul>	
		<b>LEVERAGE LIMIT</b> <ul style="list-style-type: none"> <li>• Total Portfolio: LTV ≤ 60%</li> <li>• Core: 40%</li> <li>• Non-core: None</li> </ul>	

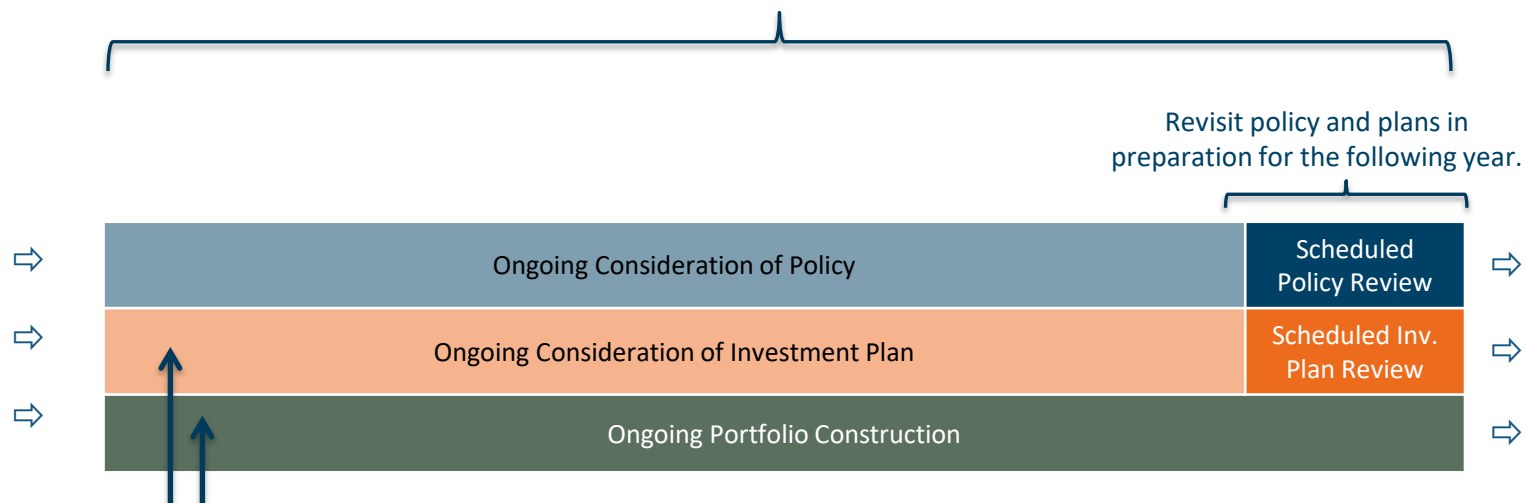
"ODCE" is an index of U.S., core-oriented, open-end funds.

"LTV" is loan-to-value ratio.

## Overview - Process

- Strategic Planning, Investment Planning, and Portfolio Construction are an ongoing process.

### Typical Annual Cycle



- Review of investment opportunities.
- Review of market conditions.
- Review of portfolio composition/evolution.

# Infrastructure Investment Plan





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# 05 Infrastructure Sector Overview

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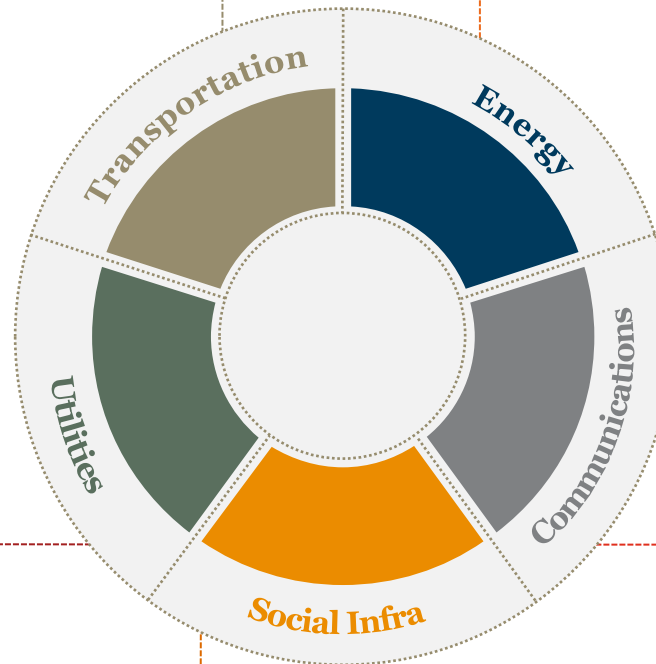
# Infrastructure Assets Defined - Sectors



- Toll roads, bridges, tunnels
- Airports, ports
- Rail and mass transit networks



- Regulated transmission/distribution assets
- Water distribution and treatment



- Power Generation (conventional and renewable)
- Storage and pipeline



- Fiber optic networks
- Broadcast and mobile towers
- Data centers



- Education facilities
- Healthcare facilities
- Courts, police stations and community centers

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# Infrastructure Assets Defined - Stages



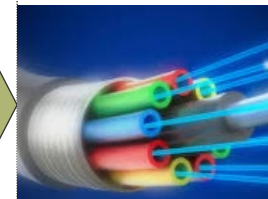
## Development/Construction (Greenfield)

- New infrastructure
- Development/construction premium to compensate for additional risks of development and construction, and revenue forecasting (e.g., traffic)



## Operational (Mature)

- Operational assets with regulated or contracted revenue streams, limited investment needs and high cash yield (e.g. regulated transmission network)
- Targeted net returns 6-9%




## Operational (Value Add)

- Operating assets/businesses with growth opportunities (add-on, roll-up) and/or operational improvement potential (e.g., airport, fibre optic network)
- Targeted net returns 9-15%

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# Infrastructure Strategic vs Tactical Investments

	Strategic	Tactical
<b>Revenue Model</b>	<ul style="list-style-type: none"> <li>▪ Cash flow underpinned by regulation or concession, medium to long term contracts, or strong market position</li> <li>▪ Limited price and volume risk</li> </ul>	<ul style="list-style-type: none"> <li>▪ Medium term contracts</li> <li>▪ Some to significant volume and price risk, ramp-up risk</li> <li>▪ Growth opportunities (add-on, roll-up)</li> <li>▪ Core/Core-Plus Greenfield assets</li> </ul>
<b>Operating Risk</b>	Low to medium	Medium to high
<b>Market Risk</b>	Low to medium	Medium to high
<b>Yield</b>	Medium to high	Low to medium
<b>Growth Potential</b>	Low to medium	High
<b>Targeted Returns</b>	6-10%	10%+
<b>Examples</b>	Public-Private Partnerships (PPP), utilities, airports, ports, roads, power generation	Power generation, fiber networks, data centers, sustainable energy, midstream energy



**Risk and Return**

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## Infrastructure Objectives & Guidelines

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# Investment Objectives: Strategic and Tactical Portfolios

	OBJECTIVE	DISCUSSION
STRATEGIC	1. <b>Maintain OECF investments</b> with meaningful commitments to both existing and new OECFs, ensuring sufficient diversification and a well-managed portfolio.	<ul style="list-style-type: none"> <li>Infrastructure Open-End Commingled Funds (OECFs) offer a way to deploy capital and receive diversified exposure to infrastructure relatively quickly while being fee-efficient.</li> </ul>
TACTICAL	2. Add exposure to <b>closed-end</b> fund investments on a tactical basis based on market opportunity.	<ul style="list-style-type: none"> <li>Pace out closed-end commitments to tactical opportunities over several vintage years.</li> <li>Balance reaching target allocation over near-term and maintaining dry powder ready to take advantage of opportunities that arise.</li> </ul>
TOTAL PORTFOLIO	3. Consider <b>sector over/underweights</b> based on market expectations.	<ul style="list-style-type: none"> <li>Strategic Portfolio: Overweighting contracted and regulated assets has historically provided the portfolio stable and reoccurring cash flow, strong inflation linkage, and limited operational intensity.</li> <li>Tactical Portfolio: Opportunities may exist to produce outsized returns based on market expectations. Overweighting the portfolio to digital and early-stage energy transition investments based on the expectation that these will produce outperformance.</li> </ul>
	4. Consider <b>external risks</b> when making new investments.	<ul style="list-style-type: none"> <li>The Strategic Portfolio is likely to limit risk, while producing consistent returns that are more heavily comprised of income. The majority of the funds considered for the portfolio include globally diverse investments. Considering risks (e.g., currency exposure) may limit potential underperformance.</li> </ul>
	5. Build a <b>globally diverse portfolio of infrastructure assets.</b>	<ul style="list-style-type: none"> <li>Investing in assets that are diverse globally with exposure to regional and sector specific strategies including both large and mid/small cap investments. Current preference is for prespecified portfolios that provide visibility on deployment.</li> </ul>

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# Investment Guidelines

ALLOCATION TO INFRASTRUCTURE	OBJECTIVES
<ul style="list-style-type: none"> <li>2% of total plan assets; 1.5% - 2.5% range</li> </ul>	<ul style="list-style-type: none"> <li>Inflation protection</li> <li>Diversification/Low correlation to equities</li> <li>Income generation</li> <li>Total return</li> </ul>
STRATEGY MIX	INFRASTRUCTURE BENCHMARK
<ul style="list-style-type: none"> <li>Strategic: 60% target, 50-100% range</li> <li>Tactical: 40% target, 0-50% range</li> </ul>	<ul style="list-style-type: none"> <li>Net return seeks to exceed CPI plus 375 bps over a 5-year period</li> </ul>
GEOGRAPHIC DIVERSIFICATION	DIVERSIFICATION
<ul style="list-style-type: none"> <li>Portfolio will be globally diversified with a focus on developed markets in North America and Europe</li> <li>Non-OECD* market exposure limited to 20%</li> </ul>	<ul style="list-style-type: none"> <li>Diversify portfolio by sector with no more than 40% exposure to one single sector (as defined on p.26)</li> </ul>
CONCENTRATION LIMITS	LEVERAGE
<ul style="list-style-type: none"> <li>LAFPP's manager concentration of no more than 35% of program allocation</li> </ul>	<ul style="list-style-type: none"> <li>Target a blended leverage ratio of 50% for the total infrastructure portfolio, with a maximum of 75%</li> </ul>

\*Organisation for Economic Co-Operation and Development

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07

## Review of Investment Plan & Projections

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# Review of 2025 Investment Plan

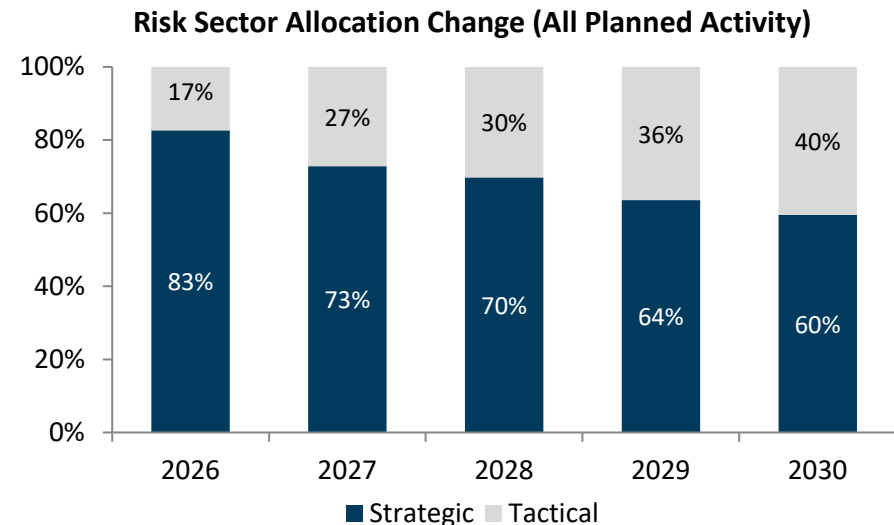
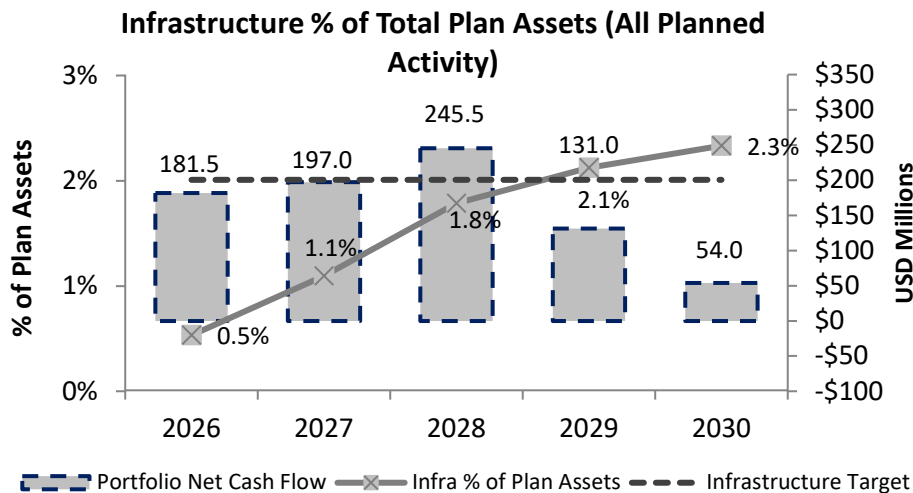
- The 2025 Investment Plan was presented and approved in March 2025.



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# Investment Pacing-2026

- The 'Planned Portfolio' below projects new commitments needed to reach LAFPP's target allocation. These planned commitments are detailed on the following page.
- The new 2% target allocation for Infrastructure was approved by the Board in August 2024. With continued commitments and investment planning the portfolio will reach the target by 2029.



Assumptions:			
		- Total Plan Asset Growth: 4.0%	
		- Dividends being reinvested	
		- Returns are net and levered, for a global portfolio	
		- Long-term net return expectations over multiple market cycles:	
		Total Return	
2025-2028	Strategic:	7.0%	
	Tactical:	9.0%	
		- Target Allocation:	
		- Strategic: 50-100%	
		- Tactical: 0-50%	
		- Hold Period:	
		- Open-Ended; Perpetuity	
		- Closed-Ended; 12-Year Life	
		- Investment Period:	
		- Called over 2 years	
		- 4-Year Deployment (90% of Committed)	

Townsend's views are as of this date of this publication and may be changed or modified at any time without notice. Past performance is not indicative of future results. Actual results and developments may differ materially from those expressed or implied herein.

# 2026 Infrastructure: Strategic and Tactical Portfolio Recommendations

## COMMIT UP TO \$150 MILLION TO STRATEGIC IN 2026

- Target one to two new commitments with a range of \$100 - \$150 million per fund to attractive opportunities with a focus on building out a diversified portfolio with stable cash flow.
- Adjust based upon specific opportunities presented. The capital planning is intended to provide a general guideline for investment pace, not a mandate.
- Consider existing open-end funds and new fund launches.
- Focus on maximizing fee savings to boost net returns when possible.

## COMMIT UP TO \$120 MILLION TO TACTICAL IN 2026

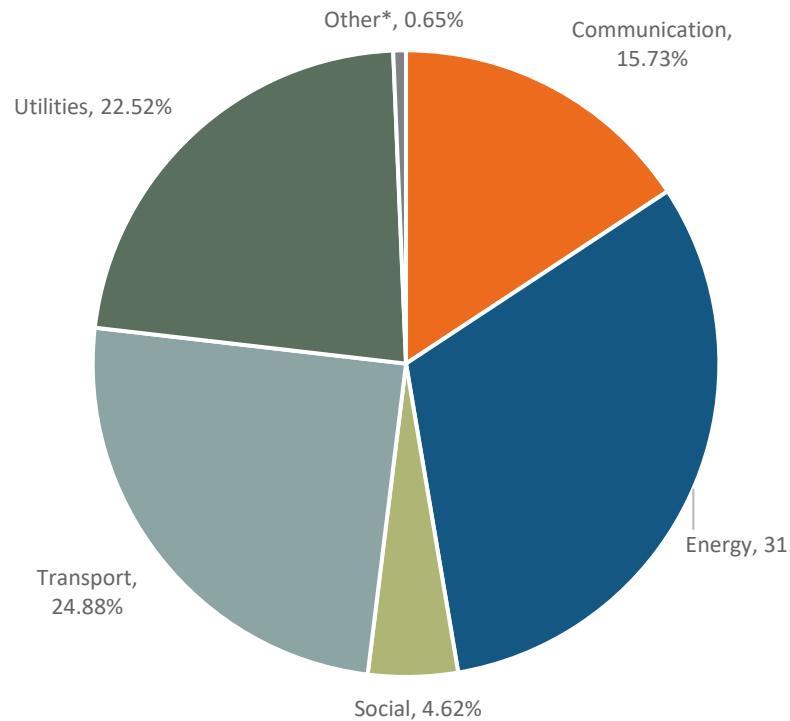
- Target one to two new commitment with an average amount of \$60 million to attractive opportunities with a focus on diversified tactical strategies (large and mid cap) with demonstrated managers that can drive growth through operational improvement, energy transition strategies, and digital infrastructure (fiber, data centers, towers and support infrastructure).
- Adjust based upon specific opportunities presented. The capital planning is intended to provide a general guideline for investment pace, not a mandate.
- Focus on maximizing fee savings to boost net returns when possible.

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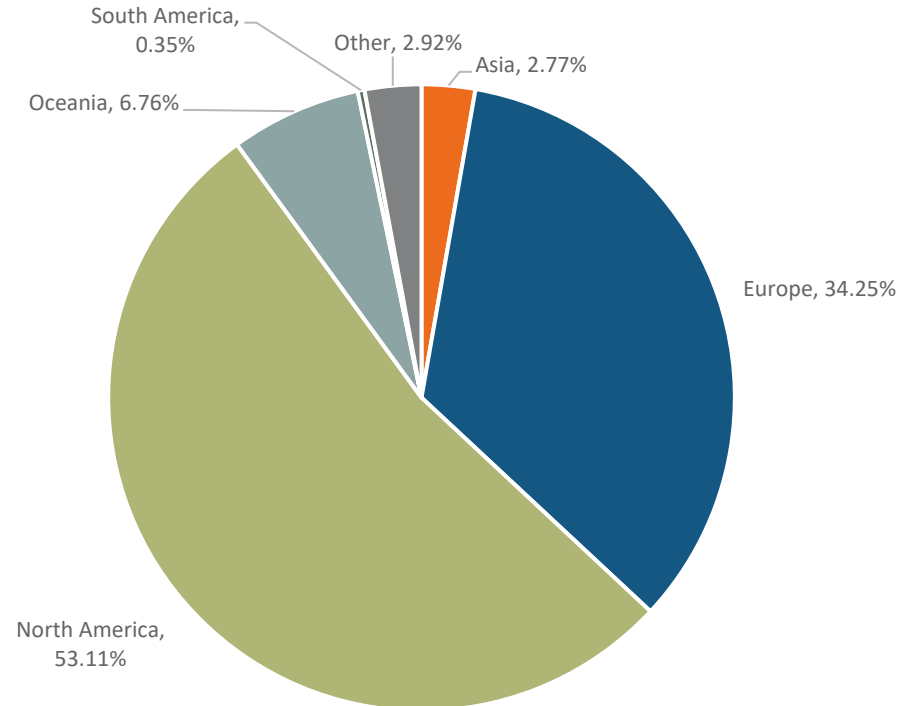


# Infrastructure: Projected Diversification Chart

**Projected LAFPP Infrastructure Sector Diversification 2028**



**Projected LAFPP Infrastructure Geographic Diversification 2028**



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\*Other exposure includes portfolio company investments diversified across multiple sectors or geographies that are not fully broken out in manager reporting.

Los Angeles Fire & Police Pensions • Annual Real Assets Investment Plan

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# 08 Appendix

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## Advisory Disclosures & Definitions

### Trade Secret

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

Returns are presented on a time weighted basis and shown both gross and net of underlying third party fees and expenses and may include income, appreciation and/or other earnings. In addition, investment level Net IRR's and equity multiples are reported.

Townsend Group, on behalf of its client base, collects quarterly limited partner/client level performance data based upon inputs from the underlying investment managers. Data collection is for purposes of calculating investment level performance as well as aggregating and reporting client level total portfolio performance. Quarterly limited partner/client level performance data is collected directly from the investment managers via a secure data collection site.

In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to Townsend Group via a secure data collection site, Townsend Group may choose to input performance data on behalf of its client based upon the investment managers quarterly capital account statements which are supplied to Townsend Group and the client alike.

### Benchmarks

The potential universe of available real asset benchmarks are infinite. Any one benchmark, or combination thereof, may be utilized on a gross or net of fees basis with or without basis point premiums attached. These benchmarks may also utilize a blended composition with varying weighting methodologies, including market weighted and static weighted approaches.

## Advisory Disclosures & Definitions

The “Townsend Peer Comparison” of aggregated performance represents existing Townsend advisory clients(1) over which we do not have discretion nor meaningful investment decision making(2). The attached performance does not represent Townsend’s track record nor Townsend’s advisory track record.

(1) It is important to note that not all advisory client agreements include the full range of services. Select advisory clients do not utilize Townsend for performance reporting as the scope of the engagement could be focused on either bench consulting, underwriting, or special project work etc. Existing active Townsend advisory clients represent client investment positions which present as of the date of this analysis and does not include any prior client portfolios that are no longer under contract.

(2) It is important to note this analysis includes investment positions from prior consultants, clients, and other parties that were made prior to Townsend’s inception with the client. Therefore, all performance needs to be considered at the discretion of the client and not the discretion or guidance of Townsend.

All data is as of date marked on cover page and represents each client’s historical investment activity and attendant performance. The Townsend Peer Comparison universe represents other institutional investors, comprised of peers with varying portfolio sizes, strategies, goals and objectives. Institutional investors have varying since inception dates.

## Advisory Disclosures & Definitions

### Disclosure

- This presentation (the “Presentation”) is being furnished on an information basis to a limited number of sophisticated individuals meeting the definition of a Qualified Purchaser under the Investment Advisors Act of 1940 for informational and discussion purposes only and does not constitute an offer to sell or a solicitation of an offer to purchase any security.
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- Neither Townsend nor any of its affiliates have made any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness, or completeness of any of the information contained herein (including but not limited to information obtained from third parties unrelated to them), and they expressly disclaim any responsibility or liability therefore. Neither Townsend nor any of its affiliates have any responsibility to update any of the information provided in this summary document. The products mentioned in this document may not be eligible for sale in some states or countries, nor suitable for all types of investors; their value and the income they produce may fluctuate and/or be adversely affected by exchange rates, interest rates, or other factors. Prospective investors in the Fund should inform themselves as to the legal requirements and tax consequences of an investment in the Fund within the countries of their citizenship, residence, domicile, and place of business.
- There can be no assurance that any account will achieve results comparable to those presented. Past performance is not indicative of future results. Investing involves risk, including possible loss of principal.

# LOS ANGELES FIRE AND POLICE PENSIONS

Annual Portfolio Review

September 2025





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**I. MARKET OUTLOOK**

**II. PORTFOLIO REVIEW**

**III. APPENDIX**

# Speakers



**MARK MORRISON**  
Portfolio Manager



**SHIRLEY McCROHAN**  
Portfolio Manager

SECTION I

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# Market Outlook

# Key Themes

- ✔ Continued elevated political and economic uncertainty likely
- ✔ Best Commercial Real Estate (CRE) entry point in years
- ✔ Next cycle driven by Net Operating Income (NOI) growth, not cap rate compression
- ✔ Asset-level execution is expected to play a greater role in performance outcomes than top-down sector positioning

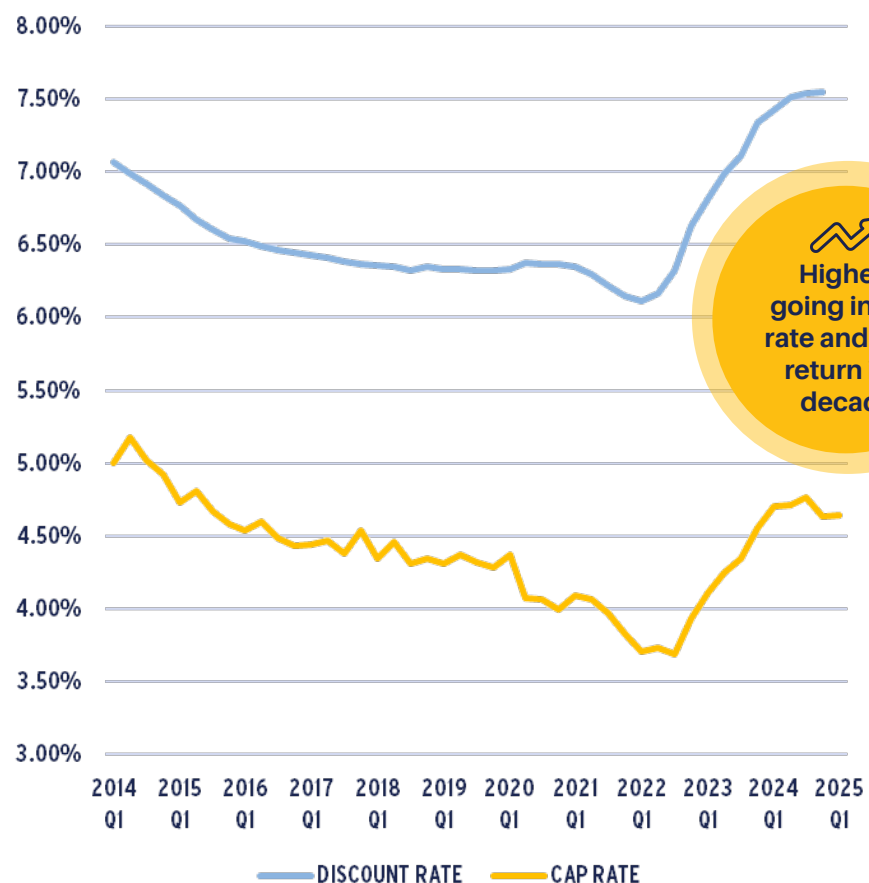


## INVESTMENT STRATEGY

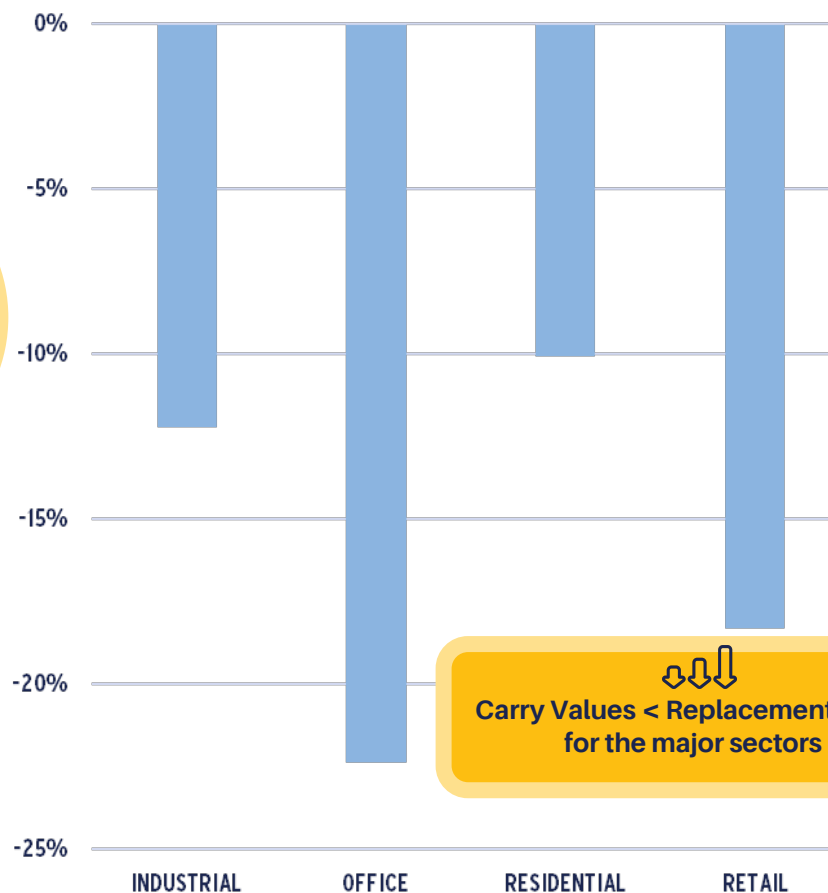
# Valuation Reset Creates Compelling Entry Point

U.S. commercial real estate offers a rare combination of an acquisition opportunity below replacement cost at an attractive total return – ideal conditions for long-term capital deployment.

NCREIF PROPERTY INDEX (NPI) CAP RATE AND ODCE FUND DISCOUNT RATE



2025 Q1 GROSS PROPERTY VALUE (GPV) PER UNIT/SF  
RELATIVE TO ESTIMATE REPLACEMENT



## Going-In Cap Rates at Decade Highs

Current cap rates surpass levels seen in the past 10 years, indicating stronger income relative to purchase price

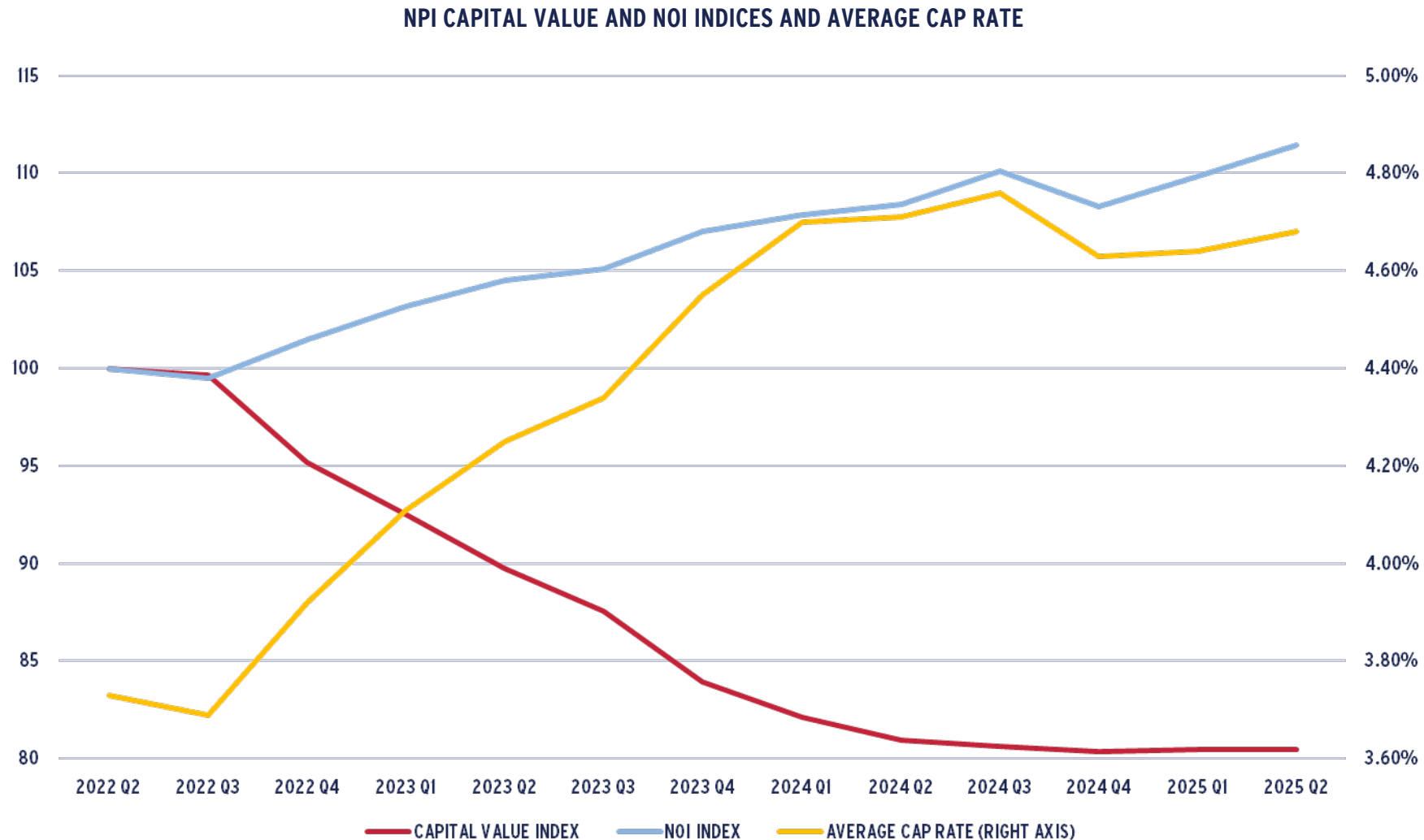
## Total Returns at Peak Levels

Projected total returns are the highest in a decade, driven by greater capital cost requirements and valuation resets

## Carrying Values Below Replacement Costs

Asset values remain below replacement cost in a slowing supply environment presenting opportunity for growth

# Two Years of Value Decline with Growing NOI

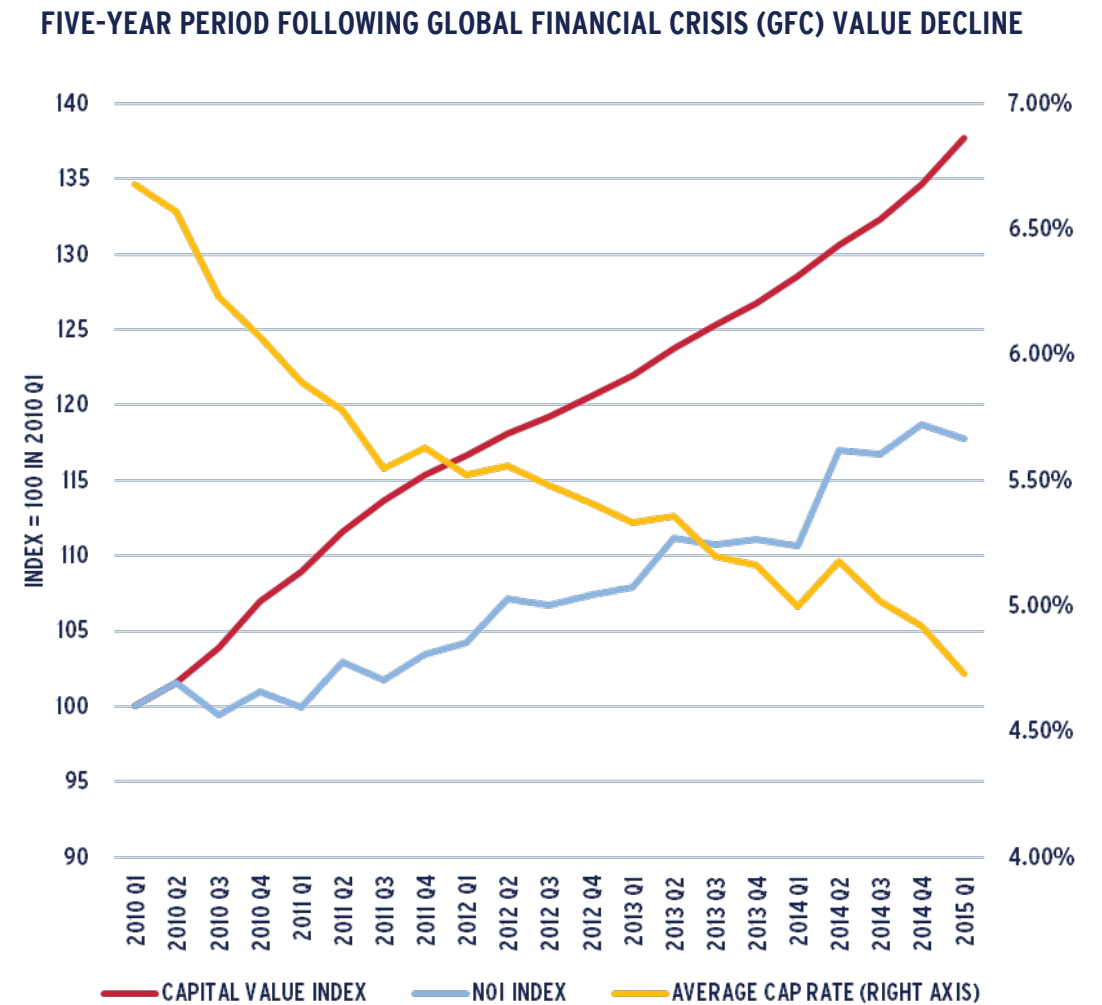
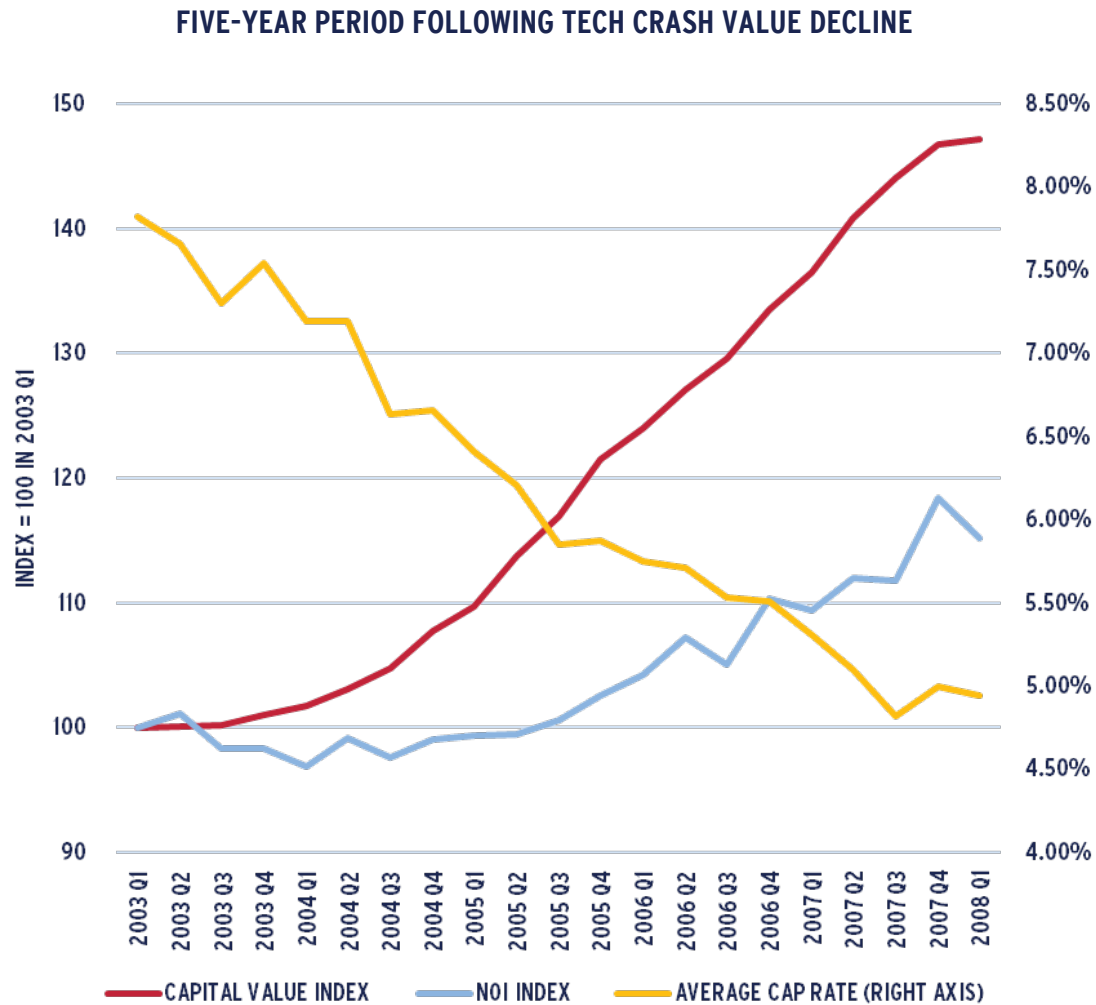


**"You can't really know  
where you're going  
until you know where  
you have been."**

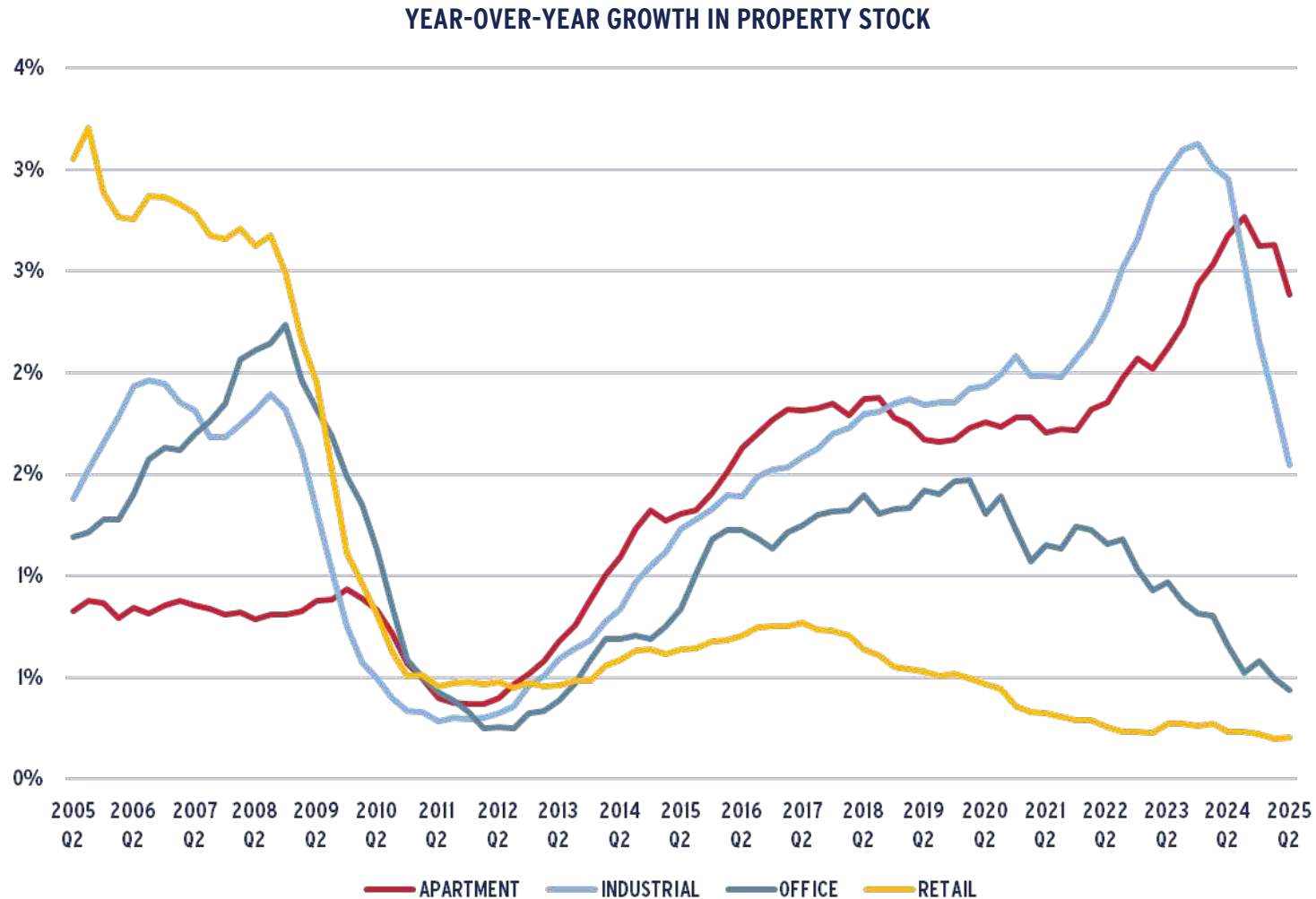
- Maya Angelou



# Next Cycle Unlikely to Look Like This



# Next Up Cycle Lengthens as Construction Slows



- More difficult to underwrite material and labor costs
- Construction labor availability in question
- Financing costs remain elevated, lenders more cautious?
- What, if any, impact from Bonus Depreciation?

# A New Real Estate Cycle Has Begun



**=** New playbook for real estate portfolio construction **and** strategy execution



**Diversification Matters**  
*Its not just about sector allocations anymore*



**Niche Sectors can provide Alpha**  
*But they are not created equally, and require active management*



**Price Dislocation & Investment Return Dispersion**  
*Asset Level Selection and real estate expertise matters more than ever*

## SECTION II

# Portfolio Review

# Portfolio Overview

AS OF JUNE 30, 2025



INCEPTION DATE  
1/1/2018

GROSS PROPERTY VALUE  
\$667M

NET ASSET VALUE  
\$472M

NUMBER OF INVESTMENTS  
10

TOTAL UNITS/SQUARE FEET  
1,380/1,040,379

CURRENT OCCUPANCY  
92%

LOAN-TO-VALUE RATIO  
32%

AVERAGE INTEREST RATE  
3.56%

ITD<sup>1</sup> NET IRR<sup>2</sup>  
5.46%

ITD<sup>1</sup> NET EQUITY MULTIPLE  
1.25x

## ✓ FY 2025 TAKEAWAYS

- Acquired Bar W Marketplace, providing a strong durable income and cash yield anchored by a dominant grocer with upside due to the growth of the submarket
- Portfolio same store property NOI grew 4% year-over-year and is projected to decrease 1% in FY 2026, a result of increased multifamily operating costs
- Property values increased 1% compared to FY 2024 and the portfolio outperformed the 1-year total net return for the benchmark by 310 basis points (bps) overall

## ✓ DEBT CAPITAL STRUCTURE

- Low interest fixed rate debt with limited near-term maturities generating strong income and cash yields and insulation against volatile interest rate environment

## ✓ FOCUS

- Active management through acquisition and sales to position portfolio for future performance
- Exercise prudence in capital expenditures
- Dispositions: focus on reducing micro-market, asset age and sector risk primarily focused on reducing exposure to assets that have more downside risk

<sup>1</sup>Inception to Date (ITD)

<sup>2</sup>Internal Rate of Return (IRR)

# Portfolio Map



## PORTFOLIO CONSTRUCTION

### Multifamily provides opportunities for growth and appreciation

- Primarily located in desirable, suburban locations with strong demand
- Supply headwinds waning in most markets amid historic demand

### Office positioned to outperform the sector benchmark

- Significant underweight to benchmark
- Generating an outsized income return
- Limited near-term cash risk, with cash flow covering operating expenses by a wide margin

### Retail portfolio consists of strong grocery-anchored neighborhood centers

- E-commerce resilient, necessity based tenant mix provides stability

**Significant overweight to markets expected to benefit from outsized economic growth**



# Account Overview and Strategy

Active Management key to portfolio performance - sold functionally obsolete assets and acquired high-quality assets in markets with strong economic growth

**Inception to Date  
Outperformance of  
116 Basis Points**



## FUND STRATEGY

- ✓ Create diversified portfolio that will drive outperformance
- ✓ Invest in top-tier markets and submarkets positioned for outsized economic growth
- ✓ Invest in best-in-class assets with emphasis on durable income with upside through long-term growth
- ✓ Actively selling assets with risk of underperformance

<sup>1</sup> Property valued at transaction price

<sup>2</sup> Represents gross property value of portfolio at transfer January 1, 2018

<sup>3</sup> Represents gross property value as of June 30, 2025

# Portfolio Performance

## NET RETURNS - JUNE 30, 2025

	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION (7.5 YEARS)
INCOME	5.4%	5.2%	5.4%	5.8%
APPRECIATION	0.8%	(9.3%)	(0.9%)	(1.0%)
TOTAL NET	6.3%	(4.6%)	4.5%	4.8%
NFI-ODCE + 50bps	3.2%	(5.7%)	3.0%	3.6%
OVER/(UNDER) bps	310	112	150	116

Portfolio  
outperforming  
across all time  
periods

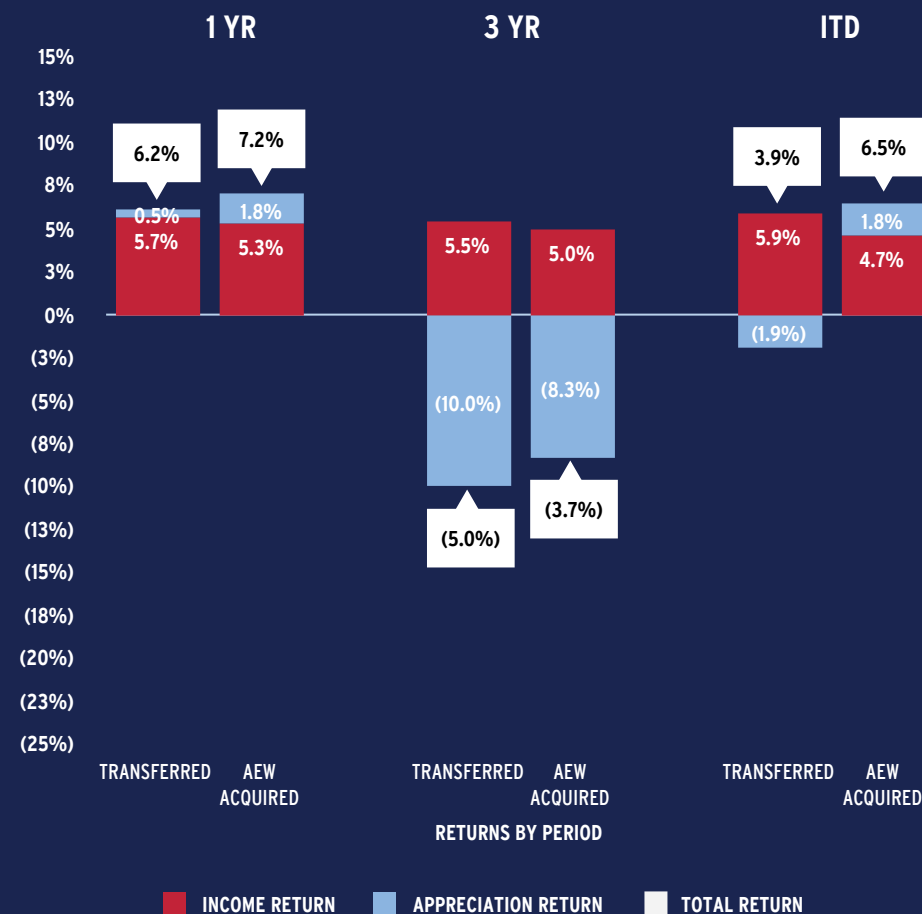
## NET RETURNS BY PROPERTY TYPE - JUNE 30, 2025

	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION (7.5 YEARS)
INDUSTRIAL	9.7%	(4.3%)	7.7%	5.0%
OFFICE	5.5%	(19.6%)	(10.0%)	(6.2%)
MULTIFAMILY	6.3%	(1.7%)	8.5%	8.9%
RETAIL	6.7%	(0.5%)	5.9%	3.5%

Multifamily  
portfolio is a key  
performance  
driver

**AEW  
acquired  
assets  
outperforming**

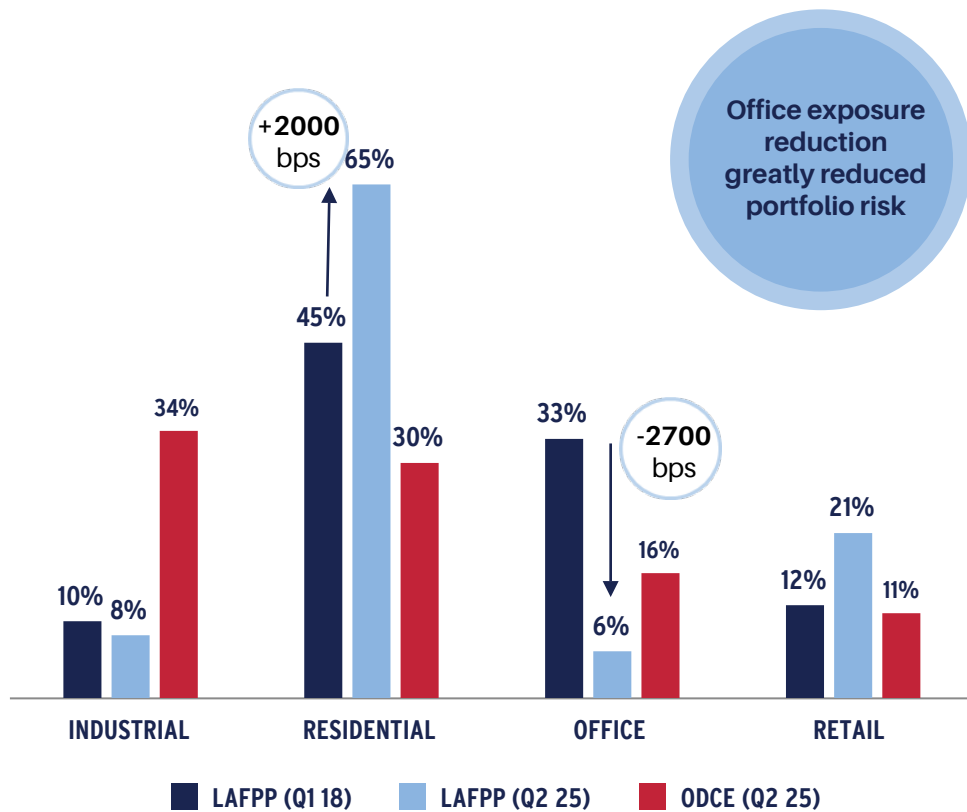
## NET RETURNS - TRANSFERRED VS ACQUIRED ASSETS



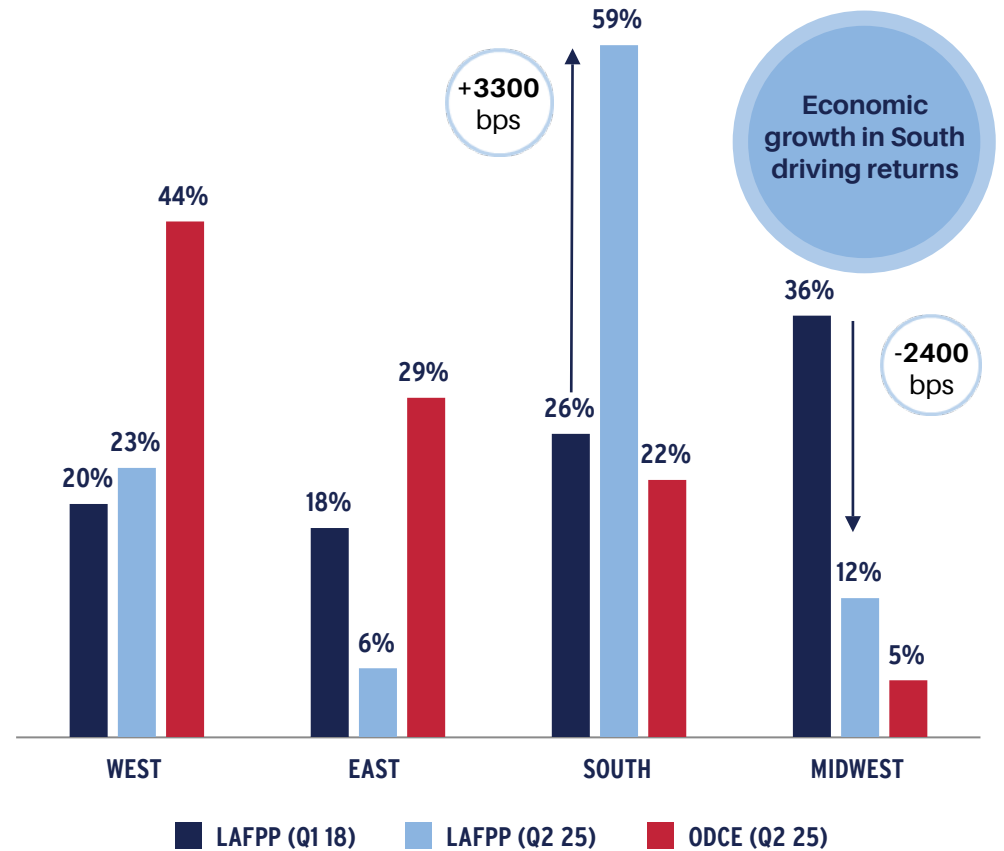
# Diversification - Strategic Shift Driving Returns

Strategic overweight to sectors and markets with strong long-term fundamentals

PROPERTY TYPE CONCENTRATIONS



REGION CONCENTRATIONS



# Debt Profile

Minimal exposure to interest rate volatility with long-term fixed rate debt locked in at low interest rate.

DEBT MATURITIES (\$M AT PAR)



As of June 30, 2025

## DEBT STATISTICS

NUMBER OF LOANS	8
LEVERAGE RATIO	31.7%
WEIGHTED AVERAGE INTEREST RATE	3.6%
WEIGHTED AVERAGE MATURITY (YEARS)	4.1
TOTAL DEBT MARKET VALUE (\$ MILLIONS)	\$203.4
TOTAL DEBT PAR VALUE (\$ MILLIONS)	\$211.6

## DEBT HIGHLIGHTS

- 100% fixed rate loans
- Limited near-term maturities
- Average interest rate of 3.56% compares favorably to average ODCE borrowing rate of 4.7% and average market rate of 5.8%

## UPCOMING MATURITIES

- Suburban multifamily| 30% LTV

# Transaction Plan

## ACQUISITION TARGETS

### Goal: 1-2 Investments



#### INDUSTRIAL

- Stabilized core product. Infill locations and emerging U.S. submarkets



#### MULTIFAMILY

- Stabilized core product
- Acquire Built-to-Rent strategy in growing markets



#### FOCUS

1. Balance income return, with opportunity for appreciation
2. Disciplined underwriting
3. Prioritize credit and quality
4. Highly selective about submarket selection
5. Consider impact of niche property sectors

## DISPOSITION TARGETS

PROPERTY	LOCATION	PROPERTY TYPE	PROJECTED SALE PERIOD
AERIAL CENTER I and II	MORRISVILLE, NC	OFFICE	FY 2027-29
CHESTNUT TOWER	CHICAGO, IL	MULTIFAMILY	FY 2027-29
SEA ISLE	ORLANDO, FL	MULTIFAMILY	FY 2027-29

# Multifamily Portfolio

## Preserving Portfolio Quality while Diversifying Housing Offerings

5

INVESTMENT COUNT

1,380

TOTAL UNITS

65%

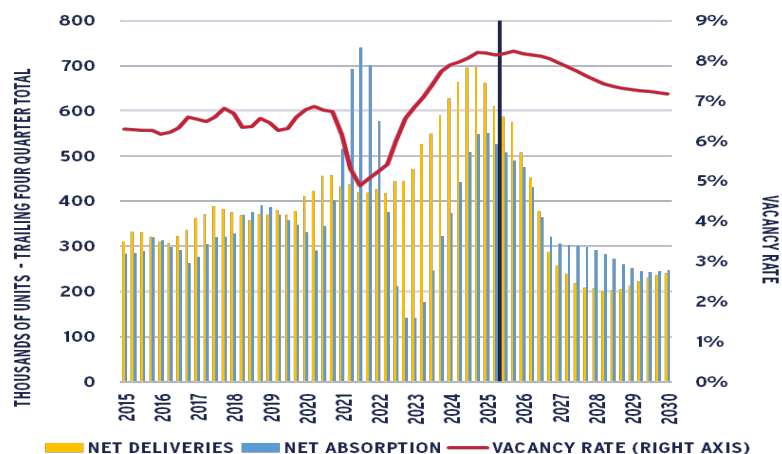
MULTIFAMILY EXPOSURE

95%

LEASED OCCUPANCY



### MULTIFAMILY MARKET FUNDAMENTALS



### PORTFOLIO HIGHLIGHTS

- Driver of ITD outperformance
- Assets in high premium-to-own markets
- Supply pressure easing amidst historic demand in most markets
- Mostly garden style mid-level affordable product; defensive and well-positioned
- 60% of the portfolio is more than 20 years old; higher capital costs and operating expenses

### PORTFOLIO STRATEGY

- Assess ideal timing for sales on assets with higher risk (age, competitive positioning, market risk)
- Acquire high-quality assets in growth markets with strong economic diversity and employment growth



# Industrial Portfolio

## Increase Exposure to Quality Industrial in Markets with Strong Fundamentals

1

INVESTMENT COUNT

424,550

TOTAL SQUARE FOOTAGE

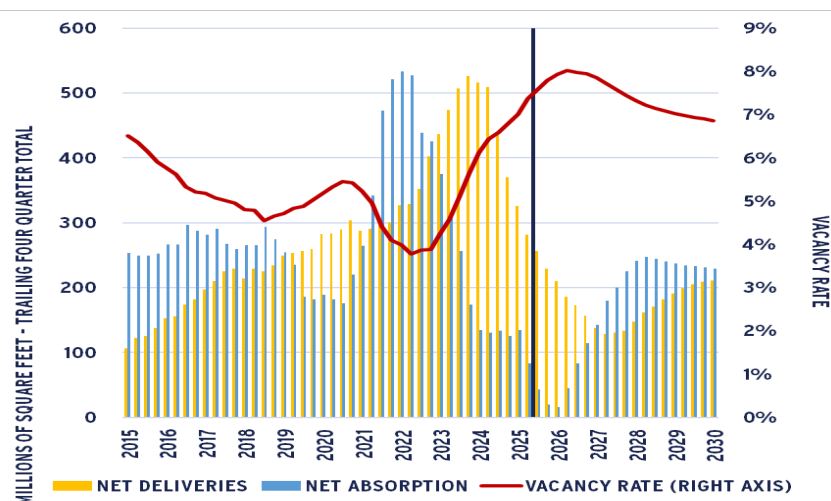
8%

INDUSTRIAL EXPOSURE

100%

LEASED OCCUPANCY

### INDUSTRIAL MARKET FUNDAMENTALS



### PORTFOLIO HIGHLIGHTS

- Underweight benchmark
- Quality asset in a strong growth market leased to a credit tenant on a long-term basis with 26% below market rents
- Strong ITD performance
- Broader market vacancies peaking as slowdown in leasing coincided with elevated deliveries

### PORTFOLIO STRATEGY

- Increase sector exposure through acquisitions in markets poised to benefit from strong economic, population and manufacturing growth
- Focused on credit and Weighted Average Lease Term (WALT) to provide resilience in a softer leasing environment

I-4 LOGISTICS CENTER  
Seffner, FL



# Retail Portfolio

## Maintain Exposure to High Quality Necessity Based Retail

2

INVESTMENT COUNT

266,901

TOTAL SQUARE FOOTAGE

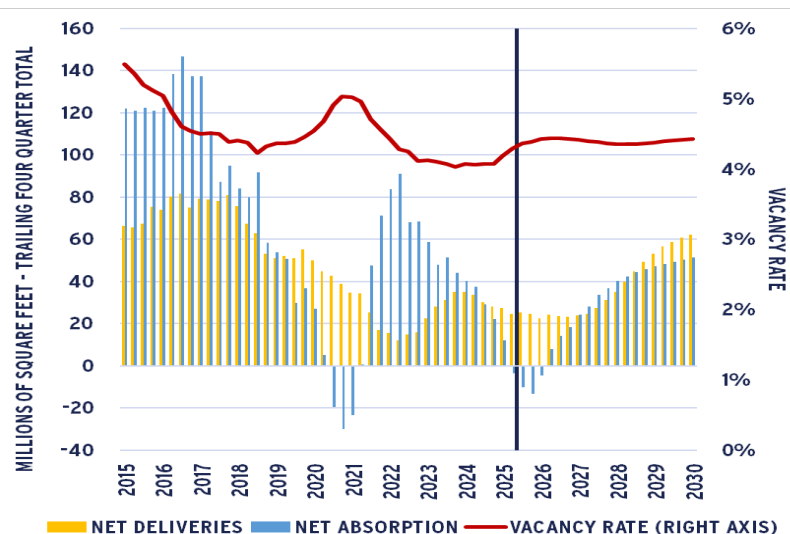
21%

RETAIL EXPOSURE

99%

LEASED OCCUPANCY

### RETAIL MARKET FUNDAMENTALS



### PORTFOLIO HIGHLIGHTS

- Quality assets providing durable income
- E-commerce resistant tenancy
- Grocery-anchored; necessity based
- Tenant-specific issues provide opportunities to upgrade tenancy and rent
- Despite waning consumer confidence, and risk of elevated input costs; fundamentals are still historically tight

### PORTFOLIO STRATEGY

- Manage best-in-class, grocery-anchored and necessity retail community centers in markets with strong economic and population growth
- Monitor market fundamentals and consumer health to maintain market position

SYCAMORE HILLS PLAZA  
Claremont & Upland, CA



BAR W MARKETPLACE  
Leander, TX



# Office Portfolio

## Reduced Exposure to Assets with Risk of Long-term Underperformance

2

INVESTMENT COUNT

348,928

TOTAL SQUARE FOOTAGE

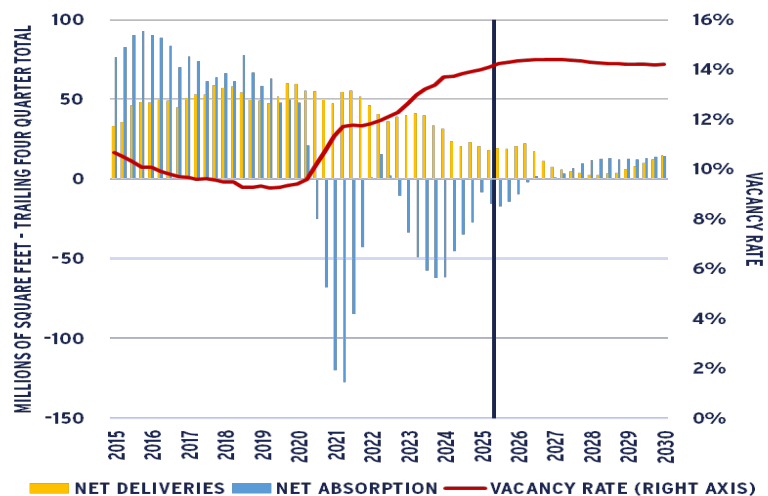
6%

OFFICE EXPOSURE

65%

LEASED OCCUPANCY

### NATIONAL OFFICE MARKET

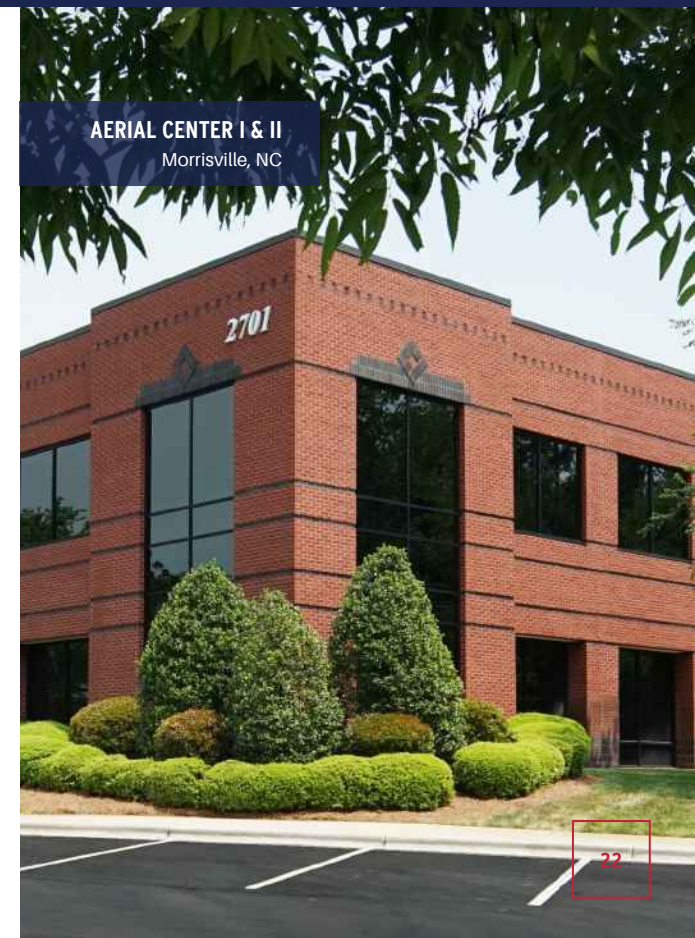


### PORTFOLIO HIGHLIGHTS

- Underweight benchmark
- Held without debt providing flexibility in the business plan
- Significant lease rollover; uptick in leasing activity
- Covering operating expenses by a margin of 2x

### PORTFOLIO STRATEGY

- Position Aerial Center I&II for exit when liquidity returns
- Secure extended development rights to streamline future project timelines



# Final Comments

- ✓ Current portfolio construction should continue to drive long-term outperformance, though supply in the Southeast submarkets may impact near-term performance
- ✓ Minimal debt exposure with attractive in-place fixed rate in the near-term positions the portfolio to weather challenges in a moderating economic environment
- ✓ Ideal conditions for long-term capital deployment; rare combination of assets below replacement cost at an attractive total return
- ✓ Focused on industrial and high-quality residential acquisitions that diversify the underlying economic drivers of the portfolio



SECTION III

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# Appendix



# FY 2025 Review & FY 2026 Goals

## FINANCIAL

(\$ MILLIONS)	FY 2025 BUDGET	FY 2025 ACTUAL	FY 2026 BUDGET
NET OPERATING INCOME	\$32.4M	\$33.2M	\$34.7M
DEBT SERVICE	\$6.9M	\$7.1M	\$7.5M
INCOME DISTRIBUTIONS	\$19.1M	18.6M	17.5M
CAPITAL CONTRIBUTIONS - CAP EX	\$4.5M	\$—M	\$—M
CAPITAL CONTRIBUTIONS - ACQ/REFI	\$50.0M	\$65.9M	\$125.0M

### FY 2025 RESULTS

- Exceeded NOI goals
- Capital was lower mostly due to delaying projects to limit capital investment in current market environment in addition to lower leasing costs at Aerial Center

### FY 2026 GOALS

- FY 2026 budgeted NOI is projected to increase as a result of inclusion of full year of Bar W Marketplace
- Budgeted FY 2026 capital expenditures is expected to be funded through operations

## OPERATIONS

	FY 2025 BUDGET	FY 2025 ACTUAL	FY 2026 BUDGET
MULTIFAMILY	94%	95%	95%
OFFICE	76%	65%	66%
RETAIL	100%	99%	100%
INDUSTRIAL	100%	100%	100%
TOTAL <sup>1</sup>	95%	92%	92%
LEASING	80,478 SF	33,527 SF	51,729 SF

### Strong stabilized occupancy in FY 2025 outside of office:

- Slightly below FY 2025 budget
- Leasing under budget at Aerial Center I and II

<sup>1</sup>Total leased percentage is weighted by GPV for consistent unit of measure between property types



# Los Angeles Market

## Evaluate all opportunities within Los Angeles County

### PORTFOLIO CONSIDERATIONS

#### Overweighted Exposure<sup>1</sup>

18% portfolio allocation to LA County vs. 13% for benchmark

#### Economic Diversification

Emphasis on maintaining a broad, diversified portfolio

#### Active Positioning

Continual evaluation and pursuit of opportunities to upgrade existing holdings

### INVESTMENT CONSIDERATIONS



#### INDUSTRIAL

Market opportunities are constrained by the vintage profile of assets and portfolio scale



#### MULTIFAMILY

Already own in LA County



#### RETAIL

Already own in LA County



#### OFFICE

Out of favor sector with limited deal flow

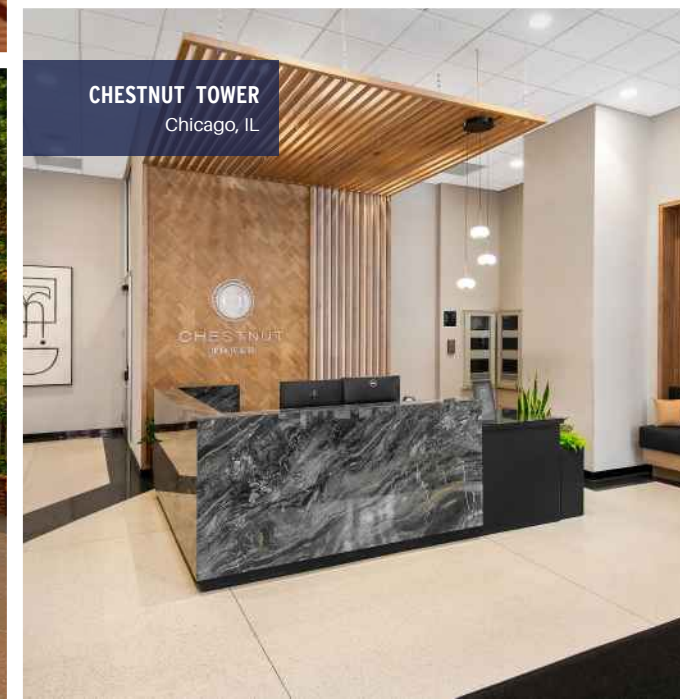
### EVALUATED OPPORTUNITIES<sup>2</sup>

PROPERTY TYPE	LOCATION	SIZE	BASIS FOR NOT PROCEEDING
Multifamily	Playa Vista	\$120M	Size
Multifamily	Hollywood	\$158M	Size
Multifamily	Downtown Los Angeles	\$86M	Performance
Multifamily	Miracle Mile	\$68M	Pricing

<sup>1</sup>Based on Gross Property Value for comparison to NCREIF ODCE

<sup>2</sup>Represents sample of opportunities evaluated by AEW on behalf of clients located within LA County over last 24 months

# Portfolio Photos





# Portfolio Photos

**LOCKWOOD GLEN APARTMENTS**  
Franklin, TN



**AERIAL CENTER II**  
Morrisville, NC



**PASEO AT TOWN CENTER**  
Valencia, CA



**SEA ISLE APARTMENTS**  
Orlando, FL



# Glossary

**AUM** - Assets Under Management

**NPI** - NCREIF Property Index

**Cap Rate** - First year net operating income divided by value

**NCREIF** - National Council of Real Estate Investment Fiduciaries

**MSCI** - Third-party provider, MSCI Real Estate, engaged to help AEW better understand the resiliency of its properties

**REIT** - Real Estate Investment Trust

**NFI-ODCE** - NCREIF Fund Index-Open-End Diversified Core Equity

**CRE** - Commercial Real Estate

**MSA** - Metropolitan Statistical Area

**NIV** - Net Investment Value

**GPV** - Gross Property Value

**NAV** - Net Asset Value

**IRR** - Internal Rate of Return

**TWR** - Time Weighted Return

**LTV** - Loan to Value

**NOI** - Net Operating Income

**SFR** - Single Family Rental

**BFR** - Build for Rent

**ITD** - Inception to Date

**WALT** - Weighted Average Lease Term

**BPS** - Basis Points

**GFC** - Global Financial Crisis

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Thank You





## ***DEPARTMENT OF FIRE AND POLICE PENSIONS***

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

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### **REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**

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**DATE: SEPTEMBER 18, 2025**

**ITEM: D.7**

**FROM: JOSEPH SALAZAR, GENERAL MANAGER**

**SUBJECT: EXTERNAL AUDITOR'S REQUIRED COMMUNICATION WITH THE BOARD**

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**THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.**

#### **BACKGROUND**

In December 2024, the Board authorized the Internal Audit Section to issue a request for proposals from qualified public accounting firms to provide external financial statement audit services for the fiscal years ending June 30, 2025, 2026, and 2027. On May 15, 2025, the Board approved a new three-year contract with Simpson and Simpson, LLP to provide external financial audit services for LAFPP. Simpson and Simpson has served as LAFPP's external financial statement auditor continuously since 2016 (as well as from 2006 to 2011).

Generally Accepted Auditing Standards (GAAS) require the auditor to provide specific communications related to the audit of LAFPP's financial statements as of June 30, 2025, and a copy of the engagement is included as an attachment to this report. As a best practice, this presentation is the Board's opportunity to engage directly with the auditor to relay any questions, concerns, or other matters that the Board would like for Simpson and Simpson to consider as they conduct their audit for the fiscal year ending 2025. The Departmental Audit Manager is also able to relay any questions or concerns throughout the rest of the audit period or at any point during the year.

#### **DISCUSSION**

##### Financial Statement Audit Objectives and Scope

The objectives of the financial statement audit are to review LAFPP's pension and health subsidies plan, including related notes to the financial statements, for the year ended June 30, 2025. The objectives include obtaining reasonable assurance as to whether the financial statements of LAFPP's Pension Plan and Health Subsidy Plan as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with Generally Accepted Accounting Principles (GAAP), and report on the fairness of any supplementary information when considered in relation to the financial statements as a whole.

##### GASB Statements Nos. 68 and 78 Audit Objectives and Scope

In addition to the audit of the financial statements of LAFPP, Simpson and Simpson is also engaged to audit other information required by the Governmental Accounting Standards Board (GASB) Statement No. 68 and Statement No. 75, including the Schedules of Employer Allocations, Schedule of Pension Amounts, and Schedule of Other Post-Employment Benefits (OPEB) Amounts as of and



for the year ended June 30, 2024, and the related notes to the schedules as prepared by Segal, the Board's consulting actuary. The objective of this audit is the expression of opinions about whether the Schedules of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts and Schedule of OPEB Amounts as of and for the year ended June 30, 2024, are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

#### Auditor's Responsibilities and Procedures

Simpson and Simpson will conduct their audit in accordance with GAAS and will include tests of accounting records and other procedures they consider necessary to enable them to express such opinions. Simpson and Simpson will exercise professional judgment and maintain professional skepticism throughout the audit. Audit procedures performed by Simpson and Simpson will include review of documentation supporting transactions recorded in accounts including direct confirmation of cash, investments, receivables, and certain other assets and liabilities. Simpson and Simpson will also obtain an understanding of LAFPP and its environment, including internal controls relevant to the audit. Compliance with the provisions of applicable laws, regulations, contracts, and agreements will also be reviewed.

#### Timeline

The audit engagement letter was signed by the General Manager and Board President on August 21, 2025, and testing work commenced on August 25, 2025. Simpson and Simpson plans to issue their final reports to management no later than November 28, 2025. The final report will be presented to the Board in open session by December 4, 2025.

#### **BUDGET**

The cost of professional services for the audited financial statements for fiscal year ending 2025 was budgeted for \$99,000.

#### **POLICY**

No policy changes are recommended.

#### **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report

This report was prepared by:

Rebeca Takahashi, Departmental Audit Manager  
Internal Audit Section

Concurred by:  
Etta Hur, Partner  
Simpson and Simpson, LLP

JS:RT

Attachment – Simpson and Simpson, LLP's Audit Discussion Agenda

**Department of Fire and Police Pensions****Audit Discussion Agenda****September 18, 2025****1. Objectives and Scope**

The audit will provide reasonable assurance on whether the financial statements of the Department of Fire and Police Pensions (LAFPP) for the year ended June 30, 2025 are free from material misstatement in accordance with GAAS. The scope includes the Pension Plan, Health Subsidy Plan, related notes, and required GASB 68 and 75 schedules.

**2. Audit Timeline**

Audit start date: August 25, 2025

Audit work completion date: November 14, 2025

Final report release date: November 28, 2025

Presentation to Board: December 4, 2025

**3. Audit Plan and Procedures**

- Update understanding of internal controls over financial reporting
- Assess risks of material misstatement, including fraud
- Perform control and substantive testing, including confirmations of key balances
- Review compliance with applicable laws, regulations, and contracts
- Evaluate supporting documentation for transactions and balances
- Communicate any significant deficiencies or material weaknesses
- Prepare and issue the auditor's report and required communications

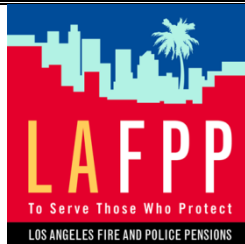
**4. Auditor's Responsibility**

The auditor conducts the audit in accordance with GAAS, exercising judgment and skepticism, understanding LAFPP and its internal controls, and performing procedures to express an opinion on whether the financial statements are fairly presented in conformity with GAAP. The audit does not relieve management or the Board of their responsibility for preparing the financial statements and maintaining effective internal controls.

**5. Relevant Recent Accounting Pronouncements**

Effective for FY 2025: GASB 101 Compensated Absences.

**6. Audit Concerns and other matters**



## ***DEPARTMENT OF FIRE AND POLICE PENSIONS***

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

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### **REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**

---

**DATE: SEPTEMBER 18, 2025**

**ITEM: E.1**

**FROM: JOSEPH SALAZAR, GENERAL MANAGER**

**SUBJECT: AUGUST 2025 MONTHLY REPORT AND UPDATE**

---

**THIS REPORT IS PROVIDED TO THE BOARD FOR INFORMATIONAL PURPOSES.**

#### **PENSIONS DIVISION**

##### **NEW PROJECTS**

None.

##### **UPDATED PROJECTS**

##### **SWORN OFFICER TRANSFER FROM LACERS TO LAFPP**

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

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

The City Attorney's Office was tasked with drafting the enabling ordinance for Measure FF to include the details for transfer eligibility, refunds to Airport Police and Police Department members who previously transferred to Tier 6, transfer of funds from LACERS to LAFPP, and the transfer election deadline. Segal prepared an update to the cost study that was previously provided to the City Council when the Charter change was approved for the ballot.

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

***[Update: The ordinance was submitted to City Council on September 8, 2025. The second reading of the ordinance is expected to occur in October. After Council approves the ordinance, the City Attorney has advised Staff that a Board policy, regarding the refunds to Airport Police and Police Department members who previously paid to transfer service, will need to be approved by the Board. Staff will present the Board policy at a meeting following Council's approval of the ordinance and once the Board approves the policy, refunds to the members will be processed by Staff.]***

## **UNCHANGED PROJECTS**

### **WORKDAY - ACTIVE MEMBER PAYROLL FILE**

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

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

Additionally, Workday is working on fixing an issue where pension contributions on Retirement Incentive Program (RIP) 2.0 Bonuses have been taken pre-tax, whereas they should be taken post-tax. Workday has only programmed RIP 2.0 bonuses for employees under MOU 24. RIP 2.0 bonuses for employees covered under MOUs 27, 30, 38, 39, and 40 need to be added to Workday, with the proper post-tax coding.

Workday's test environment was updated with programming to take RIP 2.0 bonuses post-tax from members of MOU 24. Staff tested this functionality in June 2025, and the test was successful. The functionality was rolled out to Workday production in late June 2025 and staff verified this functionality is working properly in production in July 2025.

Staff will submit requests to ITA and the Controller's Office to implement this functionality for members in MOUs 27, 30, 38, 39, and 40.

**OVERDEDUCTION OF PENSION CONTRIBUTIONS FOR AIRPORT POLICE MEMBERS**

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

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

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

LAFPP staff has identified 107 members potentially affected by this overcollection of pension contributions. Staff will audit pension contributions for these members from the implementation of Workday in late June 2024 through March of 2025. Staff anticipates refunds of overpayment of pension contributions made through March 2025 will begin in September 2025.

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

**ADMINISTRATIVE OPERATIONS DIVISION**

**NEW PROJECTS**

None.

**UPDATED PROJECTS**

**NEPTUNE BUILDING MARKETING ACTIVITY OF VACANT SPACES**

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

The table below provides a summary of the leasing activity of the spaces for August 2025.

New Inquiries / Active Prospects			
Inquiry Type	Term	Projected Occupancy	Comments
New – Business Owner	3 years	10/01/2025	Production Company. Prospect viewed photographs of space and did not like the columns in the space.
New – Business Owner	5 years	10/01/2025	Architect and Engineer Firm. Prospect liked the space. But they will continue to look for a lower rent rate.

## UNCHANGED PROJECTS

### **IN-HOUSE PARKING PROGRAM**

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

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

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

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

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

On May 16, 2024, the Board instructed staff to develop and administer an in-house parking and transit subsidy reimbursement program that is a pared down version of the City's program and includes complimentary parking for staff. The Board further instructed staff to report back with final program details for approval.

On July 23, 2024, the JLMC-COP considered a report to exclude LACERS and LAFPP from the Successor Special MOU. The Committee expressed fiscal concerns from such action and requested



Personnel Department staff to meet with the City Administrative Officer's (CAO) Employee Relations Division (ERD) to determine the feasibility of excluding LACERS and LAFPP from the Successor Special MOU and to report back on the fiscal impacts.

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

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

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

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

## INVESTMENTS DIVISION

### Searches and Firms Within the Marketing Cessation Period Policy

Vendor / Contract	Contract Start Date	Contract Expiration Date	Marketing Cessation* Start Date
Active Small Capitalization Equity Manager Search	TBD	TBD	07/03/2025
Principal Real Estate Investors, LLC (Global REIT Manager)	12/01/2019	11/30/2025	09/01/2025
Principal Real Estate Investors, LLC (U.S. REIT Manager)	12/01/2019	11/30/2025	09/01/2025

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

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

### Private Investment Funds Closed Since Last Meeting Announcement

TYPE	BOARD MEETING CLOSED SESSION DATE*	FUND NAME	COMMITMENT AMOUNT	BOARD VOTE	CLOSING DATE
Private Credit	04/17/2025	Willow Tree Fund III (Unlevered), LP	Up to \$50 million	Ayes – 5; Nays – 0	08/14/2025
Private Equity	07/03/2025	Prelude Growth Partners III, LP	Up to \$20 million	Ayes – 8; Nays – 0	08/04/2025
Private Equity	07/17/2025	Imaginary Venture Capital Partners IV, LP	Up to \$30 million	Ayes – 7; Nays – 0	08/19/2025
Infra-structure	05/01/2025	Macquarie Green Energy and Climate Opportunities Fund	Up to \$80 million	Ayes – 6; Nays – 0	08/12/2025
Real Estate	06/05/2025	EQT Exeter Europe Logistics Value Fund V	Up to €65,535,000	Ayes – 5; Nays – 0	08/05/2025

\*Closed session pursuant to California Government Code Section 54956.81.

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



## Portfolio as of August 31, 2025

EQUITIES	STOCKS	BONDS	CASH	TOTAL	ALLOC.	PRIVATE EQUITY	STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.			
AllianceBernstein (S&P 500 Index)	2,984.1	-	0.9	2,985.0		Abbott Capital	0.7	-	-	0.7				
AllianceBernstein (Systematic Value)	915.7	-	2.0	917.7		Hamilton Lane	0.1	-	-	0.1				
Rhumblin (Russell 1000 Growth Index)	2,215.0	-	1.1	2,216.1		PCA	0.4	-	-	0.4				
NTI S&P 500 Equal Weight	1,400.5	-	6.3	1,406.8		Fairview Capital	264.6	-	-	264.6				
NTI Stoxx USA 900	654.9	-	2.4	657.3		Portfolio Advisors	5,284.6	-	-	5,284.6				
Boston Partners (Value)	726.0	-	14.2	740.2		Portfolio Advisors Commodities	130.3	-	-	130.3				
Terminated/Transition Domestic Equity Managers	-	-	0.1	0.1		Aldus Equity	93.7	-	-	93.7				
Core Equity Managers (23%)	8,896.3	-	26.8	8,923.2	25.27%	Stepstone Group	39.6	-	-	39.6				
Target Differential	2.27%				802.5	TCP	21.4	-	-	21.4				
							23.4	-	-	23.4				
Rhumblin (S&P 600 Index)	160.9	-	0.3	161.2		Greycroft Growth IV LP	55.6	-	-	55.6				
Frontier Capital Mgt. (Growth)	708.0	-	2.8	710.8		Baillie Gfd PVC GP II								
Channing Capital Mgt. (Value)*	87.0	-	2.0	88.9		TOTAL PRIVATE EQUITY MGRS (15%)	5,914.4	-	-	5,914.4	16.75%			
Denali Advisors (Value)*	100.8	-	1.1	102.0		Target Differential	1.75%				618.3			
Eastern Shore Capital (Core)*	67.9	-	2.3	70.2										
Lisanti Capital (Growth)*	66.4	-	1.9	68.3		PRIVATE CREDIT								
PIMCO Stocks Plus (Core)	242.8	-	-	242.8		Stepstone Private Credit	258.1	-	-	258.1				
Palisade Capital Management (Core)	92.2	-	3.1	95.3		TOTAL PRIVATE CREDIT MGRS (3%)	258.1	-	-	258.1	0.73%			
Phocas Financial (Value)*	90.5	-	2.0	92.6		Target Differential	(2.27)%				(801.1)			
Westwood Management (Value)	258.8	-	4.9	263.7										
AllianceBernstein (Value)	247.9	-	2.2	250.2		REAL ESTATE								
Terminated/Transition Small Cap Equity Managers	-	-	0.0	0.0		Alliance REIT	182.0	-	1.0	182.9				
Small Cap. Equity Mgrs (6%)	2,123.5	-	22.6	2,146.0	6.08%	Principal Global REIT	209.9	-	2.4	212.3				
Target Differential	0.08%				27.6	Principal U.S. REIT	310.5	-	2.6	313.1				
						Cohen & Steers U.S. REIT	485.5	-	5.1	490.7				
Brandes Investment Partners (Value)	2,079.2	-	63.4	2,142.6		REIT Managers (1.5%)	1,187.9	-	11.1	1,199.0	3.40%			
Blackrock (Core Passive)	2,297.3	-	8.4	2,305.7		Target Differential	1.90%				669.4			
Baillie Gifford (Growth)	1,366.6	-	36.7	1,403.3		REAL ESTATE COMMINGLED FUNDS SUMMARY								
Boston Common (ESG)	-	-	0.5	0.5		Total Pooled Funds	1,630.0	-	-	1,630.0	4.62%			
Principal Global Int'l Small Cap	264.0	-	5.4	269.3		REAL ESTATE SEPARATE ACCT. SUMMARY BY MANAGER								
Victory Capital Mgt.	332.4	-	5.8	338.3		AEW (Heitman, Sentinel)	467.5	-	-	467.5				
Terminated/Transition Int'l Equity Managers	-	-	0.1	0.1		Neptune Building	21.1	-	-	21.1				
Int'l Equity Mgrs (18%)	6,339.5	-	120.2	6,459.7	18.30%	Real Estate Equity Mgrs	488.6	-	-	488.6	1.38%			
Target Differential	0.30%				104.4	Private Real Estate (8.5%)	2,118.6	-	-		6.00%			
TOTAL EQUITIES MANAGERS (47%)	17,359.3	-	169.6	17,528.9	49.65%	TOTAL REAL ESTATE (10%)	3,306.5	-	11.1	3,317.6	9.40%			
Int'l Tax Reclaims	1.4	0.1	2.5	3.9		Target Differential	(0.60)%				(213.1)			
FIXED INCOME						INFRASTRUCTURE								
Northern Trust (Fixed Income Index)	-	0.1	0.3	0.4		Townsend Infrastructure	-	-	-	-				
JP Morgan Core Bond (Active)	-	886.3	6.9	893.2		TOTAL INFRASTRUCTURE (2%)	-	-	-	-	0.00%			
Reams Asset Mgmt. (Opportunistic)	-	949.1	-	949.1		Target Differential	(2.00)%				(706.1)			
LM Capital (Opportunistic)	-	899.3	14.4	913.8										
GIA Partners (Opportunistic)*	0.0	107.9	2.1	110.0		CASH								
Medalist Partners (MBS)*	-	114.1	-	114.1		HOUSE ACCOUNTS								
Loomis Sayles (Long Duration)	-	744.0	4.9	748.9		Tier 1 (Article 17)	-	-	32.4	32.4				
Reams Asset Mgmt. (Passive TIPS)	-	1,218.3	0.8	1,219.1		Tier 2 (Article 18)	-	-	334.9	334.9				
Terminated/Transition Fixed Income Managers	-	-	-	-		Tier 3 (Article 35)	-	-	0.8	0.8				
Core Bond Mgrs (14.3%)	0.0	4,919.1	29.5	4,948.6	14.02%	Tier 4 (New)	-	-	0.2	0.2				
Target Differential	(0.28)%				(100.4)	Tier 5 (New)	-	-	323.0	323.0				
MacKay Shields (High Yield)	14.5	737.1	21.4	773.0	2.19%	Tier 6 (New)	-	-	8.8	8.8				
Loomis Sayles Global Credit	-	1,018.3	58.1	1,076.4	3.05%	Transition Account	-	-	0.0	0.0				
Credit Fixed Income (5.5%)	14.5	1,755.4	79.5	1,849.4	5.24%	115 Trust	-	-	0.3	0.3				
Target Differential	(0.26)%				(92.5)	CASH SUMMARY								
Reams Asset Mgmt. (Unconstrained)	-	394.9	-	394.9		Unallocated Cash Reserve (1%)	-	-	700.4	700.4	1.98%			
Payden & Rygel (Unconstrained)	-	391.2	-	391.2		Target Differential	0.98%				347.3			
Unconstrained Fixed Income (2.2%)	-	786.1	-	786.1	2.23%									
Target Differential	0.03%				9.3	TOTAL FUND								
							STOCKS	BONDS	REAL ESTATE	PRIVATE EQUITY	PRIVATE CREDIT	INFRA	CASH	TOTAL
TOTAL FIXED INCOME MGRS (22%)	14.5	7,460.5	109.0	7,584.1	21.48%	ACTUAL ASSET MIX								
Notes						Current Month	17,375.2	7,460.6	3,306.5	5,914.4	258.1	-	992.6	35,307.4
* - Denotes Emerging Manager							49.21%	21.13%	9.36%	16.75%	0.73%	0.00%	2.81%	100.00%
City Pension Contribution received on 7/12/24						Last Month	16,883.9	7,291.3	3,241.4	5,759.7	242.6	-	1,681.0	34,586.9
Subtotals & totals may not sum up exactly due to rounding.						% Change	2.91%	2.32%	2.01%	2.68%	6.40%	0.00%	-15.01%	2.08%
Data is unaudited; Dollars expressed in Millions.														



Los Angeles

# Fire and Police Pensions

## Real Assets Summary

INFRASTRUCTURE COMMINGLED FUNDS	EQUITY	POOLED	CASH	TOTAL
Brookfield Super-Core Infrastructure Partners L.P.	-	-	-	-
Icon VII, L.P.	-	-	-	-
<b>Total</b>	-	-	-	-

REAL ESTATE COMMINGLED FUNDS	EQUITY	POOLED	CASH	TOTAL
Abacus Multi-Family Partners VI	NA	43.6	-	43.6
Almanac Realty Securities VII	NA	24.3	-	24.3
Almanac Realty Securities VIII	NA	44.2	-	44.2
Almanac Realty Securities IX	NA	34.4	-	34.4
Asana Partners Fund I	NA	34.3	-	34.3
Asana Partners Fund II	NA	29.2	-	29.2
Asana Partners Fund III	NA	25.8	-	25.8
Berkshire Multifamily Income Realty Fund	NA	30.4	-	30.4
Brookfield Strategic Real Estate Partners IV	NA	40.4	-	40.4
California Smart Growth Fund IV	NA	0.1	-	0.1
Cerberus Institutional Real Estate Partners Fund V	NA	33.0	-	33.0
Cerberus Institutional Real Estate Partners Fund VI	NA	26.3	-	26.3
CIM Real Estate Fund III	NA	3.4	-	3.4
Clarion Lion Industrial Trust 2007	NA	208.5	-	208.5
Apollo CPI Europe I (Asia)	NA	0.3	-	0.3
Exeter Industrial Value Fund IV	NA	2.4	-	2.4
Exeter Industrial Value Fund V	NA	42.0	-	42.0
Exeter Industrial Value Fund VI	NA	39.4	-	39.4
Exeter Europe Logistics	NA	16.8	-	16.8
Gerrity Retail Fund 2	NA	21.1	-	21.1
GID Mainstay Fund	NA	111.0	-	111.0
Heitman Asia Pacific Property Investors HAPI	NA	24.4	-	24.4
Heitman HART	NA	1.0	-	1.0
Jadian Real Estate Fund II	NA	6.4	-	6.4
Jamestown Premier	NA	20.1	-	20.1
Kayne Anderson Core Real Estate Fund KACORE	NA	77.1	-	77.1
LBA Logistics Value Fund VII	NA	32.0	-	32.0
LBA Logistics Fund IX	NA	49.3	-	49.3
LBA Logistics Value Fund X	NA	-	-	-
MetLife Core Property Fund	NA	130.4	-	130.4
NREP Nordic Strategies Fund IV	NA	30.4	-	30.4
Oaktree Real Estate Opportunities Fund VIII	NA	26.6	-	26.6
Oaktree Real Estate Opportunities Fund IX	NA	-	-	-
Oaktree Real Estate Opportunities Fund XI	NA	11.0	-	11.0
Principal Data Center Growth & Income Fund, LP	NA	36.7	-	36.7
Principal Green I	NA	-	-	-
Principal US Core USPA	NA	99.1	-	99.1
Prudential PRISA	NA	78.2	-	78.2
RREEF Core Plus Industrial Fund	NA	96.4	-	96.4
Rothschild Five Arrows Realty V (Almanac)	NA	0.0	-	0.0
Savanna Real Estate Fund III	NA	-	-	-
Starwood Opportunity Fund IX	NA	2.6	-	2.6
Standard Life Investments European Real Estate Club II	NA	-	-	-
Stockbridge Real Estate Fund II	NA	0.4	-	0.4
Townsend Real Estate Capital Solutions IV, LP	NA	3.0	-	3.0
TPG Real Estate Partners IV	NA	33.5	-	33.5
Unico Core Plus Partners	NA	5.7	-	5.7
WCP NewCold Fund III	NA	30.6	-	30.6
Wolff Credit Fund III	NA	24.2	-	24.2
<b>Total</b>		<b>1,630.0</b>	<b>-</b>	<b>1,630.0</b>

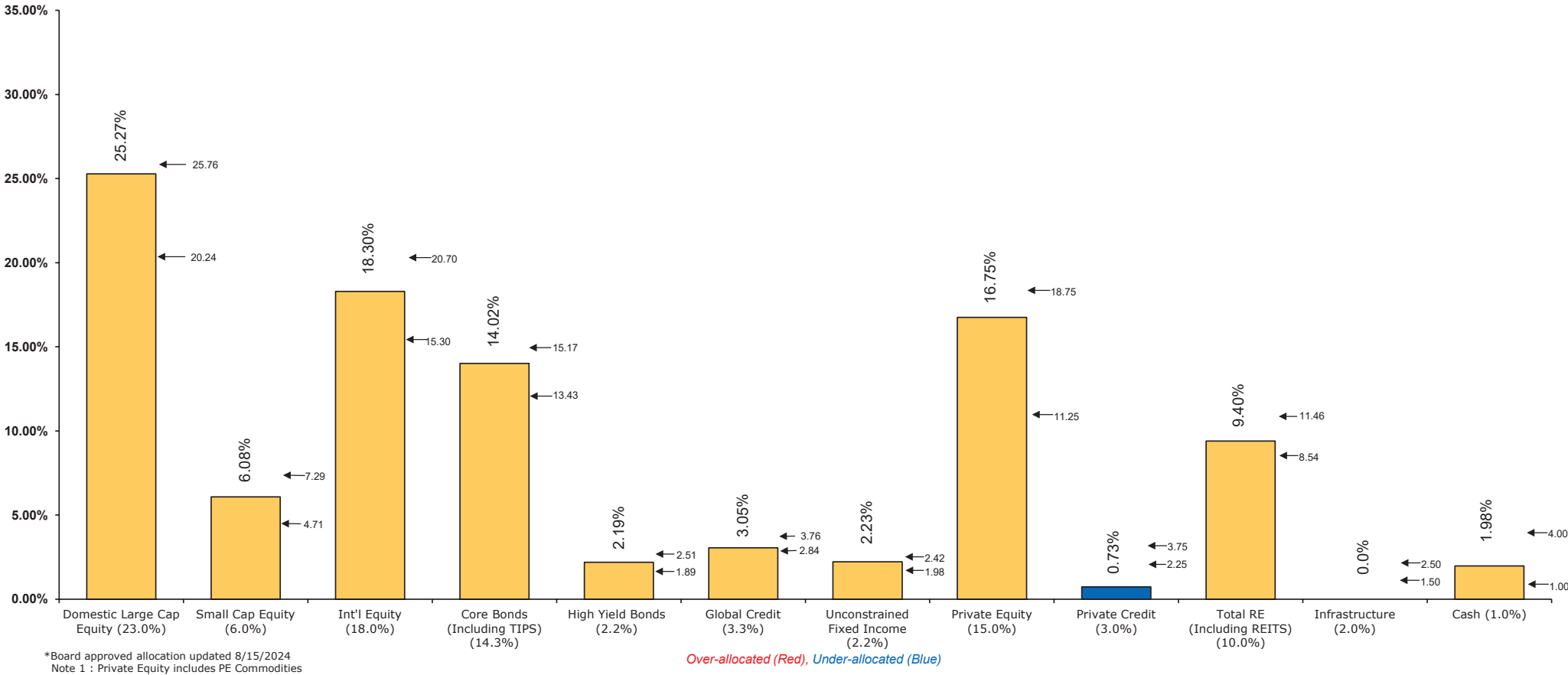
SEPARATE ACCOUNT PROPERTIES	EQUITY	POOLED	CASH	TOTAL
AEW (Heitman) - 121 W. Chestnut	58.2	NA	-	58.2
AEW (Heitman) - Sea Isle	57.5	NA	-	57.5
AEW (Sentinel) - Aerial Center Executive Park*	41.4	NA	-	41.4
AEW (Sentinel) - Town Center	67.0	NA	-	67.0
AEW (Sentinel) - Walmart Building at Water Ridge	-	NA	-	-
AEW (Sentinel) - Windward Place	59.7	NA	-	59.7
AEW - Bar W Marketplace	67.9	NA	-	67.9
AEW - I-4 Logistics Center	34.5	NA	-	34.5
AEW - Lockwood Glen Apartments	46.1	NA	-	46.1
AEW - Sycamore Hills Plaza	35.2	NA	-	35.2
<b>Real Estate Managers Total Committed</b>				
<b>AEW [Heitman, Sentinel (Urdang)]</b>				<b>467.5</b>
<b>Neptune Building</b>	<b>21.1</b>	<b>NA</b>	<b>-</b>	<b>21.1</b>
<b>Total</b>				<b>488.6</b>

\*Consists of Aerial Center Executive Park I and II



# Los Angeles Fire and Police Pensions

## Portfolio Allocation





# Los Angeles Fire and Police Pensions

## Preliminary Return Information as of August 31, 2025

Manager	1-month	3-month	1-year	3-years	5-years	FYTD
<b>Total Fund</b>	1.92 %	5.31 %	9.72 %	9.96 %	9.14 %	2.38 %
S & P 500 Index	2.03 %	9.62 %	15.88 %	19.54 %	14.74 %	4.32 %
<b>Total Equity<sup>1</sup></b>	3.07 %	8.17 %	14.46 %	17.22 %	12.36 %	3.97 %
S & P 500 Index	2.03 %	9.62 %	15.88 %	19.54 %	14.74 %	4.32 %
<b>Total Domestic Equity</b>	2.86 %	9.72 %	13.09 %	16.46 %	13.53 %	4.68 %
Russell 3000 Index	2.31 %	9.88 %	15.84 %	18.81 %	14.11 %	4.57 %
<b>Total Large Cap Equity</b>	2.23 %	8.77 %	15.04 %	17.95 %	13.88 %	4.05 %
S & P 500 Index	2.03 %	9.62 %	15.88 %	19.54 %	14.74 %	4.32 %
<b>Total Small Cap</b>	5.56 %	13.82 %	5.51 %	10.59 %	12.00 %	7.37 %
Russell 2000 Index	7.14 %	14.93 %	8.17 %	10.28 %	10.13 %	9.00 %
<b>Total International Equity</b>	3.45 %	5.64 %	16.63 %	18.29 %	10.30 %	2.80 %
MSCI ACWI ex-US	3.54 %	6.83 %	16.11 %	15.77 %	9.49 %	3.27 %
<b>Total International Developed Markets</b>	3.45 %	5.64 %	16.65 %	19.38 %	10.78 %	2.81 %
MSCI ACWI ex-US	3.54 %	6.83 %	16.11 %	15.77 %	9.49 %	3.27 %
<b>Total Fixed Income<sup>2</sup></b>	1.15 %	2.85 %	4.77 %	4.60 %	1.41 %	1.21 %
Bloomberg Barclays Universal	1.20 %	2.63 %	3.72 %	3.70 %	-0.17 %	1.06 %
<b>Total Core Fixed Income</b>	1.13 %	2.88 %	2.70 %	2.97 %	-1.11 %	0.91 %
Bloomberg Barclays Aggregate	1.20 %	2.48 %	3.14 %	3.02 %	-0.68 %	0.93 %
<b>Total High Yield</b>	0.62 %	2.52 %	7.11 %	8.78 %	5.48 %	1.00 %
LAFPP HY Benchmark <sup>3</sup>	1.22 %	3.51 %	8.15 %	9.19 %	5.15 %	1.62 %
<b>Total Global Credit</b>	1.36 %	3.85 %	6.60 %	N/A	N/A	1.83 %
Loomis Global Credit Blend	0.87 %	2.94 %	6.08 %	N/A	N/A	1.48 %
<b>Total REITs<sup>4</sup></b>	2.98 %	2.29 %	0.45 %	4.63 %	6.43 %	1.74 %
LAFPP REIT Benchmark <sup>5</sup>	3.88 %	3.23 %	0.73 %	4.40 %	6.02 %	2.73 %

**Footnote:**
<sup>1</sup> Total Equity: Does not include Private Equity

<sup>2</sup> Total Fixed Income : Does not include Private Credit.

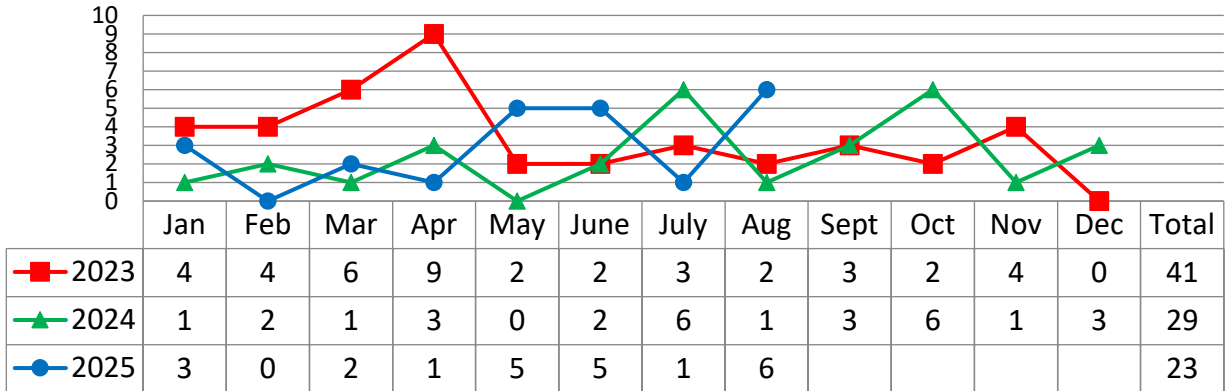
<sup>3</sup> LAFPP HY Benchmark: CS HY Index thru 12/31/11 & BofA ML US HY Master II Cnst Index thereafter.

<sup>4</sup> Total REITs : Does not include Private Real Estate

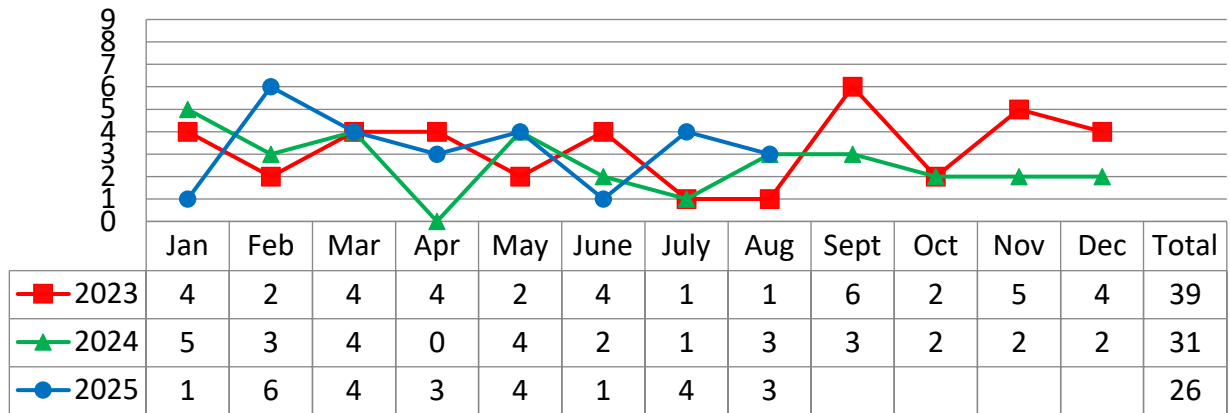
<sup>5</sup> LAFPP REIT Benchmark: Dow Jones US Select RE Securities Index thru 12/31/13, 50% FTSE EPRA/NAREIT Global RE Index and 50% Dow Jones US Select RE Securities Index thereafter.



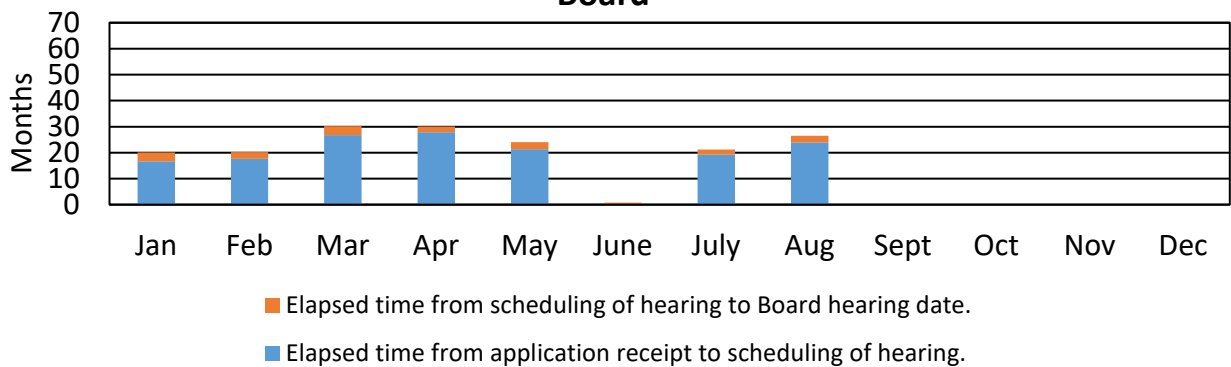
(Data through August 31, 2025)

**DISABILITY PENSIONS****Total Claims Filed**

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

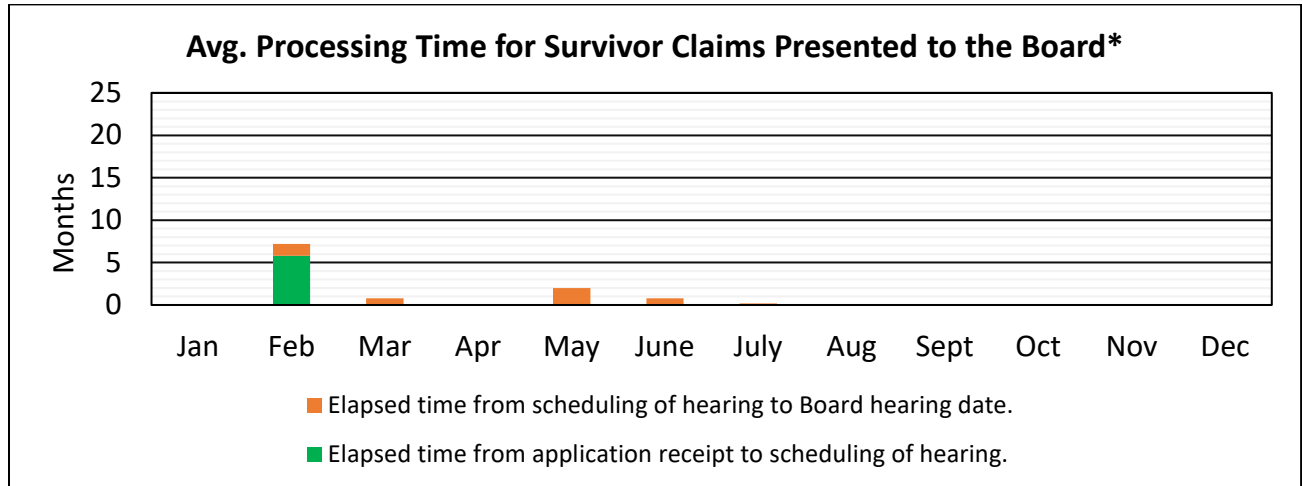
**Total Claims Presented to the Board\***

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

**Avg. Processing Time for Disability Claims Presented to the Board\***

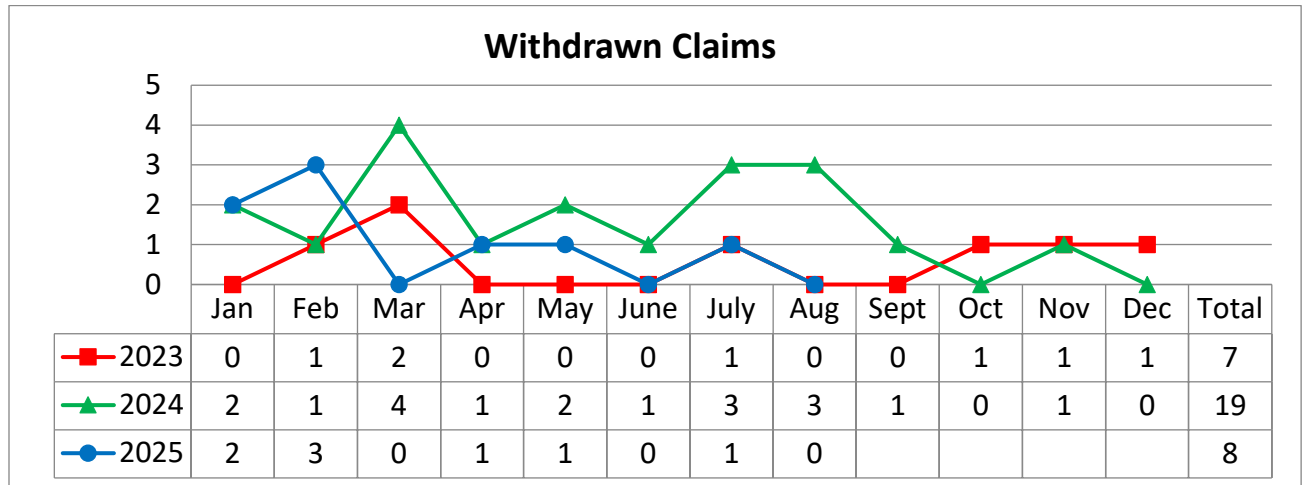
\*Claims include Disability, Active Member Death, Dependent Child/Parent.

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



\*Claims include Active Member Death and Dependent Child/Parent.

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



# PENSIONS DIVISION

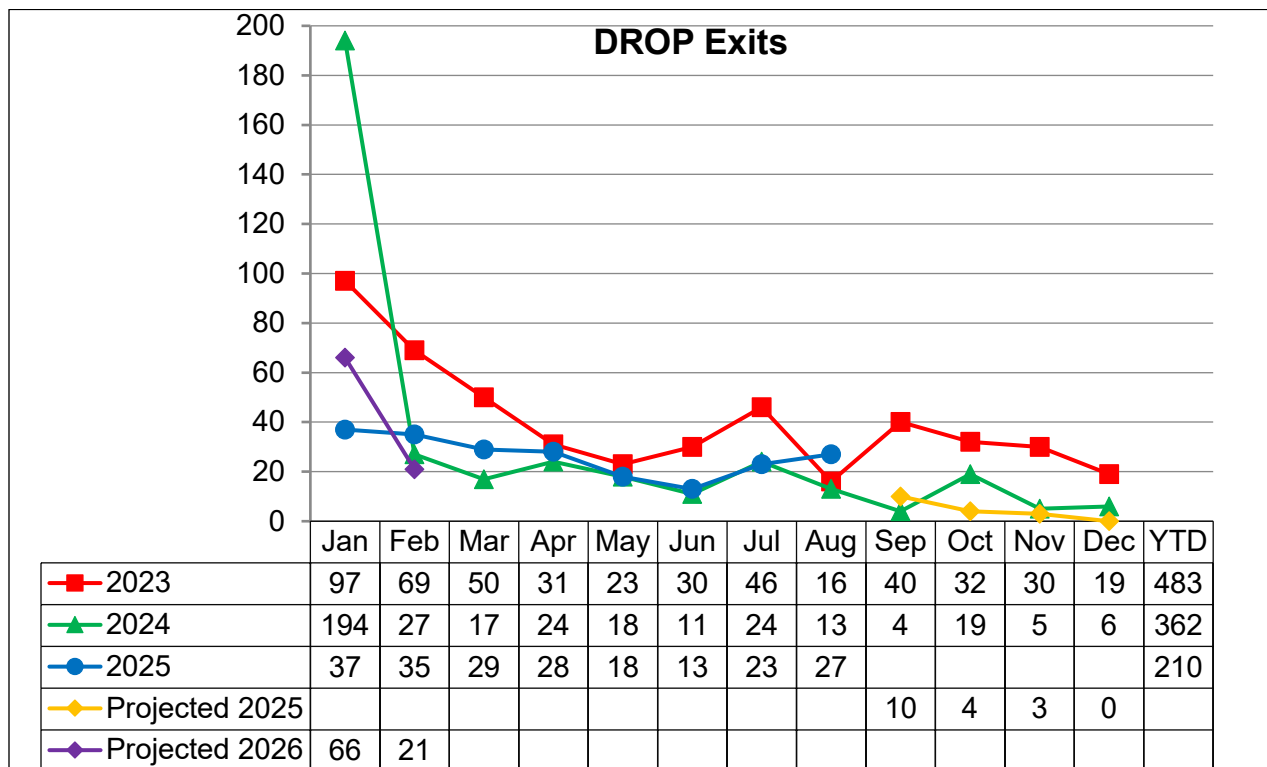
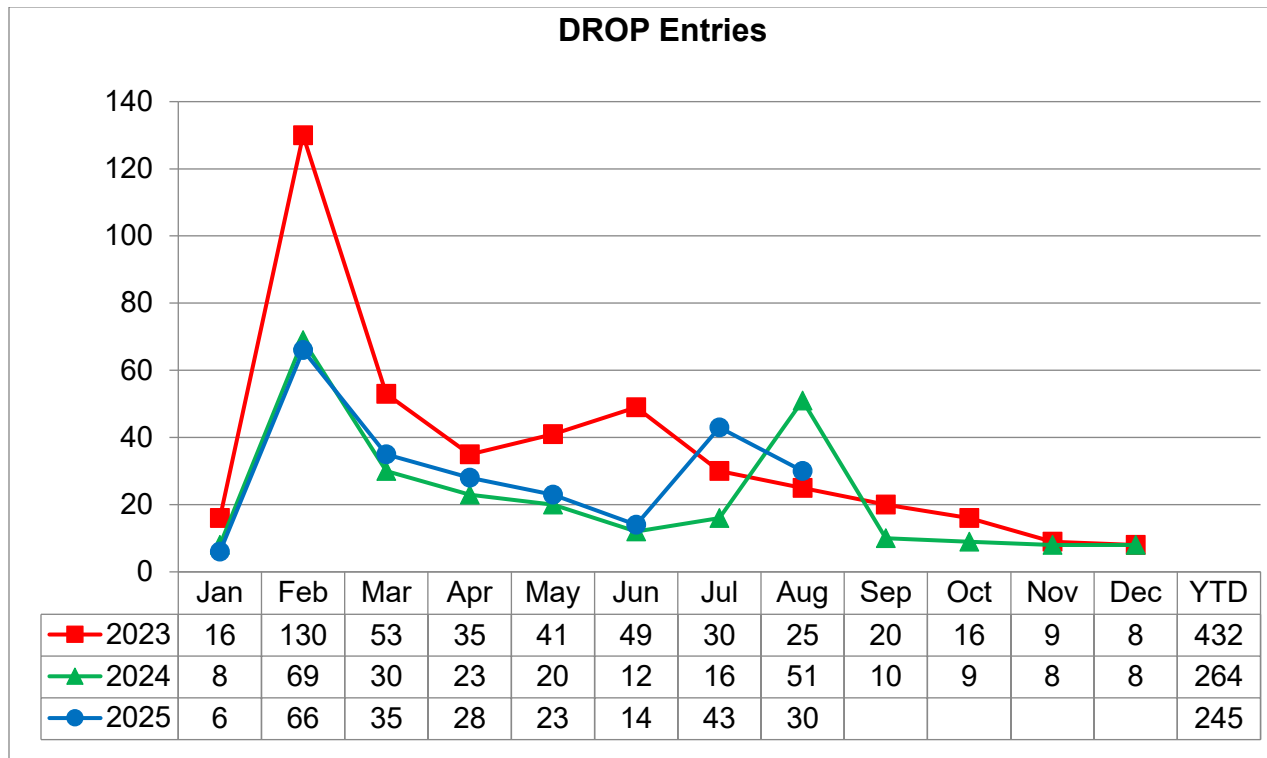
Attachment 5

PENDING CLAIMS BY YEAR FILED	FIRE	POLICE	HARBOR	AIRPORT	TOTAL
<b>2022</b>					
Dependent Child/Parent	0	0	0	0	<b>0</b>
Surviving Spouse/Domestic Partner/Minor Children	0	0	0	0	<b>0</b>
Disability (New/Review)	1	1	0	0	<b>2</b>
<b>2023</b>					
Dependent Child/Parent	0	0	0	0	<b>0</b>
Surviving Spouse/Domestic Partner/Minor Children	1	2	0	0	<b>3</b>
Disability (New/Review)	1	9	0	0	<b>10</b>
<b>2024</b>					
Dependent Child/Parent	0	0	0	0	<b>0</b>
Surviving Spouse/Domestic Partner/Minor Children	0	2	0	0	<b>2</b>
Disability (New/Review)	7	14	1	0	<b>22</b>
<b>2025</b>					
Dependent Child/Parent	0	0	0	0	<b>0</b>
Surviving Spouse/Domestic Partner/Minor Children	1	1	0	0	<b>2</b>
Disability (New/Review)	4	16	0	0	<b>20</b>
<b>TOTAL</b>	<b>15</b>	<b>45</b>	<b>1</b>	<b>0</b>	<b>61</b>

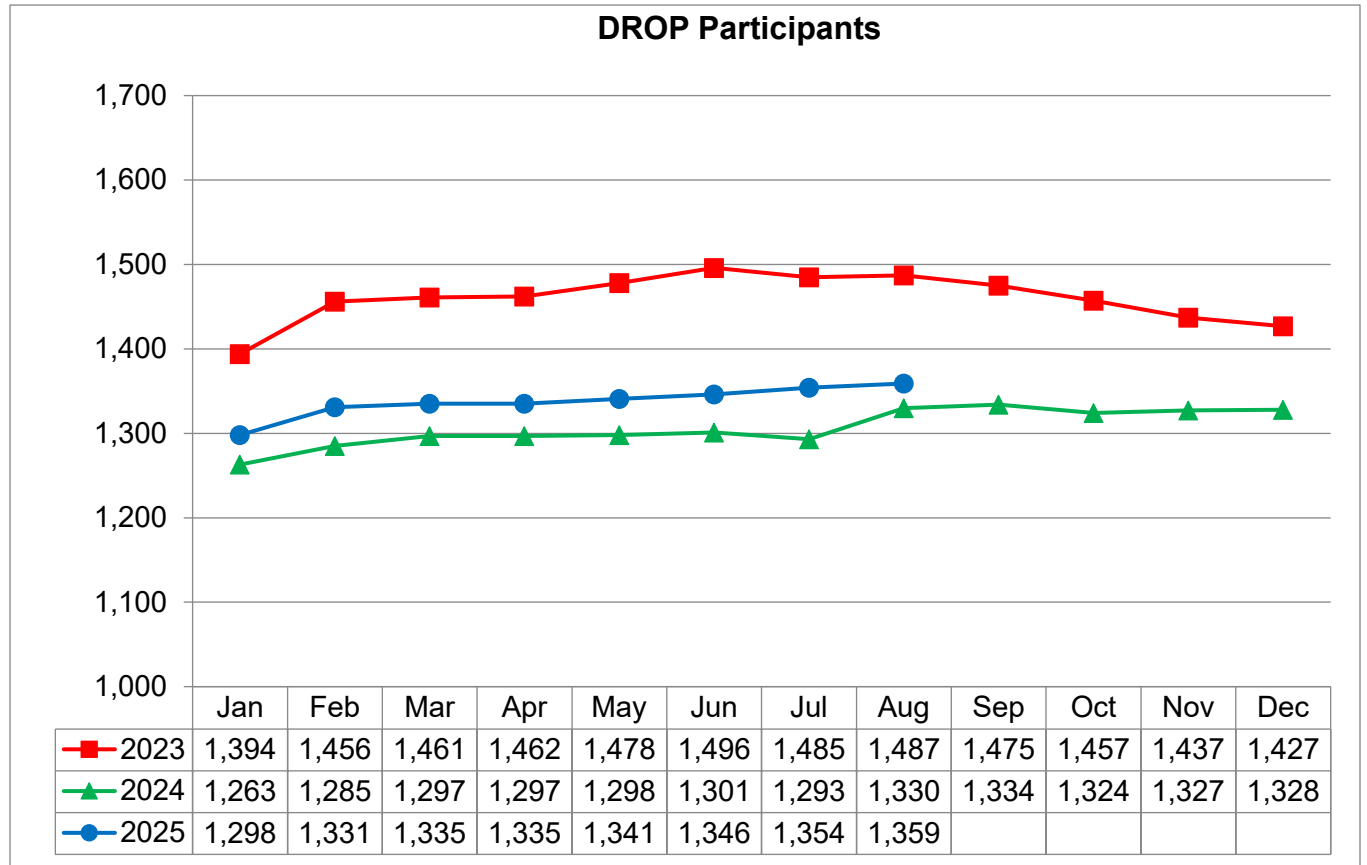
CURRENT STATUS OF PENDING CLAIMS	
Collecting/Reviewing records	30
Manager reviewing admin file / creating appendix	9
Medical Desk (pension physician appointments and reports)	15
Board Package (Board report, pension physician reports, and admin file)	6
Ready to schedule for Board hearing	1
Case on hold (pending surgery / litigation / WC hearing)	0
<b>TOTAL</b>	<b>61</b>

**DROP/SERVICE PENSIONS**

\*Data may change due to timing of processing transactions.

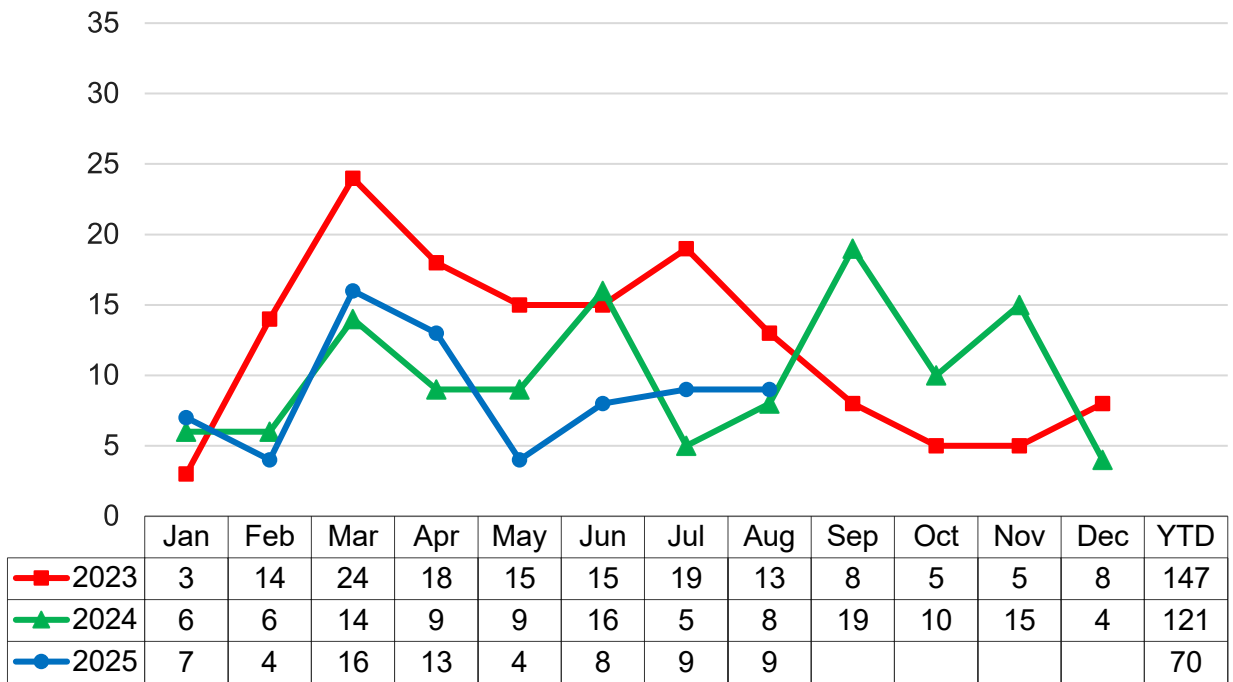


NOTE: Projected DROP Exit numbers reflect mandatory exits only.



DROP Participants by Department												
2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fire	195	195	189	191	193	193	203	208				
Police	1,102	1,135	1,145	1,143	1,147	1,152	1,149	1,149				
Harbor	1	1	1	1	1	1	1	1				
Airport	0	0	0	0	0	0	1	1				

**Service Pensions**  
(by Approval Date)



**Service Pensions by Department**

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



**SURVIVORSHIP PENSIONS**

	<b>Current Month</b>	<b>Fiscal Year To Date</b>	<b>12 Month Moving Avg.</b>
Surviving Spouse/Domestic Partner Pension Applications Processed	10	29	16
Survivor Benefit Purchase Program	0	0	1

**ACTIVE MEMBER SERVICES**

	<b>Current Month</b>	<b>Fiscal Year To Date</b>	<b>12 Month Moving Avg.</b>
<b>New Members Enrolled in the Plan</b>			
Fire	0	0	11
Police	16	45	22
Harbor	1	1	1
Airport	0	3	1
<b>Basic Training Purchases (completed)</b>			
Fire	8	18	6
Police	10	20	15
Harbor	0	0	0
Airport	0	0	0
<b>Public Service Purchases (PSP)</b>			
Completed Purchases	0	0	1
Avg. Years of Service (YOS) Purchased	n/a	n/a	1.31
Avg. Cost per YOS Purchased	n/a	n/a	\$57,354
<b>Refund of Contributions</b>			
Fire	2	2	2
Police	3	9	6
Harbor	0	0	0
Airport	1	1	0

**MEMBER OUTREACH ACTIVITIES**

<b>Date</b>	<b>Type of Outreach</b>	<b>Number of Participants</b>	<b>Tier</b>
08/01/2025	Recruit Talk – LAPD	18	Tier 6
08/05/2025	LAFD Benefits Presentation - FS5B	13	All Tiers
08/06/2025	Financial Planning Education Seminar - Late Career	68	All Tiers
08/07/2025	LAFD Benefits Presentation - FS27B	13	All Tiers
08/07/2025	Benefits Information Webinar – “Health Benefits in Retirement”	3	All Tiers
08/13/2025	Benefits Information Webinar – “Understanding Your Plan”	Cancelled	All Tiers
08/13/2025	LAFD Wellness Day 1	45	All Tiers
08/14/2025	Benefits Information Webinar – “Service Retirement and DROP Entry”	3	All Tiers
08/14/2025	LAFD Wellness Day 2	44	All Tiers
08/14/2025	LAPD Central Traffic Wellness Day	84	All Tiers
08/15/2025	LAFD Wellness Day 3	31	All Tiers
08/19/2025	LAFD Benefits Presentation - FS 47C	11	All Tiers
08/21/2025	LAFD Benefits Presentation - FS 69B	9	All Tiers
08/25/2025	LAPD SIS Wellness Day	14	All Tiers
08/26/2025	LAFD Benefits Presentation - FS 27C	12	All Tiers
08/27/2025	LAFD Benefits Presentation - FS 35A	13	All Tiers
08/28/2025	LAFD Benefits Presentation - FS 35C	12	All Tiers
08/29/2025	Recruit Talk – LAPD	27	Tier 6
<b>Upcoming Events</b>			
09/03/2025	LAFD Benefits Presentation - FS 76B		All Tiers
09/03/2025	LAPD Division Meeting Wellness Day		All Tiers
09/04/2025	LAFD Benefits Presentation - FS 79C		All Tiers
09/09/2025	LAFD Benefits Presentation - FS 34A		All Tiers
09/10/2025	Financial Planning Education Seminar - Late Career		All Tiers
09/11/2025	LAFD Benefits Presentation - FS 76C		All Tiers
09/11/2025	Benefits Information Webinar – “Health Benefits in Retirement”		All Tiers
09/16/2025	LAFD Benefits Presentation - FS 89A		All Tiers
09/17/2025	Benefits Information Webinar – “Understanding Your Plan”		All Tiers
09/18/2025	Benefits Information Webinar – “Service Retirement and DROP Entry”		All Tiers
09/23/2025	LAFD Benefits Presentation - FS 76A		All Tiers
09/25/2025	LAPD 77th Division Wellness Day		All Tiers
09/25-27/2025	LAPPL Delegate’s Conference 2025		All Tiers
09/26/2025	Recruit Talk – LAPD		Tier 6
09/30/2025	Recruit Talk – LAFD		Tier 6

**PENSIONS DIVISION**

Attachment 5

<b>Outreach Activity Totals</b>		
	<b>Current Month</b>	<b>Fiscal Year to Date</b>
Members Reached	420	545
-# of Recruit Talks	2	3
-# of Financial Planning Education Seminars (live)	1	1
-# of Financial Planning Education Webinars (virtual)	0	0
-# of Benefits Information Webinars (virtual)	2	2
-# of Other Outreach Events	12	14

DEPARTMENT OF FIRE AND POLICE PENSIONS  
Active, Expired, and Upcoming Contracts  
August 31, 2025

Attachment 6

Contract	Vendor / Services	Contract Term		Marketing Cessation Start Date¹	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/ Candidate Finalist Date	Contract Award / Renewal Date	
INVESTMENTS								
SEARCH	Active Small Capitalization Equity Manager Search	tbd	tbd	07/03/25	07/03/25			On 07/03/25, the Board approved the minimum qualifications for an Active Small Capitalization Equity Manager Search.
793PEN	Scout Investments, Inc. - Reams Asset Management Division (Fixed Income - TIPS)	09/01/22	08/31/25				07/03/25	On 07/03/25, the Board approved a five-year contract extension through 08/31/30 with Scout Investments, Inc. - Reams Asset Management Division. Contract amendment is pending.
775PEN	Channing Capital Management, LLC (Domestic Equity)	10/01/21	09/30/25				08/21/25	On 08/21/25, the Board approved a one-year contract extension through 09/30/26 with Channing Capital Management, LLC for Domestic Equity. Contract amendment is pending.
780PEN	GIA Partners, LLC (Domestic Fixed Income)	10/01/21	09/30/25				09/04/25	On 09/04/25, the Board approved a two-year contract extension through 09/30/27 with GIA Partners, LLC for Domestic Fixed Income. Contract amendment is pending.
736PEN	Boston Partners, Inc. (Domestic Equity)	11/01/19	10/31/25				08/21/25	On 08/21/25, the Board approved a three-year contract extension through 10/31/28 with Boston Partners, Inc. for Domestic Equity. Contract amendment is pending.
739PEN	Principal Real Estate Investors, LLC (Global REIT Manager)	12/01/19	11/30/25	09/01/25				Staff recommendation to the Board is tentatively scheduled for 10/01/25.
740PEN	Principal Real Estate Investors, LLC (U.S. REIT Manager)	12/01/19	11/30/25	09/01/25				Staff recommendation to the Board is tentatively scheduled for 10/01/25.
747PEN	Denali Advisors, LLC (Domestic Equity)	05/01/20	04/30/26					
748PEN	Eastern Shore Capital Management (Domestic Equity)	05/01/20	04/30/26					
749PEN	Lisanti Capital Growth, LLC (Domestic Equity)	05/01/20	04/30/26					
768PEN	Principal Global Investors, LLC (International Equity)	05/01/21	04/30/26					
800PEN	StepStone LLC (Private Credit Consultant)	06/01/23	05/31/26					
801PEN	Mackay Shields, LLC (Fixed Income - High Yield Bond)	07/01/23	06/30/26					
730PEN	Pacific Investment Management Company, LLC (PIMCO) (Domestic Equity)	08/01/19	07/31/26					
804PEN	Brandes Investment Partners, LP (International Equity)	08/01/23	07/31/26					
805PEN	Payden & Rygel (Unconstrained Fixed Income Manager)	08/01/23	07/31/26					
806PEN	Scout Investments, Inc. - Reams Asset Management Division (Unconstrained Fixed Income Manager)	08/01/23	07/31/26					
755PEN	AllianceBernstein, L.P. (Domestic Equity)	10/01/20	09/30/26					
756PEN	Westwood Management Corp. (Domestic Equity)	10/01/20	09/30/26					
777PEN	PHOCAS Financial Corporation (Domestic Equity)	10/01/21	09/30/26					
802PEN	Portfolio Advisors, LLC (Private Equity)	10/01/23	09/30/26					
803PEN	Portfolio Advisors, LLC (Private Equity - Specialized Manager)	10/01/23	09/30/26					
813PEN	Cohen & Steers Capital Management, Inc. (Real Estate Investment Trust Manager (Active))	01/01/24	12/31/26					
814PEN	AEW Capital Management, L.P. (Real Estate Separate Account Manager)	01/01/24	12/31/26					
817PEN	The Townsend Group (Real Estate Consultant)	02/01/24	01/31/27					
765PEN	Baillie Gifford Overseas Limited (International Equity)	03/01/21	02/28/27					
769PEN	Victory Capital Management, Inc. (Trivalent Investments, a Victory Capital Investment Franchise) (International Equity)	05/01/21	04/30/27					
771PEN	Frontier Capital Management Company, LLC (Domestic Equity)	07/01/21	06/30/27					

DEPARTMENT OF FIRE AND POLICE PENSIONS  
Active, Expired, and Upcoming Contracts  
August 31, 2025

Attachment 6

Contract	Vendor / Services	Contract Term		Marketing Cessation Start Date <sup>1</sup>	Board Authorization Date			Comments
		Start Date	Expiration Date		New Search Date	Vendor/Candidate Finalist Date	Contract Award / Renewal Date	
791PEN	Loomis, Sayles & Co., LP (Global Credit Investment Manager)	08/01/22	07/31/27					On 07/17/25, the Board approved a two-year contract extension through 07/31/27 with Loomis, Sayles & Co., LP for Global Credit Investment Management services. Contract amendment has been executed.
774PEN	LM Capital Group, LLC (Fixed Income)	09/01/21	08/31/27					
807PEN	Medalist Partners, L.P. (Fixed Income)	10/01/23	09/30/27					
778PEN	Loomis, Sayles & Co., LP (Fixed Income)	10/01/21	09/30/27					
762PEN	BlackRock Institutional Trust Company (Index Provider)	02/01/21	11/30/27					
784PEN	Scout Investments, Inc. - Reams Asset Management Division (Fixed Income)	12/01/21	11/30/27					
794PEN	AllianceBernstein, L.P. (Index Provider)	12/01/22	11/30/27					
796PEN	Northern Trust Investments, Inc. (Index Provider)	12/01/22	11/30/27					
797PEN	RhumbLine Advisers L.P. (Index Provider)	12/01/22	11/30/27					
729PEN	Palisade Capital Management, LP (Small Cap Equity) (Domestic Equity)	07/01/19	06/30/28					
825PEN	J.P. Morgan Investment Management Inc. (Active Core Fixed Income)	07/01/25	06/30/28					
721PEN	RVK, Inc. (General Investment Consultant)	03/01/19	02/28/29					
735PEN	Northern Trust Company (Custodian Bank)	10/01/19	09/30/29					
786PEN	Glass, Lewis, & Co., LLC (Proxy Voting Services)	01/01/22	12/31/29					
<b>ADMINISTRATIVE OPERATIONS</b>								
824PEN	Segal Select Insurance Services, Inc. (Cyber Liability and D&O Insurance)	11/01/24	10/31/25					
828PEN	TurningWest (Workplace Culture Assessment Study)	08/21/25	12/20/25				08/21/25	On 08/21/25, the Board authorized the General Manager to execute a contract with TurningWest for Workplace Culture Assessment Study. Contract has been executed.
815PEN	Haworth, Inc. (HQ Furniture)	01/01/24	12/31/26					
826PEN	Total Commercial Real Estate, Inc. (Property Management Services - Neptune)	07/01/25	06/30/28					
<b>ADMINISTRATIVE SERVICES</b>								
808PEN	Stericycle, Inc. (Shred-It) (Secure Document Shredding Services)	02/01/24	01/31/26					
<b>BOARD OF FIRE &amp; POLICE PENSION COMMISSIONERS</b>								
C-137251	Reed Smith, LLP (Independent Conflict Counsel)	09/01/20	08/31/25				06/05/25	On 06/05/25, the Board approved a one-year contract extension with Reed Smith, LLP through 08/31/26. Contract amendment is pending.
<b>CITY ATTORNEY'S OFFICE</b>								
RFP	Outside Securities Monitoring and Litigation Counsel Services	tbd	tbd		08/07/25			On 08/07/25, the Board approved release of an RFP for Outside Securities Monitoring and Litigation Counsel services. The RFP is expected to open in early-2026.
RFP	Outside Tax Counsel	tbd	tbd		02/20/25			The RFP was released on 07/29/25, and closed on 08/23/25; 5 responses were received.
C-139738	Danning, Gill, Israel & Krasnoff, LLP (Legal Representation)	11/18/21	08/01/23					On 08/01/23, the contract expired due to the conclusion of litigation.
C-137236	Kutak Rock, LLP (Outside Conflict Counsel)	09/01/20	08/31/25					
C-137238	Kutak Rock, LLP (Outside Fiduciary Counsel)	09/01/20	08/31/25					
C-137243	Nossaman, LLP (Outside Fiduciary Counsel)	09/01/20	08/31/25					
C-137247	Nossaman, LLP (Outside Conflict Counsel)	09/01/20	08/31/25					
C-137988	Foley & Lardner, LLP (Outside Conflict Counsel)	09/01/20	08/31/25					
C-137989	Foley & Lardner, LLP (Outside Fiduciary Counsel)	09/01/20	08/31/25					

DEPARTMENT OF FIRE AND POLICE PENSIONS  
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August 31, 2025

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C-142074	Bernstein Litowitz Berger & Grossmann LLP (Securities Monitoring Counsel)	11/01/22	10/31/25				08/07/25	On 08/07/25, the Board approved a one-year contract extension through 10/31/26 with Bernstein Litowitz Berger & Grossmann LLP. Contract execution is pending.
C-142077	Cohen Milstein Sellers & Toll PLLC (Securities Monitoring Counsel)	11/01/22	10/31/25				08/07/25	On 08/07/25, the Board approved a one-year contract extension through 10/31/26 with Cohen Milstein Sellers & Toll PLLC. Contract execution is pending.
C-142085	Bleichmar Fonti & Auld LLP (Securities Monitoring Counsel)	11/01/22	10/31/25				08/07/25	On 08/07/25, the Board approved a one-year contract extension through 10/31/26 with Bleichmar Fonti & Auld LLP. Contract execution is pending.
C-142087	Robbins Geller Rudman & Dowd LLP (Securities Monitoring Counsel)	11/01/22	10/31/25				08/07/25	On 08/07/25, the Board approved a one-year contract extension through 10/31/26 with Robbins Geller Rudman & Dowd LLP. Contract execution is pending.
C-142089	Saxena White P.A (Securities Monitoring Counsel)	11/01/22	10/31/25				08/07/25	On 08/07/25, the Board approved a one-year contract extension through 10/31/26 with Saxena White P.A. Contract execution is pending.
C-140274	Ice Miller, LLP (Outside Tax Counsel)	03/01/22	02/28/26					
C-145135	Ice Miller, LLP (Outside Data Privacy, Health Law, and Cybersecurity Counsel)	12/01/23	11/30/26					
C-145139	Groom Law Group (Outside Data Privacy, Health Law, and Cybersecurity Counsel)	12/01/23	11/30/26					
C-145165	Baker & Hostetler LLP (Outside Data Privacy, Health Law, and Cybersecurity Counsel)	12/01/23	11/30/26					
C-145167	Clark Hill PLC (Outside Data Privacy, Health Law, and Cybersecurity Counsel)	12/01/23	11/30/26					
C-200906	Cohen Milstein, LLP (Outside Conflict Counsel)	01/01/25	12/31/27					
C-200907	Cohen Milstein, LLP (Outside Fiduciary Counsel)	01/01/25	12/31/27					
C-200909	Kutak Rock, LLP (Outside Fiduciary Counsel)	01/01/25	12/31/27					
C-200910	Kutak Rock, LLP (Real Estate and Investment Counsel)	01/01/25	12/31/27					
C-200912	Kutak Rock, LLP (Outside Conflict Counsel)	01/01/25	12/31/27					
C-200914	Nossaman, LLP (Outside Conflict Counsel)	01/01/25	12/31/27					
C-200917	Nossaman, LLP (Outside Fiduciary Counsel)	01/01/25	12/31/27					
C-200918	Nossaman, LLP (Real Estate and Investment Counsel)	01/01/25	12/31/27					
<b>COMMUNICATIONS &amp; EDUCATION</b>								
799PEN	Rosie's Kitchen (Seminar Program Catering Services)	01/19/23	01/18/26					
790PEN	Geographics (Graphic Design Services)	06/16/22	06/15/26					
823PEN	Digital Deployment, Inc. (Website Design and Support Services)	10/01/21	06/30/26					
812PEN	Four Square Financial Literacy Partners, Inc. (Financial Planning Education)	12/05/23	12/04/26					
816PEN	Cambridge Financial Partners, LLC (Financial Counseling Services)	12/10/23	12/09/26					
<b>DISABILITY PENSIONS</b>								
810PEN	Argus West, Inc. (Investigative Services)	11/01/23	10/31/26					
818PEN	US Legal Support (Court Reporting Services)	07/01/24	06/30/27					
820PEN	QTC Medical Group, Inc. (Independent Medical Exam Services)	07/01/24	06/30/27					
821PEN	Crosspoint Evaluations, LLC. (Independent Medical Exam Services)	07/01/24	06/30/27					
822PEN	IMA Evaluations, LLC (Independent Medical Exam Services)	07/01/24	06/30/27					



DEPARTMENT OF FIRE AND POLICE PENSIONS  
Active, Expired, and Upcoming Contracts  
August 31, 2025

Attachment 6

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		Start Date	Expiration Date		New Search Date	Vendor/ Candidate Finalist Date	Contract Award / Renewal Date	
INTERNAL AUDIT								
827PEN	Simpson & Simpson Certified Public Accountants (External Financial Statements Audits)	07/17/25	07/17/28					
MEDICAL & DENTAL BENEFITS								
N/A	Los Angeles City Employee Retirement System (Health and Dental Plan Subgroups)	01/01/24	12/31/26					
819PEN	USI Insurance Services (Health Consulting Services)	06/07/24	06/06/27					
N/A	Los Angeles Police Protective League (Dental Insurance Administration)	07/01/23	06/30/28					
N/A	United Firefighters of Los Angeles City (Medical and Dental Insurance Administration)	07/01/23	06/30/28					
N/A	Los Angeles Firemen's Relief Association (Medical Insurance Administration)	07/01/23	06/30/28					
N/A	Los Angeles Police Relief Association (Medical and Dental Insurance Administration)	07/01/23	06/30/28					
PENSIONS DIVISION								
RFP	Actuarial Audit Services	tbd	tbd		11/02/23			The RFP was released on 06/30/25, and closed on 08/22/25; 2 responses were received.
767PEN	The Segal Company (Western States), Inc. (Actuarial Consulting Services)	07/01/21	06/30/27					
SYSTEMS								
687PEN	Northern Trust Company (Integrated Disbursement Services)	10/05/17	10/04/25					Staff recommendation to the Board is scheduled for 09/18/25.
626PEN	Avenu Insights and Analytics, LLC. (Pension Administration System Replacement	07/02/15	07/01/26					
616PEN	AT&T (CALNET/NextGen Phone)	11/15/13	06/30/28					
617PEN	AT&T (CALNET/NextGen Data)	11/15/13	06/30/28					

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

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

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