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# AGENDA

## **BOARD OF FIRE AND POLICE PENSION**

### **COMMISSIONERS**

January 16, 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:**

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 and provide public comment telephonically.

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. To provide public comment telephonically, please call (669) 900-9128 or (346) 248-7799 and enter Meeting ID 898 405 2575 (Please note: Toll charges may apply).

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

Please refer to [lafpp.lacity.gov](http://lafpp.lacity.gov) for more information.

**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), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days' notice is strongly recommended. For additional information, please contact the Department of Fire and Police Pensions: (213) 279-3000 voice; (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).

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board or applicable Committee of the Board in advance of their meetings may be viewed by clicking on LAFPP's website at [lafpp.lacity.gov](http://lafpp.lacity.gov) 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) 279-3037 or by e-mail at [tiffany.west@lafpp.com](mailto:tiffany.west@lafpp.com).

**A. CALL TO ORDER**

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

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

**C. DISABILITY CASE**

Alternative 1

1. Police Officer II Michael I. Beyda. Mr. Beyda will be represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin & Lee, LLP.

**D. REPORTS TO THE BOARD**

1. BOARD FIDUCIARY AND LEGAL EDUCATION
2. CONSENT TO ASSIGNMENT OF CONTRACT WITH HPS INVESTMENT PARTNERS, LLC AND POSSIBLE BOARD ACTION
3. CONSENT TO ASSIGNMENT OF CONTRACT WITH MONROE CAPITAL LLC AND POSSIBLE BOARD ACTION
4. AMENDMENT TO BOARD OPERATING POLICIES AND PROCEDURES SECTION 3.0: NORMAL RETIREMENT AGE AND POSSIBLE BOARD ACTION
5. PROPOSED TECHNICAL AMENDMENT TO CITY OF LOS ANGELES ADMINISTRATIVE CODE REGARDING DEPENDENT SUBSIDIES FOR MEDICARE-ELIGIBLE RETIREES AND POSSIBLE BOARD ACTION
6. ANNUAL AUDIT PLAN STATUS AND CHANGES AND POSSIBLE BOARD ACTION
7. SECOND QUARTER REPORT OF THE 2024-25 ANNUAL PLAN AND POSSIBLE BOARD ACTION

8. RECOMMENDATION TO EXECUTE A NEW THREE-YEAR CONTRACT WITH TOTAL COMMERCIAL REAL ESTATE (TCRE) FOR PROPERTY MANAGEMENT SERVICES AND POSSIBLE BOARD ACTION

#### **E. GENERAL MANAGER'S REPORT**

1. Monthly Report
2. Marketing Cessation Information
3. Benefits Actions approved by General Manager on December 19, 2024 and January 2, 2025
4. Other business relating to Department operations

#### **F. CONSENT ITEMS**

1. QUARTERLY STATUS REPORT OF FUTURE AGENDA ITEM REQUESTS AND POSSIBLE BOARD ACTION
2. QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF
3. QUARTERLY LEGISLATION TRACKING REPORT
4. Findings of Fact
  - a. Tiffany A. Maloch - Tier 5
  - b. Toni R. McBride - Tier 6
5. Approval of Minutes
  - a. Regular Board meeting minutes of November 7 and 21, 2024 and December 5 and 19, 2024
  - b. Special Board meeting minutes of November 21, 2024

#### **G. CONSIDERATION OF FUTURE AGENDA ITEMS**

#### **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
2. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE

ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: DOWNTOWN CRENSHAW RISING AND MEMBERS AGAINST ANTI-BLACK RACISM AT PUBLIC PENSION FUNDS V. DEUTSCHE BANK ET AL. (U.S.D.C., C.D. CAL., CASE NO. 24-CV07266)

3. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) AND (D)(1) TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION (ONE CASE): MICHELLE NELSON V. SUN COMMUNITIES, INC. ET AL., NO. 24-CV-13314 (U.S.D.C. E.D. MICH.); AND POSSIBLE BOARD ACTION





LOS ANGELES FIRE AND POLICE PENSIONS

## **Board Fiduciary and Legal Training**

Public Pensions General Counsel  
January 16, 2025

To Serve Those Who Protect



## Learning Objectives

After this training, you will:

- ☐ **Understand** the fiduciary principles governing all Board decisions, including the exclusive benefit rule, the prudent expert rule, and prudent delegation.
- ☐ **Recognize** the legal and ethical lines in contacts with contractors and gracefully avoid them.





# Overview

1. Fiduciary Duties
2. Marketing Cessation Policy
3. Ethics Ordinance, LAMC 49.5.11(A)

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# 1. Fiduciary Duties

## Fiduciary Duties

- Commissioners have a responsibility to act as fiduciaries when making decisions for the system.
- A fiduciary relationship occurs when an individual is tasked and entrusted with the control and management of property for the benefit of another individual(s).
- Mainly seen with investments but applies to most official acts.





## Fundamental Fiduciary Duties

- Derived from Trust Law and legal duties owed to beneficiaries
- Duty of Primary Loyalty
- Exclusive Benefit Rule
- Prudent Expert Rule (Duty of Care)
- Obey the Law and Board Policies



## Duty of Primary Loyalty

- A trustee has a duty to administer the trust solely in the interest of its beneficiaries
- A trustee is strictly prohibited from engaging in transactions that involve self-dealing or that otherwise involve or create a conflict between the trustee's fiduciary duties and personal interests.

Restatement 3d Trusts, sec. 78.





## Exclusive Benefit Rule

- The assets of the Plan are trust funds and shall be held for the exclusive purposes of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the plan.

Cal. Constitution, Article XVI, Sec. 17(a)





## Prudent Person Rule

- Fiduciary duty of care
- Board must always make decisions as a “prudent person” would
- The duty of prudence requires the exercise of reasonable care, skill, and caution
  - For investment decisions, this means a prudent expert (i.e., an investment professional)
  - Where Board lacks expertise, there is a duty to consult with experts (Staff, actuary, investment consultants, external auditors, attorneys)

Restatement 3d Trusts, secs. 77, 227



## Charter Section 1106(c)

Board must “Discharge its duties with respect to its system with the **care, skill, prudence, and diligence** under the circumstances then prevailing that a prudent person **acting in a like capacity and familiar with these matters** would use in the conduct of an enterprise of a like character and with like aims.”

**Mirrors Cal. Const. Art. VI, Section 17(c)**

## Prudent Delegation

“A trustee has a duty personally to perform the responsibilities of the trusteeship except as a prudent person of comparable skill might delegate those responsibilities to **others**....”

Third Restatement of the Law of Trusts



# Delegation Distinction: Investment Staff v. Investment Consultants

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- Significant overlap in Staff & Consultant knowledge and duties
- Reliance on Consultants where Staff lacks specific expertise or resources to conduct comprehensive analyses or provide reporting
  - Asset allocation studies
  - Building private markets portfolios
  - Performance reports for total fund and private markets asset classes
- Both Staff & Consultants can provide second opinion on each other's work





## What should you do if...

Before the next Board meeting, a fellow Commissioner mentions in passing that, as a savvy and successful personal investor, they don't need the General Fund Consultant's recommendations and plan to "vote with their gut" regardless of what Staff and the Consultant say. Confident from today's training, you caution the Commissioner that this could constitute a violation of the following fiduciary duty:

- A. Duty of Primary Loyalty – it is disloyal to the Board's Consultant to ignore its recommendations.
- B. Exclusive Benefit Rule – if the Commissioner's gut instinct is wrong, it will not be to the exclusive benefit of LAFPP's members and beneficiaries.
- C. Prudent Expert Rule (Duty of Care) – the Board must act as a prudent expert (i.e., investment professional) in making investment decisions; where the Board lacks this expertise, it has a duty to exercise fiduciary discretion in delegating some or all parts of the decision-making process to experts like Investment Staff and the Consultant.
- D. Call of Duty – the duty so important it has its own video game.

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## 2. Marketing Cessation Policy

# Board Policy Rationale

## The Marketing Cessation Policy:

- Supports a transparent and fair investment contracting process which provides equal information and opportunity to all parties interested in contracting with LAFPP.
- Prevents the appearance of undue influence on the Board, Staff, or Consultants in the award of investment contracts, by restricting communications and gifts between parties seeking contracts and those involved in awarding contracts.



## An important component of:

- Ethics responsibilities for Board Members, Staff, and Consultants; and
- Board Operating Policies and Procedures & Investment Policy.
- Is aligned with the City's Governmental Ethics Ordinance (LAMC § 49.5.11(A)).







## **Marketing Cessation Policy dovetails with the Contractor Disclosure Policy**

- Applies to firms seeking new contracts from LAFPP and firms with upcoming contract renewals
- Prohibits direct marketing contact and accepting gifts/entertainment
- Prohibits communications between Board members and firms unless an exception applies



## **Marketing Cessation Policy dovetails with the Contractor Disclosure Policy**

- Contractors required to report/disclose contacts
  - Quarterly or annually for existing contracts/investments
  - 24-month “look back” for new or renewed (incumbent) contracts/investments



## Restricted Time Period

- For new contracts: from date RFP is published until Board awards the contract.
- For incumbent contractors: 3 months prior to Board action to renew or from time RFP is published until contract award, whichever is longer.





## During the Restricted Time Period

- Board, staff, consultants all prohibited from accepting entertainment or gifts
- Only Staff and Consultant may have contact with current contractors, and contact must relate to the existing contract
  - Commissioners may not have any contact with contractors



## Permitted Contacts

- Communications about generic topics at group events or conferences
  - This is the **only** permitted contact for Board members outside of a Board meeting
- Communications between Staff and current contractors related to the existing contract
- Communications initiated by Staff with firms for due diligence or research
- Communications with firms that were not subject to a competitive proposal process (e.g., private equity) where contract negotiations are necessary prior to execution of a final agreement
- Communications with a firm that is actively negotiating a contract with LAFPP for the purposes of collecting documentation necessary for the execution of the final agreement



### What should you do if...

An investment manager not under contract with LAFPP approaches you at a conference to discuss services their firm could provide to the Plan. You recall that the Board recently approved an RFP for those services.

- A. Pretend to get an important phone call and avoid the manager for the rest of the conference.
- B. Listen to the pitch, ask lots of smart questions, and then refer the manager to the RFP contact person.
- C. Tell her that LAFPP policies prevent your discussing the firm's proposal at the conference, but offer to refer her to the to the CIO or General Fund Consultant and tell her all current opportunities are posted at [lafpp.lacity.gov](http://lafpp.lacity.gov).
- D. Listen to the pitch and act impressed, but afterwards call the RFP contact person and insist LAFPP bar the firm from the RFP for violations of LAFPP policy and City ethics laws.

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# **3. Ethics Ordinance LAMC Section 49.5.11(A)**

## LAMC § 49.5.11(A)

***Except at a public meeting***, a member of a City board or commission ***shall not participate*** in the development, review, evaluation, or negotiation of or the recommendation process for bids, proposals, or any other requests for the award or termination of a contract, amendment, or change order involving that board, commission, or agency....







## But what about the Board packet?

LAMC § 49.5.11(A) *continued*

....This does not preclude individual members from reviewing documents and other information provided by agency staff when preparing for a public meeting at which the matter will be considered.

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## Policy Rationales

- Transparency
- Fairness & Integrity
- Public confidence in government contracts
- Preventing undue influence
- Equal access to information for all Commissioners





## Practical Impact

- Commissioners should not discuss with Staff or be involved in any part of contracting process except during Board meetings
- Do not seek introductions to prospective contractors (at conferences or elsewhere)
  - Have a prepared response for approach by a prospective contractor



## Recusal to Serve Public Interest

- Charter Section 222 authorizes City Attorney to provide written advice “where it would violate state law *or where it may not be in the public interest*” for a Commissioner “*to act in a particular matter, contract, sale or transaction.*”
- City Attorney has advised that Commissioners recuse themselves for violating LAMC 49.5.11(A)





### What should you do if...

You read a Wall Street Journal article about a promising investment manager and think the firm's strategy would be a great fit for LAFPP's alternative investment allocation. During a break in the next Board meeting, you learn that the CIO read the same article.

- A. Pretend your WSJ subscription has lapsed. You're more of a Financial Times person anyway.
- B. Offer to set up a call with the CIO to discuss further, but emphasize that it is only to share background information on the firm and that the decision to retain them will have follow established protocol.
- C. Notify the CIO that, because your reading the article constitutes unauthorized due diligence, LAFPP is now prohibited from hiring the manager.
- D. Because you know LAFPP policies and City ethics laws prevent you from participating in contracting decisions outside of a Board meeting, you refer the fund to the CIO for placement on the next Board agenda as a consent item for referral by the full Board to the Private Equity Consultant.

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**Questions?**



**Miguel Bahamon**, Deputy City Attorney  
**Joshua Geller**, Supervising City Attorney  
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Office of the Los Angeles City Attorney

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## ***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: JANUARY 16, 2025**

**ITEM: D.2**

**FROM: JOSEPH SALAZAR, GENERAL MANAGER**

**SUBJECT: CONSENT TO ASSIGNMENT OF CONTRACT WITH HPS INVESTMENT PARTNERS, LLC AND POSSIBLE BOARD ACTION**

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#### **RECOMMENDATION**

That the Board consent to the assignment of the contract with HPS Investment Partners, LLC and authorize the General Manager to sign the consent form on behalf of the Board.

#### **BACKGROUND**

Founded in 2007, HPS Investment Partners, LLC (HPS) is a New York City-headquartered global credit investment manager with approximately \$148 billion in assets under management (AUM). The firm manages various credit strategies including senior and asset-based debt. On September 7, 2023, the Board approved a \$35 million commitment to the HPS Specialty Loan Fund VI (Fund VI) for LAFPP's Private Credit portfolio.

On December 2, 2024, HPS notified Staff that the firm agreed to be 100% acquired by BlackRock, Inc. (BlackRock) in an all-stock deal valued at approximately \$12 billion. HPS will receive 12.1 million equity units issued by a wholly owned subsidiary of BlackRock that are exchangeable for BlackRock common stock on a one-for-one basis. BlackRock (ticker symbol: BLK) is a leading publicly traded investment management firm with approximately \$11.5 trillion in AUM as of September 30, 2024. Separately, BlackRock is one of LAFPP's bench of index managers, currently managing an international stock index portfolio valued at approximately \$1.9 billion. Details of the acquisition are discussed in HPS's press release and investor letter (Attachments I and II).

#### **DISCUSSION**

The acquisition is expected to close in the second quarter of 2025. Upon closing, the HPS senior management team will lead a newly formed private financing business unit of BlackRock. The new platform will be a combination of HPS's credit business and BlackRock's existing private credit, collateralized loan obligations, and general partner and limited partner solutions businesses. Approximately 75% of the total transaction consideration, or 9.2 million equity units (approximately \$9 billion) will be paid at closing. To support talent retention, approximately 25% of the total transaction consideration, or 2.9 million equity units (approximately \$3 billion), will be deferred and paid in five years subject to certain post-closing conditions. Up to \$675 million of the total transaction consideration will be used to fund an equity retention pool for HPS employees. Further, an additional 1.6 million of equity units (approximately \$1.6 billion) may be earned based on achieving financial performance milestones measured over a five-year period.



Under the Investment Advisers Act of 1940, the acquisition of HPS will result in a change in control of the firm and is deemed to be an “assignment” of the contract that requires written consent of the client. All terms of Fund VI’s contract (partnership agreement) would remain the same. Additionally, no changes are expected to Fund VI’s strategy, process, leadership, or client relationship team.

The acquisition is expected to have a positive impact on HPS. HPS will gain access to the operational resources and client relationships of the larger BlackRock organization. Moreover, HPS’s senior team will be managing BlackRock’s new private financing unit, thus maintaining control of the existing HPS credit business. Therefore, Staff recommends that the Board approve the consent to assignment (Attachment III). StepStone Group, the Board’s Private Credit consultant, concurs with Staff’s recommendation (Attachment IV). The City Attorney’s Office has reviewed the consent form and does not have any legal concerns.

## **BUDGET**

Approval of this recommendation will have no budget impact.

## **POLICY**

Approval of this recommendation will have no policy impact.

## **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Derek Niu, CFA, Investment Officer  
Investments Division

JS:BF:AC:SL:DN

Attachments: I – HPS Acquisition Press Release  
II – HPS Investor Letter  
III – HPS Consent Form  
IV – StepStone Consent Recommendation



Press Releases

Dec 3, 2024

## **BlackRock to Acquire HPS Investment Partners to Deliver Integrated Solutions Across Public and Private Markets**

- *HPS Investment Partners is a leading global credit investment manager that provides creative capital solutions across \$148 billion in client assets*
- *This combination creates an integrated private credit franchise with ~\$220 billion in client assets*
- *Expected to increase private markets fee-paying AUM and management fees by 40% and ~35%, respectively*
- *Transaction structured for leadership continuity and alignment with BlackRock's shareholders, with proceeds paid in BlackRock equity*
- *HPS leadership team will lead a new, combined business unit*

NEW YORK – December 3, 2024 – BlackRock (NYSE: BLK) and HPS Investment Partners (“HPS”), a leading global credit investment manager with approximately \$148 billion in client assets, have entered into a definitive agreement for BlackRock to acquire HPS for approximately \$12 billion, with 100% of consideration paid in BlackRock equity. The equity is issued by a wholly-owned subsidiary of BlackRock (“SubCo Units”), and exchangeable on a one-for-one basis into BlackRock common stock.

The future of fixed income is building public and private portfolios to optimize liquidity, yield, and diversification. This transaction will bring together BlackRock's strong corporate and asset owner relationships with HPS's diversified origination and capital flexibility. The combined private credit franchise will work side-by-side with BlackRock's \$3 trillion public fixed income business to provide both public and private income solutions for clients across their whole portfolios.

“I am excited by what HPS and BlackRock can do together for our clients and look forward to welcoming Scott Kapnick, Scot French, and Michael Patterson, along with the entire HPS team, to BlackRock. We have always sought to position ourselves ahead of our clients' needs. Together with the scale, capabilities, and expertise of the HPS team, BlackRock will deliver clients solutions that seamlessly blend public and private,” said Laurence D. Fink, BlackRock Chairman and CEO.

Durable global growth will require higher volumes of debt financing and markets are increasingly looking to private capital as an answer. The addition of HPS will position

BlackRock to connect companies of all sizes, from small and medium-sized businesses to large corporations, with financing for investments that support economic growth and job creation.

Market forces, technology, and regulation are consistently moving financial activity to where it can be done most efficiently, making private credit a structural growth segment. BlackRock expects the private debt market will more than double to \$4.5 trillion by 2030. The duration, returns, and yield characteristics of private credit match the needs of clients with long-dated capital, including insurance companies, pensions, sovereign wealth funds, wealth managers, and investors saving for retirement.

BlackRock and HPS will form a new private financing solutions business unit led by Scott Kapnick, Scot French, and Michael Patterson. This combined platform will have broad capabilities across senior and junior credit solutions, asset-based finance, real estate, private placements, and CLOs. To develop a full-service financing solution for alternative asset managers, the business will unite direct lending, fund finance, and BlackRock's GP and LP solutions (fund of funds, GP/LP secondaries, co-investments). This combination creates an integrated solution for clients and borrowers across corporate and asset-based finance, investment and non-investment grade and private credit. As part of this transaction, Messrs. Kapnick, French, and Patterson will join BlackRock's Global Executive Committee and Mr. Kapnick will be an observer to the BlackRock Board of Directors.

"Today marks an important milestone in our drive to become the world's leading provider of private financing solutions. Our partnership with BlackRock will further strengthen our position in this fast growing but increasingly competitive market. The combination of HPS's proven culture of investment discipline with BlackRock's global reach will allow us to seize new opportunities for our investors and employees and set us up for continued success for the next decade and beyond. My partners and I are energized to work with Larry Fink and our new BlackRock colleagues," said Scott Kapnick, HPS CEO.

Founded in 2007, HPS is a leading global credit investment manager with capabilities across the capital structure. HPS has continually demonstrated its ability to identify, structure, and execute compelling investments, and its extensive investing expertise coupled with the firm's strong track record has fueled its growth into one of the largest independent private credit platforms. HPS's differentiated origination platform, which spans non-sponsor and sponsor channels, underpinned by a scaled and flexible capital base, offers companies a wide range of bespoke financing solutions. The firm continues to be led by its founders and long-term Governing Partners Scott Kapnick, Michael Patterson, Scot French, Purnima Puri, Faith Rosenfeld, Paul Knollmeyer, and Kathy Choi.

Since BlackRock's founding in 1988, the firm has grown its fixed income capabilities, and now serves clients through a \$3 trillion platform across Fundamental Fixed Income, led by Rick Rieder, as well as Financial Institutions, Municipals, Systematic Fixed Income, Index Fixed Income, and iShares bond ETFs. BlackRock manages nearly

\$90 billion in private debt client assets across sponsor- and non-sponsor-led core middle market direct lending in U.S., European, and Asian markets, venture lending, investment grade private placements, and real estate debt, as well as dedicated private infrastructure debt.

This transaction will deepen BlackRock's capabilities for insurance clients. BlackRock is a leading provider of solutions for insurers, which represent 100 Aladdin technology clients and \$700 billion in assets under management at BlackRock. HPS is a leading independent provider of private credit for insurance clients. The addition of HPS will position BlackRock to be a full-service, fiduciary provider of public-private asset management and technology solutions for insurance clients.

Mr. Fink continued, "For over 35 years, BlackRock has grown and evolved alongside the capital markets. With GIP, and now HPS, we are expanding our private markets capabilities across our comprehensive global platform. Our Aladdin technology, including eFront, and soon Preqin, will make access to private markets simpler and more transparent. These capabilities, together with our global reach, deep relationships, and powerful technology, differentiate our ability to serve clients."

### **Terms of the Transaction**

Under the terms of the transaction, BlackRock will acquire 100% of the business and assets of HPS for total consideration of 12.1 million SubCo Units.

SubCo Units are exchangeable on a one-for-one basis into BlackRock common stock at the election of the holder, and will have equivalent dividend rights to BlackRock common stock.

A portion of the transaction consideration will be paid at closing, and a portion will be deferred approximately five years. Approximately 9.2 million SubCo Units will be paid at closing. Approximately 25% of the consideration, or 2.9 million SubCo Units, will be paid in approximately five years, subject to achievement of certain post-closing conditions. There is also potential for additional consideration to be earned of up to 1.6 million SubCo Units that is based on financial performance milestones measured and paid in approximately five years. Of the total deal consideration, up to \$675 million in value will be used to fund an equity retention pool for HPS employees.

In aggregate, inclusive of all SubCo Units paid at closing, eligible to be paid in approximately five years, and potentially earned through achievement of financial performance milestones, the maximum amount of BlackRock common stock issuable upon exchange for SubCo Units would be approximately 13.7 million shares.

As part of closing the transaction, BlackRock expects to retire for cash, or refinance, approximately \$400 million of existing HPS debt. The transaction is not expected to meaningfully change BlackRock's leverage profile.

BlackRock is committed to being a good steward of shareholders' capital. Its capital

management strategy is to first invest for growth, and then return excess capital to shareholders through a combination of dividends and a consistent share repurchase program. Over the last ten years BlackRock has repurchased 29 million shares, at an average repurchase price of \$498 per share, which represents a 15% annualized return for shareholders.

The deal is expected to increase private markets fee-paying AUM and management fees by 40% and approximately 35%, respectively, and be modestly accretive to BlackRock's as-adjusted earnings per share in the first full year post-close. The transaction is expected to close in mid-2025 subject to regulatory approvals and customary closing conditions.

Perella Weinberg Partners LP served as lead financial advisor to BlackRock. Morgan Stanley & Co. LLC also served as financial advisor, with Skadden, Arps, Slate, Meagher & Flom LLP and Clifford Chance LLP acting as legal counsel. J.P. Morgan Securities LLC served as lead financial advisor to HPS, with Goldman Sachs & Co. LLC, BofA Securities, Inc., Deutsche Bank Securities Inc., BNP Paribas, and RBC Capital Markets acting as co-financial advisors and Fried, Frank, Harris, Shriver & Jacobson LLP serving as legal counsel.

### **Teleconference and Webcast Details**

BlackRock will hold an investor call on Tuesday, December 3, 2024 at 8:00 a.m. ET to discuss the transaction.

Members of the public who are interested in participating in the teleconference should dial, from the United States, (313) 209-4906, or from outside the United States, (877) 502-9276, shortly before 8:00 a.m. ET and reference the BlackRock Conference Call (ID Number 6786819). A live, listen-only webcast will also be available via the investor relations section of [www.blackrock.com](http://www.blackrock.com).

The webcast will be available for replay by 11:00 a.m. ET on Tuesday, December 3, 2024. To access the replay of the webcast, please visit the investor relations section of [www.blackrock.com](http://www.blackrock.com).

An investor presentation with additional details about the transaction is also available on the "Events & Presentations" section of the investor relations website: <https://ir.blackrock.com/news-and-events/events-and-presentations/>

### **About BlackRock**

BlackRock's purpose is to help more and more people experience financial well-being. As a fiduciary to investors and a leading provider of financial technology, we help

millions of people build savings that serve them throughout their lives by making investing easier and more affordable. For additional information on BlackRock, please visit [www.blackrock.com/corporate](http://www.blackrock.com/corporate).

### **About HPS Investment Partners**

HPS Investment Partners, LLC is a leading global, credit-focused alternative investment firm that seeks to provide creative capital solutions and generate attractive risk-adjusted returns for our clients. We manage various strategies across the capital structure, including privately negotiated senior debt; privately negotiated junior capital solutions in debt, preferred and equity formats; liquid credit including syndicated leveraged loans, collateralized loan obligations and high yield bonds; asset-based finance and real estate. The scale and breadth of our platform offers the flexibility to invest in companies large and small, through standard or customized solutions. At our core, we share a common thread of intellectual rigor and discipline that enables us to create value for our clients, who have entrusted us with approximately \$148 billion of assets under management as of September 2024. For more information, please visit [www.hpspartners.com](http://www.hpspartners.com).

### **Contacts**

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#### **HPS Investment Partners**

Mike Geller / Josh Clarkson  
646-818-9018 / 646-818-9259  
[mgeller@prosek.com](mailto:mgeller@prosek.com) / [jclarkson@prosek.com](mailto:jclarkson@prosek.com)

### **Forward Looking Statements**

This press release, and other statements that BlackRock may make, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act, with respect to BlackRock's future financial or business performance, strategies or expectations, including the anticipated timing, consummation and expected benefits of the proposed HPS Investment Partners ("HPS") transaction and HPS's projected financial performance. Forward looking statements are typically identified by words or phrases such as "trend," "potential," "opportunity," "pipeline," "believe," "comfortable," "expect," "anticipate," "current," "intention," "estimate,"

“position,” “assume,” “outlook,” “continue,” “remain,” “maintain,” “sustain,” “seek,” “achieve,” and similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “may” and similar expressions.

BlackRock cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time and may contain information that is not purely historical in nature. Such information may include, among other things, projections and forecasts. There is no guarantee that any forecasts made will come to pass. Forward-looking statements speak only as of the date they are made, and BlackRock assumes no duty to and does not undertake to update forward looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance.

BlackRock has previously disclosed risk factors in its Securities and Exchange Commission (“SEC”) reports. These risk factors and those identified elsewhere in this press release, among others, could cause actual results to differ materially from forward-looking statements or historical performance and include: (1) the introduction, withdrawal, success and timing of business initiatives and strategies; (2) changes and volatility in political, economic or industry conditions, the interest rate environment, foreign exchange rates or financial and capital markets, which could result in changes in demand for products or services or in the value of assets under management; (3) the relative and absolute investment performance of BlackRock’s investment products; (4) BlackRock’s ability to develop new products and services that address client preferences; (5) the impact of increased competition; (6) the impact of recent or future acquisitions or divestitures, including the acquisitions of HPS (the “HPS Transaction”), Preqin (the “Preqin Transaction”) and Global Infrastructure Partners (together with the HPS Transaction and the Preqin Transaction, the “Transactions”); (7) BlackRock’s ability to integrate acquired businesses successfully, including the Transactions; (8) risks related to the HPS Transaction and the Preqin Transaction, including delays in the expected closing date of the HPS Transaction or the Preqin Transaction, the possibility that either or both of the HPS Transaction or the Preqin Transaction does not close, including, but not limited to, due to the failure to satisfy the closing conditions; the possibility that expected synergies and value creation from the HPS Transaction or the Preqin Transaction will not be realized, or will not be realized within the expected time period; and the risk of impacts to business and operational relationships related to disruptions from the HPS Transaction or the Preqin Transaction; (9) the unfavorable resolution of legal proceedings; (10) the extent and timing of any share repurchases; (11) the impact, extent and timing of technological changes and the adequacy of intellectual property, data, information and cybersecurity protection; (12) the failure to effectively manage the development and use of artificial intelligence; (13) attempts to circumvent BlackRock’s operational control environment or the potential for human error in connection with BlackRock’s operational systems; (14) the impact of legislative and regulatory actions and reforms, regulatory, supervisory or enforcement actions of government agencies and governmental scrutiny relating to BlackRock; (15) changes in law and policy and uncertainty pending any such changes; (16) any failure to effectively manage conflicts of interest; (17) damage to BlackRock’s reputation; (18) increasing focus from stakeholders regarding ESG matters; (19) geopolitical unrest, terrorist

activities, civil or international hostilities, and other events outside BlackRock's control, including wars, natural disasters and health crises, which may adversely affect the general economy, domestic and local financial and capital markets, specific industries or BlackRock; (20) climate-related risks to BlackRock's business, products, operations and clients; (21) the ability to attract, train and retain highly qualified and diverse professionals; (22) fluctuations in the carrying value of BlackRock's economic investments; (23) the impact of changes to tax legislation, including income, payroll and transaction taxes, and taxation on products, which could affect the value proposition to clients and, generally, the tax position of BlackRock; (24) BlackRock's success in negotiating distribution arrangements and maintaining distribution channels for its products; (25) the failure by key third-party providers of BlackRock to fulfill their obligations to BlackRock; (26) operational, technological and regulatory risks associated with BlackRock's major technology partnerships; (27) any disruption to the operations of third parties whose functions are integral to BlackRock's exchange traded funds platform; (28) the impact of BlackRock electing to provide support to its products from time to time and any potential liabilities related to securities lending or other indemnification obligations; and (29) the impact of problems, instability or failure of other financial institutions or the failure or negative performance of products offered by other financial institutions. BlackRock's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and BlackRock's subsequent filings with the SEC, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and on BlackRock's website at [www.blackrock.com](http://www.blackrock.com), discuss these factors in more detail and identify additional factors that can affect forward-looking statements. The information contained on BlackRock's website is not a part of this press release, and therefore, is not incorporated herein by reference.

BlackRock reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"); however, management believes BlackRock's ongoing operating results may be enhanced if investors have additional non-GAAP financial measures. Management reviews non-GAAP financial measures to assess ongoing operations and considers them to be helpful, for both management and investors, in evaluating BlackRock's financial performance over time. Management also uses non-GAAP financial measures as a benchmark to compare its performance with other companies and to enhance the comparability of this information for the reporting periods presented. Non-GAAP measures may pose limitations because they do not include all of BlackRock's revenue and expense. BlackRock's management does not advocate that investors consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Non-GAAP measures may not be comparable to other similarly titled measures of other companies





December 3, 2024

To our valued clients,

This morning, we announced that we have entered into a definitive agreement for BlackRock to acquire HPS. As part of the transaction, BlackRock's existing private credit, collateralized loan obligation, and GP/LP solutions businesses will be folded into HPS, and the HPS senior leadership team will assume full managerial responsibility for the combined enterprise. The transaction is expected to close in the second quarter of 2025.

We are thrilled to be partnering with BlackRock and believe this transaction further enhances our ability to deliver attractive risk-adjusted returns and differentiated solutions for our investors and portfolio companies. BlackRock's unparalleled network of corporate, asset owner and bank relationships offers significant incremental sourcing breadth. We expect this added reach to result in a larger number of attractive investment opportunities, enabling us to be even more selective as we invest your assets as your fiduciary. Furthermore, we believe that having access to the broader suite of BlackRock capabilities will enhance our ability to offer holistic solutions for both corporates and sponsors, further solidifying our position as a scaled and creative financing partner with capital flexibility. Finally, we believe BlackRock's scale will create other tangible benefits that will help to enhance returns for our investors in the rapidly growing and increasingly competitive market.

While we are excited about these opportunities, we want to emphasize that there will be no change to your investments or to your relationship with HPS. There will be full continuity in HPS leadership. BlackRock and HPS have agreed to strong governance parameters that specify that HPS leadership will remain in control of how we invest, what we invest in, who we hire and part ways with, and how we compensate our team. Therefore, the same investment team, led by Scott Kapnick, Scot French, Michael Patterson, and Purnima Puri, will continue to manage your assets using the same investment process we have successfully employed over the last 17 years. In addition, HPS will retain the same solutions-oriented, partnership-based approach to service that we know you expect and value, and you will continue to be covered by your HPS client advisor and HPS leadership.

Our long-term alignment with investors will also remain unchanged. No immediate liquidity will be created in the transaction. HPS principals will receive all proceeds in the form of interests that are exchangeable for BlackRock shares over six years. In addition, HPS employees will receive a material incentive grant to reward them for their past and future contributions to the business. The grant will vest over five years to encourage long-term retention. Finally, HPS leadership, partners and employees will continue to have more than \$1.2 billion of committed and invested capital alongside yours in HPS investment strategies.



Our business begins and ends with our investors, and we firmly believe this transaction places us in a better position to serve you as your fiduciary. We have never been more confident in the investment opportunity set, the quality of our team, and our ability to deliver attractive risk-adjusted returns. We want to thank you for your partnership, trust, and support, and you have our commitment that we will remain steadfastly focused on executing on your behalf as we begin this exciting new chapter for HPS.

The transaction is subject to customary investor consents and regulatory approvals, and we will keep you updated on its status through future communications. In the meantime, we welcome you to contact your HPS team with any questions.

With gratitude,

Scott Kapnick  
Chief Executive Officer

Scot French  
Governing Partner

Michael Patterson  
Governing Partner

Purnima Puri  
Governing Partner

Faith Rosenfeld  
Governing Partner

Paul Knollmeyer  
Governing Partner

Kathy Choi  
Governing Partner



December 16, 2024

**Re: Consent Request re: HPS Specialty Loan International Fund VI, SCSp, HPS Specialty Loan International Fund VI-A, SCSp, HPS Specialty Loan Institutional Fund VI-L, L.P., HPS Specialty Loan International Fund (EUR) VI, SCSp, HPS Specialty Loan Fund VI-L, SCSp, HPS Specialty Loan International Fund VI-L, SCSp, HPS Specialty Loan Fund VI, SCSp and HPS Specialty Loan Fund VI Feeder, L.P. (collectively, the “Fund”)**

Dear Investor:

On December 3, 2024, affiliates of HPS Investment Partners, LLC (“HPS”) and BlackRock, Inc. (“BlackRock”) entered into an agreement for BlackRock to acquire the business and assets of HPS, with 100% of consideration paid in BlackRock equity (the “Transaction”). The Transaction is expected to close in mid-2025, subject to receipt of certain regulatory approvals and satisfaction of other customary closing conditions. The Transaction is expected to bring together BlackRock’s corporate and asset owner relationships with HPS’s diversified origination and capital flexibility and create an integrated private credit franchise with approximately \$220 billion in client assets. If the Transaction closes, BlackRock and HPS will form a new private financing solutions business unit led by Scott Kapnick, Scot French, and Michael Patterson. This combined platform is expected to have broad capabilities across senior and junior credit solutions, asset-based finance, real estate, private placements and CLOs. As part of the Transaction, Scott Kapnick, Scot French and Michael Patterson will join BlackRock’s Global Executive Committee and Scott Kapnick will be an observer to the BlackRock Board of Directors. Upon the closing of the Transaction, HPS will continue to be directly or indirectly responsible for the investment activities of the Fund. However, there can be no assurances that the Transaction will take place, or if it does, what the impact will be on HPS or the Fund. See Appendix A attached hereto for additional information relating to the potential impact of the Transaction on HPS and certain risks related thereto.

If the Transaction closes, it will result in a change of control of the investment manager, alternative investment fund manager and/or portfolio manager of the Fund, as applicable (collectively, the “Investment Manager”), which will constitute a deemed assignment of the investment advisory arrangements of the Fund and any applicable subsidiaries for purposes of the U.S. Investment Advisers Act of 1940, as amended.

Please complete, sign and return the below form via email to [HPSConsents@friedfrank.com](mailto:HPSConsents@friedfrank.com) within 30 days of receipt indicating whether you consent or object to the proposed deemed assignment of the investment advisory arrangements. **If we do not receive your completed form within 30 calendar days, you will be deemed to have consented to the proposed deemed assignment of the investment advisory arrangements.**

If you have any questions about the Fund or this consent, please do not hesitate to contact HPS at [HPSConsents@hpspartners.com](mailto:HPSConsents@hpspartners.com) or Becky Zelenka at Fried Frank ([becky.zelenka@friedfrank.com](mailto:becky.zelenka@friedfrank.com)).

Sincerely,

HPS Investment Partners, LLC

**HPS Specialty Loan International Fund VI, SCSp, HPS Specialty Loan International Fund VI-A, SCSp, HPS Specialty Loan Institutional Fund VI-L, L.P., HPS Specialty Loan International Fund (EUR) VI, SCSp, HPS Specialty Loan Fund VI-L, SCSp, HPS Specialty Loan International Fund VI-L, SCSp, HPS Specialty Loan Fund VI, SCSp and HPS Specialty Loan Fund VI Feeder, L.P.**

**Please Check One**

- ☐ *The undersigned investor hereby **AGREES** and **CONSENTS** to the deemed assignment of the investment advisory arrangements of the Fund and any applicable subsidiaries in connection with the Transaction.*
- ☐ *The undersigned investor hereby **OBJECTS** and **DOES NOT CONSENT** to the deemed assignment of the investment advisory arrangements of the Fund and any applicable subsidiaries in connection with the Transaction.*

Name of Investor: \_\_\_\_\_

By: \_\_\_\_\_  
*Authorized Signatory*

Date: \_\_\_\_\_

**If we do not receive your completed form within 30 calendar days, you will be deemed to have consented to the proposed deemed assignment of the investment advisory arrangements.**

## **Appendix A**

### **Additional Information and Certain Risks Related to the Transaction**

If the Transaction closes, HPS will be owned by BlackRock. There is no guarantee that HPS will be able to successfully transition, maintain and continue to build its business after the Transaction or that HPS and BlackRock will be able to successfully optimize their joint business operations. In particular, as with any change in ownership, HPS will be subject to substantial risks, including with respect to the long-term retention of key employees, the successful consolidation of corporate, technological and administrative infrastructures and the retention of existing business and operational relationships. It is possible that employees currently involved in the operation of HPS may not continue with HPS after the Transaction and the operations and business relationships of HPS may be disrupted following the Transaction. The integration of HPS into BlackRock will be a complex, costly and time-consuming process and if HPS experiences difficulties in this process, the anticipated benefits may not be realized fully or at all, or may take longer to realize than expected, which could have an adverse effect on HPS for an undetermined period. In addition, there can be no assurances that HPS and BlackRock will realize the potential operating efficiencies, synergies and other benefits currently anticipated from the Transaction, and a failure to obtain such synergies may adversely affect the operations of HPS. Some of the challenges presented by the integration of the businesses are outside of HPS's control, and any of them could result in delays, increased costs, decreases in the amount of potential revenues or synergies and diversion of management's time and energy, which could materially affect HPS's financial position, results of operations, and cash flows. In the event that the Transaction has an adverse impact on HPS, including for the foregoing reasons, the operations of the Fund may be adversely affected.

BlackRock is one of the largest and most diverse financial institutions in the world. As a result, although not expected, it may have other business units that compete with HPS or seek investment opportunities that are appropriate for the Fund, and it has policies and procedures that may limit or otherwise impact the operations of HPS and/or the Fund. Further, certain issuers may prefer to work with a smaller or independent sponsor, which may adversely affect HPS's ability to attract new investment opportunities for the Fund.

HPS believes that investors will benefit from the combination of BlackRock's corporate and asset owner relationships and HPS's diversified origination and capital flexibility; however, there are certain potential conflicts of interest that will arise as a result of the ownership of HPS by BlackRock. For a discussion of certain risks and conflicts of interest relating to the investment advisory, management and other activities of BlackRock Financial Management, Inc. as well as certain other affiliated registered investment adviser subsidiaries of BlackRock, Inc., please refer to Part 2A of the Form ADV for BlackRock Financial Management, Inc., which investors are urged to read and which is available at <http://www.adviserinfo.sec.gov/Firm/107105>.

# Consent Recommendation

ATTACHMENT IV

## Key Statistics

**Overview:** BlackRock acquisition of HPS

**Strategy:** Private Credit

**Market Focus:** Direct Lending

**Geography / Sector:** North America, Europe / Generalist

**Fund Name:** HPS Specialty Loan Fund VI

**Fund Vintage / Status:** 2023 / Investing

**LAFPP Exposure:** \$35m committed

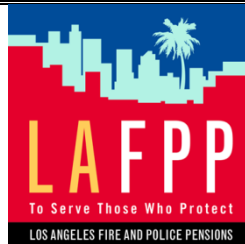
**Expected Transaction Close:** May/June 2025

## Transaction & Status

- BlackRock (NYSE: BLK), a publicly listed company, has agreed to acquire HPS Investment Partners (“HPS” or “the GP”) for \$12.3 billion upon closing in an all-stock transaction (c. \$14 billion total purchase price including earn-out). Approximately 75% of the consideration will be made at closing, with about 25% deferred for five years. Additional shares, representing around 10% of the total, may be issued based on financial performance milestones.
- Stock units paid to HPS employees are expected to be subject to a vesting schedule of six years for Partners and five years for other employees. HPS employees are not expected to redeem any shares at closing.
- Upon closing of the acquisition, BlackRock and HPS intends to form a new private financing solutions business unit led by Scott Kapnick, Scot French, and Michael Patterson, HPS's current leadership team. BlackRock's existing private credit, CLO, and GP/LP solutions businesses shall be folded into the current HPS business.
- The transaction is expected to close by May or June 2025, subject to regulatory approval and investor consent.

## Recommendation

- **StepStone, engaged by LAFPP to serve as its investment adviser, recommends that LAFPP consents to the BlackRock-HPS transaction**
  - HPS has negotiated a bespoke and protective transaction structure designed to maintain continuity of HPS's existing business. HPS leadership is expected to oversee the new combined private financing business, and current HPS investment processes shall remain intact. HPS is also expected to retain the majority of incentive fees to ensure alignment with clients.
  - The transaction allows BlackRock to accelerate its private credit capabilities while HPS gains the support of the world's largest asset manager and access to BlackRock's extensive platform of resources and client relationships. StepStone notes that access to BlackRock's network of corporate, asset owner, and bank relationships should further enhance HPS's sourcing and origination capabilities.



## ***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:** JANUARY 16, 2025

**ITEM:** D.3

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** CONSENT TO ASSIGNMENT OF CONTRACT WITH MONROE CAPITAL LLC AND  
POSSIBLE BOARD ACTION

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#### **RECOMMENDATION**

That the Board consent to the assignment of the contract with Monroe Capital LLC.

#### **BACKGROUND**

Founded in 2004, Monroe Capital LLC (Monroe) is a Chicago-headquartered alternative credit manager with approximately \$19.4 billion in assets under management as of September 30, 2024. On April 18, 2024, the Board approved a \$35 million commitment to Monroe Capital Private Credit Fund V (Fund V) for the Board's Private Credit portfolio.

On October 21, 2024, Monroe notified Staff that the Wendel Group (Wendel), a French investment firm, agreed to acquire a 75% ownership stake in Monroe in exchange for a \$1 billion commitment from Wendel for seed capital and general partner (GP) commitments for current and future Monroe investment strategies. Wendel (ticker symbol: MF:FP) is publicly traded on the Euronext Paris Stock Exchange and takes ownership stakes in market leading companies across various industries to accelerate their long-term growth and development. In 2023, Wendel created a new third-party private asset management platform to diversify its revenue streams and began acquiring investment firms. Upon closing of the transaction, Monroe will represent the private credit arm of Wendel's platform. Details of the acquisition transaction are discussed in Monroe's press release (Attachment I).

#### **DISCUSSION**

Wendel's acquisition of Monroe is expected to close during the first quarter of 2025. Additionally, Wendel and Monroe intend for AXA IM Prime to participate in the acquisition transaction as a minority shareholder with an investment of up to \$50 million through AXA IM Prime Capital Partners I, a fund that takes minority stakes in GPs of private capital firms. AXA IM Prime is a subsidiary of AXA Group, a French multinational insurance corporation and significant limited partner in Monroe's funds. AXA has a longstanding relationship with Wendel and the two companies have worked together on the acquisition of Monroe since inception of the transaction. Monroe's management team will retain a 25% ownership stake in the firm and there are no expected changes to Monroe's team, strategy, or investment process. Wendel's investment in Monroe will be passive and Wendel will not be involved in Monroe's investment strategy or operations (i.e., Monroe will continue to operate independently).

In addition, Monroe's senior partners and investment professionals will sign employment contracts and be given financial incentives to stay with the firm.

The acquisition is expected to have a positive impact on Monroe. With the \$1 billion of seed capital and GP commitments from Wendel, Monroe would be able to meaningfully fund the growth of its private credit business in the U.S. Therefore, Staff recommends that the Board consent to the assignment of the contract with Monroe. All terms of Fund V's contract would remain the same. StepStone Group, the Board's Private Credit consultant, concurs with Staff's recommendation (Attachment II).

Under the Investment Advisers Act of 1940, the acquisition will result in a change in control of Monroe and is deemed to be an "assignment" of the contract that requires written consent of the client. However, Fund V's contract (partnership agreement) contains a provision in which the Limited Partner Advisory Committee (LPAC), acting on behalf of all investors including LAFPP, is authorized to approve the consent to a change in ownership. In December 2024, Monroe informed Staff that the consent was approved by the LPAC.

Although the LPAC has already approved the acquisition transaction, the City Attorney's Office advised Staff that the transaction would still require Board consent due to the material change of the contract between the Board and Monroe. If the Board does not approve Staff's recommendation to consent to the assignment, Staff will work with Monroe to seek an exit from Fund V such as through a secondary sale.

## **BUDGET**

Approval of this recommendation will have no budget impact.

## **POLICY**

Approval of this recommendation will have no policy impact.

## **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Derek Niu, CFA, Investment Officer  
Investments Division

JS:BF:AC:SL:DN

Attachments: I – Monroe Press Release  
II – StepStone Consent Recommendation



## **Monroe Capital to Enter into Strategic Partnership with Wendel Group**

- *Strategic partnership to support future growth initiatives and expand Monroe's US private credit platform*
- *Wendel to commit \$1 billion in seed capital and GP commitments for current and future Monroe investment strategies*
- *Monroe to continue to operate independently with no changes to investment process, strategy or operations*
- *Monroe and Wendel intend for AXA IM Prime to participate in the transaction*

**Chicago, IL, October 22, 2024** – Monroe Capital LLC (“Monroe”) today announced that it has entered into a definitive partnership agreement with Wendel Group (Euronext: MF:FP) (“Wendel”) relating to Wendel’s strategic investment in Monroe. At closing, Wendel will commit \$1 billion for seed capital and GP commitments for current and future Monroe investment strategies and take a 75% equity stake in Monroe. Wendel will support Monroe with its significant balance sheet to fund growth initiatives and expand Monroe’s private credit platform in the United States, while further developing Wendel’s third-party asset management platform.

Monroe will continue to operate independently, retaining its current governance and leadership structure, including Theodore L. Koenig as Chief Executive Officer and Chairman, Zia Uddin as President, Michael Egan as Vice Chairman and Chief Credit Officer, and Tom Aronson as Vice Chairman and Head of Originations. Monroe’s investment process, strategy and operations will remain the same, and the investment advisory agreements between Monroe and its funds, including its Business Development Companies, are expected to remain substantively the same.

In order to maintain strong alignment with investors, Monroe’s management team will retain a 25% stake in the business and there will be no change to the firm’s broader economic alignment with limited partners, including existing fund commitments and carried interest.

In addition, Wendel and Monroe Capital intend for AXA IM Prime to participate in the transaction. Wendel and AXA IM Prime have a longstanding relationship and have jointly worked since inception on the current transaction. Both companies are now in discussion to confirm AXA IM Prime investment (up to \$50m) as a minority shareholder, through its GP-stake fund “AXA IM Prime Capital Partners I” (“PCP I”), alongside Wendel in Monroe Capital. AXA Group (CS-FP) is the anchor investor of PCP I and already a significant and historic limited partner in Monroe Capital’s funds.

Theodore L. Koenig, Chairman and CEO of Monroe said, “We are excited to partner with Wendel on this next chapter of Monroe’s growth. Their commitment to our business will provide meaningful and stable capital to thoughtfully scale our platform and better capture the attractive and expanding opportunity in middle market private credit. Specifically, Wendel’s \$1 billion commitment will accelerate our client-centric growth strategy and deliver meaningful benefits to our global investor base.”

Zia Uddin, President of Monroe said, “Through this partnership with Wendel we have achieved an important milestone in further securing the stability and growth of Monroe Capital for the next several decades. Wendel’s more than 320-year heritage as a family-owned business and the group’s long-term investment horizon align closely with our values at Monroe, and we are confident that we have found the right partners to collaborate with as we focus on continuing to build an incredible asset management platform. We look forward to working together with the Wendel teams.”

Laurent Mignon, Group CEO of Wendel said, “We have long known and admired the team at Monroe, who over the past two decades have built a leading middle-market US private credit firm. Since inception, Monroe has delivered strong and differentiated outcomes for its diversified global client base. Furthermore, the partnership will strengthen Wendel’s third-party asset management platform by enabling it to capitalize on the growing opportunity set in private credit and persistent growth in demand for direct lending solutions from investors and borrowers globally. We are excited to collaborate with Ted, Zia, and their talented teams to support the next phase of Monroe’s growth.”

Founded in 2004 by Ted Koenig, Monroe provides private credit solutions to borrowers in the U.S. and Canada, managing ~\$19.5 billion of assets across 45+ investment vehicles. Monroe’s strategic verticals are Lower Middle Market Direct Lending, Alternative Credit, Software & Technology, Real Estate, Venture Debt, Independent Sponsor and Middle Market CLOs. Through July 1, 2024, Monroe has directly originated more than 700 transactions and invested over \$44 billion. Monroe has grown to more than 270 employees, including 110 investment professionals, across 11 offices globally.

The transaction is expected to close in the first quarter of 2025.

Goldman Sachs & Co. LLC acted as exclusive financial advisor to Monroe, and Fried, Frank, Harris, Shriver & Jacobson LLP acted as legal counsel to Monroe. UBS acted as financial advisor to Wendel and Kirkland & Ellis LLP acted as legal counsel to Wendel.

### **About Monroe Capital**

Monroe Capital LLC (including its subsidiaries and affiliates, together “Monroe”) is a premier asset management firm specializing in private credit markets across various strategies, including direct lending, technology finance, venture debt, alternative credit solutions, structured credit, real estate and equity. Since 2004, the firm has been successfully providing capital solutions to clients in the U.S. and Canada. Monroe prides itself on being a value-added and user-friendly partner to business owners, management, and both private equity and independent sponsors. Monroe’s platform offers a wide variety of investment products for both institutional and high net worth investors with a focus on generating high quality “alpha” returns irrespective of business or economic cycles. The firm is headquartered in Chicago and maintains eleven offices, of which nine are in the U.S., one is in Abu Dhabi, UAE, and one is in Seoul, South Korea.

Monroe has been recognized by both its peers and investors with various awards including Private Debt Investor as the 2023 Lower Mid-Market Lender of the Decade, 2023 Lower Mid-Market Lender of the Year, 2023 CLO Manager of the Year, Americas; Inc.’s 2023 Founder-Friendly Investors List; Global M&A Network as the 2023 Lower Mid-Markets Lender of the Year, U.S.A.; DealCatalyst as the 2022 Best CLO Manager of the Year; Korean Economic Daily as the 2022 Best Performance in Private Debt – Mid Cap; Creditflux as the 2021 Best U.S.

Direct Lending Fund; and Pension Bridge as the 2020 Private Credit Strategy of the Year. For more information and important disclaimers, please visit [www.monroecap.com](http://www.monroecap.com).

### **About Wendel**

Wendel is one of Europe's leading listed investment firms. The Group invests in Europe and North America in companies which are leaders in their field, such as ACAMS, Bureau Veritas, Crisis Prevention Institute, IHS Towers, Scalian, Stahl and Tarkett. Wendel often plays an active role as a controlling or significant shareholder in its portfolio companies. Wendel seeks to implement long-term development strategies, which involve boosting growth and margins of companies to enhance their leading market positions. With Wendel Growth, Wendel also invests via funds or directly in innovative, high-growth companies. In 2023, Wendel initiated a strategic shift into third-party asset management of private assets, alongside its historical principal investment activities. In May 2024, Wendel completed the acquisition of a 51% stake in IK Partners, a major step in the deployment of its strategic expansion in third-party private asset management. For more information, please visit [www.wendelgroup.com](http://www.wendelgroup.com).

### **For more information, please contact:**

#### Monroe Capital Contact

Rachael Cressy  
Marketing Manager  
Monroe Capital LLC  
312-523-2384  
[rcressy@monroecap.com](mailto:rcressy@monroecap.com)

Nadia Damouni / Josh Clarkson / Ryan Smith  
Prosek Partners  
[Pro-monroe@prosek.com](mailto:Pro-monroe@prosek.com)

# Consent Recommendation

ATTACHMENT II

## Key Statistics

**Overview:** Wendel Group's acquisition of Monroe Capital

**Strategy:** Direct Lending

**Market Focus:** Lower Middle Market

**Geography / Sector:** North America / Generalist

**Fund Name:** Monroe Capital PC Feeder Fund V

**Fund Vintage / Status:** 2023 / Fundraising

**LAFPP Exposure:** \$35 million

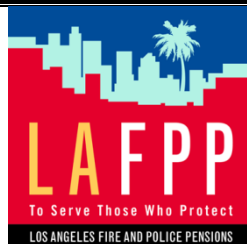
**Expected Transaction Close:** Q1 2025

## Transaction & Status

- Wendel Group ("Wendel") (Euronext: MF:FP), a publicly listed French investment conglomerate, has agreed to commit \$1 billion for seed capital and future GP commitments in exchange for a 75% ownership stake in Monroe Capital ("Monroe" or "the GP").
  - The strategic rationale for the transaction is Wendel's supply of additional growth capital for Monroe. Monroe is intended to represent the private credit arm of Wendel's third-party asset management platform following the transaction.
  - Post-transaction, Monroe will continue to operate independently, with its existing governance and leadership structure (CEO, President, Chief Credit Officer, Head of Originations) intact. Monroe's management team will retain the remaining 25% stake in the business.
- Both Monroe and Wendel also intend for AXA IM Prime to invest \$50 million as minority shareholder, via its GP-stakes fund. This fund is anchored by parent entity AXA Group, which is a longstanding investor in Monroe.

## Recommendation

- **StepStone, engaged by LAFPP to serve as its investment adviser, recommends that LAFPP consent to the Wendel-Monroe transaction.**
- Wendel, with roots dating back to 1704, is the investment company of the French industrialist Wendel family. Prior to 2023, Wendel was primarily focused on large cap private equity investments, predominantly across the US and European markets.
  - In 2022, Wendel hired Laurent Mignon as Group CEO to build out a third-party asset management platform. Mr. Mignon was previously a senior executive at Groupe BPCE, where he served as CEO of Natixis from 2009 to 2018. The new strategy is focused on growing fee-related earnings through the acquisition and subsequent organic growth of independently-operated investment managers.
- Monroe will be Wendel's first US private credit manager investment under this new strategy. Given that Monroe is expected to run autonomously with no senior executive or governance changes and will receive a stable supply of capital from Wendel, StepStone currently views this transaction as an overall positive for the GP that would have limited direct impact to LAFPP's Fund V commitment.



## ***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:** JANUARY 16, 2025

**ITEM:** D.4

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** AMENDMENT TO BOARD OPERATING POLICIES AND PROCEDURES SECTION 3.0: NORMAL RETIREMENT AGE AND POSSIBLE BOARD ACTION

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#### **RECOMMENDATION**

That the Board:

1. Approve the proposed amendment to Board Operating Policies and Procedures Section 3.0 - Pension Processing, by adding a new Section 3.10 - Normal Retirement Age by Tier; and,
2. Approve all remaining formatting, ordering, and clarifying amendments to the overall Pension Processing Policies.

#### **DISCUSSION**

In consultation with outside tax counsel, Ice Miller, LAFPP staff is recommending that the Board adopt an amendment to the Board Operating Policies and Procedures Section 3.0 to clarify and confirm the Plan's normal retirement age based on a member's tier (Attachment). The purpose of this amendment is to confirm the Plan's allowing of in-service distributions at retirement age, consistent with the Internal Revenue Code and related Treasury Regulations, as well as City of Los Angeles Charter and Administrative Code (LAAC) provisions.

From time to time, LAFPP retirees seek reemployment with the City both in sworn, LAFPP-covered positions with the Fire or Police departments, and in non-sworn positions covered by one of the City's other pension plans (i.e., Los Angeles City Employees' Retirement System (LACERS) or the Water and Power Employees' Retirement Plan (WPERP)).

In 1993, the City adopted Charter provisions allowing Tier 1 and Tier 2 members to be recalled to active duty. (Charter §§ 1306(b), 1410(b)) Similar recall to active duty provisions were added to the Administrative Code in 2006 for Tier 5 members and to the Charter in 2011 for Tier 6 members. (LAAC § 4.2026(e); Charter § 1724) Under these Plan provisions, LAFPP continues to pay the retired member's pension during a period of recall to active duty, so long as federal tax compliance is met. A return to active duty, on the other hand, requires that a retiree's pension be terminated.

Likewise, Charter section 1700(a) (Tier 6), adopted in 2011, permits a retired LAFPP member who is appointed to the position of Chief of Police, Fire Chief, Port Warden, or Chief of Airport Police to become a member of LACERS and continue receiving their LAFPP retirement benefits, so long as federal tax compliance is met.

To protect LAFPP’s tax-qualified status, an in-service distribution—that is, simultaneously receiving a retirement allowance from LAFPP while continuing to work for the City—is only permitted in limited circumstances, such as when a member has reached the earlier of age 50 (safe harbor age for qualified public safety members) or Normal Retirement Age for the member’s tier. Otherwise, the member must have a bona fide separation from service without a prearrangement to return to work for any department of the City. A member who is under age 59 ½, retires at Normal Retirement Age and is re-employed by the City without a bona fide separation from service will be subject to an early distribution tax penalty. Such members are notified during the retirement process that if they return to City employment shortly after retirement, they will be subject to an early distribution tax penalty. LAFPP staff will be sending a letter to City of Los Angeles Department heads reminding them of the in-service distribution rules and the potential tax consequences to our retirees who work for the City after retirement.

The proposed Board Policy revisions do not represent a change to the Plan provisions or administration. Rather, it confirms that LAFPP does provide for permissible in-service distributions and clarifies how LAFPP administers the limited exception at retirement age.

## **BUDGET**

There is no impact to the budget.

## **POLICY**

The City Attorney has advised that the Board has the authority to approve the amendment to Board Operating Policies and Procedures Section 3.10, as proposed by staff.

## **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Gregory Mack, Assistant General Manager  
Pensions Division

JS:GM

Attachment:        Proposed Amendment to Board Operating Policies and Procedures  
                         Section 3.10 - Normal Retirement Age by Tier

### 3.0 - PENSION PROCESSING

#### APPLICATIONS AND DOCUMENTATION

- 3.1 All pension applications shall be filed in writing on forms prescribed by the Department of Fire and Police Pensions. Applicants shall be responsible for furnishing all required documents needed to process and verify pension eligibility. Pensioners, surviving spouses and legally appointed guardians/conservators of pension beneficiaries shall be responsible for notifying the Department of Fire and Police Pensions of any change of status which affects pension eligibility. Failure to provide required documentation or cooperate with processing requirements shall be the basis for denial of an application or suspension of pension payments.

#### DEFERRED RETIREMENT OPTION PLAN (DROP)

##### 3.2 CREDITING OF INTEREST

DROP accounts shall earn interest in the amount of 5%, compounded annually (i.e., compounding at 12-month intervals following a member's DROP entry date – 13<sup>th</sup>, 25<sup>th</sup>, 37<sup>th</sup>, 49<sup>th</sup> month). Interest will be calculated each month using a monthly factor of 0.004167 (1/12 of 5%), applied to the prior end of month inception-to-date deposits balance. Interest will be credited to member accounts semi-annually on June 30 and December 31. For members exiting DROP between the semi-annual interest-crediting dates, the account shall be credited with the monthly interest earned as of the exit date. (Amended 07/02/20)

##### 3.2.1 ACTIVE DUTY STATUS

Effective November 1, 2008, in addition to the age and/or service requirements to enter DROP, a member must also be on active duty status on the DROP entry date. For purposes of this provision active duty status shall include members working on light-duty status, but exclude members on sick, vacation, injured-on-duty, administrative leave, and all other types of non-working status.

- A. The City Administrative Officer has been authorized to classify payroll codes as "active" or "not active" for the purposes of DROP.
- B. At least one of the prescribed active duty payroll codes must be recorded on a member's timesheet on their DROP entry date.
- C. Verification of active duty status shall be made using the City's payroll system ~~(PaySR)~~ at the time of entry.
- D. In the event a member elects a DROP entry date and is not on active duty status on the DROP entry date as defined above, the member's DROP entry date will automatically be advanced to the next qualifying entry date. The revised entry date will not be subject to further adjustment by the member. The DROP Program Administrator shall notify the member of the approved DROP entry date in writing.

### **3.2.2 REVOCATION OF DROP ENROLLMENT**

A member may revoke participation in DROP by submitting a DROP Revocation Notice (hereafter, "the Notice") in-person, by email, or by facsimile no later than the day prior to the DROP entry effective date. The Notice must be received before the close of LAFPP's regular office hours, or if emailed or faxed, by 11:59 p.m. The effective date of revocation shall be established upon receipt of the Notice and signature thereupon by LAFPP administrative staff. The member is responsible for confirming timely receipt by LAFPP. If the member does not revoke his/her application for DROP as specified above, the DROP agreement will become final and binding, and thereafter be irrevocable. (Amended 05/21/15 and 07/02/20)

### **3.2.3 DISTRIBUTION OF DROP ACCOUNT**

A member shall receive a distribution of the funds in his/her DROP account as either: (a) a lump sum cash payment, (b) a direct rollover to a qualified plan, or (c) a combination lump sum payment and direct rollover to a qualified plan. Members may not leave a portion of their DROP account on deposit with LAFPP.

The DROP Distribution Election Form must be completed and returned to LAFPP no later than 90 days following the member's DROP exit date; otherwise, the member will receive distribution as a single lump sum taxable cash payment. A member may directly rollover the taxable portion of his/her DROP distribution to only one eligible financial institution. Members may not rollover any non-taxable DROP funds unless they also rollover all of their taxable DROP funds. A member may directly rollover the non-taxable portion of his/her DROP distribution to only one eligible financial institution.

For members exiting DROP on or after January 1, 2014 who complete and return the DROP Distribution Form no later than 90 days following the member's DROP exit date, the member may recover his/her pre-1987 after-tax basis entirely from the lump sum DROP distribution. Any post-1986 after-tax basis will be allocated pro-rata between the lump sum DROP distribution and the member's ongoing monthly pension annuity. (Section added 12/19/2013)

## **AUTHORITY OF BOARD AND GENERAL MANAGER**

3.3 The General Manager shall present to the Board all eligible pension applications. The Board as a ministerial act shall approve all properly qualified service pension and surviving spouse applications. On August 7, 2003 the Board adopted Resolution 04008 delegating authority to the General Manager to perform this function. The General Manager's actions are reported to the Board at the next subsequent Board meeting. The General Manager shall adopt procedures for the submission, verification and withdrawal of applications and shall determine whether applicants meet the qualifications specified in the Charter and Administrative Code.

3.3.1 In the event a retired member receives benefits from more than one of the City of Los Angeles' defined benefit plans, and their combined benefit exceeds the applicable Internal Revenue Code (IRC) section 415(b) limit, the plans must coordinate when limiting the combined benefit. Pursuant to Administrative Code Section 4.1906(s), the Board has



delegated authority to the General Manager to enter into agreements with the Water and Power Employees' Retirement Plan -and/or the Los Angeles City Employees' Retirement System and to create the administrative rules necessary to facilitate different manners for reduction of benefits in order to comply with IRC section 415(b). (Section added 03/21/19)

## DISABILITY APPLICATION PROCESS

- 3.4 The Board shall conduct hearings on disability pension applications. Active Members have the option of having their hearing conducted in open or closed session, either of which must be specifically requested in writing by the applicant/ representative. Should no completed election form be received by staff by the due date, the hearing will be conducted in open session. For Closed Session hearings, all witnesses must be excused from the room until their testimony is needed, and family members, the general public and non-essential Staff are prohibited from attending. Open sessions will be open to the general public, but the Board may request that witnesses wait outside the hearing until called to testify. In order to expedite the hearing process, the Board may appoint a hearing examiner to conduct preliminary hearings as it deems necessary. The applicant has the burden of proof as to the existence of disability. (Amended 01/18/18)
- A. The General Manager shall provide all relevant evidence and records, including doctor reports that the Board requires for the hearing process, and shall make a written recommendation to the Board on whether applicants should be granted or denied disability or survivor benefits.
  - B. LAFPP staff shall endeavor to accommodate the applicant/representative when scheduling a disability pension hearing. When the applicant/ representative cannot be reached, fails to return calls, correspondence, or emails, or twice cancels, delays, or continues a hearing, a compulsory hearing will be scheduled at the Board's convenience.
    - 1) Using certified mail with return receipt requested or by email with return receipt, LAFPP staff shall provide the applicant/representative with the following:
      - a) Notice of three dates to conduct the hearing. The earliest date should be at least four weeks from the date of notice.
      - b) Instructions to choose one of the three dates and to contact LAFPP staff within ten calendar days of receipt of the notice. If no response is received after ten calendar days, the hearing will automatically be scheduled for the last of the three proposed hearing dates.
      - c) Notice that attendance is mandatory and failure to attend the hearing will result in an administrative withdrawal of the application. If applicant/representative is present but not ready to conduct the hearing on the scheduled date, s/he must provide a verbal explanation to the Board. (Section added 01/18/18)
  - C. LAFPP staff may Administratively Withdraw an inactive application. An application shall be considered inactive if it has not proceeded to the next logical processing step for reasons that can't be resolved. The applicant/representative will have 30

calendar days to respond to a request made by LAFPP staff. After 30 days, LAFPP staff shall mail a Notice of Administrative Withdrawal to the applicant/representative. The notice will inform the applicant/representative they have 15 calendar days to reply to keep their application open. If the applicant/representative does not reply, or replies but the delay extends another 30 calendar days, their application will be administratively withdrawn. Once an application is withdrawn, the applicant/representative may submit a new application for a disability pension. Upon receipt of a new application, staff shall start the process over from the beginning. (Section added 01/18/18)

- D. The General Manager shall be responsible for selecting physicians to examine applicants. Physicians, preferably Board certified in their specialty, shall whenever possible be rotated considering geographical and availability constraints. Refusal by an applicant to be examined will cause suspension of disability application processing and initiate the administrative withdrawal process Section 3.4(C). The General Manager may consider applicant objections to physicians made for good cause to select a different physician. (Amended 01/18/18)
- E. Charges by physicians for missed appointments by an applicant or for new or updated reports caused by the delay of an applicant shall be paid by the applicant, unless the applicant can show good cause for the missed appointment or delay. Failure to pay for missed appointments may cause a suspension of processing and initiate the administrative withdrawal process Section 3.4(C). (Amended 01/18/18)
- F. Appeals to the Board of the General Manager's decision regarding the selection of a physician or physician charges to an applicant must be made in writing, within 14 days of the Manager's decision.
- G. All communication with pension physicians relating to any aspect of an examination performed on behalf of the Department of Fire and Police Pensions shall only be through Department staff. Under no circumstances shall an applicant, an applicant representative or operating department directly contact or provide materials or documents to a pension physician without prior approval of Department of Fire and Police Pensions staff. All materials or documents to be reviewed by pension physicians shall first be submitted to staff for inclusion in the administrative record and then forwarded to the physicians.
- H. Physicians who have performed disability examinations shall provide report clarification or additional evidence as required by the applicant or Department of Fire and Police Pensions staff. Such clarification shall be submitted in writing to the Department of Fire and Police Pensions. This step may be repeated as often as reasonable and necessary. If the applicant does not accept the written response, the applicant may then request a deposition of a pension physician. Staff and a City Attorney shall attend each deposition, arranged by Department of Fire and Police Pensions staff. The cost for the physician and court reporter shall be paid solely by the party requesting the deposition. The Department of Fire and Police Pensions will be responsible for the cost of the transcription service and deposition documents provided by the court reporter. Staff will provide copies of the deposition material. If the applicant fails to accept the results of the deposition, a pension physician may be subpoenaed to appear for questioning at the time the claim is considered by the Board.

### **SUSPENSION OF DISABILITY PENSION PAYMENTS**

- 3.5 It shall be the pensioner's duty to cooperate with the Board and Staff and to comply with reasonable requests when the disability pensioner's medical status is under review. Failure to cooperate or some other action that impedes or prevents completion of the review process may constitute cause for a suspension of disability pension payments by the Board. Suspended pension payments will be deposited in an escrow account.
- A. Staff shall first ascertain if a hardship exists which prevents the pensioner from cooperating with the review process. If there is no apparent hardship, the pensioner shall be provided the opportunity to appear before the Board to present reasons or evidence justifying the lack of cooperation or failure to comply with requests made in conjunction with the review process. If the pensioner fails to appear at this hearing or is unable to demonstrate good cause for noncompliance, the Board may suspend pension payments for a period of one to three months pending compliance.
  - B. If the pensioner continues to refuse or fails to cooperate again, a second hearing will be scheduled for the purpose of suspending disability pension payments until the review process is completed.

### **RESTORATION OF DISABILITY PENSIONERS TO ACTIVE DUTY**

- 3.6 A pensioner on service connected or non-service connected disability pension who is found by the Board to be no longer disabled shall have the pension terminated upon restoration to active duty, or failure to be restored as ordered by the Airport, Fire, Harbor or Police Department, or upon the date of the Board's determination if the retired member had previously been terminated or resigned. (Amended 01/18/18)

### **SURVIVOR BENEFIT APPLICATIONS**

- 3.7 Applications for surviving spouse, minor or dependent children or dependent parent benefits when members are deceased while on active duty due to indisputably service connected causes shall be processed automatically by staff for service connected benefits.
- A. When there is an issue whether the death is service connected, the application shall automatically be processed as non-service connected, without prejudice (recognizing that this is the minimum pension entitlement resulting from the death of an active member.)
  - B. When the cause of death is the result of suicide, and the survivor applies for service connected benefits, the applicant must provide documentation indicating that he/she is the "personal representative" of the deceased member's estate. Acceptable documentation includes a valid and enforceable trust, will, or court order that identifies the applicant as the deceased member's personal representative. Without this documentation, medical providers will not release the deceased member's psychological or medical records, which LAFPP requires for processing an application where suicide is associated with the cause of death. For this reason, LAFPP will not accept an application filed without the required documentation. (Added 04/16/20)

- C. A hearing shall be conducted by the Board to determine whether the deceased member's death was service connected, at which time the Board shall review the autopsy report, if available, and a report of at least one qualified physician.
- 3.7.1 A surviving child of a Tier 3, 4, 5 or 6 member may qualify for benefits provided for a minor child until he or she reaches the age of 22 years, if such person is enrolled in school full-time, but such person's marriage terminates entitlement to these benefits. Such person must provide proof of registration at an academic or vocational school, with enrollment in the number of units required of a full-time student as determined by the educational institution. Submission of transcripts may be required should there be a dispute regarding continued full-time student status. (Added 01/07/16)

## POST RETIREMENT SURVIVOR BENEFIT PURCHASE PROGRAM

- 3.8 Application for post-retirement survivors shall be processed automatically by staff.
- A. A Retired Plan Member (Retiree) may elect percentage choices of 30% to 100% continuances in 5% increments (service retirees and disability retirees) provided the election does not exceed any limitations imposed by federal law. The cost factors used to provide the continuance percentage elected shall be based upon the mortality tables as adopted by the Board in the most recent actuarial experience study.
  - B. A Retired Plan Member may make an election to provide a survivor benefit pursuant to Charter Section 1236 on the first day of any given month, provided that all the documents necessary to make this election are provided to the Plan no later than the fifth day of that month, and the Retiree's monthly benefit shall be reduced beginning with the payment due for that month. If the necessary documents are not received by Plan by the fifth day, the election to provide this benefit shall be made on the first day of the following month and the Retiree's monthly benefit shall be reduced beginning with the payment due that month.
  - C. In the event that a Retiree dies less than one year from the date that the Retiree made an election to provide this benefit, as determined pursuant to the prior provision, then no survivor benefit shall be provided unless the Board shall determine that the Retiree's death was accidental. A Retiree's death shall be determined to be accidental if the preponderance of the evidence establishes that an accident resulting in bodily injury caused the Retiree's death. A death due to sickness, bodily infirmity, suicide or an intentionally inflicted injury shall not be considered accidental. If no survivor benefit is provided, a lump sum shall be paid as provided in Charter Section 1236.
  - D. The Retiree's entire benefit, to the extent such constitutes his/her separate property, must be payable entirely to him/her at the time that he/she makes an election under this program. A Retiree whose benefit is subject to a wage assignment for support, a tax lien, a workers' compensation offset, or any other lien that may legally be imposed on his/her retirement benefit shall not be eligible to elect to provide a survivor benefit.
  - E. A Retiree shall not be precluded from electing this benefit due to a prior community

property division awarding a portion of his/her benefit to a former spouse/domestic partner, as that person's separate property, and the balance of his/her benefit to the Retiree as the Retiree's separate property. However, only the Retiree's separate property interest in his/her pension shall be subject to this election. The Retiree's election to provide this benefit shall have no impact upon the former spouse/domestic partner's interest in the Retiree's pension benefit or the payment of other survivor benefits from the Plan. Since the Retiree is paying the full actuarially determined cost of this survivor benefit through a reduction in the Retiree's separate property interest in his/her benefit, the Board shall not subject this survivor benefit to a community property claim from a prior spouse/domestic partner.

- F. A Retiree receiving a disability pension from the Plan may elect to provide a survivor benefit, but should be advised that this benefit will not be paid if his/her disability pension is discontinued and he/she is returned to duty. Also, because his/her disability pension could be subject to reduction in the future, only such portion of the Retiree's disability pension that represents the minimum that he/she could be awarded shall be subject to reduction to provide for a survivor benefit and any balance of his/her disability pension in excess of this minimum amount shall continue to be payable to the Retiree in full.
- G. Because a disability Retiree's benefit may be subject to a Workers' Compensation offset in the future, a disability Retiree shall provide an authorization, signed by both the Retiree and his/her spouse/domestic partner, allowing the Plan, in the event of the Retiree's death, to continue to offset any Workers' Compensation paid to the Retiree from the survivor's benefit until recouped in full. This authorization is required because the survivor's benefit is funded by a reduction in the disability benefit payable during the Retiree's lifetime, which reduced the amount of the offset recoverable directly from the Retiree.
- H. The election to provide a survivor benefit must be signed by the Retiree unless someone else has the legal authority to act for the Retiree in this regard. When the Retiree lacks the capacity to make this election and there is no one else legally authorized to act on the Retiree's behalf, staff shall prepare a report explaining the situation for the Board's consideration prior to taking any final action by the Board.

## REINSTATEMENT OF SERVICE PENSIONERS

- 3.9 The General Manager shall provide a written recommendation to the Board on all applications for reinstatement to active duty from a service pension and the Board shall conduct a hearing on such applications.

## NORMAL RETIREMENT AGE BY TIER

- 3.10 This section defines the "Normal Retirement Age" as the term is used in Treasury Regulation Section 1.401(a)-1(b)(2) for LAFPP members. The Normal Retirement Age for each tier is based on eligibility requirements for each tier, as follows:

Tier 1: 20 years of service regardless of age

Tier 2: 20 years of service regardless of age

Tier 3: Age 50 with at least 10 years of service

Tier 4: 20 years of service regardless of age

Tier 5: Age 50 with at least 20 years of service

Tier 6: Age 50 with at least 20 years of service

This section applies for tax purposes, including to confirm allowance of in-service distributions in accordance with applicable IRC provisions and regulations, including IRC 401(a)(36) and Treasury Regulation Section 1.401(a)-1(b)(1)(i), and to confirm that any Member who is participating in DROP is not eligible to receive an in-service distribution of either their DROP account in accordance with Policy 3.2.3 or of their service retirement, until after they exit DROP. (Section added 01/16/25)

## **CORRECTION OF ERRONEOUS PAYMENTS**

### **3.1~~19~~ A. Overpayments**

The Department of Fire and Police Pensions shall recover any payments made in error exceeding \$250, pursuant to the IRS Employee Plans Compliance Resolution System Section 6.02(5)(c), or as a result of failure of a beneficiary to notify the Department of discontinuation of entitlement to benefits (e.g., due to death of a pensioner or surviving spouse, attainment of Charter/Administrative Code specified age for a minor, or discontinuation of full-time student status of a minor).

An additional amount equivalent to the interest that would have been earned in accordance with Section 5.1 (i.e., the amount credited to member accounts) during the period of overpayment shall also be charged to the member or beneficiary. The member/beneficiary shall be notified of the amount of the overpayment, including interest, and provided an opportunity to pay the total amount due in a lump sum or in two installments within a six-month period from the notification. If the member/beneficiary elects to have the overpayment collected out of future monthly benefit payments, the payment period, not to exceed the individual's life expectancy per the Social Security Administration's Retirement & Survivors Benefits – Life Expectancy Calculator, shall be determined in advance by the member/beneficiary, except however, the General Manager may prescribe a minimum payment amount. The entire balance may be paid at any time.

If the member/beneficiary who received the overpayment is deceased, reasonable recoupment efforts shall be taken, including an offset against the decedent's last check and request for payment from the decedent's estate.

If the overpayment is a result of delayed notification of a surviving child's (between age 18 and 22) discontinuation as a full-time student, the funds to be recovered are effective the month subsequent to the date of discontinuation. Recoupment may be made by offsetting against any reinstated benefits should the surviving child later re-enroll in school on a full-time basis.

In the instance that a responsible party cannot be found, the General Manager may

request issuance of subpoenas through the Office of the City Clerk to obtain additional pensioner bank account owner information or any other information the General Manager deems necessary to assist in recovery of the overpayment(s).

If the collection requests are unsuccessful, additional reasonable recoupment efforts shall include filing a creditor's claim, suing the responsible party in small claims court-, utilizing a collection agency, or filing a lawsuit against the responsible party.

If, after all reasonable recoupment efforts have been taken and found unsuccessful, for amounts up to \$20,000, the General Manager shall have the authority to write off the overpayment in whole or in part. For amounts over \$20,000, the matter will be discussed with the City Attorney for likeliness of repayment and then brought before the Board for further consideration and/or instructions. For any unrecovered amount, the Board shall have the authority to write off the overpayment in whole or in part or to take such other action as the Board deems reasonable and appropriate.

#### B. Underpayments

If the error results in an underpayment, an additional amount equivalent to the interest that would have been earned in accordance with Section 5.1 (i.e., the amount credited to member accounts) during the period of underpayment shall also be paid to the member/beneficiary. (Amended 01/07/16, 05/07/20, 10/15/20 and 08/04/22)

### PENSION PAYROLL DEDUCTIONS FOR ORGANIZATIONS

3.1~~2~~<sup>4</sup> The Department of Fire and Police Pensions permits organizations that are organized or operated for the benefit of LAFPP members, Police Officers or Firefighters to receive deductions from LAFPP pension payments.

Organizations seeking to receive pension deductions after the effective date of this policy will be required to provide, as part of any request:

- Evidence that the organization is organized or operated for the benefit of LAFPP members, Police Officers or Firefighters;
- Evidence that a minimum of 50 retired LAFPP members are willing to authorize voluntary deductions to the group; and
- The organization must receive monthly deductions from at least 50 LAFPP pensioners for LAFPP to continue processing deductions.

Under this policy, organizations that are currently receiving deductions from less than 50 members will remain eligible to continue receiving deductions from LAFPP regardless of membership figures. This policy does not apply to organizations providing medical and/or dental insurance to LAFPP members.

The General Manager or his/her designee shall establish a procedure for approving or denying applications from organizations seeking eligibility to receive voluntary pension deductions. If the organization is approved to receive deductions, the authorized deductions shall be submitted to LAFPP electronically. Payment shall be prepared and issued to such organizations by LAFPP after the close of each respective Pension payment period. All organizations must submit to the General Manager financial records



upon request. (Section added 04/19/18)

## STALE-DATED CHECKS

3.1~~32~~ Pension or refund checks that have not been negotiated after 180 days will be considered stale-dated and cancelled. Prior to cancellation, members/beneficiaries will be contacted approximately one month prior to the check's expiration date reminding them of the deadline. If contact cannot be established or the member/beneficiary does not negotiate the check within the 180-day period, notification along with an affidavit form requesting a replacement check will be sent by certified mail with return receipt explaining that the check has been cancelled and that a new check will not be issued until a completed affidavit is received. (Section added 06/21/18)

## ESTABLISHMENT OF DOMESTIC PARTNERSHIPS

3.1~~43~~ It is the intent of the Board that with regard to all LAFPP benefits, domestic partners shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations and duties, as are afforded to spouses, to the greatest extent permissible under law. If there are any omissions or ambiguities in this policy regarding the rights of domestic partners, LAFPP shall resolve them in a manner that best fulfills this intent to treat domestic partners and spouses equally.

A. Just as a married member must notify LAFPP of the marriage and provide documentary proof (i.e., marriage certificate), a member in a domestic partnership must notify LAFPP of the existence of the partnership and provide documentary proof. Acceptable documentary proof shall include a Declaration of Domestic Partnership form filed with LAFPP, a copy of a State of California Affidavit/Declaration of Domestic Partnership, a copy of an affidavit or declaration of domestic partnership filed with another City Department, a formal letter of acknowledgment from another City Department, or similar documentary proof of a domestic partnership filed in another jurisdiction, subject to legal review by the Office of the City Attorney.

B. Should the member fail to notify LAFPP of the existence of the domestic partnership prior to their death, the surviving domestic partner shall notify LAFPP and provide documentary proof of the establishment of the domestic partnership. Acceptable documentary proof shall be the same as described in paragraph A, above. Upon receiving such notice and documentary proof of the domestic partnership, the domestic partner shall be entitled to the same rights as would a spouse of a deceased member under the applicable eligibility requirements of the Plan. If a beneficiary form is on file with LAFPP indicating a different beneficiary than the surviving domestic partner, and the surviving domestic partner is determined to be eligible for survivorship benefits under the applicable Plan provisions, any inconsistent beneficiary form shall be deemed invalid.

C. For the purpose of determining eligibility for survivorship pension benefits, any reference to the date of marriage shall be deemed to refer to the earliest date of registration of a domestic partnership with the State of California, any City Department,



or another jurisdiction, subject to legal review by the Office of the City Attorney.

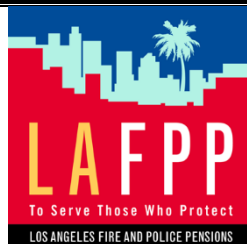
- D. For a member whose domestic partner is also an LAFPP member, only one Declaration or Termination of Domestic Partnership form or documentation of establishment of domestic partnership with the State, any City Department, or another jurisdiction, is required to be filed with LAFPP. The form/documentation will be cross-filed in both members' pension files.
- E. Staff shall grant to domestic partners the same rights, responsibilities, and benefits with regard to LAFPP as are provided to married persons, upon LAFPP's receipt of the notification and documentation of a valid domestic partnership, as stated in this policy. Just as members have a responsibility to notify LAFPP of a divorce or legal separation from a spouse, members shall promptly notify LAFPP of the termination of a domestic partnership. If LAFPP receives written notice that a domestic partnership has been terminated or is invalid for some other reason, LAFPP shall review the information, conduct any other necessary research, and determine, with the assistance of the City Attorney, whether the partnership has been terminated or remains in effect. (Section added 01/07/21)

## HISTORY

3.1<sup>54</sup> Adopted: Circa June 13, 1996; Amended 11/02/06, 12/04/08, 05/07/09, 01/21/10, 12/16/10, 08/04/11, 01/05/12, 11/15/12, 12/06/12, 12/19/13, 05/01/14, 05/21/15, 01/07/16, 11/03/16, 10/19/17, 01/18/18, 04/19/18, 06/21/18, 03/21/19, 04/16/20, 05/07/20, 07/02/20, 10/15/20, 01/07/21, ~~and 08/04/22~~, and 01/16/25.

## REVIEW

3.1<sup>65</sup> This policy shall be reviewed by the Board as needed and may be amended by the Board at any time.



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

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

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

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**DATE:** JANUARY 16, 2025 **ITEM:** D.5

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** PROPOSED TECHNICAL AMENDMENT TO CITY OF LOS ANGELES  
ADMINISTRATIVE CODE REGARDING DEPENDENT SUBSIDIES FOR  
MEDICARE-ELIGIBLE RETIREES AND POSSIBLE BOARD ACTION

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#### **RECOMMENDATION**

That the Board:

1. Adopt the attached resolution (Attachment 1) removing the Medicare Dependent Health Subsidy tie to the Los Angeles City Employees' Retirement System (LACERS) health plans in anticipation of the City adding the Medicare Dependent Health Subsidy to the Los Angeles Administrative Code (LAAC); and,
2. Request that the City Administrative Officer take all necessary steps to implement the proposed technical amendment to LAAC section 4.1154 (Attachment 2).

#### **DISCUSSION**

On September 2, 1976, the Board adopted by resolution (Attachment 3) a Medicare Dependent Health Subsidy for retired members with Medicare Parts A and B who have covered dependents under their health insurance plans. This Medicare Dependent Health Subsidy was limited to the lesser of:

1. The amount of dependent health subsidy payable to a member with the same years of service in the same health plan who was not eligible for Medicare Parts A and B or eligible for Medicare Part B only, whichever is greater; and
2. The largest dependent health subsidy available to retired members of LACERS.

In subsequent annual health subsidy resolutions, the Board has maintained both of these limits on the Medicare Dependent Health Subsidy.

The Los Angeles Administrative Code (LAAC) does not explicitly authorize the payment of a Medicare Dependent Health Subsidy. Therefore, Staff is currently working with the Public Pensions General Counsel Division of the City Attorney's Office to codify LAFPP's Medicare Dependent Health Subsidy under Section 4.1154(c) of the LAAC. A draft of the proposed changes (see underlined text) to this section is included as Attachment 2.

### LACERS' Maximum Dependent Subsidy

While developing the proposed language to codify the Medicare Dependent Health Subsidy, staff reviewed the tie to LACERS in the current Board resolution. The Medicare Dependent Health Subsidy's tie to LACERS was consistent with how the overall maximum health subsidy was previously determined at the time the Board first adopted the Medicare Dependent Health Subsidy in 1976. Prior to July 1, 2005, the maximum health subsidy for retired members of LAFPP was limited to the lesser of (1) LACERS' maximum retiree health subsidy, and (2) the maximum health subsidy for active members of LAFPP. However, the current LAAC language for LAFPP's maximum health subsidy, effective July 1, 2005, no longer contains any tie to LACERS' maximum health subsidy.

While no LAFPP Medicare Dependent Health Subsidy currently exceeds the largest dependent subsidy available to LACERS members, future changes to LACERS' health plan premiums and subsidies may trigger this limit on LAFPP's Medicare Dependent Health Subsidy.

For 2025, the largest dependent subsidy available to LACERS members is under the Kaiser family plan where the member is enrolled in Medicare Part B only and the covered family members are not enrolled in Medicare. The premium for this plan is \$2,032.76 per month with a subsidy of \$262.47 for the member's coverage and a dependent subsidy of \$1,770.29.

This maximum dependent subsidy of \$1,770.29 for LACERS members is due to the premium structure of LACERS' Kaiser plan. Normally, if a retired member of LACERS has only Part B of Medicare, the member would be charged the non-Medicare premium for their own coverage. However, LACERS' Kaiser plan charges members with only Part B of Medicare the same premium charged to members with Parts A and B of Medicare. As the member's portion of the premium is relatively low for members with only Part B of Medicare, more subsidy dollars are available for dependent coverage.

If LACERS' Kaiser plan had changed its practice for 2025 and charged members with only Part B of Medicare the non-Medicare rate, the largest dependent subsidy paid by LACERS would drop from \$1,770.29 to \$1,201.30 (equal to the maximum LACERS health subsidy of \$2,318.58 less LACERS' Kaiser single party non-Medicare subsidy of \$1,117.28). Based on health plan enrollment data as of December 31, 2024, such a drop in LACERS' maximum dependent subsidy would cause 336 members to see subsidy decreases ranging from \$3.33 to \$557.99 per month, with the average decrease for these members being \$179.89 per month.

### Rationale for Removing LACERS Tie from LAFPP Medicare Dependent Health Subsidy Formula

Staff has identified the following reasons to pursue the proposed change to LAAC provisions that govern the Medicare Dependent Subsidy. For nearly twenty (20) years, LAFPP's Maximum Non-Medicare Subsidy has not been tied to LACERS' Maximum Non-Medicare Subsidy - the current LAAC provisions for the Non-Medicare subsidy became effective on July 1, 2005. Staff is unaware of any basis for leaving the LACERS tie in place for LAFPP members who are covered by Medicare Parts A and B and who have dependents on their health plans. LACERS plan premiums and health subsidies are tied to the plan experience of LACERS members, the majority of whom enroll in Kaiser plans. The plan experience of LAFPP members will be different, as most LAFPP members are enrolled in PPO plans. Should the LACERS tie remain in LAFPP's Medicare Dependent Health Subsidy formula, certain LAFPP retirees could have their dependent subsidy limited by the experience of an unrelated plan over which the Board has no authority.

If the premium charged to LACERS Kaiser members with only Part B of Medicare were changed to match the non-Medicare premium (as is the case in most retiree health plans), several hundred LAFPP members would see their Medicare Dependent Health Subsidy lowered.

Staff consulted the Plan Actuary, Segal, regarding any impact on the actuarial valuation should the proposed change become effective. Segal has confirmed that they do not take into account the LACERS dependent subsidy when projecting liabilities for Other Post-Employment Benefits (OPEB), which includes health subsidies. For Medicare retirees who carry dependents, projected liabilities are based on (1) the Medicare medical plan trend for plans with premiums less than or equal to the maximum subsidy or (2) a combination of the Medicare maximum subsidy trend and the plan trend for that particular plan when the premium exceeds the maximum subsidy. Therefore, implementing this change would not affect the funding status or currently projected City contributions in the OPEB valuation.

**BUDGET**

Staff does not factor in the Medicare Dependent Health Subsidy’s tie to LACERS when preparing the annual health subsidy budget. Staff’s recommendation will not cause an increase in the 2024-2025 health subsidy budget.

**POLICY**

Should the Board approve this recommendation, the annual health subsidy resolution will be updated as shown in Attachment 1 to reflect how the Board actually administers this benefit and provide clarity to affected members. The proposed amendment to LAAC Section 4.1154(c), shown in Attachment 2, conforms to the proposed change to the annual health subsidy resolution.

**CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Anthony Torres, Chief Benefits Analyst  
Pensions Division

JS:GM:AT

- Attachments:
- Attachment 1 – Proposed Revision to LAFPP Annual Health Subsidy Resolution
  - Attachment 2 – Proposed Language to Codify LAFPP’s Medicare Dependent Health Subsidy
  - Attachment 3 – September 2, 1976 Board Meeting Minutes Pertaining to Medicare Dependent Health Subsidy

APPROVAL OF MAXIMUM RETIRED SWORN NON-MEDICARE HEALTH SUBSIDY  
FOR FISCAL YEAR 2024-2025

RESOLUTION

WHEREAS, retired members of the Fire and Police Pension Plan, Tiers 1, 2, 3, 4, 5 and 6, have had paid, on their behalf, a health insurance premium subsidy, or have received a reimbursement, in accordance with the provisions of Section 4.1154 of the Administrative Code and Section 8.2 of the Board Operating Policies and Procedures; and

WHEREAS, the Board of Fire and Police Pension Commissioners has been granted the authority under Administrative Code Section 4.1154(e) to increase or decrease the maximum monthly amount of the health insurance subsidy in accordance with the authority conferred in subsections (e) of Sections 1330, 1428, 1518, 1618 and 1718 of the Charter and subsection (e) of Section 4.2018 of the Administrative Code; and

WHEREAS, the pre-65 actuarial assumed medical trend rate for the 2024-2025 fiscal year as adopted by the Board in the plan's most recent actuarial valuation is equal to 7.25%;

RESOLVED, that the maximum monthly health insurance premium subsidy as described in Section 4.1154 (e) of the Administrative Code shall be \$2,241.39, payable on behalf of the members and their eligible dependents (as such term is defined in the Board-approved health insurance plans) or received as a reimbursement; and

RESOLVED, that retired members of age 60 and above with 10 or more years of service who retired with an effective date prior to July 1, 1998, and retired members of age 55 and above with 10 or more years of service who retired with an effective date of July 1, 1998 or after, who do not qualify for Part A of Medicare, shall have paid to their respective approved third-party administrator or health insurance carrier a monthly health insurance subsidy, or paid directly to the member as a reimbursement, an amount of \$89.6556 for each whole year of service; said subsidy to apply first to that portion of the premium applicable to the retired member with any remainder to be applied to the dependent(s) of said member; and

RESOLVED, that retired members who qualify for federally funded Part A of Medicare shall have paid to their respective approved third-party administrator or health insurance carrier, on their behalf, a subsidy as provided in Administrative Code Section 4.1154(c) and in addition shall have paid to said third-party administrators or insurance carriers, on behalf of their eligible dependents, a subsidy equal to the amount payable on behalf of the dependents of a retired member in the same plan with the same years of service who does not qualify for Parts A or B of Medicare or qualifies for Part B only but not Part A and has their Medicare Part B and D benefits included in their Board-approved

health plan, whichever subsidy amount is greater, ~~providing such subsidy does not exceed the highest subsidy for the dependent of a retired member with a like number of years of service and enrolled in a health plan available to retired members of the Los Angeles City Employees' Retirement System, in which case the latter shall be the subsidy for the dependents;~~ and

RESOLVED, that retired members of the Fire and Police Pension Plan, Tier 6, who retired under the provisions of Section 1706(a) of the Charter with less than 10 years of service, who are age 55 or older, are not eligible for a subsidy from any other source, and who are not eligible for Medicare or are enrolled in Medicare Part B but not Part A shall have paid to their approved third-party administrator or health insurance carrier \$896.56 per month, or 40% of the single-party cost of their approved health plan, whichever is lower; and

RESOLVED, that retired members of the Fire and Police Pension Plan, Tier 6, who retired under the provisions of Section 1706(a) of the Charter with less than 10 years of service, who are age 55 or older, are not eligible for a subsidy from any other source, and who are enrolled in Medicare Parts A and B shall have paid to their approved third-party administrator or health insurance carrier 75% of the qualifying monthly premium as described in Section 4.1154(c) of the Administrative Code, or 75% of the single-party cost of their approved health plan, whichever is lower; and

RESOLVED, that subsidies paid on behalf of retired members, the dependents of retired members, and qualified surviving spouses/domestic partners who are eligible to enroll in Medicare Parts A and B or Medicare Part B but not Part A shall be subject to the limits described in Board Operating Policy 8.2; and

RESOLVED, the health insurance premium subsidy provided herein shall be applied against the June 30, 2024 and subsequent monthly health insurance premiums or at the earliest month thereafter which is administratively feasible, and shall remain in effect until modified or cancelled by subsequent action of the Board; and

RESOLVED, that the General Manager of the Department of Fire and Police Pensions be authorized to cause demands to be drawn upon the 401(h) account of the Fire and Police Pension Plan, to be paid to the third-party administrators or health insurance carriers through which health insurance is provided for subsidy payments applying the health insurance premiums to said eligible members in advance of or after the effective date of enrollment or change in coverage, or directly to the member in the case of a reimbursement; providing such subsidy payments have been verified against records kept by the Department of Fire and Police Pensions and found to be correct and proper and that individual subsidy amounts are within the limits set forth in the Los Angeles City Administrative Code.

**ATTACHMENT 1**

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Board of Fire and Police Pension Commissioners at its regular meeting held on January 16, 2025.

---

Joseph Salazar  
General Manager

### **Los Angeles Administrative Code Sec. 4.1154(c) with Proposed Medicare Dependent Subsidy Language**

(c) Those eligible members described in Subsection (a) of this section or those retired under the provisions of Sections 1310, 1312, 1412(a), 1412(b), 1504, 1506(a), 1506(b), 1604, 1606(a), 1606(b), 1704, 1706(a), or 1706(b) of the Charter or Sections 4.2004, 4.2006(a), or 4.2006(b) of the Administrative Code with a minimum of ten (10) Years of Service and who qualify for benefits under federally-funded Part A of Medicare, shall have paid to the approved health insurance carrier providing them with a plan supplemental to Medicare coverage the following amount:

For ten (10) but less than fifteen (15) years of service, 75% of the qualifying monthly premium of the approved health insurance plan supplemental to Medicare coverage in which the retired member is enrolled.

For fifteen (15) or more but less than twenty (20) years of service, 90% of the qualifying monthly premium of the approved health insurance plan supplemental to Medicare coverage in which the retired member is enrolled.

For twenty (20) or more years of service, 100% of the qualifying monthly premium of the approved health insurance plan supplemental to Medicare coverage in which the retired member is enrolled.

The qualifying monthly premium for eligible retired members, as used in this Subsection (c) shall mean the monthly premium of the member's approved plan. However, if the monthly premium exceeds the highest monthly premium of an approved plan supplemental to Part A of Medicare available to retired members of the Los Angeles City Employees' Retirement System then the premium for the latter shall be the qualifying monthly premium.

The amount of the medical plan premium subsidy which is applied toward the coverage of dependents of a retiree enrolled in both Part A and Part B of Medicare shall not exceed that amount which may be applied toward the coverage of the dependent(s) of a retiree not enrolled in Medicare or enrolled in only Part B of Medicare, whichever is greater, with the same years of Service Credit and covered by the same medical plan. If the same 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.



0134

9-2-76 Board Meeting

After discussion by the Board, it was moved by Commissioner Calfas that Salary Resolution No. 209 adopted July 15, 1976 be amended by deleting paragraph of Salary Resolution No. 209:

- "5. That the compensation for overtime worked by the employees of the Department of Pensions and the methods of compensation thereof be authorized in accordance with the provisions set forth in Salary Resolution No. 208(d)."

and adopting Salary Resolution No. 209(a), effective July 1, 1976 as follows:

"BE IT RESOLVED that compensation for overtime worked in the Department of Pensions be authorized at the rate of 1-1/2 hours for each hour of overtime worked with said compensation to be in either cash or time off, not to exceed 8 hours worked in excess of 40 hours in any week for the following classifications:

<u>Class Code</u>	<u>Class Title</u>
1323	Senior Clerk Stenographer
1321	Clerk Stenographer
1368	Senior Clerk Typist
1358	Clerk Typist
1523	Senior Accountant
9173	Administrative Assistant
1539	Junior Administrative Assistant
1272	Chief Clerk Retirement
1162	Principal Clerk Retirement
1513	Accountant

"BE IT FURTHER RESOLVED that overtime worked by employees in the classification of Assistant Retirement Plan Manager shall be compensated in accordance with Administrative Code Sec. 4.113(d)."

Such motion was seconded by Commissioner Stanton and adopted by the following vote:  
 Yes, Commissioners Borman, Calfas, Stanton, and President Diannitto - 4; noes, none.

#### HEALTH INSURANCE SUBSIDY

The Manager-Secretary distributed copies of a report relative to the health insurance subsidy for retired members of the Fire and Police Pension System. The Manager-Secretary reported that the effect of the proposed action would be to increase the maximum allowable health insurance benefit from \$36.16 to \$66.00 per month, effective September 30, 1976.

The Manager-Secretary further reported that in accordance with the provisions of the Administrative Code, this action is taken following the required predecessor action by the Board of Administration of the City Employees Retirement System adopting such benefits. The Manager-Secretary also reported that in addition to a total maximum value, the subsidy also permits payment first toward the members premium with any remainder applicable to the dependent of the member.

After discussion by the Board, it was moved by Commissioner Calfas that the following resolution adopting health insurance premium subsidies for retired members of the Fire and Police Pension System and New Pension System and for their dependents be adopted:

01-40

9-2-76 Board meeting

## HEALTH SUBSIDY RESOLUTION

"WHEREAS, retired members of the Fire and Police Pension System and New Pension System have had paid, on their behalf, a health insurance premium subsidy in accordance with the provisions of Article 10, Division 4, Chapter 3 of the Administrative Code; and

"WHEREAS, the Board of Pension Commissioners has been granted the authority under Section 4.1915(e) of the Administrative Code to increase or decrease the maximum monthly amount of the health insurance subsidy in accordance with the authority conferred in subsection (c) of Section 189 and subsection (c) of Section 190.50 of the Charter, respectively; and

"WHEREAS, active members of the Fire and Police Pension System and New Pension System have been granted a maximum monthly subsidy of \$66.00, which is sufficient to pay the member's premium and a part or all of the premium for dependents; and

"WHEREAS, the Board of Administration of the City Employees Retirement System has granted a maximum monthly subsidy of \$67.00, payable on behalf of retired City Employees and their dependents; and

"WHEREAS, it is the desire of this Board to exercise its authority to provide a health insurance subsidy for retired members and dependents, comparable to that for active members of the Fire and Police Pension System and New Pension System and retired members of the City Employees Retirement System, within the limits of the Administrative Code;

"NOW, THEREFORE, BE IT RESOLVED, that the maximum monthly health insurance premium subsidy as described in Section 4.1915(e) of the Administrative Code shall be \$66.00, payable on behalf of the members and their eligible dependents (as such term is defined in the Board approved health insurance plans).

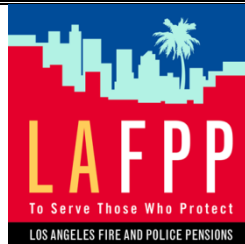
"BE IT FURTHER RESOLVED, that retired members of age 60 and above with 10 or more years of service who do not qualify for Part A of Medicare, shall have paid to their respective approved health insurance carriers, a monthly health insurance subsidy not to exceed \$2.64 for each whole year of service; said subsidy to be applied first to that portion of the premium applicable to the retired member with any remainder to be applied to the dependents of said member; and

"BE IT FURTHER RESOLVED, that retired members who do qualify for federally funded Part A of Medicare shall have paid to their respective approved health insurance carriers, on their behalf, a subsidy as provided in Section 4.1915(c) and in addition shall have paid to said insurance carriers, on behalf of their eligible dependents, a subsidy equal to the amount payable on behalf of the dependents of a retired member in the same plan with the same years of service who does not qualify for Parts A or B of Medicare or qualifies for Part B only, whichever subsidy amount is greater, providing such subsidy does not exceed the highest subsidy for the dependent of a retired member with a like number of years of service and enrolled in a health plan available to retired members of the City Employees Retirement System, in which case the latter amount shall be the subsidy for the dependents.

"BE IT FURTHER RESOLVED, that upon the death of the retired member, no further health insurance premium subsidy shall be paid on behalf of the member or his eligible dependents; and

"BE IT FURTHER RESOLVED, that the health insurance premium subsidy provided herein shall become effective in September 1976, and be applied against the October 1976 and subsequent monthly health insurance premiums, or at the earliest month thereafter which is administratively feasible, and shall remain in effect until modified or cancelled by subsequent action of this Board."

which motion was seconded by Commissioner Stanton and adopted by the following ayes, Commissioners Borman, Calfas, Stanton, and President Diannitto - 4; noes,



# ***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**

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**DATE:** JANUARY 16, 2025 **ITEM:** D.6

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** ANNUAL AUDIT PLAN STATUS AND CHANGES AND POSSIBLE BOARD ACTION

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### **RECOMMENDATION**

That the Board review and approve the status and changes to the Fiscal Year 2024-25 Annual Audit Plan.

### **BACKGROUND**

As required by the Internal Audit Charter, the Internal Audit Section (IAS) develops an Annual Audit Plan (Audit Plan) to prioritize internal audit activities for the upcoming fiscal year. The Audit Plan is based off of a formal assessment of the organization's strategies, objectives, and risks that complies with Global Internal Audit Standards (IIA Standards). Additionally, Board Governance Policy Section 3.15.B.i requires the Board to approve "...the risk-based internal audit plan, and updates thereto". The Board approved the Fiscal Year (FY) 2024-25 Annual Audit Plan on June 20, 2024.

### **DISCUSSION**

#### Interim Status and Changes to the Audit Plan

The FY 2024-25 Annual Audit Plan Status attached to this report proposes modifications to planned audits and special projects. To date, IAS has completed one audit carried over from FY 2023-24 (Survivor Pension Benefits), one follow-up project, and two special projects. Additionally, one audit and one special project has been substantially completed, including the Audit of Cybersecurity Plan & Basic Controls and two contractor disclosure quarterly reports. IAS will proceed with the LAPPL Subsidy Audit and the remaining three planned advisory and follow-up projects and expect to meet noted target completion dates.

The Audit Plan is flexible to enable adjustments in scheduled projects to respond to changes in business, risk, operations, programs, systems, and controls in accordance with IIA Standards. Newer IAS staff is continuing to ramp up in knowledge and gaining experience in auditing the various operations of a public pension system. With this in mind, IAS recommends the following changes to the Audit Plan:

- Re-prioritizing the completion of two remaining audits (LAPPL Subsidy and Service/Deferred Pensions)

- Delaying the implementation of the contractor disclosure form and process transformation into FY 2025-26 to focus on completion of remaining audit and advisory projects.
- Addition of the annual department External Financial Statement Audit Contract and Oversight responsibilities as a recurring annual Special Project (SP-8).

The status of and recommended changes to the FY 2024-25 approved projects is detailed in the Attachment noted under Column titled, "Status or Revised Completion Date as of 12/31/24."

## **BUDGET**

There is no additional impact to the budget.

## **POLICY**

No policy changes are recommended.

## **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Rebecca Takahashi, Departmental Audit Manager  
Internal Audit Section

JS:RT

Attachment: Status of FY 2024-25 Annual Audit Plan



**STATUS OF FY 2024-25 ANNUAL AUDIT PLAN**  
**Los Angeles Fire & Police Pensions**  
Prepared by the Internal Audit Section

Attachment

**AUDIT PROJECTS**

No.	PROJECT TITLE	TYPE	PRIORITY ASSESSMENT	Target Completion Date	Status or Revised Completion Date as of 12/31/24
	<b>Audit of Survivor Pension Benefits</b> <i>Objective: Evaluate the procedures to process survivor benefits to ensure eligibility, timeliness, payment accuracy (gross and net of approved and applicable deductions). Carryover from FY 2023-24 Audit Plan</i>	Assurance	High: moderate controls.	June 2024	Completed- September 2024
AS1	<b>Audit of Cybersecurity Plan &amp; Basic Controls</b>  <i>Objective: Evaluate the Department's overall cybersecurity control framework and controls (i.e., governance standards, information security policies and network controls).</i>	Assurance	High: moderate controls.	December 2024	In progress- February 2025
AS2	<b>LAPPL Subsidy Audit</b>  <i>Objective: Determine whether LAPPL's Subsidy Program is effective, efficient, and operates as intended. Scope to exclude administrative fees.</i>	Assurance	Medium: moderate controls. Requirement to audit once during five year contract term.	June 2025	REVISED- May 2025
AS3	<b>Audit of Service and Deferred Pensions</b> <i>Objective: Evaluate procedures to process service and deferred pensions to ensure accurate, complete, and timely payments.</i>	Assurance	High: moderate controls. Carryover from 2023-2024	March 2025	REVISED- August 2025

**FOLLOW-UP AND ADVISORY PROJECTS**

No.	PROJECT TITLE	TYPE	RESPONSIBILITY / AUTHORITY	Target Completion Date	Status or Revised Completion Date as of 12/31/24
F1	<b>Management Audit Recommendation Follow-up and Status Reporting</b>	Follow-Up	Auditing Standards Requirement - Quarterly report on the Department's actions to implement final open City Management Audit recommendations from 2022 and close out reporting to the City Controller's Office.	July 2024; October 2024 (if needed)	Completed July 2024 October report not needed
F2	<b>Recommendation Follow-Up</b>	Follow-Up	Auditing Standards Requirement - Semi-annual report on implementation status of outstanding Internal Audit recommendations.	August 2024; February 2025	Completed August 2024; February 2025
AD1	<b>Sensitive Information Control Review</b>	Advisory	Department wide surprise review of physical security over sensitive information as requested by management	TBD	In Progress
AD2	<b>Cybersecurity Plans Review</b>	Advisory	Monitor the Department's enterprise-wide cybersecurity efforts as requested by management	Ongoing	Ongoing
AD3	<b>Systems Access Matrix Review</b>	Advisory	Review and provide feedback on system access updates as requested by management	Ongoing	Ongoing

**SPECIAL PROJECTS**

No.	SPECIAL PROJECT TITLE	TYPE	RESPONSIBILITY / AUTHORITY	Target Completion Date	Status or Revised Completion Date as of 12/31/24
SP1-4	<b>Contractor Disclosure Policy: Quarterly reporting</b>	Monitoring	Board Operating Policy Requirement	September 2024; December 2024; March 2025; June 2025	Completed Sept. and Dec reports; On target for remaining report dates
SP5	<b>External Quality Assurance Review (Peer Review)</b>	Audit Quality Management	Auditing standards require IAS to be "peer reviewed" on a periodic basis using a volunteer review team from the Association of Local Government Auditors Peer Review Program.	October 2024	Completed
SP6	<b>Auditing Standards Updates</b>	Audit Quality Management	The two auditing standards IAS conforms to have been significantly updated and go in effect January 2025. IAS will need to make substantial updates to our Audit Charter in the Board Operating Policies, our internal policies and procedures, and other standards mandated documentation.	December 2024	Completed
SP7	<b>Contractor Disclosure Form and Process Transformation</b>	Monitoring	Transform contractor disclosure form from PDF to an online reporting form for more efficient collection and reporting of required disclosure information.	March 2025	REVISED- Will continue into FY 2025-26
SP 8	<b>ADDED: External Financial Statement Audit Contract and Oversight</b>	Monitoring	Board Delegation to monitor and support external audit firm to perform required financial statement audit, GASB 68/75 audits, and/or needed advisory services on an annual basis.	May 2025	Financial Statement Audit and GASB reports Completed December 2024; RFP and selection of audit firm by May 2025.

Projects scheduled for fiscal year 2024-25 are based on budgeted 3 full-time equivalents.





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

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

**DATE:** JANUARY 16, 2025

**ITEM:** D.7

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** SECOND QUARTER REPORT OF THE 2024-25 ANNUAL PLAN AND POSSIBLE BOARD ACTION

**THIS REPORT IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY.**

#### **BACKGROUND**

The 2024-25 Annual Plan was approved by the Board on June 20, 2024, and includes a total of five projects, of which three are Strategic Goal projects and two are Operational Initiatives projects, with one Operational Initiatives project continuing from the 2023-24 Business Plan.

##### **Strategic Goal Projects**

1. Member Surveys
2. Emerging Manager Outreach
3. In-House Training Program

##### **Operational Initiatives Projects**

1. Implementation of Asset Allocation Plan
2. Penetration Testing on Pension Administration System (PARIS) and DocuShare Site

LAFPP's current Strategic Plan Goals and Guiding Principles are displayed below.

##### **Strategic Goals**

1. Enhance Member Experience by Implementing Ongoing Improvements Based on Member Feedback
2. Enhance Outreach by Promoting Inclusivity and Engagement with Emerging Investment Managers
3. Enhance Employee Development by Increasing Opportunities for Training and Leadership Development

##### **Guiding Principles**

1. Ensure a Financially Sound Retirement System
2. Manage Risk Throughout the Organization
3. Enhance Customer Care and Stakeholder Relations
4. Pursue Operational Efficiencies
5. Build and Support a Talented Workforce
6. Promote Diversity, Equity, and Inclusion (DEI) Throughout the Organization, Including Our Investment Portfolio and Business Partners

## **PROJECTS ON SCHEDULE AND ON BUDGET**

### Strategic Goal Project No. 1 – Member Surveys

Staff developed surveys for active members, DROP participants, retirees, and beneficiaries to request feedback and suggestions for future improvements. Staff will work on finalizing the surveys for distribution by the March 31, 2025 milestone.

### Strategic Goal Project No. 2 – Emerging Manager Outreach

The September 30, 2024 and December 31, 2024 milestones have been met. On September 27, 2024, a message from the Chief Investment Officer was posted on the LAFPP website to convey the strategic value of investing in emerging managers. The link to the article was shared with the Associations to maximize outreach. At the November 21, 2024 meeting, the Board adopted an emerging manager definition for the private credit asset class. Investments staff continues to work with Systems and Communications & Education staff to redesign the emerging manager program webpage. Investments staff also continues to participate in and track emerging manager industry events. Notably, LAFPP staff co-hosted an in-person Emerging Manager Networking Forum with LACERS staff on November 14, 2024. Fifty-eight (58) emerging manager firms attended the Forum.

### Strategic Goal Project No. 3 – In-House Training Program

In April 2024, LAFPP solicited interest from staff for the voluntary job rotation program. After evaluating all requests, job rotations were implemented on July 1, 2024. While LAFPP was unable to accommodate all requests without significant operational impacts, managers continue to work with those individuals who did not get rotated to identify existing or future opportunities to gain the requested job experience. Select sections within the Pensions Division are also preparing training courses on their operations and roles to provide LAFPP staff with a more comprehensive understanding of the organization as a whole. The training course outlines have been created and staff are working on developing the first draft of the training materials. Training courses are on schedule to be presented to staff by June 30, 2025.

Lastly, in September 2024, LAFPP hosted a brownbag lunch seminar to assist staff with preparing for Civil Service exams and interviews. A total of 60 participants (15 in-person and 45 virtual participants) attended the event where a panel of managers shared their experiences taking Civil Service exams and discussed interview tips based on their experience being on interview panels.

### Operational Initiatives Project No. 1 – Implementation of Asset Allocation Plan

The September 30, 2024 and December 31, 2024 milestones have been met. On August 15, 2024, the Board adopted the Real Assets Structure Study. On November 7, 2024, the Board adopted the Real Assets Implementation Plan, and no investment manager searches were required. Investments staff and RVK have completed the review of the qualified candidates for the active core fixed income investment manager search. A list of finalists is scheduled to be presented to the Board on February 6, 2025, with Board interviews of the approved finalists tentatively scheduled for February/March 2025.

### Operational Initiatives Project No. 2 – Penetration Testing on Pension Administration System (PARIS) and DocuShare Site

LAFPP's cybersecurity insurance carrier, Beazley, completed a penetration test on the PARIS and DocuShare systems on November 29, 2024. The primary objective of this test was to identify any vulnerabilities and potential entry points that could threaten the security of these systems. Following

the assessment, Beazley's security team provided a comprehensive report on December 13, 2024, detailing the findings and offering actionable recommendations to mitigate the identified risks and strengthen the existing security defenses. Systems staff is reviewing the recommended remediations and will be presenting an action plan to management prior to the March 2025 milestone.

#### **BUDGET**

Funding is included in the 2024-25 Adopted Budget.

#### **POLICY**

There are no policy changes proposed in this report.

#### **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Emma C. Parris, Management Analyst  
Administrative Services & Human Resources Section

JS:MTS:WKP:JMS:EJH:ECP:ADMN250047

Attachments: I. 2024-25 Annual Plan Dashboard – Second Quarter Report  
II. 2024-25 Annual Plan





**2024-25 ANNUAL PLAN DASHBOARD  
SECOND QUARTER REPORT  
QUARTER ENDING DECEMBER 31, 2024**

<b><u>Strategic Goal Projects</u></b>					
<b><u>Strategic Goals</u></b>	<b><u>Project Title</u></b>	<b><u>Overall Project Duration</u></b>	<b><u>2024-25 Milestone Dates</u></b>	<b><u>Overall Project Schedule</u></b>	<b><u>Overall Project Budget</u></b>
<b><u>Goal 1</u></b> Enhance Member Experience by Implementing Ongoing Improvements Based on Member Feedback	1. <b>Member Surveys</b>	2024-25	●	●	●
<b><u>Goal 2</u></b> Enhance Outreach by Promoting Inclusivity and Engagement with Emerging Investment Managers	2. <b>Emerging Manager Outreach</b>	2024-25	●	●	●
<b><u>Goal 3</u></b> Enhance Employee Development by Increasing Opportunities for Training and Leadership Development	3. <b>In-House Training Program</b>	2024-25	●	●	●
<b><u>Operational Initiatives Projects</u></b>					
<b><u>Guiding Principles</u></b>	<b><u>Project Title</u></b>	<b><u>Overall Project Duration</u></b>	<b><u>2024-25 Milestone Dates</u></b>	<b><u>Overall Project Schedule</u></b>	<b><u>Overall Project Budget</u></b>
Ensure a Financially Sound Retirement System	1. <b>Implementation of Asset Allocation Plan</b>	2022-23 2023-24 2024-25	●	●	●
Manage Risk Throughout the Organization	2. <b>Penetration Testing on Pension Administration System (PARIS) and DocuShare Site</b>	2024-25	●	●	●

<b>Legend:</b>	●	On schedule or on budget
	●	At risk of falling behind schedule or going over budget
	●	Behind schedule/over budget
	✓	Project completed

# 2024-25 FINAL ANNUAL PLAN

## INTRODUCTION

Los Angeles Fire and Police Pensions (LAFPP) prepares an Annual Plan each fiscal year consisting of projects to help accomplish its Strategic Plan Goals, as well as support its Guiding Principles. With preparation of the Annual Plan, LAFPP strives to fulfill our Vision and support our Mission as outlined in the 2025-27 Three-Year Strategic Plan. The Strategic Plan, as approved by the Board on January 18, 2024, reaffirms LAFPP's commitment to:

### Vision

A secure and prosperous future for our members.

### Mission

To advance the health and retirement security of those who dedicate their careers and risk their lives to protect the people of Los Angeles.

The 2025-27 Three-Year Strategic Plan was developed with input from the Board, the General Manager, our Plan member representatives, and LAFPP staff. This collaborative effort resulted in a new framework in which six (6) prior Goals, Objectives, and Strategic Initiatives were retitled as "Guiding Principles" to reflect their role as a driving force behind every action we take as an organization. The new strategic planning framework additionally created three (3) new Strategic Goals designed to set a destination toward which LAFPP will navigate and focus its resources.

### Strategic Goals

1. Enhance Member Experience by Implementing Ongoing Improvements Based on Member Feedback
2. Enhance Outreach by Promoting Inclusivity and Engagement with Emerging Investment Managers
3. Enhance Employee Development by Increasing Opportunities for Training and Leadership Development

### Guiding Principles

1. Ensure a Financially Sound Retirement System
2. Manage Risk Throughout the Organization
3. Enhance Customer Care and Stakeholder Relations
4. Pursue Operational Efficiencies
5. Build and Support a Talented Workforce
6. Promote Diversity, Equity, and Inclusion (DEI) Throughout the Organization, Including Our Investment Portfolio and Business Partners

### Values

- Collaboration
- Respect
- Efficiency
- Accountability
- Transparency
- Ethics
- Diversity

# 2024-25 FINAL ANNUAL PLAN

## PROJECT SUMMARY

The 2024-25 Final Annual Plan structures projects into two (2) separate categories: 1) Strategic Goal projects, and 2) Operational Initiatives projects to support one or more Guiding Principles. Projects are then organized further according to which Strategic Goal or Guiding Principle they are responsive. The 2024-25 Final Annual Plan contains five (5) projects, of which four (4) are new and one (1) is continuing from the 2023-24 Business Plan.

### 2024-25 Strategic Goal Projects

1

#### Member Surveys

**Strategic Goal:**

**1. Enhance Member Experience** by implementing ongoing improvements based on member feedback

**Project Lead(s):**  
Gregory Mack, Assistant General Manager, Pensions Division  
Anthony Torres, Chief Benefits Analyst, Pensions Division

**Project Objective:**

Enact process improvements that will enhance the member experience, based upon feedback from a member and beneficiary survey.

2

#### Emerging Manager Outreach

**Strategic Goal:**

**2. Enhance Outreach** by promoting inclusivity and engagement with Emerging Investment Managers

**Project Lead(s):**  
Bryan Fujita, Chief Investment Officer, Investments Division  
Annie Chao, Investment Officer III, Investments Division  
Susan Liem, Investment Officer II, Investments Division

**Project Objective:**

Broaden engagement with emerging investment managers to increase the pool of candidates for LAFPP's investment portfolio, ensuring evaluation of a wide selection of managers capable of delivering superior risk-adjusted returns.

3

#### In-House Training Program

**Strategic Goal:**

**3. Enhance Employee Development** by increasing opportunities for training and leadership development

**Project Lead(s):**  
Wilson Poon, Chief Management Analyst, Administrative Operations Division

**Project Objective:**

Increase training and leadership development opportunities that allow employees to be successful at their jobs and careers, create an environment where employees feel the organization is invested in their career development, improve succession planning, and increase retention of institutional knowledge.

### 2024-25 Operational Initiatives Projects

1

#### Implementation of Asset Allocation Plan

**Guiding Principle:**

**1. Ensure a Financially Sound Retirement System**

**Project Lead(s):**  
Bryan Fujita, Chief Investment Officer, Investments Division  
Annie Chao, Investment Officer III, Investments Division

**Project Objective:**

To improve the risk/return profile for the System's investments.

2

#### Penetration Testing on Pension Administration System (PARIS) and DocuShare Site

**Guiding Principle:**

**2. Manage Risk Throughout the Organization**

**Project Lead(s):**  
Vincent On, Systems Administrator I, Systems Section

**Project Objective:**

To assess the security of our Pension and Retirement Information System (PARIS) and the Content Management System website (DocuShare) and provide recommendations for strengthening them.

# Strategic Goal Project #1

## Member Surveys

<i>Strategic Goal No.:</i>	1 – Enhance Member Experience by Implementing Ongoing Improvements Based on Member Feedback
<i>Duration:</i>	2024-25
<i>Project Lead(s):</i>	Gregory Mack, Assistant General Manager, Pensions Division Anthony Torres, Chief Benefits Analyst, Pensions Division
<i>Project Participants:</i>	Pensions Division staff and Administrative Services & Human Resources Section staff
<i>Stakeholders:</i>	LAFPP Members

### OBJECTIVE

Enact process improvements that will enhance the member experience, based upon feedback from a member and beneficiary survey.

### **BACKGROUND**

LAFPP members, retirees, and their beneficiaries rely on LAFPP to administer their pension and retiree health benefits. This project will seek to identify areas where improvements can be made to enhance the member experience by surveying members and other stakeholders.

### **2024-25 DELIVERABLES**

LAFPP staff will work with the Fire/Police Relief Associations, Unions, and Los Angeles Retired Fire and Police Association (LARFPA) representatives to gather ideas on improvements that LAFPP can make to enhance the member experience. Staff will also develop and release a series of surveys to gather feedback from members and beneficiaries. Information from the surveys will be used to identify enhancements that can be implemented in Fiscal Years 2025-26 and 2026-27.

### **2024-25 MILESTONES**

#### **BY SEPTEMBER 30, 2024:**

Meet with Associations, Unions, LARFPA, LAFPP Pensions Division staff, and Administrative Services & Human Resources Section staff to gather ideas on enhancements to improve member experiences that will be used in development of the surveys.

#### **BY DECEMBER 31, 2024:**

Develop a series of surveys directed to active members, DROP participants, retirees, and beneficiaries to gather data and request suggestions on future improvements to enhance the member experience.

# Strategic Goal Project #1

## Member Surveys

### **2024-25 MILESTONES (cont.)**

BY MARCH 31, 2025:

Begin to send out surveys to members and beneficiaries.

BY JUNE 30, 2025:

Complete surveys of members and beneficiaries.

### **METRICS**

Conduct at least one (1) survey in each of the following areas:

- a) Process improvements related to MyLAFPP;
- b) Retirement/DROP processing;
- c) Member communications;
- d) Member education; and,
- e) Active member services.

### **RESOURCES**

Surveys will be created and administered by LAFPP staff. The estimated cost of postage for mailing survey notifications to members, pensioners, and their beneficiaries is less than \$10,000.

# Strategic Goal Project #2

## Emerging Manager Outreach

<i>Strategic Goal No.:</i>	2 – Enhance Outreach by Promoting Inclusivity and Engagement with Emerging Investment Managers
<i>Duration:</i>	2024-25
<i>Project Lead(s):</i>	Bryan Fujita, Chief Investment Officer, Investments Division Annie Chao, Investment Officer III, Investments Division Susan Liem, Investment Officer III, Investments Division
<i>Project Participants:</i>	Executive Management; Investments staff; General Investment Consultant; Private Equity, Private Credit, and Real Estate Consultants
<i>Stakeholders:</i>	Board Members, Investments staff, and LAFPP Members

### OBJECTIVE

Broaden engagement with emerging investment managers to increase the pool of candidates for LAFPP's investment portfolio, ensuring evaluation of a wide selection of managers capable of delivering superior risk-adjusted returns.

### **BACKGROUND**

The Plan's primary investment objective is to provide retirement benefits to LAFPP members, retirees, and their beneficiaries through a carefully planned and executed investment program that generates an appropriate risk-adjusted return. This project will seek to enhance the Plan's outreach efforts to emerging investment managers in order to expand the set of investment opportunities considered for the Plan's portfolio and achieve appropriate risk-adjusted returns.

### **2024-25 DELIVERABLES**

Investments staff will improve communication to emerging managers about LAFPP's Emerging Manager Program by enhancing LAFPP's emerging manager webpage content and functionality, clarifying and revising emerging manager definitions in the Investment Policies, and participating in emerging manager industry events. Investments staff will also develop and send a communication to members and stakeholders explaining the purpose of Strategic Goal #2 and the potential investment benefits gained.

### **2024-25 MILESTONES**

#### **BY SEPTEMBER 30, 2024:**

- a) Draft and send a communication to members and other stakeholders explaining the purpose of conducting enhanced outreach to emerging managers;

# Strategic Goal Project #2

## Emerging Manager Outreach

### **2024-25 MILESTONES (cont.)**

#### **BY SEPTEMBER 30, 2024 (cont.):**

- b) Review emerging manager program content currently available on LAFPP's website and develop ideas for webpage improvements, including expanding the scope of information available for public and private markets asset classes;
- c) Create a dedicated email address for emerging managers interested in conducting business with LAFPP and post email address to the website; and,
- d) Participate in and track emerging manager industry events (subject to event scheduling).

#### **BY DECEMBER 31, 2024:**

- a) Consider creating a private credit asset class emerging manager definition for inclusion in the Investment Policies and present proposed policy revisions to the Board for approval;
- b) Develop conceptual design for new emerging manager program webpage;
- c) Determine feasibility of creating a manager intake form on the LAFPP website to allow emerging managers to upload firm and investment strategy information for staff's review and consideration; and,
- d) Participate in and track emerging manager industry events (subject to event scheduling).

#### **BY MARCH 31, 2025:**

- a) Begin development of the new emerging manager webpage; and,
- b) Participate in and track emerging manager industry events (subject to event scheduling).

#### **BY JUNE 30, 2025:**

- a) Launch the new emerging manager webpage;
- b) Explore hosting or co-hosting with an industry peer an emerging manager educational event; and,
- c) Participate in and track emerging manager industry events (subject to event scheduling).

### **METRICS**

- a) Number of meetings with emerging managers taken by staff;
- b) Number of emerging manager events staff participated in;
- c) Number of emails sent by emerging managers to the dedicated emerging manager email address; and,
- d) Number of emerging managers that submit firm and investment strategy information via the website (if creation of an intake form is feasible).

# Strategic Goal Project #2

## Emerging Manager Outreach

### **RESOURCES**

The costs associated with travel and event registration fees have been included in the 2024-25 Budget. No other costs are anticipated.



# Strategic Goal Project #3

## In-House Training Program

*Strategic Goal No.:* 3 – Enhance Employee Development by Increasing Opportunities for Training and Leadership Development  
*Duration:* 2024-25  
*Project Lead(s):* Wilson Poon, Chief Management Analyst, Administrative Operations Division  
*Project Participants:* LAFPP staff  
*Stakeholders:* LAFPP staff

### OBJECTIVE

Increase training and leadership development opportunities that allow employees to be successful at their jobs and careers, create an environment where employees feel the organization is invested in their career development, improve succession planning, and increase retention of institutional knowledge.

### **BACKGROUND**

This project will seek to develop a comprehensive in-house training program to provide staff with the tools and resources to be successful at their jobs and in their City careers. This training program will also assist LAFPP in succession planning and retaining institutional knowledge.

### **2024-25 DELIVERABLES**

Human Resources (HR) staff will continue to administer the voluntary job rotation program established through 2023-24 Business Plan Project No. 11. In addition, HR staff will work with LAFPP section managers to create an in-house training program that supplements the City-mandated training. Specifically, HR staff will work with Pensions Division Section Managers (Medical & Dental Benefits, Active Member Services, Retirement Services, and DROP/Service Pensions) to create training courses for LAFPP staff to develop a broad benefits knowledge base. Additional sections will be explored in subsequent fiscal years. Lastly, HR staff will explore the creation of an employee mentoring program and identifying voluntary cross-training opportunities.

### **2024-25 MILESTONES**

#### **BY SEPTEMBER 30, 2024:**

- a) Implement voluntary job rotation program;
- b) Host first brownbag lunch seminar; and,
- c) Develop outline for each Pensions Division training course.

# Strategic Goal Project #3

## In-House Training Program

### **2024-25 MILESTONES (cont.)**

#### **BY DECEMBER 31, 2024:**

Develop first draft of each pension related training course with PowerPoint, written exercises, and/or visuals.

#### **BY MARCH 31, 2025:**

- a) Conduct research on feasibility of establishing an employee mentoring program; and,
- b) Deliver pension related training to Pensions Division staff for critique and feedback.

#### **BY JUNE 30, 2025:**

- a) If feasible, establish an employee mentoring program;
- b) Host a second brownbag lunch seminar; and,
- c) Conduct one (1) pension-related training session for all LAFPP staff for each course.

### **METRICS**

- a) Conduct two (2) brownbag lunch seminars;
- b) Implement a voluntary job rotation program; and,
- c) Develop four (4) Pensions Division training courses.

### **RESOURCES**

No additional resources are required. All project deliverables will be implemented with existing resources.

# Operational Initiatives Project #1

## (CONTINUING) Implementation of Asset Allocation Plan

*Guiding Principle No.:* 1 – Ensure a Financially Sound Retirement System  
*Duration:* 2022-23, 2023-24, 2024-25  
*Project Lead(s):* Bryan Fujita, Chief Investment Officer, Investments Division  
Annie Chao, Investment Officer III, Investments Division  
*Project Participants:* Investments Division and General Investment Consultant  
*Stakeholders:* Board Members, Investments staff, LAFPP Members, and the City

### OBJECTIVE

To improve the risk/return profile for the System's investments.

### **BACKGROUND**

The Board Investment Policies Section 1.6 states, in part: "The Board shall conduct an Asset Allocation study every three to five years." At the September 1, 2022 meeting, RVK, the Board's General Investment Consultant presented the Asset Allocation Study, which covered the methodology for conducting the study, key asset allocation concepts, and the Board's current target asset allocation. RVK also presented alternate asset allocation options for the Board to consider. The Board approved the asset allocation recommendation at the October 6, 2022 Board meeting and later adopted a revised asset allocation on August 3, 2023. Now that the Board has selected an asset allocation plan, staff will continue to develop a plan for implementation.

### **2024-25 DELIVERABLES**

Continued implementation of the Board-approved 2022-23 Asset Allocation Plan as revised on August 3, 2023.

### **2024-25 MILESTONES**

#### **BY SEPTEMBER 30, 2024:**

- a) Continue active core fixed income investment manager search;
- b) Complete combined real estate and commodities asset class structure study; and,
- c) As necessary, seek Board approval of minimum qualifications for investment manager searches resulting from combined real estate and commodities asset class structure study and initiate searches.

#### **BY DECEMBER 31, 2024:**

Continue investment manager searches pursuant to individual search timelines and milestones.

# **Operational Initiatives Project #1**

## **(CONTINUING) Implementation of Asset Allocation Plan**

### BY MARCH 31, 2025:

Complete investment manager searches including Board interviews of finalists and contract awards to new managers.

### BY JUNE 30, 2025:

- a) Execute contracts with and fund new investment managers; and,
- b) Complete implementation of the revised 2022-23 Asset Allocation Plan.

### **METRICS**

- a) Complete all investment manager searches as approved by the Board; and,
- b) Execute all contracts with new investment managers hired through searches.

### **RESOURCES**

Four (4) free manager searches are provided annually by RVK, Inc. Should additional searches be required based on the Board's decisions, a budget of \$19,500 for each manager on-site will be necessary for each additional manager search beyond the four free searches per contract year.

# Operational Initiatives Project #2

## Penetration Testing on Pension Administration System (PARIS) and DocuShare Site

*Guiding Principle No.:* 2 – Manage Risk Throughout the Organization  
*Duration:* 2024-25  
*Project Lead(s):* Vincent On, Systems Administrator I, Systems Section  
*Project Participants:* Systems Section  
*Stakeholders:* LAFPP Board, LAFPP staff, and LAFPP Members

### OBJECTIVE

To assess the security of our Pension and Retirement Information System (PARIS) and the Content Management System website (DocuShare) and provide recommendations for strengthening them.

### **BACKGROUND**

It is the Systems Section's continual effort to improve the Department's security posture and pursue operational efficiencies.

### **2024-25 DELIVERABLES**

Security vulnerabilities and weaknesses to be identified with remediation recommendations.

### **2024-25 MILESTONES**

#### **BY SEPTEMBER 30, 2024:**

Determine scope of penetration testing and research on security vendors.

#### **BY DECEMBER 31, 2024:**

Evaluate and select security vendor for the penetration testing.

#### **BY MARCH 31, 2025:**

Conduct penetration testing and review identified vulnerabilities and remediation recommendations.

#### **BY JUNE 30, 2025:**

Coordinate with PARIS vendor and DocuShare vendor to remediate any vulnerabilities identified.

# Operational Initiatives Project #2

## Penetration Testing on Pension Administration System (PARIS) and DocuShare Site

### **METRICS**

- a) Resolve at least 80% of vulnerabilities within three (3) months of identification, including those labeled as “most critical;” and,
- b) Resolve 100% of vulnerabilities within six (6) months of identification.

### **RESOURCES**

The estimated cost of \$20,000 for penetration testing is included in the 2024-25 Budget.



## ***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:** JANUARY 16, 2025

**ITEM:** D.8

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT: RECOMMENDATION TO EXECUTE A NEW THREE-YEAR CONTRACT WITH TOTAL COMMERCIAL REAL ESTATE (TCRE) FOR PROPERTY MANAGEMENT SERVICES AND POSSIBLE BOARD ACTION**

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#### **RECOMMENDATION**

That the Board:

- 1) Approve entering a new three-year contract with Total Commercial Real Estate (TCRE) for property management and leasing services for the Neptune Building (LAFPP's headquarters), with a total contract amount as follows:
  - A) Property Management services not to exceed \$201,000 (which includes a CPI-indexed fee increase);
  - B) Leasing commissions as negotiated between the General Manager and TCRE;
  - C) Building operational expenses as allocated and approved through the Department's annual budget.
- 2) Authorize the General Manager to negotiate and approve the terms and conditions of the contract for the period July 1, 2025 through June 30, 2028;
- 3) Authorize the General Manager, on behalf of the Board, to negotiate and execute the contract, subject to the approval of the City Attorney as to form; and,
- 4) Authorize the General Manager to enter into separate agreements with qualified real estate brokers and to pay related leasing commissions, if necessary.

#### **BACKGROUND**

Having successfully completed competitive bidding (RFP) processes in 2018 and 2021, TCRE was awarded the property management and leasing services contract for the Neptune Building for two three-year terms beginning July 1, 2018 and July 1, 2022, respectively. The Board also approved a one-year contract extension with TCRE between July 1, 2021 and June 30, 2022, to continue efforts through the COVID-19 pandemic to lease the then vacant space on the first floor in the Neptune Building.

During each of the previous competitive bidding processes, three finalists were interviewed by the review panel consisting of staff. The panel agreed all the firms were qualified to provide management

and leasing services in a professional manner. As such, the proposed fees became a deciding factor in awarding a contract to TCRE. Additionally, TCRE has a 45-year history of providing these services to large corporations (e.g., Walt Disney Corporation, Wells Fargo Bank) and government agencies (e.g., L.A. World Airports, L.A. Department of Water and Power).

## DISCUSSION

Since July 1, 2018, staff has been satisfied with TCRE's ability to provide the services in an efficient, responsive, and professional manner. The primary TCRE liaison to the property, Santiago Sciupac, has proven to be responsive and knowledgeable in all aspects of property management and leasing services, and has remained proactive in dealing with issues impacting our headquarters building. Further, they have proven to be particularly responsive during the COVID-19 pandemic when deep cleaning office space on short notice was necessary.

Staff is recommending a new three-year contract to complete the work on two projects that staff has initiated with TCRE.

- 1) Roofdeck shade and furnishing

Staff and TCRE have received quotes from designers to install a shade structure on the roof deck, intended to promote employee wellness and create better use of our exterior living space. We are reviewing the quotes and plan to return to the Board with a comprehensive plan, including rendering, timeframe, and funding recommendations as part of the FY 2025-26 Preliminary Budget. As such, and if approved by the Board, the purchase and installation would occur within the 2025 calendar year.

- 2) Seismic standards compliance

The Neptune Building falls within the scope of Division 95, Article I, Chapter IX of the Los Angeles Municipal Code (LAMC), LAMC 91.9500 et seq., titled Mandatory Earthquake Hazard Reduction in Existing Non-Ductile Concrete Buildings (Ordinance). Work is required to meet the minimum seismic standards of the Ordinance in three phases – 3, 10 and 25 years from the February 7, 2018 effective date. TCRE has sought quotes from structural design and engineering firms to develop a checklist of structural analysis to be performed (past due as of February 7, 2021) and provide a detailed evaluation of the Neptune Building, documenting whether it meets or exceeds requirements set forth in the Ordinance (due February 7, 2028). Staff and TCRE plan to approach satisfying the performance objectives specified in the Ordinance aggressively, as the first phase is past due, primarily due to reduced staffing and resources across industries during the pandemic and subsequently due to turnover of LAFPP staff coordinating this project.

Staff recommends a three-year contract with TCRE in order to minimize any disruption in the progress of these capital projects. At this time, staff does not recommend a new Request for Proposals (RFP) for these services, given the outcome of the two prior, and relatively recent, RFPs and the need for continuity in these services, described above. The Board may enter a new contract with TCRE notwithstanding the Charter Section 371 contract term limitations, because management of LAFPP's headquarters falls under the Board's plenary authority. Staff anticipates recommending the Board issue an RFP for property management and leasing services for a new contract effective July 1, 2028.



## **BUDGET**

Funding for property management services and building operations expenses will be included in the FY 2025-26 Preliminary Budget and in subsequent budgets.

## **POLICY**

There are no policy changes proposed in this report.

## **CONTRACTOR DISCLOSURE INFORMATION**

The contractor complied with LAFPP's Contractor Disclosure Policy regarding campaign contributions, charitable contributions, intermediaries, gifts, and contacts on January 7, 2025. Internal Audit Section reviewed the provided information and determined there was nothing new to report under this policy.

This report was prepared by:

Myo Thedar, Executive Officer  
Administrative Operations Division

JS:MTS



## ***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: JANUARY 16, 2025**

**ITEM: E.1**

**FROM: JOSEPH SALAZAR, GENERAL MANAGER**

**SUBJECT: DECEMBER 2024 MONTHLY REPORT AND UPDATE**

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

#### **DISCUSSION**

The December 2024 Monthly Report includes the following notable items:

1. Over deduction of 2% Opt-In Contributions – Members of Tiers 2, 3, 4, and 5 who enter DROP, take a Service Retirement, or take a Nonservice-Connected Disability Retirement on or after July 15, 2011 are subject to a freeze on their retiree health subsidy unless they agreed to make additional pension contributions of 2% of base pay. Since the implementation of Workday (the City's new human resources and payroll system) in June of 2024, members who opted in to make the additional 2% pension contributions have been overcharged for these contributions on any retroactive pay they have received. The Controller's Office has provided LAFPP with a report of those members who received retro pay since the implementation of Workday and who had 2% additional pension contributions taken. According to the report, there are 1,939 potential cases of over deductions for the additional 2% pension contributions. Staff has asked the Controller's Office, ITA, and Workday if a fix for these over deductions will be provided. If an automated fix for these over deductions is not provided, LAFPP staff will need to manually calculate and refund members for over deductions on the 2% additional contributions. Staff estimates it would take between four and six months to process these refunds if they must be issued manually. It is noted that this Workday programming error has been corrected on a prospective basis.
2. Social Security Fairness Act of 2023 – On January 5, 2024, President Biden signed into law the Social Security Fairness Act of 2023 (H.R. 82), which repeals two long-standing federal laws: the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These provisions reduced Social Security payments for recipients of other benefits such as a pension from state or local government, impacting almost three million individuals, including some LAFPP retirees and beneficiaries. WEP and GPO are federal laws that reduce Social Security benefits for individuals who also receive a pension from work not covered by Social Security, such as City of Los Angeles employees. The WEP provision affects individuals who qualify for Social Security benefits through other jobs covered by Social Security but also earn a pension from non-covered employment (e.g., LAFPP members). Under WEP, Social Security benefits are typically reduced by about 50%, although they cannot be reduced to zero. The GPO provision applies to individuals who qualify for spousal Social Security benefits and also earn a pension from non-covered employment. The GPO reduces benefits up to a certain amount, often eliminating the spousal benefit entirely. It is unclear

at this time how quickly the Social Security Administration (SSA) will be able to recalculate benefit amounts for those impacted by WEP and GPO. Individuals who may have seen their Social Security benefits reduced by these provisions are encouraged to speak with an SSA representative. Staff has posted an article on this change on the LAFPP website and will update or remove any references to WEP and GPO on our website and in the education materials we present to our members.

3. 2025 Election for Police Department Employee Board Member – Two (2) Notice of Intent submissions were received by the Election Division. A randomized alphabet drawing to determine the order of names on the ballot was conducted by the Election Division on Friday, December 27, 2024. On February 3, 2025, the Election Division will begin mailing ballots to eligible voters. Please refer to the Administrative Operations Division Section in the Attachment for upcoming key election dates.
4. 2025 Election for Fire Department Retired Board Member – On December 29, 2024, President Biden declared January 9, 2025, to be a National Day of Mourning in honor of former President Carter. The U.S. Postal Service also announced that it would participate in the National Day of Mourning and suspend delivery service. As such, the Office of the City Clerk – Election Division extended the deadline for eligible members to provide completed Notice of Intent packets from January 9, 2025 to January 10, 2025 at 5:00 p.m. Two (2) Notice of Intent submissions have been received by the Election Division at the time of this writing. A randomized alphabet drawing to determine the order of names on the ballot will be conducted by the Election Division on January 13, 2025. Please refer to the Administrative Operations Division Section in the Attachment for upcoming key election dates.
5. In-House Parking and Transit Subsidy Reimbursement Program – Implementation of this Program has been suspended since August 2024, pending further consideration by the Joint Labor Management Committee on Commute Options and Parking (JLMC-COP) regarding fiscal impacts, should LACERS and LAFPP be excluded from the Successor Special Parking MOU. The JLMC-COP was scheduled to hear this matter on January 9, 2025, but has rescheduled the meeting due to the recent wildfires. In anticipation of the January 9, 2025 meeting, LACERS and LAFPP prepared a joint letter to the JLMC-COP to provide additional points of clarification.
6. Private Equity – The following private equity funds have closed since the last meeting announcement:

On November 7, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$50 million in the following alternative investment: Bansk Fund II, L.P. The investment closed on December 17, 2024. Board vote: Ayes – 5; Nays – 0.

On September 7, 2023, and November 21, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$50 million and an additional commitment of \$25 million, respectively, in the following alternative investment: Court Square Capital Partners V, L.P. LAFPP committed \$50 million and \$25 million to the investment which closed on December 15, 2023, and December 20, 2024, respectively, for a total of \$75 million committed. Board vote: Ayes – 7; Nays – 0 (\$50 million commitment); Ayes – 6; Nays – 0 (\$25 million commitment).

On November 7, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$30 million in the following alternative investment: GTCR

Strategic Growth Fund II, L.P. The investment closed on December 20, 2024. Board vote: Ayes – 5; Nays – 0.

On December 5, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to €46 million in the following alternative investment: Rivean Capital Fund VII, L.P. The investment closed on December 23, 2024. Board vote: Ayes – 6; Nays – 0.

On August 3, 2023, and December 5, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$50 million and an additional commitment of \$25 million, respectively, in the following alternative investment: TPG Growth VI, L.P. LAFPP committed \$50 million and \$25 million to the investment which closed on November 1, 2023, and December 20, 2024, respectively, for a total of \$75 million committed. Board vote: Ayes – 6; Nays – 0 (\$50 million commitment); Ayes – 6; Nays – 0 (\$25 million commitment).

On November 16, 2023, and November 21, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$50 million and an additional commitment of \$25 million, respectively, in the following alternative investment: Trive Capital Fund V, L.P. LAFPP committed \$50 million and \$25 million to the investment which closed on December 26, 2023, and December 30, 2024, respectively, for a total of \$75 million committed. Board vote: Ayes – 6; Nays – 0 (\$50 million commitment); Ayes – 6; Nays – 0 (\$25 million commitment).

7. Real Estate – There are no real estate funds that have closed since the last meeting announcement.

8. Private Credit – The following private credit fund has closed since the last meeting announcement:

On November 7, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of \$30 million in the following private credit investment: Locust Point Private Credit Fund III. The investment closed on December 26, 2024. Board vote: Ayes – 5; Nays – 0.

9. The following searches and firms are within the Marketing Cessation Period Policy\*:

Vendor / Contract	Contract Start Date	Contract Expiration Date	Marketing Cessation Start Date
Core Fixed Income Active Manager	TBD	TBD	04/18/24
Eastern Shore Capital Management (Domestic Equity)	05/01/20	04/30/25	02/01/25
Lisanti Capital Growth, LLC (Domestic Equity)	05/01/20	04/30/25	02/01/25
Principal Global Investors, LLC (International Equity)	05/01/21	04/30/25	02/01/25

\*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.

## Attachment



# **MONTHLY REPORT**

**December 2024**



# Los Angeles Fire and Police Pensions

Portfolio as of December 31, 2024

EQUITIES					STOCKS	BONDS	CASH	TOTAL	ALLOC.	PRIVATE EQUITY					STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.				
AllianceBernstein (S&P 500 Index)	2,712.8	-	4.6	2,717.4						Abbott Capital	1.0	-	-	1.0									
AllianceBernstein (Systematic Value)	844.2	-	2.9	847.1						Hamilton Lane	0.1	-	-	0.1									
Rhumbline (Russell 1000 Growth Index)	1,995.0	-	3.6	1,998.6						PCA	0.4	-	-	0.4									
NTI S&P 500 Equal Weight	1,302.2	-	6.8	1,309.0						Fairview Capital	259.0	-	-	259.0									
NTI Stoxx USA 900	605.1	-	2.4	607.5						Portfolio Advisors	4,961.5	-	-	4,961.5									
Boston Partners (Value)	661.2	-	6.7	667.8						Aldus Equity	114.1	-	-	114.1									
Terminated/Transition Domestic Equity Managers	-	-	0.0	0.0						Stepstone Group	42.3	-	-	42.3									
Core Equity Managers (23%)	8,120.5	-	26.9	8,147.4	25.04%					TCP	13.0	-	-	13.0									
Target Differential	2.04%			664.4						Greycroft Growth IV LP	15.8	-	-	15.8									
										Baillie Gfd PVC GP II	30.5	-	-	30.5									
Rhumbline (S&P 600 Index)	157.6	-	0.3	157.8						TOTAL PRIVATE EQUITY MGRS (15%)					5,437.6	-	-	5,437.6	16.71%				
Frontier Capital Mgt. (Growth)	659.6	-	21.3	681.0						Target Differential					1.71%				557.3				
Channing Capital Mgt. (Value)*	80.3	-	3.2	83.5						PRIVATE CREDIT									STOCKS / EQUITY / RE	BONDS	CASH	TOTAL	ALLOC.
Denali Advisors (Value)*	94.8	-	0.8	95.6						Stepstone Private Credit					122.8	-	-	122.8					
Eastern Shore Capital (Core)*	62.9	-	1.7	64.6						TOTAL PRIVATE CREDIT MGRS (3%)					122.8	-	-	122.8	0.38%				
Lisanti Capital (Growth)*	63.1	-	2.0	65.1						Target Differential					(2.62)%				(853.2)				
PIMCO Stocks Plus (Core)	226.5	-	-	226.5						REAL ESTATE													
Palisade Capital Management (Core)	93.7	-	3.4	97.1						Alliance REIT					170.0	-	0.9	170.9					
Phocas Financial (Value)*	84.9	-	2.1	87.0						Principal Global REIT					195.1	-	3.7	198.8					
Westwood Management (Value)	251.5	-	1.0	252.5						Principal U.S. REIT					301.5	-	5.1	306.6					
AllianceBernstein (Value)	244.3	-	0.9	245.2						Cohen & Steers U.S. REIT					467.8	-	3.2	470.9					
Terminated/Transition Small Cap Equity Managers	-	-	0.0	0.0						REIT Managers (1.5%)					1,134.4	-	12.9	1,147.3	3.53%				
Small Cap. Equity Mgrs (6%)	2,019.2	-	36.8	2,055.9	6.32%					Target Differential					0.53%				659.2				
Target Differential	0.32%			103.9						REAL ESTATE COMMINGLED FUNDS SUMMARY													
Brandes Investment Partners (Value)	1,679.0	-	38.8	1,717.8						Total Pooled Funds					1,537.2	-	-	1,537.2	4.72%				
Blackrock (Core Passive)	1,898.4	-	7.3	1,905.6						REAL ESTATE SEPARATE ACCT. SUMMARY BY MANAGER													
Baillie Gifford (Growth)	1,179.0	-	18.6	1,197.7						AEW (Heitman, Sentinel)					458.5	-	-	458.5					
Boston Common (ESG)	-	-	0.4	0.4						Neptune Building					21.1	-	-	21.1					
Principal Global Int'l Small Cap	212.8	-	1.6	214.4						Real Estate Equity Mgrs					479.6	-	-	479.6	1.47%				
Victory Capital Mgt.	255.5	-	4.0	259.5						Private Real Estate (8.5%)					2,016.8	-	-		6.20%				
Terminated/Transition Int'l Equity Managers	-	-	0.1	0.1						TOTAL REAL ESTATE (10%)					3,151.2	-	12.9	3,164.1	9.73%				
Int'l Equity Mgrs (18%)	5,224.7	-	70.8	5,295.5	16.28%					Target Differential					(0.27)%				(89.4)				
Target Differential	(1.72)%			(560.8)																			
TOTAL EQUITIES MANAGERS (47%)	15,364.4	-	134.4	15,498.8	47.64%																		
Int'l Tax Reclaims	1.3	0.1	2.3	3.7																			
COMMODITIES										INFRASTRUCTURE													
Alliance (Commodities, Public Equity) CLOSED	-	-	-	-						-	-	-	-	-									
Rhumbline (Commodities, Public Equity)	0.1	-	0.1	0.3						-	-	-	-	-									
PA (Commodities, Private Equity)	144.8	-	-	144.8						-	-	-	-	-									
TOTAL COMMODITIES (0%)	144.9	-	0.1	145.1	0.45%					TOTAL INFRASTRUCTURE (2%)					-	-	-	-	0.00%				
Target Differential	0.45%			145.1						Target Differential					(2.00)%				(650.7)				
FIXED INCOME										CASH													
Northern Trust (Fixed Income Index)	-	804.5	12.4	817.0						HOUSE ACCOUNTS													
Reams Asset Mgmt. (Opportunistic)	-	913.1	-	913.1						Tier 1 (Article 17)	-	-	29.5	29.5									
LM Capital (Opportunistic)	-	826.8	6.4	833.2						Tier 2 (Article 18)	-	-	655.9	655.9									
GIA Partners (Opportunistic)*	0.0	103.8	0.5	104.3						Tier 3 (Article 35)	-	-	0.3	0.3									
Medalist Partners (MBS)*	-	107.8	-	107.8						Tier 4 (New)	-	-	0.2	0.2									
Loomis Sayles (Long Duration)	-	734.1	4.9	739.0						Tier 5 (New)	-	-	255.3	255.3									
Reams Asset Mgmt. (Passive TIPS)	-	1,150.4	0.8	1,151.3						Tier 6 (New)	-	-	2.5	2.5									
Terminated/Transition Fixed Income Managers	-	-	-	-						Transition Account	-	-	0.0	0.0									
Core Bond Mgrs (14.3%)	0.0	4,640.5	25.1	4,665.6	14.34%					115 Trust	-	-	0.0	0.0									
Target Differential	0.04%			13.2						CASH SUMMARY													
MacKay Shields (High Yield)	9.0	721.7	23.8	754.5	2.32%					Unallocated Cash Reserve (1%)					-	-	943.8	943.8	2.90%				
Loomis Sayles Global Credit	-	938.1	103.8	1,041.9	3.20%					Target Differential					1.90%				618.5				
Credit Fixed Income (5.5%)	9.0	1,659.8	127.6	1,796.5	5.52%																		
Target Differential	0.02%			7.0																			
Reams Asset Mgmt. (Unconstrained)	-	373.5	-	373.5						TOTAL FUND													
Payden & Rygel (Unconstrained)	-	383.3	-	383.3						STOCKS	BONDS	REAL ESTATE	PRIVATE EQUITY	PRIVATE CREDIT	INFRA	COMM	CASH	TOTAL					
Unconstrained Fixed Income (2.2%)	-	756.8	-	756.8	2.33%					ACTUAL ASSET MIX													
Target Differential	0.13%			41.0																			
TOTAL FIXED INCOME MGRS (22%)	9.0	7,057.2	152.6	7,218.9	22.19%																		

\* - Denotes Emerging Manager



Los Angeles

# Fire and Police Pensions

## Real Estate Summary

COMMINGLED FUNDS	EQUITY	POOLED	CASH	TOTAL
Abacus Multi-Family Partners VI	NA	31.7	-	31.7
Almanac Realty Securities VII	NA	26.9	-	26.9
Almanac Realty Securities VIII	NA	40.6	-	40.6
Almanac Realty Securities IX	NA	17.8	-	17.8
Asana Partners Fund I	NA	38.3	-	38.3
Asana Partners Fund II	NA	33.5	-	33.5
Asana Partners Fund III	NA	25.3	-	25.3
Berkshire Multifamily Income Realty Fund	NA	29.3	-	29.3
Brookfield Strategic Real Estate Partners IV	NA	35.3	-	35.3
California Smart Growth Fund IV	NA	0.1	-	0.1
Capri Urban Investors	NA	-	-	-
Cerberus Institutional Real Estate Partners Fund V	NA	30.4	-	30.4
Cerberus Institutional Real Estate Partners Fund VI	NA	19.6	-	19.6
CIM Real Estate Fund III	NA	6.2	-	6.2
Clarion Lion Industrial Trust 2007	NA	207.4	-	207.4
Apollo CPI Europe I (Asia)	NA	0.2	-	0.2
Exeter Industrial Value Fund IV	NA	3.0	-	3.0
Exeter Industrial Value Fund V	NA	44.2	-	44.2
Exeter Industrial Value Fund VI	NA	28.5	-	28.5
Exeter Europe Logistics	NA	14.6	-	14.6
Gerrity Retail Fund 2	NA	21.0	-	21.0
GID Mainstay Fund	NA	104.7	-	104.7
Heitman Asia Pacific Property Investors HAPI	NA	26.0	-	26.0
Heitman HART	NA	7.2	-	7.2
Jadian Real Estate Fund II	NA	5.1	-	5.1
Jamestown Premier	NA	17.5	-	17.5
Kayne Anderson Core Real Estate Fund KACORE	NA	76.2	-	76.2
LBA Logistics Value Fund VII	NA	33.4	-	33.4
LBA Logistics Fund IX	NA	45.3	-	45.3
MetLife Core Property Fund	NA	126.8	-	126.8
NREP Nordic Strategies Fund IV	NA	22.4	-	22.4
Oaktree Real Estate Opportunities Fund VIII	NA	31.8	-	31.8
Principal Data Center Growth & Income Fund, LP	NA	34.9	-	34.9
Principal Green I	NA	-	-	-
Principal US Core USPA	NA	96.6	-	96.6
Prudential PRISA	NA	76.8	-	76.8
RREEF Core Plus Industrial Fund	NA	96.1	-	96.1
Rothschild Five Arrows Realty V (Almanac)	NA	0.0	-	0.0
Starwood Opportunity Fund IX	NA	2.7	-	2.7
Standard Life Investments European Real Estate Club	NA	-	-	-
Standard Life Investments European Real Estate Club II	NA	0.0	-	0.0
Stockbridge Real Estate Fund II	NA	0.4	-	0.4
TPG Real Estate Partners IV	NA	19.0	-	19.0
Unico Core Plus Partners	NA	6.9	-	6.9
Unico Partners I	NA	-	-	-
WCP NewCold Fund III	NA	32.7	-	32.7
Wolff Credit Fund III	NA	21.0	-	21.0
<b>Total</b>		<b>1,537.2</b>	<b>-</b>	<b>1,537.2</b>

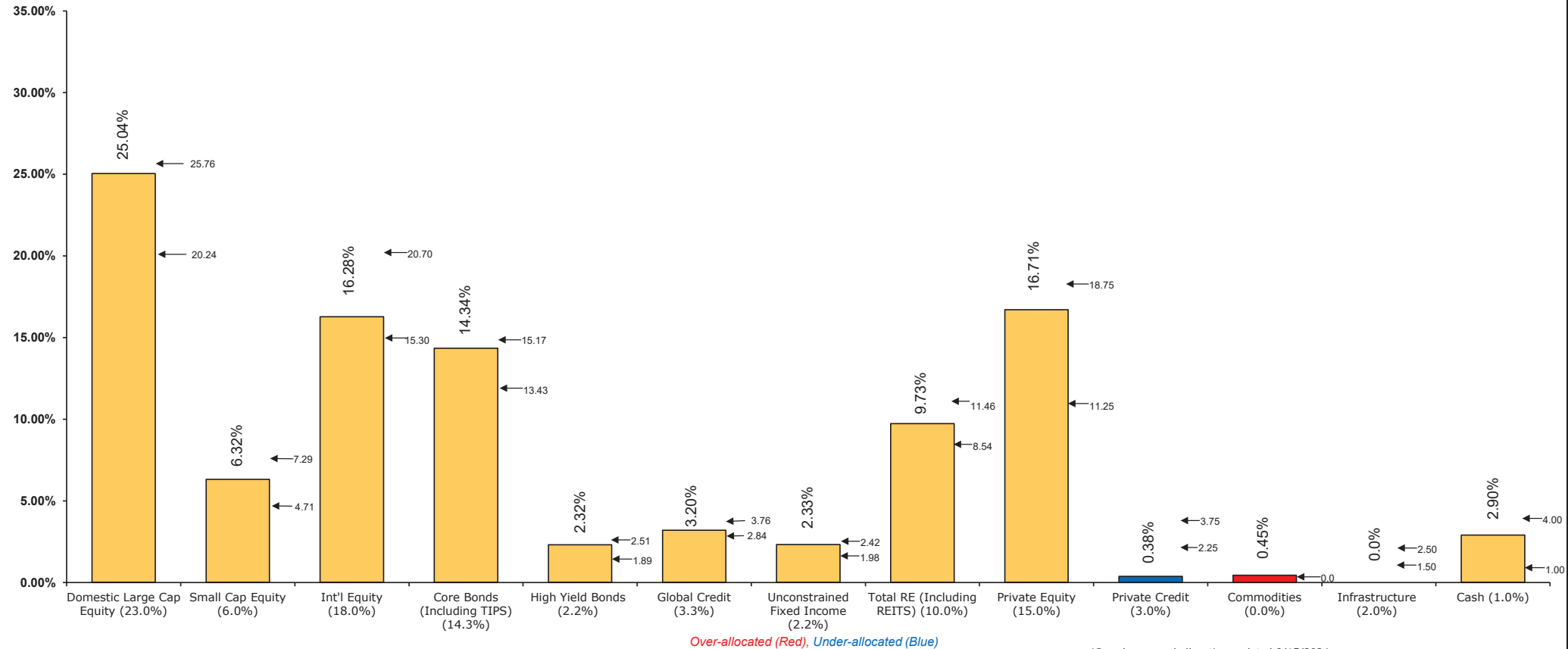
SEPARATE ACCOUNT PROPERTIES	EQUITY	POOLED	CASH	TOTAL
AEW (Heitman) - 121 W. Chestnut	57.7	NA	-	57.7
AEW (Heitman) - Sea Isle	56.9	NA	-	56.9
AEW (Heitman) - Twin Creeks Village	-	NA	-	-
AEW (Sentinel) - Aerial Center Executive Park	41.1	NA	-	41.1
AEW (Sentinel) - Northpointe Executive Park	-	NA	-	-
AEW (Sentinel) - Town Center	63.0	NA	-	63.0
AEW (Sentinel) - Walmart Building at Water Ridge	0.0	NA	-	0.0
AEW (Sentinel) - Windward Place	60.1	NA	-	60.1
AEW - Bar W Marketplace	65.8	NA	-	65.8
AEW - I-4 Logistics Center	34.3	NA	-	34.3
AEW - Lockwood Glen Apartments	45.5	NA	-	45.5
AEW - Sycamore Hills Plaza	34.0	NA	-	34.0
<b>Real Estate Managers Total Committed</b>				
<b>AEW [Heitman, Sentinel (Urdang)]</b>				<b>458.5</b>
<b>Neptune Building</b>	21.1	NA	-	21.1
<b>Total</b>				<b>479.6</b>





# Los Angeles Fire and Police Pensions

## Portfolio Allocation





# Los Angeles Fire and Police Pensions

## Preliminary Return Information as of December 31, 2024

Manager	1-month	3-month	1-year	3-years	5-years	FYTD
<b>Total Fund</b>	-2.38 %	-1.48 %	8.72 %	2.58 %	7.98 %	3.65 %
S & P 500 Index	-2.38 %	2.41 %	25.02 %	8.94 %	14.53 %	8.44 %
<b>Total Equity<sup>1</sup></b>	-3.54 %	-1.85 %	14.94 %	5.06 %	10.11 %	5.37 %
S & P 500 Index	-2.38 %	2.41 %	25.02 %	8.94 %	14.53 %	8.44 %
<b>Total Domestic Equity</b>	-4.24 %	1.67 %	20.25 %	6.75 %	13.08 %	8.08 %
Russell 3000 Index	-3.06 %	2.63 %	23.81 %	8.01 %	13.86 %	9.03 %
<b>Total Large Cap Equity</b>	-3.25 %	2.11 %	22.56 %	7.84 %	13.96 %	8.40 %
S & P 500 Index	-2.38 %	2.41 %	25.02 %	8.94 %	14.53 %	8.44 %
<b>Total Small Cap</b>	-8.09 %	-0.06 %	11.38 %	2.44 %	9.40 %	6.86 %
Russell 2000 Index	-8.26 %	0.33 %	11.54 %	1.24 %	7.40 %	9.64 %
<b>Total International Equity</b>	-2.12 %	-8.16 %	5.50 %	1.97 %	5.09 %	0.36 %
MSCI ACWI ex-US	-1.91 %	-7.50 %	6.09 %	1.35 %	4.61 %	0.05 %
<b>Total International Developed Markets</b>	-2.12 %	-8.16 %	5.52 %	2.71 %	5.56 %	0.36 %
MSCI ACWI ex-US	-1.91 %	-7.50 %	6.09 %	1.35 %	4.61 %	0.05 %
<b>Total Fixed Income<sup>2</sup></b>	-1.41 %	-2.21 %	2.86 %	-0.71 %	2.16 %	2.43 %
Bloomberg Barclays Universal	-1.51 %	-2.73 %	2.04 %	-1.95 %	0.06 %	2.32 %
<b>Total Core Fixed Income</b>	-2.31 %	-3.88 %	0.67 %	-3.64 %	0.15 %	1.68 %
Bloomberg Barclays Aggregate	-1.64 %	-3.06 %	1.25 %	-2.41 %	-0.33 %	1.98 %
<b>Total High Yield</b>	-0.31 %	0.29 %	7.60 %	4.04 %	4.94 %	4.26 %
LAFPP HY Benchmark <sup>3</sup>	-0.43 %	0.16 %	8.20 %	2.92 %	4.03 %	5.44 %
<b>Total Global Credit</b>	-1.01 %	-1.40 %	5.16 %	N/A	N/A	3.57 %
Loomis Global Credit Blend	-0.85 %	-0.90 %	5.47 %	N/A	N/A	3.83 %
<b>Total REITs<sup>4</sup></b>	-7.67 %	-8.50 %	5.04 %	-4.20 %	3.09 %	6.19 %
LAFPP REIT Benchmark <sup>5</sup>	-7.46 %	-8.80 %	3.48 %	-4.66 %	1.65 %	6.31 %
<b>Other Public Commodities</b>	0.33 %	-7.22 %	-2.53 %	N/A	N/A	2.16 %
Bloomberg Commodities Index TR	1.02 %	-0.45 %	5.38 %	4.05 %	6.77 %	0.23 %

### 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.

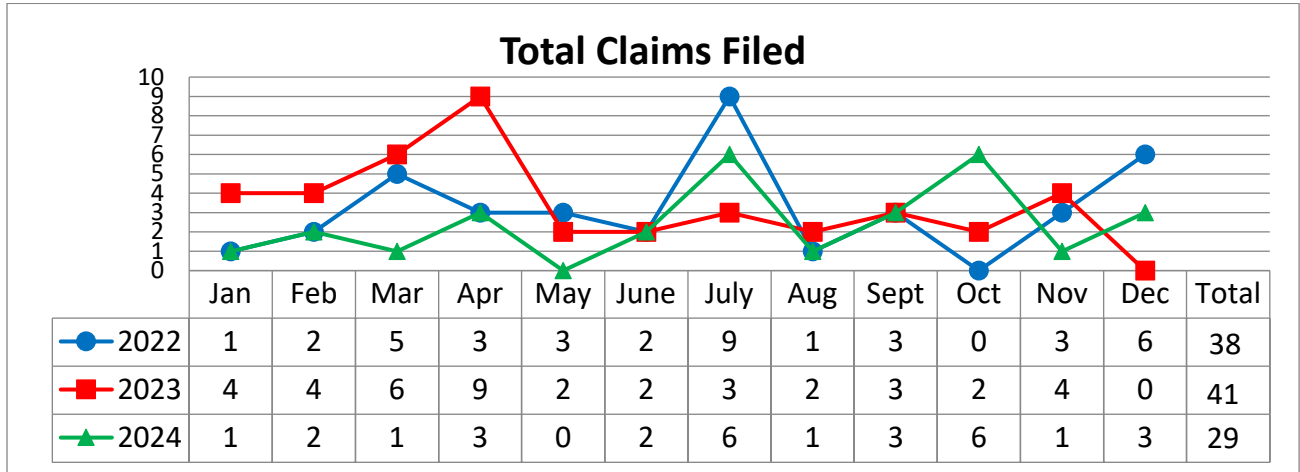
<sup>4</sup> Total REITs : Does not include Private Real Estate

<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.

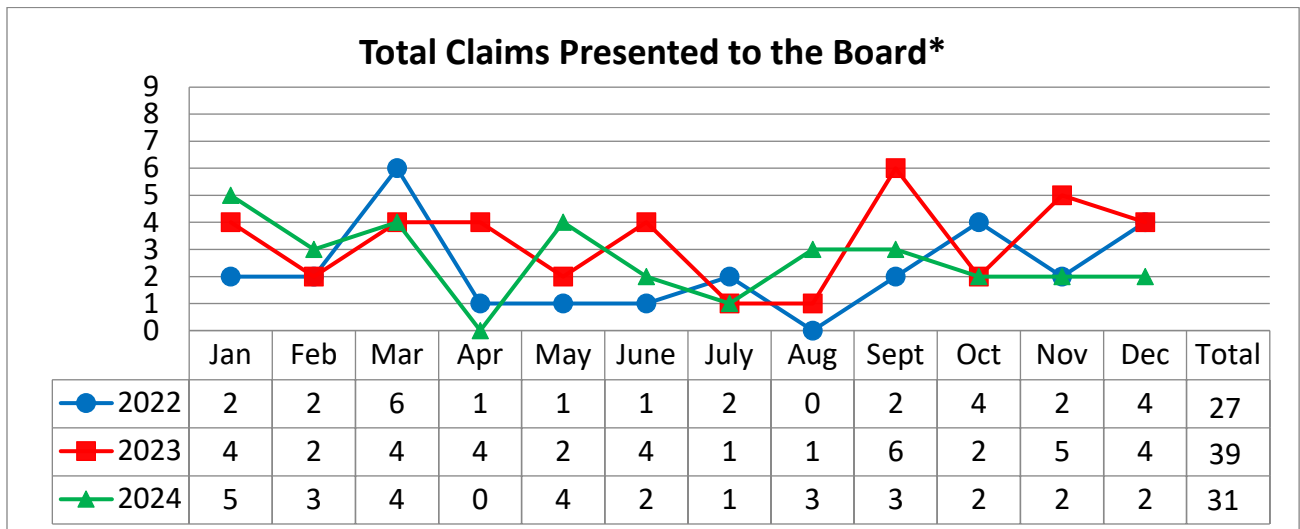
## PENSIONS DIVISION

(Data through December 31, 2024)

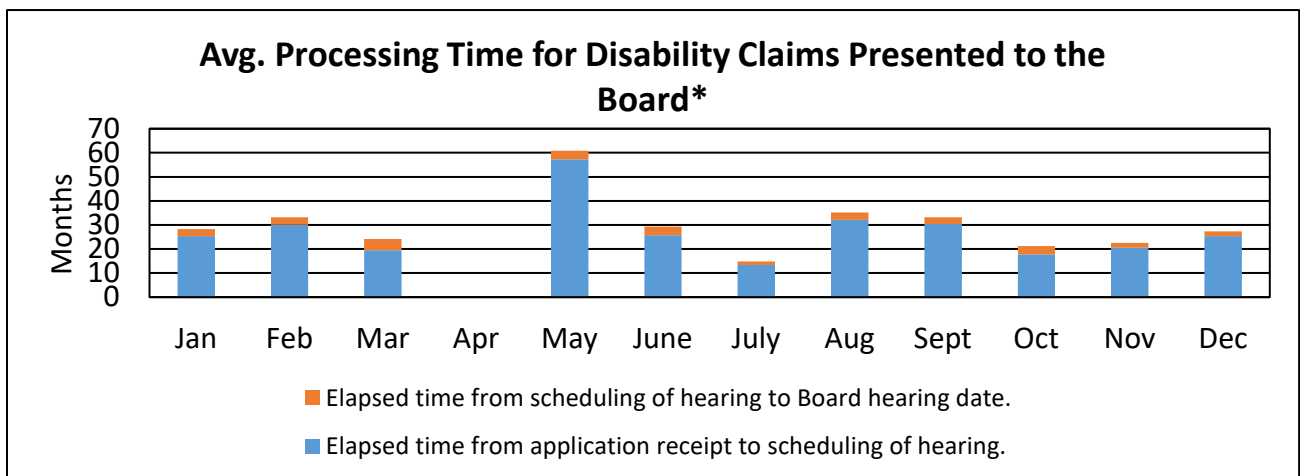
### DISABILITY PENSIONS



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

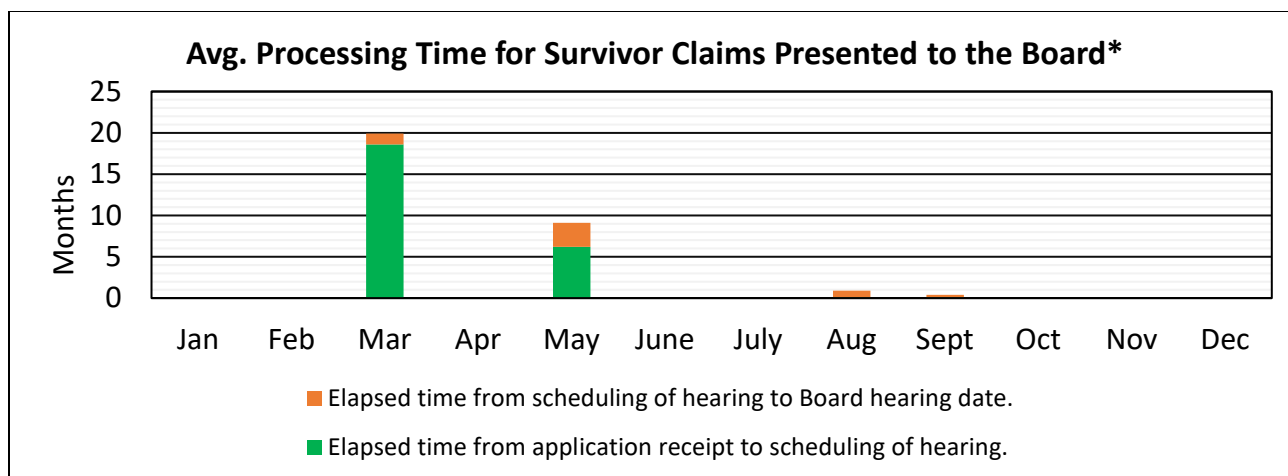


\*Claims for Disability, Active Member Death, and Dependent Child/Parent benefits.



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

## PENSIONS DIVISION



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

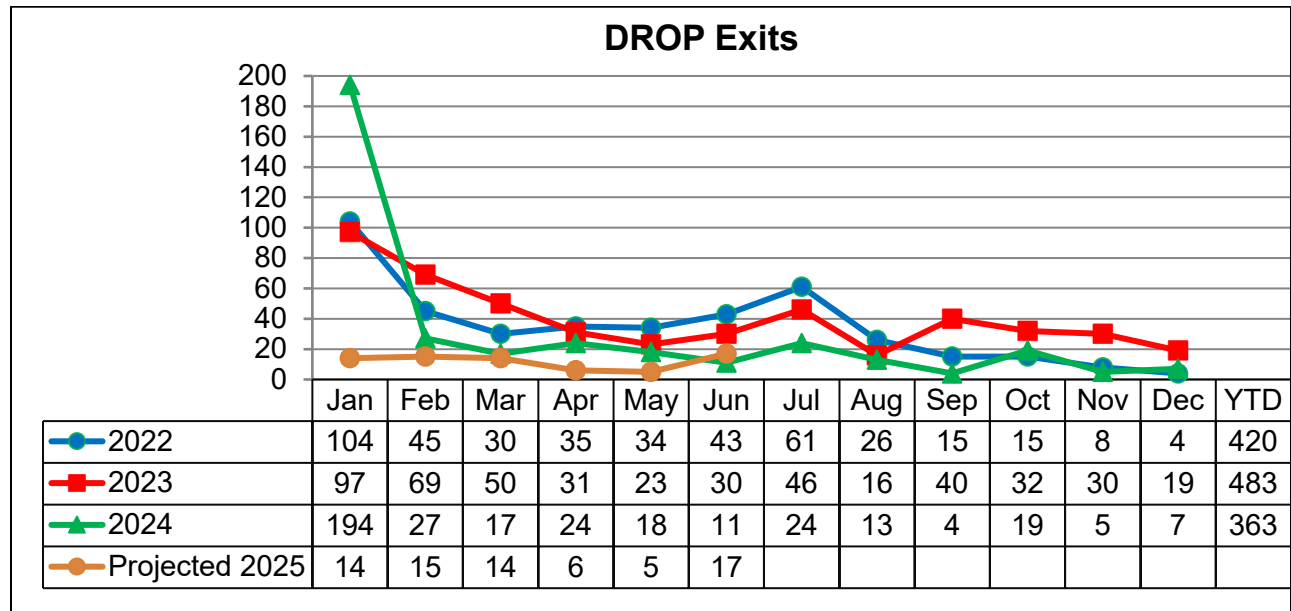
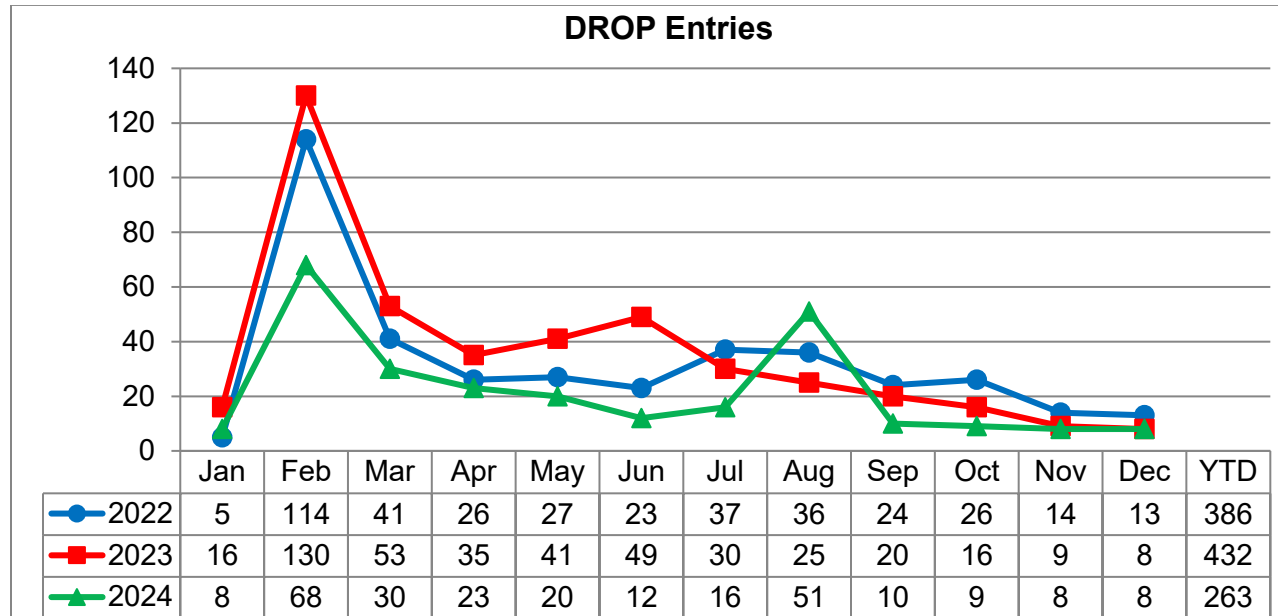
PENDING CLAIMS BY YEAR FILED	FIRE	POLICE	HARBOR	AIRPORT	TOTAL
<b>2021</b>					
Dependent Child/Parent	0	0	0	0	0
Surviving Spouse/Domestic Partner/Minor Children	0	0	0	0	0
Disability (New/Review)	1	1	0	0	2
<b>2022</b>					
Dependent Child/Parent	0	0	0	0	0
Surviving Spouse/Domestic Partner/Minor Children	0	0	0	0	0
Disability (New/Review)	2	12	0	0	14
<b>2023</b>					
Dependent Child/Parent	0	0	0	0	0
Surviving Spouse/Domestic Partner/Minor Children	1	3	0	0	4
Disability (New/Review)	4	16	0	0	20
<b>2024</b>					
Dependent Child/Parent	0	1	0	0	1
Surviving Spouse/Domestic Partner/Minor Children	0	2	0	0	2
Disability (New/Review)	7	17	1	0	25
<b>TOTAL</b>	<b>15</b>	<b>52</b>	<b>1</b>	<b>0</b>	<b>68</b>

CURRENT STATUS OF PENDING CLAIMS	
Collecting/Reviewing records	27
Manager reviewing admin file / creating appendix	10
Medical Desk (pension physician appointments and reports)	19
Board Package (Board report, pension physician reports, and admin file)	10
Ready to schedule for Board hearing	0
Case on hold (pending surgery / litigation / WC hearing)	2
<b>TOTAL</b>	<b>68</b>

## PENSIONS DIVISION

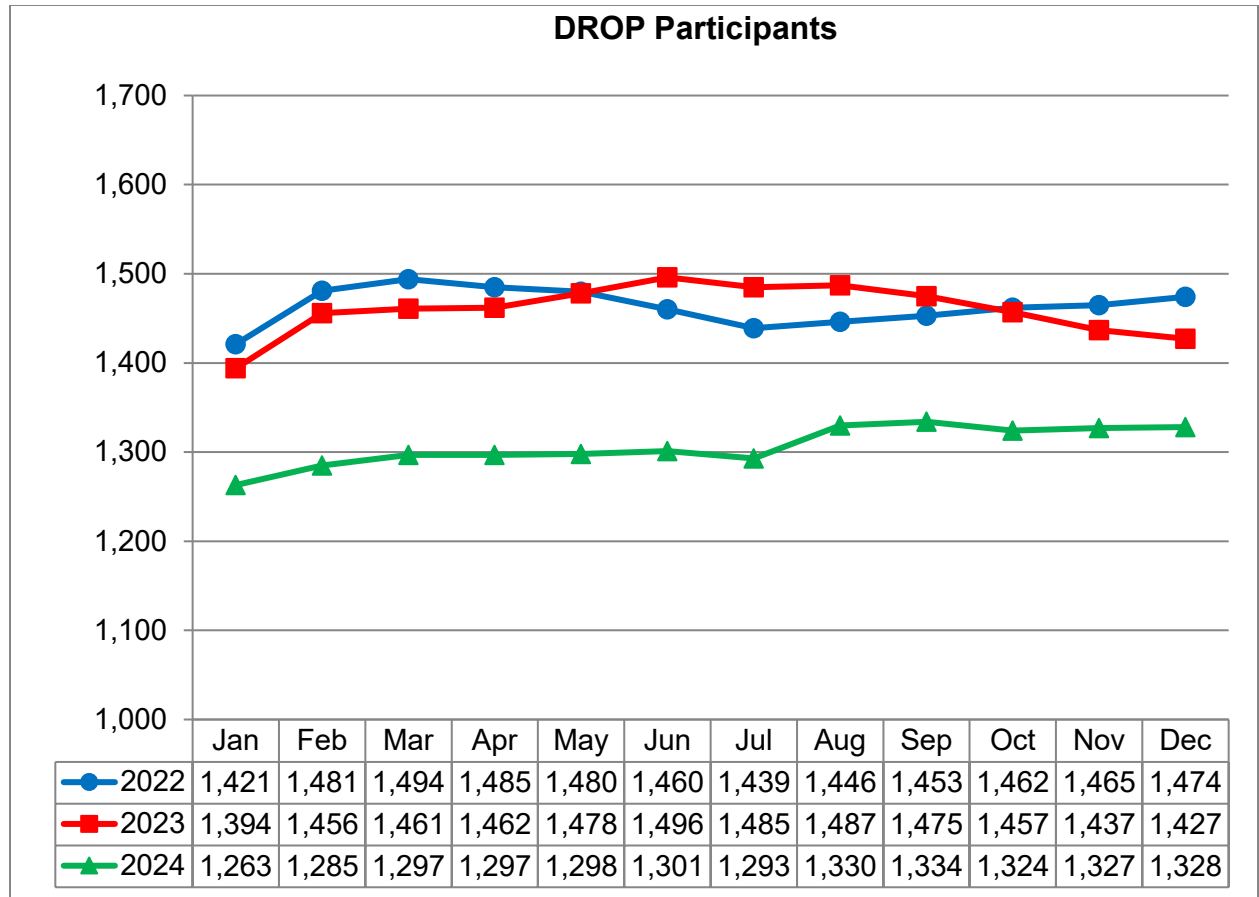
### DROP/SERVICE PENSIONS

\*Data may change due to timing of processing transactions.



NOTE: Projected DROP Exit numbers reflect mandatory exits only.

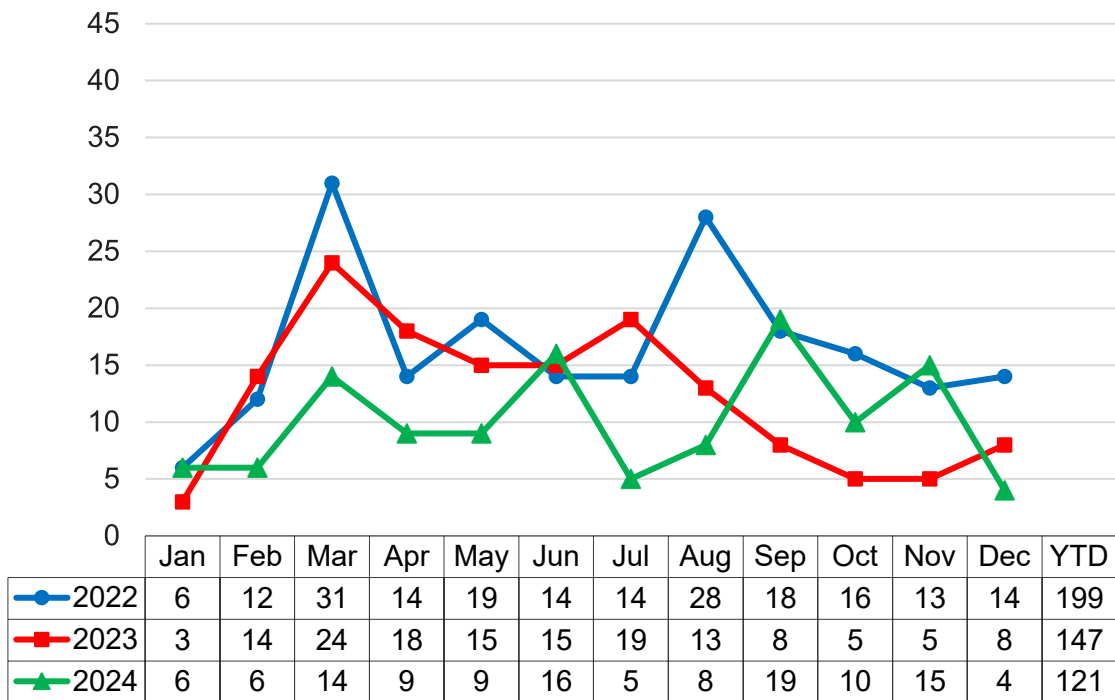
## PENSIONS DIVISION



DROP Participants by Department												
2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fire	179	190	190	193	197	198	195	195	194	194	197	195
Police	1,083	1,094	1,106	1,103	1,100	1,102	1,097	1,134	1,139	1,129	1,129	1,132
Harbor	1	1	1	1	1	1	1	1	1	1	1	1
Airport	0	0	0	0	0	0	0	0	0	0	0	0

## PENSIONS DIVISION

### Service Pensions (by Approval Date)



### Service Pensions by Department

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fire	1	0	3	0	0	5	1	2	0	1	3	0
Police	5	6	11	9	9	11	4	6	19	9	12	4
Harbor	0	0	0	0	0	0	0	0	0	0	0	0
Airport	0	0	0	0	0	0	0	0	0	0	0	0

## PENSIONS DIVISION

### SURVIVORSHIP PENSIONS

	Current Month	Fiscal Year To Date	12 Month Moving Avg.
Surviving Spouse/Domestic Partner Pension Applications Processed	15	97	17
Survivor Benefit Purchase Program	2	8	2

### ACTIVE MEMBER SERVICES

	Current Month	Fiscal Year To Date	12 Month Moving Avg.
<b>New Members Enrolled in the Plan</b>			
Fire	49	101	19
Police	20	103	25
Harbor	1	5	1
Airport	0	8	1
<b>Basic Training Purchases (completed)</b>			
Fire	6	33	6
Police	22	104	15
Harbor	0	1	0
Airport	0	1	0
<b>Public Service Purchases (PSP)</b>			
Completed Purchases	0	2	0
Avg. Years of Service (YOS) Purchased	0	1.64	1.26
Avg. Cost per YOS Purchased	0	\$63,395	\$72,866
<b>Refund of Contributions</b>			
Fire	4	17	3
Police	4	33	7
Harbor	0	0	0
Airport	0	3	1



## PENSIONS DIVISION

### MEMBER OUTREACH ACTIVITIES

Date	Type of Outreach	Number of Participants	Tier
12/03/2024	LAFD Benefits Presentation – Drill Tower 81	22	Multiple
12/04/2024	LAFD Benefits Presentation – FS 83A	6	Multiple
12/10/2024	LAFD Benefits Presentation – FS 87C	19	Multiple
12/11/2024	Financial Planning Education Seminar – DROP Exit	60	Multiple
12/12/2024	Benefits Information Webinar – “Health Benefits in Retirement”	15	Multiple
12/17/2024	LAFD Benefits Presentation – FS 105C	13	Multiple
12/18/2024	Benefits Information Webinar – “Understanding Your Plan”	10	Multiple
12/19/2024	LAFD Benefits Presentation – FS 78C	11	Multiple
12/19/2024	Benefits Information Webinar – “Service Retirement and DROP Entry”	11	Multiple
12/20/2024	Recruit Talk – LAPD	24	Tier 6
<b>Upcoming Events</b>			
01/09/2025	Presentation: LAPD Wellness Day – Central Area Training	TBD	Multiple

Outreach Activity Totals		
	Current Month	Fiscal Year to Date
Members Reached	191	2,025
-# of Recruit Talks	1	9
-# of Financial Planning Education Seminars (live)	1	4
-# of Financial Planning Education Webinars (virtual)	0	1
-# of Benefits Information Webinars (virtual)	3	15
-# of Other Outreach Events	5	42

### NEW PROJECTS

#### OVERDEDUCTION OF 2% OPT-IN CONTRIBUTIONS

Members of Tiers 2, 3, 4, and 5 who enter DROP, take a Service Retirement, or take a Nonservice-Connected Disability Retirement on or after July 15, 2011, are subject to a freeze on their retiree health subsidy unless they agreed to make additional pension contributions of 2% of base pay.

Since the implementation of Workday (the City's new human resources and payroll system) in June of 2024, members who opted in to make the additional 2% pension contributions have been overcharged for these contributions on any retroactive pay they

have received. The Controller's Office has provided LAFPP with a report of those members who received retro pay since the implementation of Workday and who had 2% additional pension contributions taken. According to the report, there are 1,939 potential cases of over deductions for the additional 2% pension contributions.

Staff has asked the Controller's Office, ITA, and Workday if a fix for these over deductions will be provided. If an automated fix for these over deductions is not provided, LAFPP staff will need to manually refund members for over deductions on the 2% additional contributions. Staff estimates it would take between four and six months to process these refunds if they must be issued manually. It is noted that this Workday programming error has been corrected on a prospective basis.

### **SOCIAL SECURITY FAIRNESS ACT OF 2023**

On January 5, 2024, President Biden signed into law the Social Security Fairness Act of 2023 (H.R. 82), which repeals two long-standing federal laws: the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These provisions reduced Social Security payments for recipients of other benefits such as a pension from state or local government, impacting almost three million individuals, including some LAFPP retirees and beneficiaries.

WEP and GPO are federal laws that reduce Social Security benefits for individuals who also receive a pension from work not covered by Social Security, such as City of Los Angeles employees. The WEP provision affects individuals who qualify for Social Security benefits through other jobs covered by Social Security but also earn a pension from non-covered employment (e.g., LAFPP members). Under WEP, Social Security benefits are typically reduced by about 50%, although they cannot be reduced to zero. The GPO provision applies to individuals who qualify for spousal Social Security benefits and also earn a pension from non-covered employment. The GPO reduces benefits up to a certain amount, often eliminating the spousal benefit entirely.

It is unclear at this time how quickly the Social Security Administration (SSA) will be able to recalculate benefit amounts for those impacted by WEP and GPO. Individuals who may have seen their Social Security benefits reduced by these provisions are encouraged to speak with an SSA representative.

Staff has posted an article on this change on the LAFPP website and will update or remove any references to WEP and GPO on our website and in the education materials we present to our members.

### **UPDATED PROJECTS**

None.

## **PENSIONS DIVISION**

### **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.

The original 3,000 discrepancies were reduced to less than 40 remaining discrepancies. A majority of the discrepancies were reported early and fixed by their respective personnel sections. The remaining 40 will be addressed with the corresponding departments. Additionally, Workday is working on fixing an issue where pension contributions on Retirement Incentive Program (RIP) 2.0 Bonuses have been taken pre-tax, whereas they should be taken post-tax. Workday has only programmed RIP 2.0 bonuses for employees covered under MOU 24. RIP 2.0 bonuses for employees covered under MOUs 27, 30, 38, 39 and 40 need to be added to Workday, with the proper post-tax coding.

#### **PROPOSED 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 CAO 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

## **PENSIONS DIVISION**

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 Los Angeles City 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.

## ADMINISTRATIVE OPERATIONS DIVISION

### NEW PROJECTS

None.

### UPDATED PROJECTS

#### **2025 ELECTION FOR POLICE DEPARTMENT EMPLOYEE BOARD MEMBER**

LAFPP provides for the regular election of members of the Board in accordance with the City Charter, Los Angeles Administrative Code (LAAC), Division 23, Chapter 5, Articles 5 and 5.5, and Board rules.

The current five-year term for the Police Department Employee Member of the Board expires on June 30, 2025. As such, on October 17, 2024, the Board authorized the 2025 Election for the Police Department Employee Member of the Board to be held on Wednesday, February 26, 2025. The winner of the election will serve a new five-year term beginning July 1, 2025 and ending June 30, 2030.

Staff has worked with the Office of City Clerk – Election Division (Election Division) to prepare the election calendar. Below are upcoming key dates:

February 3, 2025 (Monday)	The Election Division will begin mailing ballots to eligible voters.
February 21, 2025 (Friday)	Deadline for candidates to submit an Observers List to observe the tally in-person or via livestream by emailing Clerk.ElectionAdmin@lacity.org by 5:00 p.m. (PT). Limit of two observers per candidate. Candidates may also observe in addition to the two observers.
<b>February 26, 2025 (Wednesday)</b>	<b>Election Day.</b> All ballots must be received by the Election Division by 5:00 p.m. (PT) to be counted.
February 28, 2025 (Friday)	The ballot tally will take place at the Election Division at 9:00 a.m. (PT).
April 3, 2025 (Thursday)	The certified results of the Election will be presented to the Board.  *Should no candidate receive a majority vote (50% +1 vote), a runoff election is tentatively scheduled for Wednesday, April 23, 2025.

**[Update:** Two (2) Notice of Intent submissions were received by the Election Division. A randomized alphabet drawing to determine the order of names on the ballot was conducted by the Election Division on Friday, December 27, 2024. Results of the randomized alphabet drawing may be obtained by contacting the Election Division at Clerk.ElectionAdmin@lacity.org.]

## ADMINISTRATIVE OPERATIONS DIVISION

### 2025 ELECTION FOR FIRE DEPARTMENT RETIRED BOARD MEMBER

LAFPP provides for the regular election of members of the Board in accordance with the City Charter, Los Angeles Administrative Code (LAAC), Division 23, Chapter 5, Articles 5 and 5.5, and Board rules.

The current five-year term for the Fire Department Retired Member of the Board expires on June 30, 2025. As such, on November 7, 2024, the Board authorized the 2025 Election for the Fire Department Retired Member of the Board to be held on Wednesday, March 12, 2025. The winner of the election will serve a new five-year term beginning July 1, 2025 and ending June 30, 2030.

Staff has worked with the Office of City Clerk – Election Division (Election Division) to prepare the election calendar. Below are upcoming key dates:

January 10, 2025 (Friday)	Deadline for candidates to submit Notice of Intent is extended to Friday, January 10, 2025. All candidate documents must be received by the Election Division by 5:00 p.m. (PT) in order to qualify for the ballot.
January 13, 2025 (Monday)	The randomized drawing using letters of the alphabet to determine the order of names on the ballot will be conducted at the Election Division at 9:00 a.m. (PT). The public may request access to observe the randomized drawing via livestream by emailing Clerk.ElectionAdmin@lacity.org.
February 18, 2025 (Tuesday)	The Election Division will begin mailing ballots to eligible voters.
March 7, 2025 (Friday)	Deadline for candidates to submit an Observers List to observe the tally in-person or via livestream by emailing Clerk.ElectionAdmin@lacity.org by 5:00 p.m. (PT). Limit of two observers per candidate. Candidates may also observe in addition to the two observers.
<b>March 12, 2025 (Wednesday)</b>	<b>Election Day.</b> All ballots must be received by the Election Division, by 5:00 p.m. (PT), to be counted.
March 14, 2025 (Friday)	The ballot tally will take place at the Election Division at 9:00 a.m. (PT).
April 3, 2025 (Thursday)	The certified results of the Election are tentatively scheduled to be presented to the Board.  *Should no candidate receive a majority vote (50% +1 vote), a runoff election is tentatively scheduled for Wednesday, May 7, 2025.

**[Update:** On December 29, 2024, President Biden declared January 9, 2025 to be a National Day of Mourning in honor of former President Carter. The U.S. Postal Service also announced that it would participate in the National Day of Mourning and suspend delivery service. As such, the Office of the City Clerk – Election Division extended the

## **ADMINISTRATIVE OPERATIONS DIVISION**

*deadline to provide completed Notice of Intent packets from January 9, 2025 to January 10, 2025 at 5:00 p.m.*

*Two (2) Notice of Intent submissions were received by the Election Division as of this writing. A randomized alphabet drawing to determine the order of names on the ballot will be conducted by the Election Division on Monday, January 13, 2025. Results of the alphabet drawing may be obtained by contacting the Election Division at Clerk.ElectionAdmin@lacity.org.]*

### **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.

## **ADMINISTRATIVE OPERATIONS DIVISION**

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.

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

## **UNCHANGED PROJECTS**

### **COVID-19 RELATED RESPONSE EFFORTS AND RECONSTITUTION PLAN**

The Mayor declared a Local Emergency on March 4, 2020 due to the COVID-19 pandemic. As of February 2022, the LAFPP building reopened to LAFPP members with appointments and visitors attending LAFPP Board meetings. As of October 2022, the Mayor's Safer L.A. order was revised and updates were made according to the City's COVID-19 workplace safety standards, primarily to indicate masking is optional for City facilities and employees. The state of local emergency for the City was terminated on February 1, 2023 and the Governor terminated the state's COVID-19 State of Emergency on February 28, 2023. LAFPP continues to monitor updated protocols for City offices as issued by public health authorities, the Emergency Management Department, Personnel Department, and City management. Throughout the pandemic, staff has provided bi-weekly COVID-19 response costs to the Office of the City Administrative Officer (CAO) and submitted documentation for potential reimbursement as requested by the City. June 2, 2023 will be the last FEMA and COVID Costs report that departments will need to submit and subsequently, no further cost reports will be required by the CAO.

LAFPP expended a total of \$363,374 for COVID-19 response related efforts (\$238,130 in direct salary costs, \$450 in overtime costs, and the balance of \$124,794 for fees,



## **ADMINISTRATIVE OPERATIONS DIVISION**

equipment, and supplies). To date, the City has reimbursed LAFPP for its DSW related costs (direct and indirect salary costs), totaling \$115,938. The Office of the CAO indicated that only costs associated with purchasing personal protective equipment (\$20,836) are eligible for reimbursement and it may be years before reimbursements are fully reviewed and approved by FEMA.

The City's 2023-24 Adopted Budget includes an appropriation of \$41.731 million in the Unappropriated Balance which was an increase of \$14.731 million from the Mayor's 2023-24 Proposed Budget for FEMA reimbursements. Staff reached out to the CAO at the end of November 2023 regarding an update on the remaining eligible reimbursements (\$20,836) and were told that their office is currently working on specifics and questions with FEMA on all projects, but they do not expect a reimbursement from FEMA in fiscal year 2024 for LAFPP.

In April 2024, the CAO directed proprietary departments to review preliminary estimates of reimbursement for COVID-19 response and reconstitution. Staff's review identified \$20,550 in remaining eligible reimbursements and request for reimbursement was sent to the CAO in May 2024. In June 2024, the CAO responded that a recommendation to reimburse LAFPP for \$20,550 is in progress. Staff will continue to monitor and report back when funds are received.

**DEPARTMENT OF FIRE AND POLICE PENSIONS**  
**BUDGET TO ACTUAL - RECEIPTS AND EXPENSES**  
**As of December 31, 2024 (50.0% of fiscal year)**

	(A)	(B)	(C)	(D)	(E)
	MODIFIED BUDGET	ACTUAL YEAR TO DATE	YEAR END PROJECTIONS	DIFFERENCE (UNDER) / OVER PROJECTED (C - A = D)	VARIANCE % (D / A = E)
<b>RECEIPTS</b>					
<i>Pension</i>					
General Fund <sup>1</sup>	481,053,148	481,053,148	481,053,148	-	0.0%
Less: Excess Benefit Plan <sup>1</sup>	(1,601,119)	(1,601,119)	(1,601,119)	-	0.0%
Special Fund (Harbor)	4,345,066	4,345,066	4,345,066	-	0.0%
Special Fund (Airports)	3,161,138	3,161,138	3,161,138	-	0.0%
<i>Subtotal Pension</i>	<u>\$ 486,958,233</u>	<u>\$ 486,958,233</u>	<u>\$ 486,958,233</u>	<u>\$ -</u>	<u>0.0%</u>
<i>OPEB</i>					
General Fund	178,994,992	178,994,992	178,994,992	-	0.0%
Special Fund (Harbor)	1,234,960	1,234,960	1,234,960	-	0.0%
Special Fund (Airports)	1,419,752	1,419,752	1,419,752	-	0.0%
<i>Subtotal OPEB</i>	<u>\$ 181,649,704</u>	<u>\$ 181,649,704</u>	<u>\$ 181,649,704</u>	<u>\$ -</u>	<u>0.0%</u>
Total City Contribution - to LAFPP	<u>\$ 668,607,937</u>	<u>\$ 668,607,937</u>	<u>\$ 668,607,937</u>	<u>\$ -</u>	<u>0.0%</u>
Member Contributions <sup>2</sup>	180,608,580	83,227,934	172,464,000	(8,144,580)	(4.5%)
Earnings on Investments <sup>3</sup>	585,000,000	371,252,990	585,000,000	-	0.0%
Miscellaneous <sup>4</sup>	500,000	294,842	590,000	90,000	18.0%
Total Receipts	<u>\$ 1,434,716,517</u>	<u>\$ 1,123,383,703</u>	<u>\$ 1,426,661,937</u>	<u>\$ (8,054,580)</u>	<u>(0.6%)</u>
<b>EXPENSES</b>					
<i>Pension Benefits</i>					
Service Pensions	1,062,000,000	511,020,909	1,021,781,000	(40,219,000)	(3.8%)
Service Pensions - DROP Distributions	115,400,000	29,911,376	96,248,000	(19,152,000)	(16.6%)
Disability Pensions	113,000,000	56,663,412	112,899,000	(101,000)	(0.1%)
Surv. Spouse/Domestic Partner Pensions	173,000,000	83,746,660	167,248,000	(5,752,000)	(3.3%)
Minor / Dependent Pensions	3,400,000	1,969,213	4,173,000	773,000	22.7%
Refund of Contributions	10,100,000	3,482,847	7,738,000	(2,362,000)	(23.4%)
<i>Subtotal Pension Benefits</i>	<u>\$ 1,476,900,000</u>	<u>\$ 686,794,417</u>	<u>\$ 1,410,087,000</u>	<u>\$ (66,813,000)</u>	<u>(4.5%)</u>
<i>OPEB</i>					
Health Insurance Premium Subsidy	162,000,000	75,325,834	151,534,000	(10,466,000)	(6.5%)
Dental Insurance Premium Subsidy	5,400,000	2,464,096	4,931,000	(469,000)	(8.7%)
Medicare Reimbursement	17,000,000	7,908,796	15,584,000	(1,416,000)	(8.3%)
Health Insurance Premium Reimbursement	2,000,000	888,473	1,866,000	(134,000)	(6.7%)
<i>Subtotal OPEB</i>	<u>\$ 186,400,000</u>	<u>\$ 86,587,199</u>	<u>\$ 173,915,000</u>	<u>\$ (12,485,000)</u>	<u>(6.7%)</u>
Total Benefits Expenses	<u>\$ 1,663,300,000</u>	<u>\$ 773,381,616</u>	<u>\$ 1,584,002,000</u>	<u>\$ (79,298,000)</u>	<u>(4.8%)</u>
Investment Management Expense	165,350,675	14,735,364	165,350,675	-	0.0%
Administrative Expense <sup>5</sup>	31,114,550	16,854,421	30,397,030	(717,520)	(2.3%)
Total Expenses	<u>\$ 1,859,765,225</u>	<u>\$ 804,971,401</u>	<u>\$ 1,779,749,705</u>	<u>\$ (80,015,520)</u>	<u>(4.3%)</u>
<b>RECEIPTS OVER EXPENSES<sup>6</sup></b>	<u>\$ (425,048,708)</u>	<u>\$ 318,412,302</u>	<u>\$ (353,087,768)</u>	<u>\$ 71,960,940</u>	<u>(16.9%)</u>
	<u>CURRENT MONTH</u>	<u>YTD MOVING AVERAGE</u>			
<b>PENSION PAYROLL</b>	<u>\$ 129,357,797</u>	<u>\$ 128,316,462</u>			

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

<sup>2</sup> Actual Year to Date includes contributions from Pay Period Ending June 29, 2024 through Pay Period Ending December 14, 2024, and revenue from member buybacks through December 31, 2024.

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

<sup>4</sup> Reflects miscellaneous receipts from various sources.

<sup>5</sup> Actual Year to Date reflects Year-to-Date commitments which include encumbrances and expenditures.

<sup>6</sup> Figures may be rounded.

DEPARTMENT OF FIRE AND POLICE PENSIONS  
BUDGET TO ACTUAL - ADMINISTRATIVE & INVESTMENT MANAGEMENT EXPENSES  
As of December 31, 2024 (50.0% of fiscal year)

ADMINISTRATIVE EXPENSE	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
			MODIFIED	YEAR TO DATE	REMAINING	YEAR END	DIFFERENCE	VARIANCE
	ADOPTED	BUDGET	BUDGET	TOTAL	BALANCE	PROJECTED	(UNDER) / OVER	% <sup>2</sup>
ACCOUNT TITLE	BUDGET	CHANGES	(A + B = C)	COMMITTED <sup>1</sup>	(C - D = E)	EXPENSES	(F - C = G)	(G / C = H)
Salaries - General <sup>3, 4</sup>	17,507,000	(128,100)	17,378,900	6,676,297	10,702,603	16,834,000	(544,900)	(3.1%)
Salaries - As-Needed <sup>3, 4</sup>	204,600	128,100	332,700	133,223	199,477	332,700	-	0.0%
Overtime	102,500	-	102,500	24,791	77,709	100,280	(2,220)	(2.2%)
Printing and Binding	38,000	-	38,000	25,000	13,000	38,000	-	0.0%
Travel Expense	142,300	-	142,300	24,017	118,283	142,300	-	0.0%
Contractual Expense	4,699,500	-	4,699,500	2,528,128	2,171,372	4,699,500	-	0.0%
Transportation	6,000	-	6,000	2,500	3,500	6,000	-	0.0%
Medical Services	400,000	-	400,000	300,000	100,000	400,000	-	0.0%
Health Insurance	2,033,000	-	2,033,000	2,033,000	-	1,893,000	(140,000)	(6.9%)
Dental Insurance	59,000	-	59,000	59,000	-	54,000	(5,000)	(8.5%)
Other Employee Benefits	47,000	-	47,000	47,000	-	45,000	(2,000)	(4.3%)
Retirement Contribution	4,738,000	-	4,738,000	4,715,171	22,829	4,725,200	(12,800)	(0.3%)
Medicare Contribution	261,000	-	261,000	-	261,000	250,400	(10,600)	(4.1%)
Election Expense	97,000	-	97,000	-	97,000	97,000	-	0.0%
Office and Administrative Expense	717,650	-	717,650	286,294	431,356	717,650	-	0.0%
Furniture, Office & Technology	55,000	-	55,000	-	55,000	55,000	-	0.0%
Unappropriated Balance	-	-	-	-	-	-	-	--
Tuition Reimbursement	7,000	-	7,000	-	7,000	7,000	-	0.0%
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>\$ 31,114,550</b>	<b>\$ -</b>	<b>\$ 31,114,550</b>	<b>\$ 16,854,421</b>	<b>\$ 14,260,129</b>	<b>\$ 30,397,030</b>	<b>\$ (717,520)</b>	<b>(2.3%)</b>
<b>TOTAL INVESTMENT MANAGEMENT EXPENSE</b>	<b>\$ 165,350,675</b>	<b>\$ -</b>	<b>\$ 165,350,675</b>	<b>\$ 14,735,364</b>	<b>\$ 150,615,311</b>	<b>\$ 165,350,675</b>	<b>\$ -</b>	<b>0.0%</b>

<sup>1</sup> Year to Date Total Committed includes encumbrances and expenditures.

<sup>2</sup> Percentage difference between Year End Projected Expenses and the Adjusted Budget.

<sup>3</sup> Year to Date Total Committed includes partial Pay Period 1 (July 1 - 13, 2024) through Pay Period Ending December 14, 2024.

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

**DEPARTMENT OF FIRE AND POLICE PENSIONS**  
**Active, Expired, and Upcoming Contracts**  
**December 31, 2024**

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	
INVESTMENTS								
SEARCH	Core Fixed Income Active Manager Search	TBD	TBD	04/18/24	04/18/24	02/06/25		On 04/18/24 the Board approved the minimum qualifications for Core Fixed Income Active Manager search. Finalist list is scheduled to be presented to the Board on 02/06/25.
735PEN	Northern Trust Company (Custodian Bank)	10/01/19	09/30/24				07/18/24	On 07/18/24, the Board approved a five-year contract extension through 09/30/29 with Northern Trust Company. Contract amendment is pending.
741PEN	AllianceBernstein, L.P. (Domestic Equity)	01/01/20	12/31/24					On 11/03/22, the Board approved new contract no. 794PEN with AllianceBernstein, L.P. Contract will not be renewed.
786PEN	Glass, Lewis, & Co., LLC (Proxy Voting Services)	01/01/22	12/31/24				10/17/24	On 10/17/24, the Board approved a five-year contract extension through 12/31/29 with Glass, Lewis, & Co., LLC. Contract amendment is pending.
748PEN	Eastern Shore Capital Management (Domestic Equity)	05/01/20	04/30/25	02/01/25				Staff recommendation to the Board is tentatively scheduled for 02/06/25.
749PEN	Lisanti Capital Growth, LLC (Domestic Equity)	05/01/20	04/30/25	02/01/25				Staff recommendation to the Board is tentatively scheduled for 02/20/25.
768PEN	Principal Global Investors, LLC (International Equity)	05/01/21	04/30/25	02/01/25				Staff recommendation to the Board is tentatively scheduled for 03/06/25.
729PEN	Palisade Capital Management, LLC (Small Cap Equity) (Domestic Equity)	07/01/19	06/30/25					
730PEN	Pacific Investment Management Company, LLC (PIMCO) (Domestic Equity)	08/01/19	07/31/25					
791PEN	Loomis, Sayles & Co., LP (Global Credit Investment Manager)	08/01/22	07/31/25					
793PEN	Scout Investments, Inc. - Reams Asset Management Division (Fixed Income - TIPS)	09/01/22	08/31/25					
775PEN	Channing Capital Management, LLC (Domestic Equity)	10/01/21	09/30/25					
780PEN	GIA Partners, LLC (Domestic Fixed Income)	10/01/21	09/30/25					
736PEN	Boston Partners, Inc. (Domestic Equity)	11/01/19	10/31/25					
739PEN	Principal Real Estate Investors, LLC (Global REIT Manager)	12/01/19	11/30/25					
740PEN	Principal Real Estate Investors, LLC (U.S. REIT Manager)	12/01/19	11/30/25					
747PEN	Denali Advisors, LLC (Domestic Equity)	05/01/20	04/30/26					
800PEN	StepStone LLC (Private Credit Consultant)	06/01/23	05/31/26					
801PEN	MacKay Shields, LLC (Fixed Income - High Yield Bond)	07/01/23	06/30/26					
804PEN	Brandes Investment Partners, LP (International Equity)	08/01/23	07/31/26					
805PEN	Payden & Rygel (Unconstrained Fixed Income Manager)	08/01/23	07/31/26					
806PEN	Scout Investments, Inc. - Reams Asset Management Division (Unconstrained Fixed Income Manager)	08/01/23	07/31/26					
755PEN	AllianceBernstein, L.P. (Domestic Equity)	10/01/20	09/30/26					
756PEN	Westwood Management Corp. (Domestic Equity)	10/01/20	09/30/26					
777PEN	PHOCAS Financial Corporation (Domestic Equity)	10/01/21	09/30/26					
802PEN	Portfolio Advisors, LLC (Private Equity)	10/01/23	09/30/26					
803PEN	Portfolio Advisors, LLC (Private Equity - Specialized Manager)	10/01/23	09/30/26					
813PEN	Cohen & Steers Capital Management, Inc. (Real Estate Investment Trust Manager (Active))	01/01/24	12/31/26					

**DEPARTMENT OF FIRE AND POLICE PENSIONS**  
**Active, Expired, and Upcoming Contracts**  
**December 31, 2024**

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	
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					
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					
721PEN	RVK, Inc. (General Investment Consultant)	03/01/19	02/28/29					
<b>ADMINISTRATIVE OPERATIONS</b>								
824PEN	Segal Select Insurance Services, Inc. (Cyber Liability and D&O Insurance)	11/01/24	10/31/25				09/05/24	On 09/05/24, the Board approved a one-year sole-source contract through 10/31/25 with Segal Select Insurance Services, Inc. Contract has been executed.
789PEN	DePasquale, Kelley & Company (Property Tax Consultant)	01/17/22	01/16/25					Contract is no longer required and will be terminated at expiration.
792PEN	Total Commercial Real Estate, Inc. (Property Management Services - Neptune)	07/01/22	06/30/25					
815PEN	Haworth, Inc. (HQ Furniture)	01/01/24	12/31/26					
<b>ADMINISTRATIVE SERVICES</b>								
808PEN	Stericycle, Inc. (Shred-It) (Secure Document Shredding Services)	02/01/24	01/31/25					On 12/27/24, the General Manager approved a one-year contract extension through 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					
<b>CITY ATTORNEY'S OFFICE</b>								
RFP	Outside Data Privacy, Health Law, and Cybersecurity Counsel	tbd	tbd		03/16/23	11/02/23	11/02/23	On 11/02/23, the Board approved seven new three-year contracts through 11/30/26. Four contracts have been executed. 5) Foley & Lardner, LLP and 6) Nossaman LLP contracts are still pending execution. 7) Maynard Nexsen PC will not execute a contract with LAFFP.
RFP	Legal Services Regarding Fiduciary Law and Real Estate and Investment Counsel	tbd	tbd		03/07/24		11/07/24	On 11/07/24, the Board approved eleven new three-year contracts through 12/31/27. 1) Cohen Milstein LLP, 2) Foley & Lardner LLP, 3) Kutak Rock LLP, and 4) Nossaman LLP will be contracted for outside fiduciary counsel; 5) Cohen Milstein LLP, 6) Foley & Lardner LLP, 7) Kutak Rock LLP, and 8) Nossaman LLP will be contracted for outside conflict counsel; 9) Faegre Drinker Biddle & Reath LLP, 10) Kutak Rock LLP, and 11) Nossaman LLP will be contracted for outside real estate and investment counsel. All contracts are pending execution.

DEPARTMENT OF FIRE AND POLICE PENSIONS  
Active, Expired, and Upcoming Contracts  
December 31, 2024

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	
C-140007	Best Best & Krieger, LLP (Outside Tax Counsel)	03/01/22	02/28/25					City Attorney recommendation to the Board is anticipated prior to contract expiration.
C-140008	Wellington Gregory, LLP (Outside Tax Counsel)	03/01/22	02/28/25					City Attorney recommendation to the Board is anticipated prior to contract expiration.
C-140274	Ice Miller, LLP (Outside Tax Counsel)	03/01/22	02/28/25					City Attorney recommendation to the Board is anticipated prior to contract expiration.
C-138738	Kutak Rock, LLP (Outside Real Estate and Investment Counsel)	07/01/21	06/30/25					
C-138739	Nossaman, LLP (Outside Real Estate and Investment Counsel)	07/01/21	06/30/25					
C-137236	Kutak Rock, LLP (Independent Conflict Counsel)	09/01/20	08/31/25					
C-137238	Kutak Rock, LLP (Fiduciary Counsel)	09/01/20	08/31/25					
C-137243	Nossaman, LLP (Fiduciary Counsel)	09/01/20	08/31/25					
C-137247	Nossaman, LLP (Independent Conflict Counsel)	09/01/20	08/31/25					
C-137988	Foley & Lardner, LLP (Independent Conflict Counsel)	09/01/20	08/31/25					
C-137989	Foley & Lardner, LLP (Fiduciary Counsel)	09/01/20	08/31/25					
C-142074	Bernstein Litowitz Berger & Grossmann LLP (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-142077	Cohen Milstein Sellers & Toll PLLC (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-142085	Bleichmar Fonti & Auld LLP (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-142087	Robbins Geller Rudman & Dowd LLP (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-142089	Saxena White P.A (Securities Monitoring Counsel)	11/01/22	10/31/25					
C-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-139738	Danning, Gill, Israel & Krasnoff, LLP (Legal Representation)	11/18/21	until completion					
<b>COMMUNICATIONS &amp; EDUCATION</b>								
790PEN	Geographics (Graphic Design Services)	06/16/22	06/15/25					
811PEN	Digital Deployment, Inc. (Website Design and Support Services)	10/01/21	06/30/25					
799PEN	Rosie's Kitchen (Seminar Program Catering Services)	01/19/23	01/18/26					
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**  
**December 31, 2024**

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	
INTERNAL AUDIT								
SEARCH	External Financial Statement Audit	tbd	tbd		12/19/24			On 12/19/24, the Board approved the release of an RFP for External Financial Statement Audit services.
773PEN	Simpson & Simpson Certified Public Accountants (Annual Financial Statements Audits)	07/18/21	07/17/25					
MEDICAL & DENTAL BENEFITS								
N/A	Los Angeles City Employee Retirement System (Health and Dental Plan Subgroups)	01/01/24	12/31/26					
819PEN	USI Insurance Services (Health Consulting Services)	06/07/24	06/06/27					
N/A	Los Angeles Police Protective League (Dental Insurance Administration)	07/01/23	06/30/28					
N/A	United Firefighters of Los Angeles City (Medical and Dental Insurance Administration)	07/01/23	06/30/28					
N/A	Los Angeles Firemen's Relief Association (Medical Insurance Administration)	07/01/23	06/30/28					
N/A	Los Angeles Police Relief Association (Medical and Dental Insurance Administration)	07/01/23	06/30/28					
PENSIONS DIVISION								
767PEN	The Segal Company (Western States), Inc. (Actuarial Consulting Services)	07/01/21	06/30/27					
SYSTEMS								
616PEN	AT&T (CALNET4 Phone)	11/15/13	06/30/25					The contract has been extended as CALNET4 to 06/30/25 by the State of California.
617PEN	AT&T (CALNET4 Data)	11/15/13	06/30/25					The contract has been extended as CALNET4 to 06/30/25 by the State of California.
619PEN	Verizon (CALNET4 Phone)	11/15/13	06/30/25					The contract has been extended as CALNET4 to 06/30/25 by the State of California.
687PEN	Northern Trust Company (Integrated Disbursement Services)	10/05/17	10/04/25					
626PEN	Avenu Insights and Analytics, LLC. (Pension Administration System Replacement Project)	07/02/15	07/01/26					

<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.

**LOS ANGELES FIRE AND POLICE PENSIONS QUARTERLY STAFFING AND HIRING  
EFFORTS AS OF DECEMBER 31, 2024**

<b>Position Type</b>	<b>Authorized Positions</b>	<b>Q1 Filled Positions</b>	<b>Q2 Filled Positions</b>
<b>Regular</b>	<b>129</b>	117	118
<b>Resolution</b>	<b>2</b>	2	2
<b>Total</b>	<b>131</b>	119	120
<b>Vacancy Rate</b>		<b>9.2%</b>	<b>8.4%</b>

\* As-Needed and Substitute Authorities are not reflected in the overall vacancy rate as these are temporary positions.

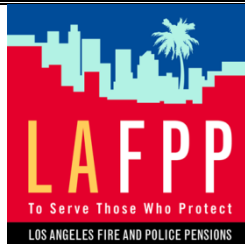
**Status of Vacancies**

<b>No.</b>	<b>Section</b>	<b>Classification</b>	<b>Status</b>
<i>Administrative Operations Division</i>			
1	Accounting	Accountant	Pending City examination results.
2	Administrative Services & Human Resources	Sr. Personnel Analyst I	Pending City examination results.
3	Administrative Services & Human Resources	Administrative Clerk	Anticipated start date in January.
4	Systems	Systems Administrator I	Management evaluating.
5	Systems	Systems Analyst	Held vacant to fund substitute authority.
<i>Investments Division</i>			
6	Private Markets	Investment Officer II	Management evaluating.
7	Real Estate	Investment Officer II	Management evaluating.
<i>Pensions Division</i>			
8	Communications & Education	Senior Benefits Analyst I	Pending City examination results.
9	Retirement Services	Senior Administrative Clerk	Pending City examination results.
10	Retirement Services	Senior Benefits Analyst I	Pending City examination results.
11	Executive	Chief Benefits Analyst	Management evaluating.

**Historical Hiring**

	<b>New Hires</b>	<b>Attrition</b>	<b>Promotions</b>	<b>Net Hires</b>
2022-23 Total	20	18	16	2
2022-23 Monthly Average	1.7	1.5	1.3	-
2023-24 Total	24	17	23	7
2023-24 Monthly Average	2.0	1.4	1.9	-
2024-25 Year to Date Total	5	4	12	1
2024-25 Year to Date Monthly Average	0.8	0.7	2.0	-





# **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:** JANUARY 16, 2025

**ITEM:** F.1

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

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

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### **RECOMMENDATION**

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

### **BACKGROUND**

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

### **DISCUSSION**

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

### **BUDGET**

There is no budgetary impact related to this report.

### **POLICY**

There are no policy revisions associated with this report.

### **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Brandon Chung, Management Assistant  
Administrative Services & Human Resources Section

JS:MTS:WKP:JMS:EJH:BC:ADMN250048

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

**FUTURE AGENDA ITEMS  
QUARTERLY STATUS REPORT  
AS OF DECEMBER 19, 2024**

Attachment I  
(1 of 2)

STATUS OF FUTURE AGENDA ITEMS - ACTIVE ITEMS (AS OF 12-19-24)					
Item No.	Request Date	Description of Requested Item	Requesting Commissioner	Status*	Disposition*
1	11/21/24	Expanded Private Equity Portfolio Performance Reporting	Liu	Pending	Commissioner Liu requested that the next Private Equity Portfolio Performance review include: 1) comparison to public benchmark for the same time period, 2) expanding the sector and sub-sector performance by vintage year, and 3) adding other public pension plans of similar Assets Under Management (AUM) (i.e. San Francisco Employees' Retirement System) to the peer comparison.
2	11/07/24	Request for Information from Los Angeles Fire Department Medical Liaison Unit (LAFD MLU)	Buzzell	Pending	Commissioner Buzzell requested information from the LAFD MLU regarding: 1) light duty assignments, 2) statement of no job available for applicants, and 3) policy on members who move out of state and apply for disability pensions. Staff will reach out to LAFD MLU to gather the information requested.
3	11/07/24	Measure FF - LACERS to LAFPP Tier 6 transfer	Buzzell	Completed	On 12/19/24, staff provided the Board with a report on Measure FF and the transfer of sworn officers from LACERS to LAFPP Tier 6.
4	11/07/24	Workers' Compensation	Ambriz/Zimmon	Pending	Ambriz request: Information on possible savings to LAFPP if there were no Workers' Compensation (WC) liens. Also, what is the cost to the City to increase the WC Division's budget as requested in the November 7th letter to the Mayor. Zimmon request: Roadblocks to retirees getting treatment from WC third party administrators.  Tyrone Spears, the head of Personnel Department's Workers' Compensation Division, is expected to come to the 2/20/25 Board meeting to answer questions from the Commissioners. Staff will prepare and present a calculation of the potential savings to the plan on health subsidies if recovered Workers' Compensation claims had not been treated via the retiree health plans.
5	03/21/24	Follow-Up on DEI Survey	Ambriz	Completed	During the presentation on the DEI Survey results of investment managers and consultants, Commissioner Ambriz requested more detail on the investment managers and consultants who did not respond. Staff brought a follow-up report to the Board at the 11/21/24 meeting.
6	11/02/23	Outstanding Workers' Compensation claims and their impact on retiree health plan costs.	Zimmon	Completed	Staff provided the Board a report on 11/07/24 and the Board approved sending a letter to the Mayor's office requesting additional funding for the City's Workers' Compensation Program.

**FUTURE AGENDA ITEMS  
QUARTERLY STATUS REPORT  
AS OF DECEMBER 19, 2024**

Attachment I  
(2 of 2)

STATUS OF FUTURE AGENDA ITEMS - ACTIVE ITEMS (AS OF 12-19-24)					
Item No.	Request Date	Description of Requested Item	Requesting Commissioner	Status*	Disposition*
7	06/01/23	Global macro look at ESG	Chun	Completed	During the private credit policy discussion, Commissioner Chun said that ESG metrics were unclear and requested a global macro look at ESG. At the 11/21/24 Board meeting, AllianceBernstein made an educational presentation on ESG factors used to analyze investments.
8	05/18/23	MBE/WBE/DOBE/VBE/LGBTQ broker usage increase and expanded reporting	Ambriz/Perez	Pending	During the MBE/WBE/DOBE/VBE/LGBTQ broker usage report at the 05/18/23 Board meeting, Commissioner Ambriz asked how we can increase the usage. Commissioner Perez asked to expand the report so that each broker is listed. Report was presented at the 05/02/24 Board meeting. Commissioner Ambriz requested additional information on other pension plans' MBE/WBE/DOBE/VBE/LGBTQ broker usage. Staff is researching the request.
9	04/20/23	ILPA DAI Signatory Follow-Up	Ambriz	Completed	Staff provided a follow-up report to the Board at the 11/07/24 meeting.

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

Status	Count	% of Total
Completed	5	55.6%
Pending	4	44.4%
Ongoing	0	0.0%
Scheduled	0	0.0%
<b>TOTAL</b>	<b>9</b>	<b>100.0%</b>

**FUTURE AGENDA ITEMS  
QUARTERLY STATUS REPORT  
AS OF DECEMBER 19, 2024**

Attachment II  
(1 of 1)

**STATUS OF FUTURE AGENDA ITEMS - COMPLETED ITEMS (AS OF 12-19-24)**

Item No.	Request Date	Date of Disposition*	Description of Requested Item	Requesting Commissioner	Status	Disposition
1	09/07/23	01/18/24	Medalist Partners to make a presentation to the Board	Ambriz	Completed	During the Semper consent to assignment discussion, Commissioner Ambriz asked for Medalist Partners to make a presentation. Medalist Partners presented to the Board on 01/18/24.
2	09/15/21	01/04/24	RVK to provide non-real estate leverage education	Buzzell	Completed	RVK provided a high-level overview in the three part risk session and at the Board's request, staff is coordinating with RVK to provide a more in-depth presentation on leverage. The Asset Allocation business plan was continued into 2023-24 and RVK presented an education on non-real estate leverage on 12/21/23.

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

Status	Count	% of Total
Completed	2	100.0%



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

701 E. 3<sup>rd</sup> 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:** JANUARY 16, 2025

**ITEM:** F.2

**FROM:** JOSEPH SALAZAR, GENERAL MANAGER

**SUBJECT:** QUARTERLY TRAVEL REPORT FOR COMMISSIONERS AND STAFF

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

#### **DISCUSSION**

Staff provides the Board quarterly updates on travel expenditures for both Commissioners and staff. For Fiscal Year (FY) 2024-25, the department budgeted \$142,300 for Travel Expense. Through December 31, 2024, the department recorded total travel expenditures of \$23,869 of which \$9,990 was spent for Commissioners and \$13,879 was spent for staff (Attachment I).

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

#### **BUDGET**

There is no budget impact associated with this report.

#### **POLICY**

There are no policy changes associated with this report.

#### **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information associated with this report.

This report was prepared by:

Blas Rafols, Principal Accountant II  
Administrative Operations Division

JS:MTS:MC:BR

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

**DEPARTMENT OF FIRE AND POLICE PENSIONS**  
**COMMISSIONERS & STAFF TRAVEL REPORT**  
**SUMMARY FOR FISCAL YEAR 2024-25 (JULY 1, 2024 TO DECEMBER 31, 2024)**

Commissioner Name	Location	Travel Dates		Estimated Expenses	Actual Expenses*	Notes	Date Submitted to Accounting	Date Approved by Accounting in FMS	# of Business Processing Days	Event/Organization**	Remarks
Arellano, Rigoberto	Indian Wells, CA	10/27/24	10/30/24	2,232	2,206		09/19/24	09/20/24	1	NCPERS Public Safety Conference	Paid
Arellano, Rigoberto	San Diego, CA	11/08/24	11/13/24	5,800	5,606		09/04/24	09/04/24	0	IFEBP 70th Employee Benefits Conference	Paid
Zimmon, Garrett	Indian Wells, CA	10/27/24	10/30/24	2,252	2,178		09/19/24	09/20/24	1	NCPERS Public Safety Conference	Paid

**TOTAL COMMISSIONERS TRAVEL EXPENDITURES \$ 9,990**

Staff Name	Location	Travel Dates		Estimated Expenses	Actual Expenses*	Notes	Date Submitted to Accounting	Date Approved by Accounting in FMS	# of Business Processing Days	Event/Organization**	Remarks
Chao, Annie	Austin, TX	09/11/24	09/12/24	\$ 1,011	\$ 1,080		10/04/24	10/07/24	1	Bar W Due Diligence Trip	Paid
Chao, Annie	Seattle, WA	12/16/24	12/18/24	\$ 1,542	\$ 1,542					Tacoma Logistics Due Diligence Trip	
Diaz, Oscar	San Diego, CA	09/05/24	09/07/24	\$ 1,059	\$ 939		09/27/24	10/01/24	2	LA Police Protective League Delegates Conference 2024	Paid
Lee, Madeline	Indianapolis, IN	10/26/24	10/30/24	\$ 2,836	\$ 2,649		11/07/24	11/27/24	13	Public Pension Financial Forum	Paid
Magallanes, Claire	Austin, TX	09/11/24	09/12/24	\$ 1,012	\$ 858		10/04/24	10/07/24	1	Bar W Due Diligence Trip	Paid
Magallanes, Claire	Seattle, WA	12/14/24	12/18/24	\$ 1,627	\$ 1,627					Tacoma Logistics Due Diligence Trip	
Ortiz, Bernice	San Diego, CA	09/05/24	09/07/24	\$ 1,017	\$ 897		10/03/24	10/04/24	1	LA Police Protective League Delegates Conference 2024	Paid
Perez, Adam	Scottsdale, AZ	10/21/24	10/23/24	\$ 1,407	\$ 1,407					TPG Capital Annual Investors Meeting	
Perez, Adam	New York, NY	11/11/24	11/14/24	\$ 2,880	\$ 2,880					ILPA Summit 2024	

**TOTAL STAFF TRAVEL EXPENDITURES \$ 13,879**

**TOTAL TRAVEL EXPENDITURES \$ 23,869**

**AVERAGE NO. OF PROCESSING DAYS (BUSINESS DAYS) FROM DATE ACCOUNTING RECEIVES TO FMS APPROVAL DATE**

**2.5**

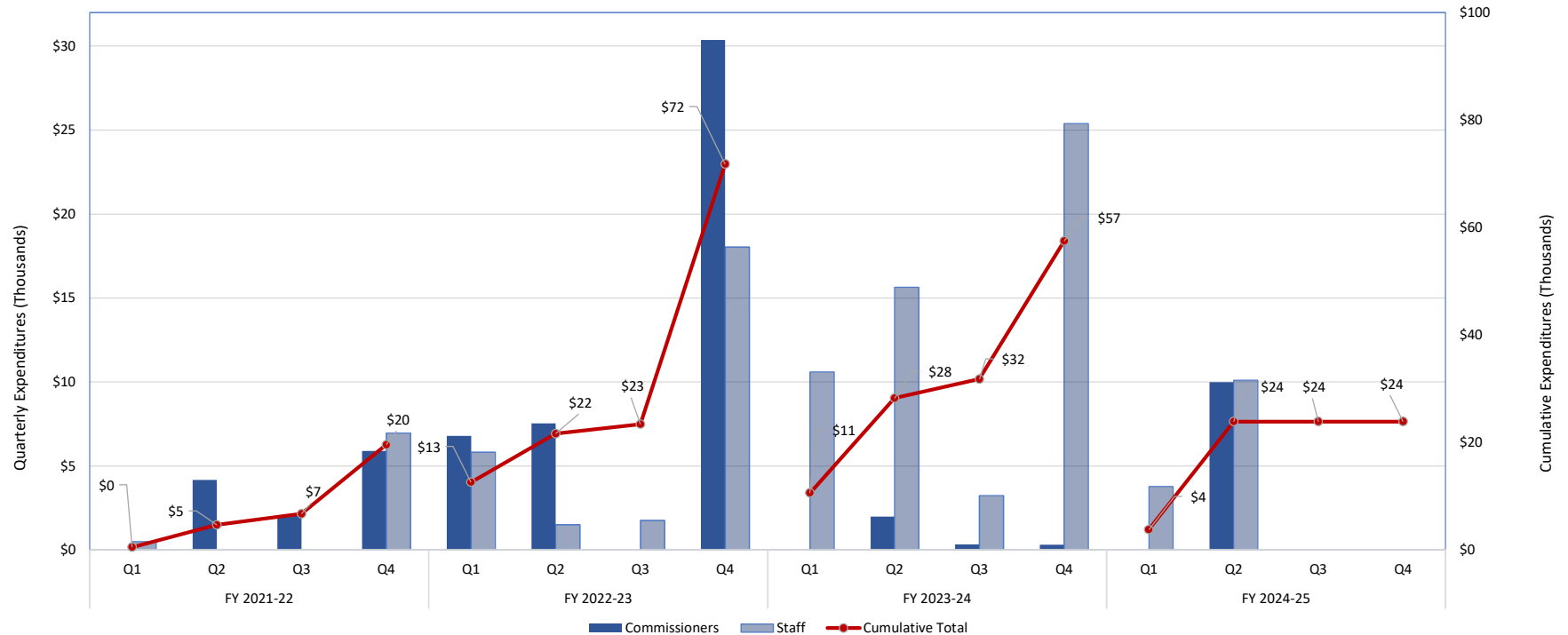
\*If PES is not yet submitted, the amount used is an estimate.

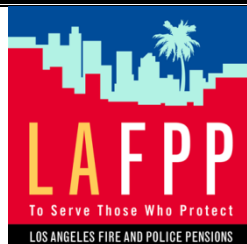
\*\*Event/Organization Acronym Guide

IFEBP	International Foundation of Employee Benefit Plans
ILPA	Institutional Limited Partners Association
NCPERS	National Conference on Public Employee Retirement Systems

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

	FY 2021-22				FY 2022-23				FY 2023-24				FY 2024-25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Commissioners	\$ -	\$ 4,154	\$ 2,068	\$ 5,899	\$ 6,787	\$ 7,531	\$ -	\$ 30,360	\$ -	\$ 1,977	\$ 327	\$ 310	\$ -	\$ 9,990	\$ -	\$ -
Staff	\$ 492	\$ -	\$ -	\$ 6,962	\$ 5,813	\$ 1,496	\$ 1,752	\$ 18,038	\$ 10,602	\$ 15,641	\$ 3,230	\$ 25,386	\$ 3,774	\$ 10,105	\$ -	\$ -
Quarterly Total	\$ 492	\$ 4,154	\$ 2,068	\$ 12,861	\$ 12,600	\$ 9,027	\$ 1,752	\$ 48,398	\$ 10,602	\$ 17,618	\$ 3,557	\$ 25,696	\$ 3,774	\$ 20,095	\$ -	\$ -
Cumulative Total	\$ 492	\$ 4,646	\$ 6,714	\$ 19,575	\$ 12,600	\$ 21,627	\$ 23,379	\$ 71,777	\$ 10,602	\$ 28,220	\$ 31,777	\$ 57,473	\$ 3,774	\$ 23,869	\$ 23,869	\$ 23,869
Adopted/Adjusted Budget	\$ 92,500	\$ 92,500	\$ 92,500	\$ 92,500	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 122,200	\$ 122,200	\$ 122,200	\$ 122,200	\$ 142,300	\$ 142,300	\$ 142,300	\$ 142,300
Remaining Balance	\$ 92,008	\$ 87,854	\$ 85,786	\$ 72,925	\$ 87,400	\$ 78,373	\$ 76,621	\$ 28,223	\$ 111,598	\$ 93,980	\$ 90,423	\$ 64,727	\$ 138,526	\$ 118,431	\$ 118,431	\$ 118,431
% of Budget Expended	0.5%	5.0%	7.3%	21.2%	12.6%	21.6%	23.4%	71.8%	8.7%	23.1%	26.0%	47.0%	2.7%	16.8%	16.8%	16.8%





## ***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: JANUARY 16, 2025**

**ITEM: F.3**

**FROM: JOSEPH SALAZAR, GENERAL MANAGER**

**SUBJECT: QUARTERLY LEGISLATION TRACKING REPORT**

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

Pursuant to Board Governance Policy 9.17, Staff provides quarterly updates highlighting pension and healthcare benefit-related legislation introduced within and progressing through the State legislature and U.S. congressional chambers. This report provides the fourth quarter's activity for the 2024 calendar year.

#### **DISCUSSION**

##### Local Legislation

Charter Amendment FF – Los Angeles Fire and Police Pensions; Peace Officers.

On the November 5, 2024 ballot, this Charter Amendment was voted on and passed. This measure changes the City Charter to authorize the City Council to provide a process for LACERS Peace Officers, actively employed on January 12, 2025, to make a one-time decision to transfer their membership, years of service, and retirement contributions from LACERS to LAFPP. In addition, it will require the City to pay all costs associated with the transfer of LACERS Peace Officers to LAFPP Tier 6, and to reimburse LAFPP with the full cost of monies refunded to Tier 6 Members pursuant to any associated ordinances adopted pursuant to this Charter amendment. The City's General Fund, Airports, Harbor, and Recreation and Parks Departments would cover all costs associated with transferring pension plan membership and prior service.

##### State Legislation

AB 817 – Open meetings: teleconferencing: subsidiary body

AB 817 would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter. On November 30, 2024, this bill was sent to the senate committee, but the senate decided to take no further action on it.



## Federal Legislation

### H.R. 82 & S. 597 – Social Security Fairness Act of 2023

On January 5, 2025, President Biden signed into law the Social Security Fairness Act of 2023, a bill that repeals the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These provisions reduced Social Security payments for recipients of other benefits, such as a pension from state or local government, impacting almost three million individuals, including some LAFPP retirees and beneficiaries. These changes will be effective for benefits payable after December 2023.

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

## **BUDGET**

No budget impact associated with this report.

## **POLICY**

No policy changes associated with this report.

## **CONTRACTOR DISCLOSURE INFORMATION**

There is no contractor disclosure information required with this report.

This report was prepared by:

Nashamah Freeman, Management Analyst  
Communications & Education Section

JS:GFM:NF

Attachment – Legislation Tracking

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
<b>Statewide Legislation: 2023-2024</b>			
AB 817 (02/13/23)	Pacheco	<p><b>AB 817 - Open meetings: teleconferencing: subsidiary body</b></p> <p>This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.</p> <p>Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.</p> <p>The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose. This bill would make legislative findings to that effect.</p>	11/30/24 - From Senate committee without further action.
SB 1346 (02/16/24)	Durazo	<p><b>SB-1346 Workers' compensation: aggregate disability payments.</b></p> <p>This bill would authorize, on or after January 1, 2025, the Workers' Compensation Appeals Board to award temporary disability benefits, as specified, if a denial of treatment requested by a treating physician is subsequently overturned by independent medical review. The bill would prohibit the temporary disability awarded by the Workers' Compensation Appeals Board from</p>	11/30/24 - From committee without further action.

## LEGISLATION TRACKING

Attachment

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
Statewide Legislation: 2023-2024			
		exceeding the time from the date of the treatment denial through the date of the independent medical review determination overturning the treatment denial.	

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
<b>Federal Legislation – 118<sup>th</sup> Congress Session 2: 2023-2024</b>			
H.R. 82 (01/09/23)	Graves	<b>H.R. 82 - Social Security Fairness Act of 2023</b>  This bill repeals provisions that reduce Social Security benefits for individuals who receive other benefits, such as a pension from a state or local government.	01/05/25 - Signed by President.
S. 597 (03/01/23)	Brown	The bill eliminates the government pension offset, which in various instances reduces Social Security benefits for spouses, widows, and widowers who also receive government pensions of their own.  The bill also eliminates the windfall elimination provision, which in some instances reduces Social Security benefits for individuals who also receive a pension or disability benefit from an employer that did not withhold Social Security taxes.  These changes are effective for benefits payable after December 2023.	
H.R. 472 (01/24/23)	Joyce	<b>H.R. 472 – Fighting Post-Traumatic Stress Disorder Act of 2023</b>	
S. 645 (03/07/23)	Grassley	To require the Attorney General to propose a program for making treatment for post-traumatic stress disorder and acute stress disorder available to public safety officers, and for other purposes.	01/24/23 - Referred to the House Committee on the Judiciary.
H.R. 957 (02/09/23)	Spanberger	<b>H.R. 957 - Public Safety Retirees Healthcare Protection Act of 2023</b>  To amend the Internal Revenue Code of 1986 to increase from \$3,000 to \$6,000 the amount excluded from gross income by reason of distributions from governmental retirement plans for health and long-term care insurance for public safety officers.	12/17/24 - Referred to the Subcommittee on Health.
H.R. 1332 (03/01/23)	Takano	<b>H.R. 1332 - Thirty-Two Hour Workweek Act</b>  To amend the Fair Labor Standards, Act of 1938 to reduce the standard workweek from 40 hours per week to 32 hours per week, and for other purposes.	03/01/23 - Referred to the House Committee on Education and the Workforce.
H.R. 5688 (09/26/23)	Smucker	<b>H.R. 5688 – Bipartisan HSA Improvement Act of 2023</b>	02/26/24 – Placed on the Union Calendar,
S. 3947	Sanders	To amend the Internal Revenue Code of 1986 to	

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
<b>Federal Legislation – 118<sup>th</sup> Congress Session 2: 2023-2024</b>			
(03/14/23)		improve health savings accounts. The bill will eliminate a prohibition against an individual establishing an HSA if their spouse has an existing flexible spending arrangement (FSA). The bill also would allow individuals to convert their own FSA or health reimbursement arrangement dollars into an HSA.	Calendar No 330.
H.R. 6993 (01/12/24)	Palmer	<b>H.R. 6993 - Retirement Freedom Act</b>  To allow individuals to choose to opt out of the Medicare Part A benefit.	12/17/24 – Referred to the Subcommittee on Health and Social Security.
H.R 7780 (03/21/24)	Murphy	<b>H.R. 7780 - Safeguarding Investment Options for Retirement Act</b>  To amend the Internal Revenue Code of 1986 to prohibit certain retirement plans from making investment decisions on the basis of factors other than financial risk and return factors.	03/21/24 – Introduced in House and referred to the House Committee on Ways and Means.
H.R 8487 (05/21/24)	Van Drew	<b>H.R. 8487 HEROS Act</b>  To amend title II of the Social Security Act to exempt widows and widowers of police officers, firefighters, and correctional officers from the government pension offset.	12/17/24 - Referred to the Subcommittee on Social Security.
H.R. 9132 (07/25/24)	Underwood	<b>H.R. 9132 - Chronic Condition Copay Elimination Act</b>  To amend the Employee Retirement Income Security Act of 1974, title XXVII of the Public Health Service Act, and the Internal Revenue Code of 1986 to require group health plans and health insurance issuers offering group or individual health insurance coverage to provide coverage for additional preventive care for individuals with chronic conditions without the imposition of cost sharing requirement, and for other purposes.	12/17/24 - Referred to the Subcommittee on Health.
H.R 9133 (07/25/24)	Underwood	<b>H.R. 9133 – Primary and Behavioral Health Care Access Act of 2024</b>  To amend the Employee Retirement Income Security Act of 1974, title XXVII of the Public Health Service Act, and the Internal Revenue Code of 1986 to require group health plans and health insurance issuers offering group or individual health insurance coverage to provide for three primary care visits and three behavioral	12/17/24 - Referred to the Subcommittee on Health.

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
<b>Federal Legislation – 118<sup>th</sup> Congress Session 2: 2023-2024</b>			
		health care visits without application of any cost-sharing requirement.	
S. 393 (02/13/23)	Sanders	<b>S. 393 - Social Security Expansion Act</b>	02/13/23 - Read twice and referred to the Committee on Finance.
H.R. 1046 (02/14/23)	Schakowsky	A bill to enhance Social Security benefits and ensure the long-term solvency of the Social Security program.	
S. 523 (02/16/23)	Smith	<b>S. 523 - Freedom to Invest in a Sustainable Future Act</b>	02/16/23 - Referred to the Committee on Health, Education, Labor, and Pensions.
H.R. 1119 (02/21/23)	DelBene	To amend the Employee Retirement Income Security Act of 1974 to permit retirement plans to consider certain factors in investment decisions.  The fiduciary may consider environmental, social, governance, or similar factors, in connection with carrying out an investment decision, strategy, or objective, or other fiduciary act; and consider collateral environmental, social, governance, or similar factors as tiebreakers when competing investments can reasonably be expected to serve the plan's economic interests equally well with respect to expected return and risk over the appropriate time horizon.	02/21/23 - Referred to the House Committee on Education and the Workforce.
S. 894 (03/21/23)	Cornyn	<b>S. 894 - Public Safety Officer Concussion and Traumatic Brain Injury Health Act of 2023</b>	04/21/23 - Referred to the Subcommittee on Health.
H.R. 2548 (04/10/23)	Crenshaw	To require the Secretary of Health and Human Services to collect and disseminate information on concussion and traumatic brain injury among public safety officers.	
S. 930 (03/22/23)	Klobuchar	<b>S. 930 - Honoring Our Fallen Heroes Act of 2023</b>	06/05/24 – Placed on Senate Legislative Calendar.
H.R. 1719 (03/22/23)	Pascrell	To amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide public safety officer benefits for exposure-related cancers, and for other purposes.	
S. 1563 (05/11/23)	Braun	<b>S. 1563 - Maximize Americans' Retirement Security Act</b>	05/11/23 - Read twice and referred to the Committee on Health, Education, Labor, and Pensions.
		To amend the Employee Retirement Income Security Act of 1974 to clarify the fiduciary duty of plan administrators to select and maintain investments based solely on pecuniary factors, and for other purposes.	

Bill No./ Initiative (Version)/ Introduced	Author	Summary	Status
<b>Federal Legislation – 118<sup>th</sup> Congress Session 2: 2023-2024</b>			
S. 3335 (11/15/23)	Klobuchar	<b>S. 3335 – Retired Law Enforcement Officers Continuing Service Act</b>  To amend the Omnibus Crime Control and Safe Streets Act of 1968 to establish a grant program to help law enforcement agencies with civilian law enforcement tasks, and for other purposes.	06/05/24 – Placed on Senate Legislative Calendar.
S. 4776 (07/25/24)	Sanders	<b>S.4776 - Older Americans Act Reauthorization Act of 2024</b>  To amend the Older Americans Act of 1965 to authorize appropriations for fiscal years 2025 through 2029, and for other purposes.	12/11/24 – Passed Senate. Message on Senate action sent to the House, Received in the House, and Held at desk.
S.4804 (07/25/24)	Markey	<b>S. 4804 - Health Over Wealth Act</b>  To amend the Public Health Service Act to require the Secretary of Health and Human Services (HHS) to enforce certain requirements with respect to for-profit corporations that own health care systems, and for other purposes. HHS must require for-profit corporations that are controlled by private equity funds to take certain actions to mitigate the risk of health care disruptions (e.g., escrow accounts to cover closures). In addition, as a condition of Medicare participation, hospitals must notify HHS about expected closures or discontinuations of services at least 90 days in advance.	07/25/24 – Read twice and referred to the Committee on Finance.

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF NOVEMBER 7, 2024**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, November 7, 2024.

COMMISSIONERS PRESENT:    Garrett W. Zimmon, President  
   Andrea Ambriz, Vice President  
   Rigoberto Arellano  
   Kenneth E. Buzzell  
   Brian J. Churchill  
   Michael A. Lawson  
   Raul Perez

COMMISSIONERS ABSENT:    William Chun  
   Nanxi Liu

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

CITY ATTORNEY'S OFFICE:    Joshua Geller, Interim Supervising Attorney

President Zimmon called the meeting to order at 8:30 a.m. All the above-listed Commissioners were present at the start of the meeting, with the exception of Commissioner Lawson who arrived at 8:49 a.m.

A. CALL TO ORDER

1. Roll Call

Ms. Tiffany West announced there was a quorum, with six Commissioners participating in-person from the Boardroom and Commissioner Lawson would arrive shortly. Commissioners Chun and Liu 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

DeLeon, Daniel T.

(P)

Police Officer III

As recommended by staff and concurred by the applicant, a service-connected disability pension of 70% is granted for his neck, right shoulder, bilateral cubital/carpal tunnel syndromes, lower back, and left hip, with no foreseeable purpose for review. Motion made by President Zimmon, seconded by Commissioner Ambriz, and adopted by the following vote: ayes, Commissioners Ambriz, Arellano, Buzzell, Churchill, Perez and President Zimmon – 6; nays, none; absent, Commissioners Chun, Lawson, and Liu. Mr. DeLeon was not present but was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin & Lee, LLP.

DISABILITY CLAIM – NEW CLAIM – TIER 5

Vriens, Jason T.

(F)

Engineer

As recommended by staff and concurred by the applicant, a service-connected disability pension of 57% is granted for his Post-Traumatic Stress Disorder (PTSD), anxiety, and depression only, subject to review no later than two years from now. Motion made by Commissioner Perez, seconded by Commissioner Churchill, and adopted by the following vote: ayes, Commissioners Ambriz, Arellano, Buzzell, Churchill, Perez and President Zimmon – 6; nays, none; absent, Commissioners Chun, Lawson, and Liu. Mr. Vriens was not present but was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin & Lee, LLP.

D. REPORTS TO THE BOARD

1. 2025 ELECTION FOR THE FIRE DEPARTMENT RETIRED MEMBER OF THE BOARD AND POSSIBLE BOARD ACTION

The report was approved as submitted.

Resolution 25060

Commissioner Buzzell moved that the Board:

1. Authorize the General Manager to provide notification to the Office of the City Clerk (City Clerk) in accordance with Section 23.103.4(a) of the Los Angeles Administrative Code (LAAC) for the 2025 Election for the Fire Department Retired Member of the Board of Fire and Police Pension Commissioners (Board);
2. Designate the date of the Election for Wednesday, March 12, 2025, in accordance with LAAC Section 23.103.2(b);
3. Authorize the General Manager and Staff to cause to be prepared, not more than 30 nor fewer than 20 calendar days prior to the Election in accordance with LAAC Section 23.103.4(b), a Notice of Election which shall also include the Sample Ballot and the rules concerning voter eligibility;
4. Authorize the General Manager, in the event a Runoff Election is needed, to receive and file the communication from the City Clerk certifying the results of the 2025 Election for the Fire Department Retired Member of the Board, and to order the Runoff Election tentatively scheduled for Wednesday, May 7, 2025, in accordance with LAAC Section 23.103.9(b); and,
5. Authorize the General Manager and Staff to perform the necessary administrative work specified in the LAAC, including but not limited to the coordination of the Election, and if necessary, the Runoff Election, with the City Clerk and to make technical corrections as necessary to effectuate the intent of this report,

which was seconded by Commissioner Churchill and approved by the following vote: ayes, Commissioners Ambriz, Arellano, Buzzell, Churchill, Perez, and President Zimmon – 6; nays, none.

*Commissioner Lawson arrived at 8:49 a.m.*

2. APPROVAL OF THREE-YEAR CONTRACTS WITH COHEN MILSTEIN LLP, FAEGRE DRINKER BIDDLE & REATH LLP, FOLEY & LARDNER LLP, KUTAK ROCK LLP, AND NOSSAMAN LLP FOR OUTSIDE FIDUCIARY AND CONFLICT COUNSEL AND/OR OUTSIDE REAL ESTATE AND INVESTMENT COUNSEL; AND POSSIBLE BOARD ACTION

Mr. Miguel Bahamon, Deputy City Attorney III of the Office of the City Attorney provided a summary and introduction of the firms. Mr. Josh Geller, Interim Supervising Attorney of the Office of the City Attorney, provided additional comments. Mr. Jay Chaudhuri, Counsel of Cohen Milstein LLP; Ms. Tiffany R. Reeves, Partner of Faegre Drinker Biddle & Reath LLP; Mr. Michael P. Calabrese, Partner of Foley & Lardner LLP; Messrs. Marc R.

Lieberman, Partner, Isaiah Wilson II, Partner and Dwayne C. Fearon, Associate of Kutak Rock LLP; and, Ms. Yuliya Oryol, Partner and Michelle McCarthy, Partner of Nossaman LLP presented to the Board. The report was approved as submitted.

Resolution 25061

Commissioner Ambriz moved that the Board:

1. Authorize the City Attorney's Office to negotiate, and the General Manager to execute, contracts with Cohen Milstein LLP, Foley & Lardner LLP, Kutak Rock LLP, and Nossaman LLP for outside fiduciary counsel to assist the City Attorney for a three-year term beginning January 1, 2025, subject to the written approval of the City Attorney pursuant to Charter Section 275;
2. Authorize the City Attorney's Office to negotiate, and the General Manager to execute, contracts with Cohen Milstein LLP, Foley & Lardner LLP, Kutak Rock LLP, and Nossaman LLP for outside conflict counsel for a three-year term beginning January 1, 2025, subject to the written approval of the City Attorney pursuant to Charter Section 275; and,
3. Authorize the City Attorney's Office to negotiate, and the General Manager to execute, contracts with Faegre Drinker Biddle & Reath LLP, Kutak Rock LLP, and Nossaman LLP for outside real estate and investment counsel to assist the City Attorney for a three-year term beginning January 1, 2025, subject to the written approval of the City Attorney pursuant to Charter Section 275,

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

3. REAL ASSETS STRUCTURE IMPLEMENTATION PLAN AND POSSIBLE BOARD ACTION

Ms. Annie Chao, Investment Officer III of the Investments Division presented this item to the Board. The report was approved as submitted.

Resolution 25062

Commissioner Buzzell moved that the Board:

1. Review and approve the Real Assets implementation plan to:
  - a. Continue to rebalance the Real Estate Investment Trust (REIT) portfolio to fund new private real estate investments and maintain a REIT portfolio with one active U.S. and one active global REIT manager;

- b. Liquidate the passive public Commodities investments and hold the private equity Commodities investments until the funds are fully realized;
  - c. Approve engaging Townsend Group, the Board's private real estate consultant, to provide advisory services on the new Private Infrastructure mandate;
  - d. Delay moving Treasury Inflation-Protected Securities from the Fixed Income asset class to the Real Assets asset class until the next asset allocation study;
- 2. Authorize the General Manager to negotiate and approve the terms and conditions of amending the scope of services in the Townsend Group's contract to include private infrastructure advisory services; and,
  - 3. Authorize the General Manager, on behalf of the Board, to execute the contract amendment with Townsend Group, 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 Ambriz, Arellano, Buzzell, Churchill, Lawson, Perez, and President Zimmon – 7; nays, none.

4. PRIVATE CREDIT ANNUAL STRATEGIC PLAN AND PERFORMANCE REPORT BY STEPSTONE GROUP

Mses. Austin Head-Jones, Director, Private Debt and Ariel Goldblatt, Partner of StepStone Group presented and discussed this item with the Board. The report was received and filed.

5. INSTITUTIONAL LIMITED PARTNERS ASSOCIATION DIVERSITY IN ACTION INITIATIVE FOLLOW-UP REPORT

Mr. Adam Perez, Investment Officer II and Ms. Susan Liem, Investment Officer III of the Investments Division presented this item to the Board. The report was received and filed.

6. IMPACT OF WORKERS' COMPENSATION CLAIMS ON BOARD-APPROVED HEALTH PLANS AND POSSIBLE BOARD ACTION

Mr. Gregory Mack, Assistant General Manager, Pensions Division presented and discussed this item with the Board. The report was approved as submitted.

Resolution 25063

Commissioner Perez moved that the Board authorize the Board President to sign the attached letter to the Mayor requesting additional staffing and funding for the City's Workers' Compensation Program,

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

7. INTRA-DEPARTMENTAL TRANSFER OF FUNDS WITHIN THE FISCAL YEAR 2024-25  
ADMINISTRATIVE EXPENSE BUDGET AND POSSIBLE BOARD ACTION

Ms. Jennifer Shimatsu, Senior Management Analyst II of the Administrative Services and Human Resources Section, presented and discussed this item with the Board. General Manager Salazar gave additional comments. The report was approved as submitted.

Resolution 25064

Commissioner Perez moved that the Board authorize a transfer totaling \$128,100 from Salaries, General (Account 641010) to Salaries, As-Needed (Account 641070), to mitigate the potential for shortfalls in Pensions Division due to ongoing impacts from the City's transition to a new payroll system, and Investments Division to allow for continued internship opportunities,

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

E. GENERAL MANAGER'S REPORT

1. Benefits Actions approved by General Manager on October 17, 2024

Pursuant to Resolution 04008, adopted by the Board of Fire and Police Pension Commissioners on August 7, 2003, the following benefit 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 – 23

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Died</u>
Don R. Forrest	Fire Service	5	05-01-02	09-03-24
Alfredo J. Maldonado	Fire Service	3	05-30-13	09-08-24
Hugh G. Martin	Fire Service	5	04-02-11	09-10-24
Michael D. Wharton	Fire Service	2	03-17-85	09-03-24
Gilbert J. Espinoza	Fire Disability	2	08-16-07	09-01-24
David L. Smith	Fire Disability	2	04-05-84	09-08-24
Joyce J. Serra	Fire Widow	2	07-04-20	09-24-24
Richard N. Chicoine	Police Service	5	01-27-02	07-18-24
Gerald Covington	Police Service	2	10-05-95	08-31-24
Larry B. Emard	Police Service	5	01-13-02	09-08-24

Dewaine K. Fields	Police Service	2	08-01-08	09-03-24
Frederick J. Fogarty	Police Service	5	05-19-02	09-06-24
James G. Lovelace	Police Service	5	01-13-02	08-22-24
Rolph H. Lucke	Police Service	2	12-01-71	09-24-24
James R. Murphy	Police Service	2	07-04-79	09-01-24
Dennis G. Smith	Police Service	2	01-27-91	07-26-24
Larry W. Sparing	Police Service	2	07-02-91	08-20-24
Walter F. Willis	Police Service	5	06-01-07	09-11-24
William P. Mills	Police Disability	2	10-23-86	08-15-24
Thomas W. Moore	Police Disability	2	05-23-84	07-28-24
Michael G. Tyus	Police Disability	5	08-03-06	09-20-24
Sylvia A. Leap	Police Widow	2	02-17-75	07-28-24
Mary J. Webster	Police Widow	1	08-01-66	08-12-24

## DISCONTINUED PENSIONS FORMER SPOUSE – 3

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Member Died</u>	<u>Died</u>
Creola Lovelace	Police Service	5	01-13-02	08-22-24	
Bobby J. Matarazzo	Police Service	2	06-30-93		09-05-24
Claudine Schubert	Police Service	2	01-27-91	07-26-24	

## ELIGIBLE SURVIVING SPOUSE'S PENSION – 16

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Heidi Forrest	Don R. Forrest	Fire Service	5	09-04-24
Brenda J. Hagel	Jeffrey C. Hagel	Fire Service	5	09-14-24
Lisa D. Maldonado	Alfredo J. Maldonado	Fire Service	3	09-09-24
Rebecca A. Martin	Hugh G. Martin	Fire Service	5	09-11-24
Eva H. Wharton	Michael D. Wharton	Fire Service	2	09-04-24
Anna M. Espinoza	Gilbert J. Espinoza	Fire Disability	2	09-02-24
Sharon G. Smith	David L. Smith	Fire Disability	2	09-09-24
Hester C. Covington	Gerald Covington	Police Service	2	09-01-24
Mary E. Emard	Larry B. Emard	Police Service	5	09-09-24
Sonia H. Fields	Dewaine K. Fields	Police Service	2	09-04-24
Yolande E. Lovelace	James G. Lovelace	Police Service	5	08-23-24
Diane V. Murphy	James R. Murphy	Police Service	2	09-02-24
Sharon Rhodes	Fredrick J. Fogarty	Police Service	5	09-07-24
Karen E. Smith	Dennis G. Smith	Police Service	2	07-27-24
Hilda D. Sparing	Larry W. Sparing	Police Service	2	08-21-24
Erin O. Mills	William P. Mills	Police Disability	2	08-16-24

## ELIGIBLE SURVIVING DOMESTIC PARTNER'S PENSION – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Belsi A. Gillespie	Walter F. Willis	Police Service	5	09-12-24

## PARTIAL PAYMENT OF SURVIVING SPOUSE'S PENSION – 2

<u>Eligible Spouse's Name</u>	<u>Former Spouse</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Action</u>	<u>Effective</u>
Yolande E. Lovelace (James G. Lovelace)	Creola Lovelace	Police Service	5	Paid/COLA	08-23-24
Karen E. Smith (Dennis G. Smith)	Claudine Schubert	Police Service	2	Paid/COLA	07-27-24

## COMMUNITY PROPERTY DIVISION OF PENSION – 7

<u>Member's Name</u>	<u>Former Spouse</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Action</u>	<u>Effective</u>
Richard Hernandez	Geraldine L. Hernandez	Fire Service	5	Discontinued	08-04-24
Daniel W. Graham	Gale Kramer	Police Service	2	Discontinued	07-06-24
James R. Leiphardt	Patricia A. Hubbard	Police Service	5	Discontinued	10-17-21
Thomas M. Malloy	Belinda Malloy	Police Service	5	Paid/COLA	07-28-24
Ross Moen	Patty A. Smith	Police Service	2	Discontinued	05-17-24
Maria D. Peppers	Gregory A. Peppers	Police Service	4	Paid/COLA	10-01-24
Benjamin J. Trask	Stacey DeLorenzo-Trask	Police Disability	5	Paid/COLA	10-01-24

## DEFERRED SERVICE PENSION – 1

### POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Hope R. Young	Lieutenant I*	5	10-19-24	25.587877

## SERVICE PENSION – 9

### FIRE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Amir R. Caspian	Assistant Chief	5	09-01-24	23.716849
Steven J. Hinton	Firefighter III	5	09-03-24	21.000000

### POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Ruben J. Arellano	Sergeant II	5	08-25-24	28.714041
Paul I. Bowser	Detective II	5	08-25-24	23.825891
Julio C. Flores	Police Officer III	5	08-25-24	31.302542
Anthony M. Freeman	Police Officer III	5	09-08-24	35.374429
Mark D. Gordon	Police Officer II	5	09-08-24	26.763836
Cesar I. Guitron	Police Officer II	5	09-08-24	29.979925

Anthony Perez	Police Officer II	5	09-02-24	28.149912
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SERVICE PENSION/DROP – 17

FIRE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Frank A. Bish	Firefighter III	5	02-10-24	25.389041
Scott D. Christlieb	Firefighter III	5	02-03-23	31.771918
Charles H. Micallef	Firefighter III	5	04-12-22	27.018150

POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Ricardo M. Acosta	Sergeant I	5	04-11-23	27.194521
Joel Cerda	Police Officer III	5	02-23-24	25.560547
Joe P. Charbonneau	Police Officer II	5	12-01-23	26.369863
John H. Gregozek	Sergeant II	5	08-03-23	25.678356
Dwayne M. Haydel	Police Officer III	4	10-12-23	25.388288
Jeffrey W. Hollis	Captain III	5	07-04-23	30.239178
Steven M. Kuranishi	Police Officer III	5	11-05-23	27.701438
Joseph P. Meyer	Detective III	5	02-01-23	25.180822
Brandon C. Purece	Police Officer III	5	02-01-24	28.077809
Donna Reyes	Police Officer III	5	08-01-23	25.756165
James B. Schwedler	Police Officer II	5	02-01-23	25.180685
Regina A. Smith	Police Officer II	4	08-14-23	25.459986
Shad A. Stilkey	Police Officer III	4	07-03-23	25.665884
Alonzo L. Williams	Police Officer III	5	08-01-23	25.523288

DISCONTINUE DROP – 12

POLICE

<u>Name</u>	<u>Tier</u>	<u>Retired</u>	<u>Exit Close of</u>
David A. Alvarez	5	02-01-21	10-18-24
Aaron L. Bankhead	3	10-15-19	10-14-24
John L. Boverie	5	12-05-22	10-05-24
Rosalind T. Cummings	3	10-02-19	10-01-24
Daryl T. Edwards	5	11-01-22	09-30-24
Donald J. Eldridge	5	02-04-20	10-03-24
Carlos R. Langanica	4	04-01-21	09-20-24
Alfonso Lopez	5	01-04-21	09-30-24
Michael J. Paris	5	09-15-20	10-22-24
Luis Robles	5	01-24-22	10-01-24
Hector Salas	5	07-05-22	10-18-24
Michael P. Villareal	3	05-05-21	10-19-24



## COMMUNITY PROPERTY DIVISION OF DROP/SERVICE PENSION – 3

### FIRE SERVICE

<u>Member</u>	<u>Former Spouse</u>	<u>Tier</u>	<u>Eff. Date</u>	<u>Benefit</u>	<u>Action</u>
Michael A. Castano	Diana M. Castano	5	01-21-24	DROP	Released
Michael A. Castano	Diana M. Castano	5	01-22-24	Pension	Released/COLA

### POLICE SERVICE

<u>Member</u>	<u>Former Spouse</u>	<u>Tier</u>	<u>Eff. Date</u>	<u>Benefit</u>	<u>Action</u>
John L. Boverie	Laura T. Boverie	5	10-05-24	DROP	Paid
John L. Boverie	Laura T. Boverie	5	10-06-24	Pension	Paid/COLA
Michael P. Villareal	Marikit Del Rosario	3	10-19-24	DROP	Paid
Michael P. Villareal	Marikit Del Rosario	3	10-20-24	Pension	Paid/COLA

## 2. Other business relating to Department operations

General Manager Salazar gave the following updates:

1. Fund total is at \$33.1 billion this week
2. Tiffany, our Commission Executive Assistant, will be emailing Commissioners this week to ask if you have any planned absences for Board meetings over the next 12 months.

## 3. LAFPP-LACERS Emerging Manager Event

To broaden outreach to emerging managers, LAFPP and LACERS will be co-hosting an Emerging Manager Networking Forum next Thursday, November 14. The event will be held in-person at LACERS' offices, will run from 9 a.m. to approximately 1 p.m., and consists of a welcome session that includes introductions by LAFPP and LACERS' CIOs, followed by 25-minute meetings between 18 emerging managers and LAFPP and LACERS' investment staff. A total of 296 emerging managers registered to compete for the individual meeting slots, which were randomly awarded to the 18 firms. The firms that were not selected for meetings were invited to participate in an informal meet-and-greet with staff; 58 firms confirmed their attendance for that portion of the event. In total, 76 emerging managers are expected to participate in the event.

Commissioner Ambriz inquired about emerging managers who are unable to attend if there is another event planned. General Manager Salazar stated the event is expected to be an annual event. Chief Investment Officer Bryan Fujita provided additional comments.

## 4. Upcoming 11/21/24 agenda items:

- a. One report from our Future Agenda Items list:

i. follow-up on DEI survey

5. Charter Amendment FF was on the ballot for Tuesday's election. This ballot measure will amend the Charter and authorize the City Council to provide a process whereby LACERS Peace Officers, who are actively employed on January 12, 2025, may make a one-time election to transfer into LAFPP Tier 6. LACERS Peace Officers are police who work for the City's Police, Airports, Harbor, and Recreation and Parks Departments. As of today, Los Angeles County is reporting that 58% of voters voted to approve the Charter amendment.

Once the election results are certified and Charter Amendment FF has been approved by a majority of voters, LAFPP will work with City Council, the Chief Administrative Officer, LACERS, and the City Attorney to draft the implementing ordinance detailing the transfer process. This ordinance will include a refund process for those eligible Tier 6 LAFPP members who previously paid to transfer their City service from LACERS to LAFPP.

Based on prior Charter amendments, it is expected that the ordinance would be presented to City Council in early 2025 and approved by spring 2025. Transfers or refunds will not be processed until the City Council approves the ordinance and within the timeframe specified in the ordinance. Staff will provide updates on this process in future monthly reports.

Commissioner Buzzell inquired about Charter Amendment FF and the impact on individuals who previously elected to transfer retirement plans. He asked if individuals will be reimbursed for transfer fees and if individuals who elected to not purchase time would receive reimbursement. General Manager Salazar clarified the terms for select groups who had previously elected to transfer from LACERS to LAFPP. Assistant General Manager Gregory Mack provided additional comments. General Manager Salazar stated we will report back to the Board with a future agenda item detailing the changes.

Commissioner Perez inquired if Charter Amendment FF is cost neutral for LAFPP and who is bearing the cost of the amendment. General Manager Salazar stated the City of Los Angeles, Department of Airports and the Harbor Department will bear the cost of the amendment.

6. Our CIO Bryan Fujita is being honored at a Neighborhood Youth Association event this evening, along with three other CIOs/senior investment professionals. The Neighborhood Youth Association provides a STEM focused after school program to underprivileged kids and teens with a goal of helping them complete high school on time and placing them in college.

7. New staff introduction

F. CONSENT ITEMS

1. Findings of Fact

- a. Daniel J. Valadez – Tier 6
- b. Sam S. Yin – Tier 5

2. Approval of Minutes

- a. Regular Board meeting minutes of September 19, 2024

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

G. CONSIDERATION OF FUTURE AGENDA ITEMS

General Manager Salazer will provide a report detailing the changes associated with the passing of Charter Amendment FF.

Commissioner Buzzell requested a report from the Los Angeles Fire Department to explain their position on light duty assignments and the statement of no jobs.

Commissioner Buzzell also requested the Los Angeles Fire Department to provide a presentation on personnel who have moved out-of-state and have filed for disability, as well as the Department's position on personnel moving out of the state.

*President Zimmon recessed the meeting for a break at 9:59 a.m. and reconvened at 10:19 a.m.*

*Commissioner Ambriz left for the remainder of the meeting at 10:00 a.m.*

*Commissioner Perez left for the remainder of the meeting at 10:14 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.

- 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.

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 Zimmon stated there was no public report.

The meeting ended at 11:01 a.m.

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President

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Secretary

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF NOVEMBER 21, 2024**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, November 21, 2024.

COMMISSIONERS PRESENT: Garrett W. Zimmon, President  
William Chun  
Brian J. Churchill  
Michael A. Lawson  
Nanxi Liu  
Raul Perez

COMMISSIONERS ABSENT: Andrea Ambriz  
Rigoberto Arellano  
Kenneth E. Buzzell

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

CITY ATTORNEY'S OFFICE: Joshua Geller, Interim Supervising Attorney

President Zimmon called the meeting to order at 8:30 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 six Commissioners participating in-person from the Boardroom. Commissioners Ambriz, Arellano, and Buzzell were absent.

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

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

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

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

There were no public comments.

**C. REPORTS TO THE BOARD**

**1. GLOBAL MACRO LENS ON ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS IN INVESTING EDUCATION BY ALLIANCEBERNSTEIN L.P.**

Mses. Kathleen Dumes, Vice President and Responsible Investing Research Analyst and Liz Smith, Senior Managing Director of AllianceBernstein presented and discussed this item with the Board. The report was received and filed.

**2. PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR JUNE 30, 2024**

Mr. Todd Hughes, Managing Director, Ms. Liz Campbell, Managing Director and Chief Investment Officer and Mr. Geoff Kelleman, Managing Director of Portfolio Advisors, presented and discussed this item with the Board. The report was received and filed.

**3. ANNUAL INVESTMENT POLICIES REVIEW AND POSSIBLE BOARD ACTION**

Ms. Annie Chao, Investment Officer III of the Investments Division presented this item to the Board. The report was approved as submitted.

**Resolution 25069**

Commissioner Churchill moved that the Board:

1. Approve the proposed amendments to Section 1.0 – Investment Guidelines Policy;
2. Approve the proposed amendments to Section 2.0 – Private Equity Investments Policy;
3. Approve the proposed amendments to Section 3.0 – Private Credit Investment Policy;
4. Approve the proposed amendments to Section 4.0 – Real Estate Policy;
5. Approve the proposed amendments to Section 6.0 – Emerging Managers Policy;
6. Approve the proposed amendments to Section 9.0 – Manager Selection and Retention Policy;
7. Approve the proposed amendments to Section 10.0 – Marketing Cessation Policy;
8. Approve all remaining formatting, grammatical, ordering, and clarifying amendments

to the overall Board Investment Policies;

9. Discuss any other desired amendments to the Board Investment Policies; and,
10. Authorize Staff to make technical corrections or clarifications to the Policies to effectuate the intent of the Board,

which was seconded by Commissioner Lawson and approved by the following vote: ayes, Commissioners Chun, Churchill, Lawson, Liu, Perez, and President Zimmon – 6; nays, none.

#### 4. DIVERSITY, EQUITY, AND INCLUSION SURVEY FOLLOW-UP REPORT

Mr. Angel Meza Contreras, Management Analyst and Ms. Susan Liem, Investment Officer III of the Investments Division presented and discussed this item with the Board. The report was received and filed.

#### 5. REVIEW OF THE INTERNAL AUDIT CHARTER AND POSSIBLE BOARD ACTION

Ms. Rebecca Takahashi, Departmental Audit Manager presented this item to the Board. The report was approved as submitted.

#### Resolution 25070

Commissioner Churchill moved that the Board review and approve the proposed, revised Internal Audit Charter as Appendix 2 to the Board Governance Policies, Section 3.0 – Duties and Responsibilities - Board of Commissioners,

which was seconded by Commissioner Liu and approved by the following vote: ayes, Commissioners Chun, Churchill, Lawson, Liu, Perez, and President Zimmon – 6; nays, none.

#### D. GENERAL MANAGER'S REPORT

1. Monthly Report
2. Marketing Cession Information
3. Benefits Actions approved by General Manager on November 7, 2024

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.

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Died</u>
Virginia H. Kelly	Fire Widow	2	07-19-08	09-05-24
Lois J. Lockwood	Fire Widow	2	05-18-14	08-12-24
Teresa M. Minter	Fire Widow	5	09-07-13	09-11-24
Geraldine A. Schindler	Fire Widow	2	08-26-09	09-15-24
John P. Halligan	Police Service	2	07-03-88	05-31-23
Tara N. Kessop	Police Service	3	05-03-21	06-30-24
Teresa M. Minter	Police Service	3	08-02-09	09-11-24
Frank W. Defina	Police Disability	2	06-29-82	10-11-24
James Johnson	Police Disability	2	03-01-77	07-29-24
Vivian R. Madras	Police Widow	2	03-11-07	05-31-23
Mary A. Manocchia	Police Widow	2	04-23-10	09-06-24

DISCONTINUED PENSIONS FORMER SPOUSE – 1

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Member Died</u>	<u>Died</u>
Kathryn S. Gligorijevic	Fire Service	5	07-01-02		09-16-24

SERVICE PENSION/DROP – 9

FIRE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Phillip R. Hershey	Captain II	5	06-03-24	25.726028
Karl H. Koller	Firefighter III	5	02-07-24	33.739384

POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Kasie J. Chavez	Sergeant II	5	02-01-24	25.547124
Alan S. Hamilton	Deputy Chief I	5	04-12-23	33.106437
Walter M. Killingsworth III	Police Officer II	3	11-01-23	27.262770
Jennifer K. Labrada	Sergeant I	5	02-01-24	26.356384
Adrian O. Lopez	Police Officer III	5	02-01-24	26.178083
Mark Y. Ro	Lieutenant II	5	02-01-24	28.326028
Sung J. Yoon	Police Officer III	5	08-04-23	25.000000

4. Other business relating to Department operations

General Manager Salazar gave the following updates:

1. Fund total is at \$33.2 billion this week
2. H.R.82 - Social Security Fairness Act of 2023



- a. Passed in the House of Representatives on Tuesday, November 12 (Yeas: 327, Nays: 75)
- b. Eliminates the government pension offset, which reduces Social Security benefits for spouses, widows, and widowers who also receive government pensions of their own.
- c. The bill also eliminates the windfall elimination provision, which reduces Social Security benefits for individuals who also receive a pension or disability benefit from an employer that did not withhold Social Security taxes.
- d. The Senate will need to act on a companion bill before Congress adjourns on January 3, 2025. The Senate companion bill, S 597, has 62 cosponsors. Staff will continue to monitor and report back to the Board on the status of the Senate bill.

3. Upcoming 12/5/24 agenda items:

- a. June 30, 2024 valuation
- b. Education by Segal on actuarial asset values
- c. FY 2023-24 audited financial statements
- d. New Medicare and surviving spouse/domestic partner subsidy maximums for 2025
- e. RVK's performance report for quarter ending 9/30/24

E. CONSENT ITEMS

1. GOVERNMENTAL ACCOUNTING STANDARDS (GAS) 68 AND 75 REPORTS TO THE BOARD

Received and filed.

Commissioner Churchill moved that the Board approve the consent items, which was seconded by Commissioner Lawson and approved by the following vote: ayes, Commissioners Chun, Churchill, Lawson, Liu, Perez, and President Zimmon – 6; nays, none.

F. CONSIDERATION OF FUTURE AGENDA ITEMS

Commissioner Liu requested Portfolio Advisors to update their performance report by adding benchmarks.

*President Zimmon recessed the meeting for a break at 10:03 a.m. and reconvened at 10:13 a.m.*

G. CLOSED SESSION

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

The Board met in closed session.

*President Zimmon recessed the meeting at 10:28 a.m. to hold the Special Board Meeting and reconvened at 10:35 a.m.*

## 2. CITY ATTORNEY SEMIANNUAL LITIGATION UPDATE

- A. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASES ENTITLED:
1. SAM ET AL. V. KWAN ET AL. (LASC, CASE NO. BC721121; CAL. APP. CT. 2D CASE NO. B315773)
  2. IN RE CVS HEALTH CORPORATION SECURITIES ACT LITIGATION, (U.S.D.C., D. RHODE ISLAND, CASE NO. 19-CV-00434)
  3. WILLIAMS V. CITY OF LOS ANGELES (U.S.D.C., C.D. CAL., CASE NO. 24-CV-08458)
  4. IN RE MYRIAD GENETICS INC., SECURITIES LITIGATION, (U.S.D.C., D. UTAH, CASE NO. 19-CV-00707)
  5. LETICIA ROUSSEVE V. LOS ANGELES CITY FIRE AND POLICE PENSION SYSTEM (LASC, CASE NO. 23STCP02353)
- B. CLOSED SESSION TO CONFER WITH AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING A SIGNIFICANT EXPOSURE OF LITIGATION, PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A),(D)(2), AND (E)(3), AND POSSIBLE BOARD ACTION CONCERNING GOVERNMENT CLAIMS FILED BY BRUCE OAKLEY, GUSTAVO CAMACHO, LASALLE CULPEPPER, ROBERT GIMENEZ, ZOLTAN MAKO, DAVID KEORTGE, KIT STAJCAR, DONALD POIRIER, AND JOHN PEREZ CONTESTING THEIR SUSPENSION FROM THE DEFERRED RETIREMENT OPTION PLAN (DROP) AND RELATING TO CASE ENTITLED: LOS ANGELES POLICE PROTECTIVE LEAGUE, ET AL V. CITY OF LOS ANGELES, ET AL. (LASC, CASE NO. 23STCP01261)

The Board met in closed session.

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

The meeting ended at 10:38 a.m.

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President

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Secretary

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF DECEMBER 5, 2024**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, December 5, 2024.

COMMISSIONERS PRESENT: Garrett W. Zimmon, President  
Rigoberto Arellano  
Kenneth E. Buzzell  
Brian J. Churchill  
Michael A. Lawson  
Nanxi Liu  
Raul Perez

COMMISSIONERS ABSENT: Andrea Ambriz, Vice President  
William Chun

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

CITY ATTORNEY'S OFFICE: Joshua Geller, Interim Supervising Attorney

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

**A. CALL TO ORDER**

**1. Roll Call**

Ms. Tiffany West announced there was a quorum, with seven Commissioners participating in-person from the Boardroom. Commissioners Ambriz and Chun 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 CASE

DISABILITY CLAIM – NEW CLAIM – TIER 5

Maloch, Tiffany A.

(P)

Police Officer II

As recommended by staff and concurred by the applicant, a service-connected disability pension of 53% is granted for her hips, subject to review no later than two years from now. Motion made by Commissioner Buzzell, seconded by Commissioner Churchill, and adopted by the following vote: ayes, Commissioners Arellano, Buzzell, Churchill, Lawson, Liu, Perez and President Zimmon – 7; nays, none; absent, Commissioners Ambriz and Chun. Ms. Maloch was not present but was represented by Thomas J. Wicke, Esq. of Lewis, Marenstein, Wicke, Sherwin & Lee, LLP.

D. REPORTS TO THE BOARD

1. PLAN FUNDING CONSIDERATIONS WITH A FOCUS ON ASSET SMOOTHING EDUCATION BY SEGAL

Mr. Gregory Mack, Assistant General Manager of the Pensions Division provided a report summary. Mr. Andy Yeung, Vice President and Actuary of The Segal Group presented and discussed this item with the Board. The report was received and filed.

2. CONSIDERATION OF THE JULY 1, 2023 TO JUNE 30, 2024 PENSION AND HEALTH BENEFITS VALUATIONS AND POSSIBLE BOARD ACTION

Messrs. Gregory Mack, Assistant General Manager of Pensions Division and Andy Yeung, Vice President and Actuary of The Segal Group presented and discussed this item with the Board. The report was approved as submitted.

Resolution 25074

Commissioner Buzzell moved that the Board:

1. Adopt the attached pension and health valuation reports submitted by Segal for plan funding purposes for the period ending June 30, 2024 (Attachment 1); and,
2. Adopt the attached Governmental Accounting Standards Board (GASB) 67 and 74 Actuarial Valuations for plan financial reporting purposes as of June 30, 2024 (Attachments 2 and 3),

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

3. QUARTERLY INVESTMENT PERFORMANCE ANALYSIS BY RVK

Mr. Jim Voytko, Director and Senior Consultant of RVK, presented and discussed this item with the Board. The report was received and filed.

4. CHIEF INVESTMENT OFFICER'S QUARTERLY REPORT OF INVESTMENT ACTIVITY AND POSSIBLE BOARD ACTION

Mr. Bryan Fujita, Chief Investment Officer, Investments Division presented this item to the Board. The report was approved as submitted.

Resolution 25075

Commissioner Buzzell moved that the Board approve the actual asset allocation of the Fund and Staff's plans for bringing asset classes currently outside of their target allocation ranges back within their allocation ranges,

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

*Commissioner Churchill left the meeting at 10:41 a.m. for the remainder of the meeting.*

5. NEW MEDICARE SUBSIDY, DENTAL SUBSIDY, NON-MEDICARE SUBSIDY FOR QUALIFIED SURVIVING SPOUSES/DOMESTIC PARTNERS, AND MEDICARE PART B PREMIUM REIMBURSEMENT MAXIMUMS FOR 2025

Ms. Jennifer Chan, Sr. Management Analyst I of the Medical and Dental Benefits Section, presented this item to the Board. The report was received and filed.

6. AUDITED FINANCIAL STATEMENTS AS OF JUNE 30, 2024 AND POSSIBLE BOARD ACTION

Ms. Rebecca Takahashi, Departmental Audit Manager, presented this item to the Board. Ms. Etta Hur, Audit Manager of Simpson & Simpson CPAs was available virtually for questions. The report was approved as submitted.

Resolution 25076

Commissioner Buzzell moved that the Board:

1. Adopt the System's Audited Financial Statements as of June 30, 2024; and,
2. Direct staff to provide copies of the adopted Audited Financial Statements to the State Controller and City Controller,

which was seconded by Commissioner Liu and approved by the following vote: ayes, Commissioners Arellano, Buzzell, Lawson, Liu, Perez, and President Zimmon – 6; nays, none.

#### 7. CONSIDERATION OF GOVERNMENTAL SIDE-A FIDUCIARY LIABILITY INSURANCE AND POSSIBLE BOARD ACTION

Mr. Wilson Poon, Chief Management Analyst of Administrative Operations Division and Ms. Anna Bell, Vice President and Mr. Dennis Yuen of Segal Select Insurance presented and discussed this item with the Board. The report was approved as submitted.

#### Resolution 25077

Commissioner Liu moved that the Board:

1. Authorize the General Manager to negotiate and execute the required documents with our current broker Segal Select Insurance Services, Inc., to renew the Governmental Side-A Directors & Officers liability insurance policy (for a total of \$15 million in primary and excess coverage limits) with the incumbent carriers, at an annual cost not to exceed \$67,000; and,
2. Request a Waiver of Recourse Endorsement (estimated at \$50 annually per insured person) to be paid by the insured person and not by System assets,

which was seconded by Commissioner Lawson and approved by the following vote: ayes, Commissioners Arellano, Buzzell, Lawson, Liu, Perez, and President Zimmon – 6; nays, none.

#### E. GENERAL MANAGER'S REPORT

1. Benefits Actions approved by General Manager on November 21, 2024

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 – 14

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Died</u>
Richard W. Berry, Jr.	Fire Service	2	07-01-77	10-20-24

Carl A. Butler	Fire Service	5	05-01-02	10-19-24
Joseph G. Scott	Fire Service	5	06-01-12	10-02-24
Calvin D. Mc Intyre	Fire Disability	3	07-17-98	09-21-24
Katherine J. Cadam	Fire Widow	2	07-30-16	07-22-24
Michael J. Damianakes	Police Service	5	05-01-02	10-08-24
Robin R. Ririe	Police Service	2	10-12-86	10-04-24
Thomas J. Sokarda	Police Service	5	11-01-02	10-07-24
Robert L. Vernon	Police Service	2	06-04-92	10-19-24
Timothy T. Williams, Jr.	Police Service	5	05-19-02	09-13-24
Leo R. Gurule	Police Disability	2	07-12-78	10-16-24
William E. Schmidt	Police Disability	2	03-07-74	09-27-24
Cecelia A. Carraher	Police Widow	1	05-09-82	10-02-24
Frances J. Romero	Police Widow	2	07-01-20	09-20-24

## DISCONTINUED PENSIONS FORMER SPOUSE – 2

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Member Died</u>	<u>Died</u>
Donna J. Alba	Police Service	2	07-04-99		10-01-24
Jacqueline D. Williams	Police Service	5	05-19-02	09-13-24	

## ELIGIBLE SURVIVING SPOUSE'S PENSION – 7

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Janice M. Butler	Carl A. Butler	Fire Service	5	10-20-24
Sandra J. Scott	Joseph G. Scott	Fire Service	5	10-03-24
Denise R. Mc Intyre	Calvin D. Mc Intyre	Fire Disability	3	09-22-24
Diane L. Damianakes	Michael J. Damianakes	Police Service	5	10-09-24
Trudy A. Ririe	Robin R. Ririe	Police Service	2	10-05-24
Valentina E. Sokarda	Thomas J. Sokarda	Police Service	5	10-08-24
Donna L. Williams	Timothy T. Williams, Jr.	Police Service	5	09-14-24

## SURVIVOR BENEFIT PURCHASE PROGRAM – 1

<u>Name</u>	<u>Member's Class</u>	<u>Effective</u>	<u>Tier</u>	<u>Survivor Benefit %</u>
Matthew B. Sieber	Police Service	11-01-24	5	100%

## ELIGIBLE SURVIVOR BENEFIT PURCHASE PROGRAM PENSION – 2

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Janette M. Gurule	Leo R. Gurule	Police Disability	2	10-17-24
Peggy K. Schmidt	William E. Schmidt	Police Disability	2	09-28-24

## ELIGIBLE MINOR CHILD'S PENSION – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
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Kamryn D. Scott	Joseph G. Scott	Fire Service	5	10-03-24
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INCREASE PENSIONS SURVIVING CHILD – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Kailyn R. Harris	Kimberly L. Jones Harris	Police Service	5	10-06-24

DISCONTINUED PENSIONS MINOR CHILD – 1

<u>Name</u>	<u>Deceased Member</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Effective</u>
Jonathan D. Harris	Kimberly L. Jones Harris	Police Service	5	10-05-24

PARTIAL PAYMENT OF SURVIVING SPOUSE'S PENSION – 1

<u>Eligible Spouse's Name</u>	<u>Former Spouse</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Action</u>	<u>Effective</u>
Donna L. Williams	Jacqueline D. Williams	Police Service	5	Paid/COLA	09-14-24
(Timothy T. Williams, Jr.)					

COMMUNITY PROPERTY DIVISION OF PENSION – 3

<u>Member's Name</u>	<u>Former Spouse</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Action</u>	<u>Effective</u>
Armando H. Magana III	Gabi Bailey	Police Service	5	Paid/COLA	09-20-24
Richard A. Meraz	Loretta E. Meraz	Police Service	5	Paid/COLA	11-01-24
Alex A. Pozo	Tammy L. Pozo	Police Service	5	Withheld/COLA	11-01-24

DEFERRED SERVICE PENSION – 1

POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Jesus A. Olivares	Police Officer II	3	10-17-24	18.521780

SERVICE PENSION – 14

FIRE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Eric J. Gardner	Firefighter III	5	09-28-24	23.822808
Mark G. Mccracken	Fire Captain II	5	10-06-24	22.419178
Tim D. Tinsley	Firefighter III	5	10-07-24	26.717328

POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Michael V. Chan	Police Officer II	5	09-09-24	20.126424

Trasia R. Figueira	Police Officer II	5	09-22-24	26.608424
Yolanda M. Hagerty	Sergeant II	5	09-22-24	20.008219
Fabiola E. Killman	Lieutenant I	5	10-01-24	27.052206
Armando H. Magana III	Police Officer II	5	09-20-24	21.110137
Mar Sean L. Mikel	Police Officer II	5	10-06-24	21.575343
John E. Redican	Police Officer III	5	09-25-24	22.393404
David W. Steussie	Sergeant I	5	09-22-24	22.791370
Shawna M. Stevenson	Police Officer III	5	10-01-24	22.000000
David R. Sweet	Police Officer III	5	08-01-24	20.537256
Gerardo Vejar	Detective II	5	09-21-24	28.152850

SERVICE PENSION – 1 **CORRECTION**POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
John L. Ammons	Police Officer II	3	06-13-24	<b>16.829824</b>

SERVICE PENSION/DROP – 2

POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Robert J. Heiserman	Police Officer II	3	08-04-24	27.135069
Eric D. Quirk	Police Officer III	5	08-01-23	26.904110

## DISCONTINUE DROP – 15

POLICE

<u>Name</u>	<u>Tier</u>	<u>Retired</u>	<u>Exit Close of</u>
Todd M. Booth	5	09-01-20	11-11-24
Edwin E. Dominguez	5	11-01-19	10-31-24
Ursula Guillory	5	11-22-19	11-21-24
Windle L. Hawkins	5	11-01-19	10-31-24
Mark A. Maldonado	3	02-15-21	11-16-24
Javier F. Mora	5	05-01-23	10-31-24
Timothy J. Morris	5	03-01-23	10-31-24
Sylvia C. Ota	5	11-01-19	10-31-24
Ricardo Ortega	3	09-01-22	10-31-24
Andres M. Peters	5	10-14-20	10-31-24
Michael R. Ruiz	5	11-01-20	10-31-24
Alejandra M. Sampson	5	10-03-22	10-31-24
Adrian Sanabria	3	03-01-21	11-01-24
Gary W. Walters	5	06-03-19	11-02-24
Carlton K. Zellars	5	01-11-23	11-02-23

## COMMUNITY PROPERTY DIVISION OF DROP/SERVICE PENSION – 1

### POLICE SERVICE

<u>Member</u>	<u>Former Spouse</u>	<u>Tier</u>	<u>Eff Date</u>	<u>Benefit</u>	<u>Action</u>
Tommy R. Thompson	Lisa A. Thompson	5	08-31-24	DROP	Paid
Tommy R. Thompson	Lisa A. Thompson	5	09-01-24	Pension	Paid/COLA

## COMMUNITY PROPERTY DIVISION OF DROP/SERVICE PENSION – 1 **NAME CHANGE**

### FIRE SERVICE

<u>Member</u>	<u>Former Spouse</u>	<u>Tier</u>	<u>Eff Date</u>	<u>Benefit</u>	<u>Action</u>
Juan J. Abrego	Micaela A. <b>Wood</b>	5	01-27-24	DROP	Paid
Juan J. Abrego	Micaela A. <b>Wood</b>	5	01-28-24	Pension	Paid/COLA

## SERVICE-CONNECTED DISABILITY PENSION – 2

<u>Name</u>	<u>Member's Rank</u>	<u>Tier</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Daniel J. Valadez	Firefighter II	6	53%	10-15-24	10-17-24
Sam S. Yin	Sergeant II	5	45%	09-23-23	10-03-24

## 2. Other business relating to Department operations

General Manager Salazar gave the following updates:

1. Fund total is at \$33.6 billion this week
2. Active Police Department Board Member Election
  - Today, City Clerk will mail the Notice of Intent packets to all active sworn eligible members of LAPD, notifying them of the election and that candidates are being sought.
  - Eligible members who wish to run as a candidate must return their Notice of Intent to the Election Division by Tuesday, December 24th, at 5:00 p.m.
3. Retired Fire Department Board Member Election
  - On Monday, December 16th, City Clerk will mail Notice of Intent packets to all retired eligible members of the Fire Dept., notifying them of the election and that candidates are being sought.
  - Eligible members who wish to run as a candidate must return their Notice of Intent to the Election Division by Thursday, January 9, 2025, at 5:00 p.m.
4. Governmental Side-A Fiduciary Liability Insurance
  - a. With the Board's approval today, staff will proceed with binding the D&O insurance policies.

- b. Subsequently, you will receive an email request for payment of your portion of the Waiver of Recourse premium. As a reminder, please pay only your portion which is \$50.
  - c. Electronic payments are accepted through Segal's pay portal or checks can be mailed to Segal
5. Once again, LAFPP will be partnering alongside the Los Angeles Fire Department and their annual commitment to ABC7's Spark of Love Toy Drive to bring holiday joy to children and families in need. This annual initiative collects toys and sports equipment for underserved children, and we're proud to join this effort to make a meaningful difference in our community.

We have collection boxes in the elevator lobbies on each floor. Please consider donating new, unwrapped toys or sports gear for kids of all ages. Your generosity will help brighten the holidays for so many children in need. Thank you to everyone for your support.

#### F. CONSENT ITEMS

1. ANNUAL CONFIRMATION OF INTERNAL AUDIT'S ORGANIZATIONAL AND AUDITOR INDEPENDENCE FOR CALENDAR YEAR 2024

The report was received and filed.

2. CONTRACTOR DISCLOSURE REPORT: THIRD QUARTER 2024

The report was received and filed.

3. Findings of Fact

- a. Daniel T. DeLeon – Tier 5
- b. Jason T. Vriens – Tier 5

Commissioner Buzzell moved that the Board approve the consent items, which was seconded by Commissioner Liu and approved by the following vote: ayes, Commissioners Arellano, Buzzell, Lawson, Liu, Perez, and President Zimmon – 6; nays, none.

#### G. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

*President Zimmon recessed the meeting for a break at 11:00 a.m. and reconvened at 11:14 a.m.*

#### H. CLOSED SESSION

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

The Board met in closed session.

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

The meeting ended at 11:32 a.m.

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President

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Secretary

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**BOARD MEETING OF DECEMBER 19, 2024**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, December 19, 2024.

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

COMMISSIONERS ABSENT:    William Chun  
   Michael A. Lawson

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

CITY ATTORNEY'S OFFICE:    Joshua Geller, Supervising Attorney

President Zimmon called the meeting to order at 8:30 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 Lawson 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 CASE

DISABILITY CLAIM – NEW CLAIM – TIER 6

McBride, Toni R.

(P)

Police Officer II

As recommended by staff and concurred by the applicant, a service-connected disability pension of 68% is granted for her ulcerative colitis only, subject to review no later than two years from now. Motion made by Commissioner Churchill, seconded by Commissioner Perez, and adopted by the following vote: ayes, Commissioners Ambriz, Arellano, Churchill, Liu and President Zimmon – 5; nays, Commissioners Buzzell and Perez – 2; absent, Commissioners Chun and Lawson. Ms. McBride was not present but was represented by Corina Lee, 911 Benefits, LLC.

D. REPORTS TO THE BOARD

1. STATUS UPDATE OF THE SWORN OFFICER TRANSFER FROM LACERS TO LAFPP AND POSSIBLE BOARD ACTION

Mr. Gregory Mack, Assistant General Manager of the Pensions Division presented and discussed this item with the Board. Ms. Gina Di Domenico, Deputy City Attorney III of the Public Pensions General Counsel Division was available for questions. General Manager Salazar provided comment. The report was approved as submitted.

Resolution 25080

Commissioner Ambriz moved 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,

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

2. REPORT ON RESULTS OF EXTERNAL QUALITY ASSESSMENT (PEER REVIEW) OF INTERNAL AUDIT SECTION AND POSSIBLE BOARD ACTION

Ms. Rebecca Takahashi, Departmental Audit Manager presented this item to the Board. The report was approved as submitted.

Resolution 25081

Commissioner Ambriz moved that the Board:

1. Review and accept the results of the November 2024 Peer Review regarding the Internal Audit Section (IAS); and,
2. Review and approve IAS' corrective action plan and timeline to address the identified suggestion for improvement contained in the Peer Review,

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

3. AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR EXTERNAL FINANCIAL AUDIT SERVICES AND POSSIBLE BOARD ACTION

Ms. Rebecca Takahashi, Departmental Audit Manager presented this item to the Board. The report was approved as submitted.

Resolution 25082

Commissioner Perez moved that the Board authorize the General Manager to issue a Request for Proposals (RFP) for external financial audit services,

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

*Commissioner Arellano left for the remainder of the meeting at 8:59 a.m.*

E. GENERAL MANAGER'S REPORT

1. Monthly Report
2. Marketing Cession Information
3. Benefits Actions approved by General Manager on December 5, 2024

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 – 15

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Died</u>
Thomas R. Brennan	Fire Service	5	08-01-02	10-20-24
Bron Bryant	Fire Service	2	01-06-87	11-02-24
William J. Buckley	Fire Service	2	07-09-81	10-25-24
Anthony C. Bohlin	Fire Disability	3	01-19-84	11-11-24
William E. Stanton	Fire Disability	2	10-09-90	10-20-24
Martha Bennett	Fire Widow	2	05-09-07	10-24-24
William T. Mussett	Police Service	2	06-30-92	11-03-24
Michael D. Wilson	Police Service	5	05-19-02	10-29-24
Virginia G. Boen	Police Widow	2	09-22-16	09-23-24
Carmen M. Des Enfants	Police Widow	1	12-12-97	10-26-24
Della M. Kent	Police Widow	2	01-15-77	09-17-24
Mary Lou Krueger	Police Widow	2	12-04-96	10-21-24
Donna M. Muldrew	Police Widow	2	01-20-05	09-30-24
Betty J. Smith	Police Widow	2	04-12-81	11-09-24
Peter S. Stafford	Police	1	01-21-15	09-07-24
	Dependent Child			

#### DISCONTINUED PENSIONS FORMER SPOUSE – 1

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Member Died</u>	<u>Died</u>
Judith A. Bryant	Fire Service	2	01-06-87	11-02-24	

#### DISCONTINUED PENSIONS DESIGNATED BENEFICIARY – 1

<u>Name</u>	<u>Member's Class</u>	<u>Tier</u>	<u>Retired</u>	<u>Member Died</u>	<u>Died</u>
Theodore M. Krasel	Police Service	5	02-10-02		10-03-24

#### SERVICE PENSION/DROP – 16

##### POLICE

<u>Name</u>	<u>Rank</u>	<u>Tier</u>	<u>Effective</u>	<u>Years</u>
Gregory J. Andrachick	Police Officer III	5	02-01-24	26.299481
Louie M. Estrella, Jr.	Detective I	5	02-01-24	27.704657
Michael J. Guttilla	Sergeant I	5	02-01-24	28.073733
Benjamin G. Hetzler	Sergeant II	5	02-01-24	25.019384
Talya A. Higgs	Detective I	3	08-01-23	25.865894
Eric D. Jackson	Police Officer III	5	02-01-24	27.482192
Carlton M. Jeter	Sergeant II	5	02-01-24	30.037807
James R. Leone	Police Officer III	5	01-24-24	25.060480
Christopher M. Marsden	Detective III	5	02-14-24	26.599041

David Martinez	Sergeant II	5	02-01-24	27.789042
Carmen S. Mederos, Jr.	Detective II	5	02-29-24	29.543014
Joseph L. Oseguera	Police Officer III	5	02-01-24	28.382739
Jeannette Santos	Detective II	3	01-01-24	27.635138
Zarren L. Thompson	Police Officer III	5	02-01-24	26.484315
Daniel Vasquez	Sergeant I	4	02-01-24	25.929864
Jeremy M. Yamamoto	Police Officer II	5	02-01-24	28.511953

#### SERVICE-CONNECTED DISABILITY PENSION – 2

<u>Name</u>	<u>Member's Rank</u>	<u>Tier</u>	<u>Percentage</u>	<u>Effective Date</u>	<u>Board Date</u>
Daniel T. DeLeon	Police Officer III	5	70%	10-22-24	11-07-24
Jason T. Vriens	Engineer	5	57%	11-05-24	11-07-24

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

General Manager Salazar gave the following updates:

1. Fund total is at \$33.3 billion this week.
2. 2025 Conferences
  - a. The annual list of recommended conferences/seminars for Board Members will be emailed to Commissioners this afternoon.
  - b. If you are interested in attending any of the conferences listed, please let Tiffany know.
3. Police Department Active Board Member Election
  - a. Two weeks ago, the City Clerk mailed the Notice of Intent packets to all active sworn eligible LAPD members, notifying them of the election and that candidates are being sought.
  - b. Eligible members who wish to run as a candidate must return their Notice of Intent to the Election Division by Tuesday, December 24, at 5:00 p.m.
4. Fire Department Retired Board Member Election
  - a. Earlier this week, the City Clerk mailed Notice of Intent packets to all retired eligible members, notifying them of the election and that candidates are being sought.
  - b. Eligible members who wish to run as a candidate must return their Notice of Intent to the Election Division by Thursday, January 9, 2025, at 5:00 p.m.

#### 5. Waiver of Recourse

Last week, you received an email from staff requesting payment of your portion of the Waiver of Recourse for the D&O insurance policies. If you need any assistance with the payment portal, please see Wilson or Myo after the Board meeting.

6. Staff Introductions

Congratulations to the newly-appointed Supervising Attorney of the Public Pensions General Counsel Division, Josh Geller. Josh has been serving in the interim capacity since July of this year. General Manager Salazar introduced two new employees.

7. Next Board Meeting

As a reminder, we will not have a meeting on January 2, 2025. The next Board meeting will be on Thursday, January 16, 2025.

8. Holiday Wishes

General Manager Salazar expressed his gratitude to the team at LAFPP for their hard work, dedication, and commitment to excellence throughout the year. He also acknowledged the Board, Plan members, and other stakeholders for their continued support and collaboration.

F. CONSENT ITEMS

1. Approval of Minutes

a. Regular Board meeting minutes of October 3, 2024 and October 17, 2024

Commissioner Buzzell moved that the Board approve the consent items, which was seconded by Commissioner Perez and approved by the following vote: ayes, Commissioners Ambriz, Buzzell, Churchill, Liu, Perez, and President Zimmon – 6; nays, none.

G. CONSIDERATION OF FUTURE AGENDA ITEMS

There were no items referred for consideration.

*President Zimmon recessed the meeting for a break at 9:05 a.m. and reconvened at 9:10 a.m.*

H. CLOSED SESSION

1. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) AND (d)(1) TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL

REGARDING PENDING LITIGATION IN THE CASE ENTITLED SAM V. KWAN ET AL.  
(Case no. BC 721121)

The Board met in closed session.

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

The meeting ended at 9:18 a.m.

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President

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Secretary

**MINUTES**  
**OF THE**  
**BOARD OF FIRE AND POLICE PENSION COMMISSIONERS**  
**SPECIAL BOARD MEETING OF NOVEMBER 21, 2024**

The Board of Fire and Police Pension Commissioners of the City of Los Angeles met on Thursday, November 21, 2024.

COMMISSIONERS PRESENT:    Garrett W. Zimmon, President  
   William Chun  
   Brian J. Churchill  
   Michael A. Lawson  
   Nanxi Liu  
   Raul Perez

COMMISSIONERS ABSENT:    Andrea Ambriz  
   Rigoberto Arellano  
   Kenneth E. Buzzell

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

CITY ATTORNEY'S OFFICE:    Joshua Geller, Interim Supervising Attorney

President Zimmon called the meeting to order at 10:29 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 six Commissioners participating in-person from the Boardroom and Commissioners Ambriz, Arellano, and Buzzell 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. 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.

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

The meeting ended at 10:34 a.m.

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President

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Secretary