

LAFPP



2023-24 FINAL BUDGET Executive Summary

As presented on June 15, 2023 to the
Board of Fire and Police Pension Commissioners



"To serve those who protect."

Los Angeles Fire and Police Pensions

BUDGET OVERVIEW

For nearly 124 years, Los Angeles Fire and Police Pensions (LAFPP) has provided retirement security to the sworn officers of the City of Los Angeles. LAFPP tirelessly strives to achieve its vision of being a leader and innovator in the public pension industry through an uncompromising dedication to excellence, customer service, transparency, and education. This vision is achieved through the implementation of LAFPP's strategic goals, which were designed to propel the organization forward to better serve our members, manage risks, and ensure fiscal sustainability.

Funding. As with all public pension funds, LAFPP holds assets in trust that finance promised benefits to our sworn members and their qualified survivors. To that end, the basic universal pension funding equation becomes key to understanding how LAFPP's benefits are funded:

RECEIPTS (+)	EXPENDITURES (-)
City (Employer) Contributions	Pension and Health (OPEB) Benefits
Member (Employee) Contributions	Investment Management Expense
Investment Earnings	Administrative Expense

Budget Formulation. Each year, LAFPP undertakes a comprehensive budget development process to prepare its annual budget. The Final Budget for Fiscal Year 2023-24 (FY24) is formulated to support LAFPP's long-term goals as contained within its **2022-24 Strategic Plan**, which include ensuring a financially sound retirement system, managing risk, enhancing customer care and stakeholder relations, pursuing operational efficiencies, building a talented workforce, and a commitment to diversity, equity, and inclusion.

The budget also incorporates the resources necessary to implement the General Manager's **FY24 Final Business Plan**. For FY24 the Final Business Plan contains 13 projects designed to support each of the Department's six (6) Strategic Goals.

Budget Summary. For FY24, the Final Budget is summarized in the tables below.

Receipts (+)	FY23 Budget	FY24 Budget	\$ Change	% Change
City Contribution* (General Fund and Special Funds)	\$668,242,775	\$645,370,110	(\$22,872,665)	(3.4%)
Member Contributions	165,936,895	166,028,798	91,903	0.1%
Earnings on Investments	506,000,000	506,000,000	0	0.0%
Miscellaneous	500,000	500,000	0	0.0%
TOTAL RECEIPTS	1,340,679,670	1,317,898,908	(22,780,762)	(1.7%)

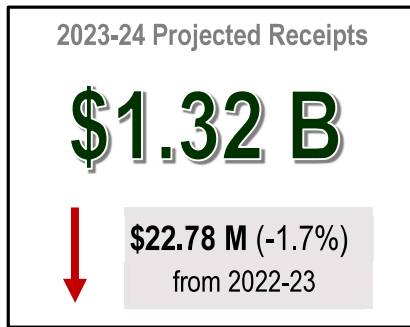
Expenditures (-)	FY23 Budget	FY24 Budget	\$ Change	% Change
Pension and Health (OPEB) Benefits Expense	\$1,533,840,500	\$1,700,133,000	\$166,292,500	10.8%
Investment Management Expense	151,941,649	163,294,890	11,353,241	7.5%
Administrative Expense	27,327,550	27,936,900	609,350	2.2%
TOTAL EXPENDITURES	1,713,109,699	1,891,364,790	178,255,091	10.4%

*Excludes the Excess Benefit Plan (EBP) amount (\$424,520 for FY24) that is not transferred to LAFPP.

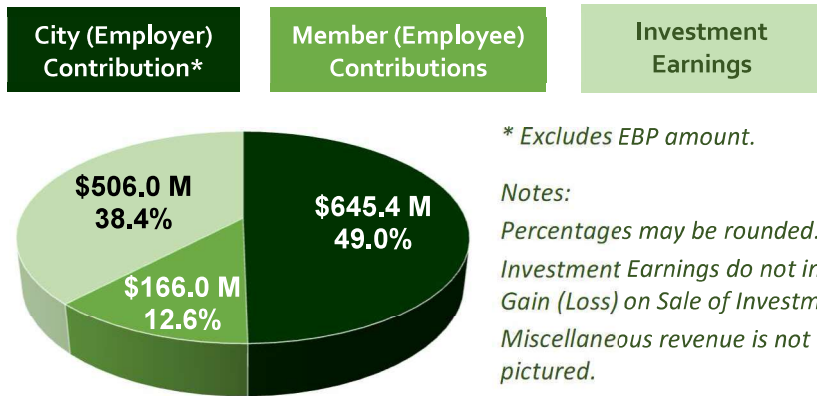
Note: Gain (Loss) on Sale of Investments is recorded in LAFPP financial statements after the amount is audited and therefore an amount is not included in the budget.

Budget Approval. The Preliminary Budget for the upcoming fiscal year is submitted to the Board of Fire and Police Pension Commissioners (the "Board") for consideration each March. Upon Board approval, the Preliminary Budget is sent to the Mayor's Office and the City Administrative Officer to be included in the Mayor's Proposed FY24 City Budget. The Board must then subsequently adopt a Final Budget for LAFPP by June 30, 2023, with updated City and Member Contribution amounts based on sworn payroll amounts that are consistent with the City's FY24 Final Budget as adopted by the City Council and the Mayor.

SUMMARY OF RECEIPTS



LAFPP receives revenue primarily from three sources:



City (Employer) Contribution¹

The City Contribution is one component that funds the retirement and health care benefits promised by the City to its sworn LAFPP members. In order to determine the City Contribution, each year the Board adopts a contribution rate as recommended by its actuary that is applied to the City’s projected sworn payroll. On December 1, 2022, the Board adopted the pension and health valuation reports for the period ending June 30, 2022, which established the City’s combined contribution rate as **40.41%** for FY24. The table below provides the contribution rate by department:

Departments	FY23 Contribution Rate	FY24 Contribution Rate	% Change
Los Angeles Police & Fire	41.84%	40.63%	(1.21%)
Harbor Port Police	33.49%	27.00%	(6.49%)
Los Angeles World Airports Police	27.80%	26.20%	(1.60%)

Based on the 2023-24 sworn payroll provided by the Office of the City Administrative Officer, the FY24 total City contribution is \$645.79 million. Since the Excess Benefit Plan payment is allocated directly to the Controller’s Office, the actual amount to be remitted to LAFPP from the City’s General Fund and Special Funds (Harbor and Airports Departments) is estimated to be **\$645.37 million**, a decrease of \$22.87 million (-3.4%) from the 2022-23 Budget.

¹ See Schedule 2, Detail of City, Harbor, and Airport Contribution Requirements.

Member (Employee) Contribution²

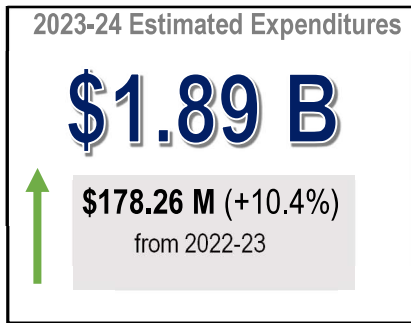
Member contributions are determined by the contribution rate for each Tier and the City's sworn pensionable payroll. The contribution rates range from 7% to 9% for members in Tiers 2 through 5, while members in Tier 6 contribute 11% of pensionable salary. In addition, members of Tiers 2 through 5 who elected to "unfreeze" their future retiree medical subsidy make additional 2% "opt-in" contributions of base pay.

Investment Earnings

A significant portion of the annual receipts are derived from Investment Earnings, which are comprised of: (1) "Earnings on Investments," which include interest and dividends and income from real estate, securities lending, and miscellaneous assets; and (2) "Gain (Loss) on Sale of Investments," which includes capital gains/losses as investments are sold. The latter is not included in the budget as it is difficult to predict the investments to be sold throughout the year and because gains/losses fluctuate significantly depending upon market conditions. As such, gains/losses on sale of investments are recorded in the financial statements and future budget cycles as an audited amount.

² See Schedule 3, *Detail of Estimated Payrolls and Member Contributions*.

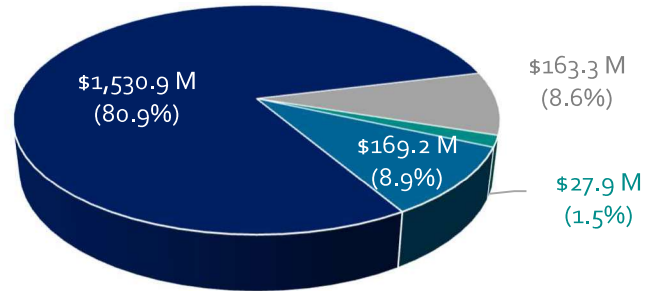
SUMMARY OF EXPENDITURES



LAFPP expenditures are comprised of:



Pension and Health Benefits are non-discretionary expenses.



Pension and Health/Other Post-Employment Benefits (OPEB) Expense³

Benefits expenditures are projected at **\$1.70 billion**, approximately a 10.8% increase from FY23, due in part to a 5.7% increase in the average monthly benefit amount and a 2.3% increase in the number of retired members.

Significant increases anticipated for FY24 are further highlighted below:

Pension Benefits Expense (\$1.53 billion) \$161.89 million net increase (+11.8%)

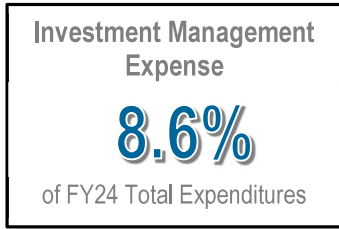
Mainly attributed to an increase in service pension payments (+\$85.0 million or 9.6%) and DROP Distributions (+\$61.29 million or +28.9%) based on the Cost of Living Adjustment (COLA) for FY 24 and increases in service pensions, mandatory DROP exits and projected early DROP exits in FY24. Additional increases are for expected refunds of contributions (+\$2.90 million or 42.0%) and surviving spouse/domestic partner pensions (+\$13.0 million or 8.6%).

Health (OPEB) Benefits Expense (\$169.20 million) \$4.40 million net increase (+2.7%)

Primarily attributed to an increase in Health Insurance Premium Subsidy (+\$3.00 million or +2.1%) due to an increase of 6% in the maximum member non-Medicare health subsidy for FY 24 and an anticipated increase in participants receiving a health subsidy. Expense for the Health Insurance Premium Reimbursement Program is also anticipated to increase (+\$0.30 million or +18.8%) due to increased claim amounts.

³ See Schedule 1, 2023-24 Preliminary Budget.

Investment Management Expense (IME)⁴



The IME are fees associated with managing the Plan's funds and are commensurate with asset growth. LAFPP's investment return (market value) for the fiscal year ending June 30, 2022 was **-7.23%**, with assets totaling **\$28.0 billion**. At the end of May 2023, assets under management (unaudited) increased to \$28.53 billion.

IME has increased as assets have grown. For FY24, this expense is projected at **\$163.29 million**, an increase of 7.5% from FY23.

Following is the IME by asset allocation (figures are rounded):

Type/Asset Class	FY23 IME Modified Budget	FY24 IME Final Budget	% Total of FY24 IME	% Change from FY23
Consultants & Bank Services	\$ 0.93 million	\$ 0.94 million	0.6%	0.9%
Public Equity	30.17 million	30.18 million	18.5%	0.0%
Fixed Income	9.98 million	9.30 million	5.7%	(6.8%)
Private Equity	70.37 million	79.97 million	49.0%	13.6%
Commodities	2.76 million	2.90 million	1.8%	4.9%
Real Estate	34.23 million	36.78 million	22.5%	7.5%
Private Credit	3.50 million	3.23 million	2.0%	(7.9%)
TOTAL	\$ 151.94 million	\$163.29 million	100.0%	7.5%

The increase in fees is primarily attributed to:

- \$9.60 million (or 13.6%) increase in Private Equity partnership fees due to the growth of private equity assets; and,
- \$2.55 million (or 7.5%) increase in Real Estate and REITs investment fees due to an increase in Real Estate assets from an overallocation to Real Estate as a result of the REIT rebalance in 2021.

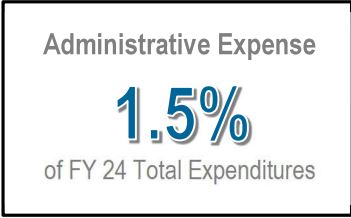
These are modestly offset by:

- \$0.68 million (or -6.8%) decrease in Fixed Income investment fees due to the rebalance out of Unconstrained and negotiation of lower management fees during the Fixed Income restructuring.
- \$0.27 million (or -7.9%) decrease in Private Credit investment fees due to the selection by the Board of a manager and the negotiation of a contract.

These investment management expenses are in line with the growth in the portfolio. Actual payments to investment managers depend on the dollar amount of assets under management, the portfolio's performance, the period in which the fee is calculated, and the terms and conditions of the individual contracts as approved by the Board.

⁴ See Schedule 4, *Detail of Investment Management Expense*.

Administrative Expense⁵



For FY24, the Administrative Expense is budgeted to be **\$27.94 million**. This includes obligatory personnel costs, such as employee salary increases (consistent with labor agreements) and employer retirement and benefits costs, as well as discretionary costs (such as contractual services and general office expenses).

The Administrative Expense budget is detailed as follows:

Account	FY 23 Modified	FY 24 Final	\$ Change	% Change
Employee Salaries*	\$ 14,818,430	\$ 15,752,000	\$ 933,570	6.3%
Employee Retirement & Benefits*	6,494,000	6,520,000	26,000	0.4%
Training, Travel, Education	184,030	216,900	32,870	17.9%
Contractual Services	4,647,270	4,629,800	(17,470)	(0.4%)
Office & Administrative	1,183,820	751,200	(432,620)	(36.5%)
Board Elections	-	67,000	67,000	--
Unappropriated Balance (UB)	-	-	-	--
TOTAL	\$ 27,327,550	\$ 27,936,900	\$ 609,350	2.2%

**Non-Discretionary*

The administrative expense budget for FY24 is increased by \$0.61 million or 2.2% over the previous fiscal year.

- The increase is largely due to Employee Salaries and Retirement & Benefits. For salaries, the change (+\$0.93 million net) is mostly due to additional employees being hired after the Preliminary Budget along with non-discretionary salary increases that will take effect for most employee bargaining units next fiscal year as part of existing labor agreements. These costs will be partially offset with in-lieu and vacancy savings, along with a salary savings rate of **7.0%**. For Retirement & Benefits, the employer contribution rates⁶ for LACERS retirement benefits (for LAFPP employees) increased from 33.93% to 34.07% for Tier 1 and from 31.35% to 31.45% for Tier 3, resulting in an overall increase of \$0.03 million for the FY24 budget amount.
- Incremental changes (\$0.17 million) are also included for discretionary costs: Training, Travel, Education (for employees and commissioners), Contractual Services, and Board Election accounts. Namely, funding was added for specialized training for staff, Pre-Retirement Seminar catering, the Pension Administration System vendor, the Retired Police Commissioner Election, and City Attorney related costs. Funding was also added to purchase a second department vehicle due to the increase in member outreach because of the termination of the City's and State's COVID-19 Emergency Declaration. However, the incremental increases have been offset by a decrease of \$0.45 million in the Office and Administrative and the Contractual Services account.

⁵ See Schedule 5, *Administrative Expense* and Schedule 6, *Detail of Administrative Expense*.

⁶ LACERS contribution rates assume payment by or before July 15.

As pension costs represent a significant investment by the City, LAFPP seeks to utilize its resources responsibly. These efforts include maintaining the administrative expense budget under 2.0% of the total expenditures for the year; for FY24, Administrative Expense is 1.5% of total expenditures.

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Receipts 2021-22	Modified Budget 2022-23 ¹	Estimated Receipts 2022-23 ²	RECEIPTS ³	Budget 2023-24	\$ Change from Budget 2022-23	% Change from Budget 2022-23	% Change from Estimated Receipts 2022-23
<i>Pension</i>							
530,757,996	476,645,411	476,645,411	General Fund to LAFPP ⁴	474,692,259	(1,953,152)	(0.4%)	(0.4%)
(2,191,000)	(2,013,500)	(2,013,500)	less: Excess Benefit Plan (EBP) ⁴	(424,520)	1,588,980	(78.9%)	(78.9%)
4,848,780	4,588,702	4,588,702	Special Fund (Harbor)	3,942,764	(645,938)	(14.1%)	(14.1%)
2,034,626	2,603,682	2,603,682	Special Fund (Airport)	2,599,307	(4,375)	(0.2%)	(0.2%)
535,450,402	481,824,295	481,824,295	<i>Subtotal Pension (36.5%)</i>	480,809,810	(1,014,485)	(0.2%)	(0.2%)
<i>OPEB</i>							
191,240,268	184,299,998	184,299,998	General Fund to LAFPP	162,604,915	(21,695,083)	(11.8%)	(11.8%)
1,093,914	1,062,792	1,062,792	Special Fund (Harbor)	953,325	(109,467)	(10.3%)	(10.3%)
805,373	1,055,690	1,055,690	Special Fund (Airport)	1,002,060	(53,630)	(5.1%)	(5.1%)
193,139,555	186,418,480	186,418,480	<i>Subtotal OPEB (12.5%)</i>	164,560,300	(21,858,180)	(11.7%)	(11.7%)
728,589,957	668,242,775	668,242,775	Combined Total City Contribution - to LAFPP (49.0%)	645,370,110	(22,872,665)	(3.4%)	(3.4%)
149,243,422	165,936,895	156,788,000	Member Contributions (12.6%)	166,028,798	91,903	0.1%	5.9%
628,831,408	506,000,000	506,000,000	Earnings on Investments (38.4%)	506,000,000	-	0.0%	0.0%
1,871,090,295	-	-	Gain (Loss) on Sale of Investments ⁵	-	-	0.0%	0.0%
406,915	500,000	542,000	Miscellaneous (0.0%)	500,000	-	0.0%	(7.7%)
3,378,161,997	1,340,679,670	1,331,572,775	Total Receipts (100.0%)	1,317,898,908	(22,780,762)	(1.7%)	(1.0%)
Expenditures 2021-22	Modified Budget 2022-23 ¹	Estimated Expenditures 2022-23 ²	EXPENDITURES ³	Budget 2023-24	\$ Change from Budget 2022-23	% Change from Budget 2022-23	% Change from Estimated Expenditures 2021-22
812,722,484	881,000,000	889,592,000	Service Pensions	966,000,000	85,000,000	9.6%	8.6%
169,219,886	211,740,500	188,226,496	Service Pensions - DROP Distributions	273,033,000	61,292,500	28.9%	45.1%
108,038,891	113,000,000	111,814,000	Disability Pensions	113,000,000	-	0.0%	1.1%
143,491,782	152,000,000	155,241,000	Surviving Spouse/Domestic Partner Pensions	165,000,000	13,000,000	8.6%	6.3%
3,789,205	4,400,000	3,613,000	Minor/Dependent Pensions	4,100,000	(300,000)	(6.8%)	13.5%
7,473,946	6,900,000	9,798,000	Refund of Contributions	9,800,000	2,900,000	42.0%	0.0%
1,244,736,193	1,369,040,500	1,358,284,496	<i>Subtotal Pension Benefits (80.9%)</i>	1,530,933,000	161,892,500	11.8%	12.7%
128,039,576	142,000,000	132,808,000	Health Insurance Premium Subsidy	145,000,000	3,000,000	2.1%	9.2%
4,665,922	5,200,000	4,802,000	Dental Insurance Premium Subsidy	5,300,000	100,000	1.9%	10.4%
13,200,319	16,000,000	15,058,000	Medicare Reimbursement	17,000,000	1,000,000	6.3%	12.9%
1,561,118	1,600,000	1,702,000	Health Insurance Premium Reimbursement	1,900,000	300,000	18.8%	11.6%
147,466,935	164,800,000	154,370,000	<i>Subtotal OPEB (8.9%)</i>	169,200,000	4,400,000	2.7%	9.6%
1,392,203,128	1,533,840,500	1,512,654,496	Total Benefits Expenses (89.9%)	1,700,133,000	166,292,500	10.8%	12.4%
134,628,549	151,941,649	151,539,833	Investment Management Expense (8.6%)	163,294,890	11,353,241	7.5%	7.8%
24,441,834	27,327,550	25,659,003	Administrative Expense (1.5%)	27,936,900	609,350	2.2%	8.9%
1,551,273,512	1,713,109,699	1,689,853,332	Total Expenditures (100.0%)	1,891,364,790	178,255,091	10.4%	11.9%
1,826,888,485	(372,430,029)	(358,280,557)	Increase (Decrease) in Fund Balance, Net ⁶	(573,465,882)	(201,035,853)	54.0%	60.1%
3,378,161,997	1,340,679,670	1,331,572,775	Total Expenditures and Increase (Decrease) in Fund Balance	1,317,898,908	(22,780,762)	(1.7%)	(1.0%)

¹ Subsequent to the adoption of the 2022-23 Budget on June 16, 2022, the General Manager exercised the Board-delegated authority to approve intra-departmental transfers of funds within the Administrative Expense Budget to cover unanticipated costs identified throughout the fiscal year and maintain a balanced budget. These transfers are included in the Monthly Budget Reports to the Board and are included within the fiscal year's Modified Budget.

² Estimated receipts and expenditures are as of April 30, 2023.

³ 2021-22 Actual Receipts and Expenditures are derived from LAFPP's Audited Financial Statements using the modified accrual basis. 2022-23 Estimated Receipts and Expenditures and 2023-24 Budgeted Receipts and Expenditures are calculated on a cash basis.

⁴ On May 6, 2010, the Board authorized a credit to be applied toward the City's Annual Required Contribution equal to the amount budgeted for the Excess Benefit Plan (EBP), as calculated by the actuary. As such, beginning in 2010-11, the total General Fund Contribution in a given fiscal year is the sum of the General Fund and EBP line items. However, since EBP revenue is not transferred to LAFPP, it is excluded from the Department's total revenue.

⁵ Gain (Loss) on Sale of Investments is recorded in LAFPP financial statements after the amount is audited and therefore an amount is not included in the budget.

⁶ 2022-23 Modified and 2023-24 Budget Decrease in Fund Balance reflect the increase in estimated pension benefit payments and do not include the Gain (Loss) on Sale of Investments.

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2023-24 Final Budget
 Detail Of City, Harbor, and Airport Contribution Requirements
 (Assuming Contributions Made On or Before July 15, 2023)

		%		Projected	Contribution
		of Payroll	x	Payroll	Required ¹
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TIER 2 requirements²:					
<i>Pension</i>	1. Employer Normal Cost	24.78%		575,566	142,625
	2. Amortization of UAAL	8.79%		575,566	50,592
	3. Admin Expenses	1.25%		575,566	7,195
				<i>Subtotal</i>	<u>200,412</u>
<i>OPEB</i>	4. Employer Normal Cost	2.78%		575,566	16,001
	5. Amortization of UAAL	5.61%		575,566	32,289
	6. Admin Expenses	0.11%		575,566	633
				<i>Subtotal</i>	<u>48,923</u>
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TIER 3 requirements²:					
<i>Pension</i>	1. Employer Normal Cost	18.72%		65,851,360	12,327,375
	2. Amortization of UAAL	8.79%		65,851,360	5,788,335
	3. Admin Expenses	1.25%		65,851,360	823,142
				<i>Subtotal</i>	<u>18,938,852</u>
<i>OPEB</i>	4. Employer Normal Cost	4.28%		65,851,360	2,818,438
	5. Amortization of UAAL	5.61%		65,851,360	3,694,261
	6. Admin Expenses	0.11%		65,851,360	72,436
				<i>Subtotal</i>	<u>6,585,135</u>
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TIER 4 requirements²:					
<i>Pension</i>	1. Employer Normal Cost	19.85%		23,927,557	4,749,620
	2. Amortization of UAAL	8.79%		23,927,557	2,103,232
	3. Admin Expenses	1.25%		23,927,557	299,094
				<i>Subtotal</i>	<u>7,151,946</u>
<i>OPEB</i>	4. Employer Normal Cost	4.37%		23,927,557	1,045,634
	5. Amortization of UAAL	5.61%		23,927,557	1,342,336
	6. Admin Expenses	0.11%		23,927,557	26,320
				<i>Subtotal</i>	<u>2,414,290</u>
<hr/>					
TIER 5 requirements:					
<i>Pension</i>	1. Employer Normal Cost	21.38%		1,047,500,676	223,955,645
	2. Amortization of UAAL	8.79%		1,047,500,676	92,075,309
	3. Admin Expenses	1.25%		1,047,500,676	13,093,758
				<i>Subtotal</i>	<u>329,124,712</u>
<i>OPEB</i>	4. Employer Normal Cost	4.00%		1,047,500,676	41,900,027
	5. Amortization of UAAL	5.61%		1,047,500,676	58,764,788
	6. Admin Expenses	0.11%		1,047,500,676	1,152,251
				<i>Subtotal</i>	<u>101,817,066</u>
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DEPARTMENT OF FIRE AND POLICE PENSIONS
 2023-24 Final Budget
 Detail Of City, Harbor, and Airport Contribution Requirements
 (Assuming Contributions Made On or Before July 15, 2023)

Schedule 2

		%		Projected		Contribution
		of Payroll	x	Payroll	=	Required ¹
TIER 6 requirements:						
<i>Pension</i>	1. Employer Normal Cost	17.67%		430,445,099		76,059,649
	2. Amortization of UAAL	8.79%		430,445,099		37,836,124
	3. Admin Expenses	1.25%		430,445,099		5,380,564
				<i>Subtotal</i>		<u>119,276,337</u>
<i>OPEB</i>	4. Employer Normal Cost	6.30%		430,445,099		27,118,041
	5. Amortization of UAAL	5.61%		430,445,099		24,147,970
	6. Admin Expenses	0.11%		430,445,099		473,490
				<i>Subtotal</i>		<u>51,739,501</u>
Total City (General Fund) Pension						474,692,259
Total City (General Fund) OPEB						162,604,915
<u>NET CITY (GENERAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT</u>						<u>637,297,174</u>
Early Payment Savings (relative to payment at the end of each pay period)						20,008,476
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TIER 5 Harbor requirements:						
<i>Pension</i>	1. Employer Normal Cost	21.56%		14,285,300		3,079,911
	2. Amortization of UAAL	-0.08%		14,285,300		(11,428)
	3. Admin Expenses	1.25%		14,285,300		178,566
				<i>Subtotal</i>		<u>3,247,049</u>
<i>OPEB</i>	4. Employer Normal Cost	5.31%		14,285,300		758,549
	5. Amortization of UAAL	-0.21%		14,285,300		(29,999)
	6. Admin Expenses	0.11%		14,285,300		15,714
				<i>Subtotal</i>		<u>744,264</u>
<hr/>						
TIER 6 Harbor requirements:						
<i>Pension</i>	1. Employer Normal Cost	16.90%		3,850,111		650,669
	2. Amortization of UAAL	-0.08%		3,850,111		(3,080)
	3. Admin Expenses	1.25%		3,850,111		48,126
				<i>Subtotal</i>		<u>695,715</u>
<i>OPEB</i>	4. Employer Normal Cost	5.53%		3,850,111		212,911
	5. Amortization of UAAL	-0.21%		3,850,111		(8,085)
	6. Admin Expenses	0.11%		3,850,111		4,235
				<i>Subtotal</i>		<u>209,061</u>
Total Harbor (Special Fund) Pension						3,942,764
Total Harbor (Special Fund) OPEB						953,325
<u>NET HARBOR (SPECIAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT</u>						<u>4,896,089</u>
Early Payment Savings (relative to payment at the end of each pay period)						155,630

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2023-24 Final Budget
 Detail Of City, Harbor, and Airport Contribution Requirements
 (Assuming Contributions Made On or Before July 15, 2023)

		%		Projected		Contribution
		of Payroll	x	Payroll	=	Required ¹
TIER 6 Airport requirements:						
<i>Pension</i>	1. Employer Normal Cost	17.80%		13,745,674		2,446,730
	2. Amortization of UAAL	-0.14%		13,745,674		(19,244)
	3. Admin Expenses	1.25%		13,745,674		171,821
				<i>Subtotal</i>		<u>2,599,307</u>
<i>OPEB</i>	4. Employer Normal Cost	7.15%		13,745,674		982,816
	5. Amortization of UAAL	0.03%		13,745,674		4,124
	6. Admin Expenses	0.11%		13,745,674		15,120
				<i>Subtotal</i>		<u>1,002,060</u>
Total Airport (Special Fund) Pension						2,599,307
Total Airport (Special Fund) OPEB						1,002,060
<u>NET AIRPORT (SPECIAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT</u>						<u>3,601,367</u>
Early Payment Savings (relative to payment at the end of each pay period)						114,089
General Fund to LAFPP						474,267,739
Excess Benefit Plan						424,520
Total City (General Fund) Pension						<u>474,692,259</u>
Total City (General Fund) OPEB						162,604,915
TOTAL GENERAL FUND CONTRIBUTION						<u>637,297,174</u>
Total Harbor (Special Fund) Pension						3,942,764
Total Harbor (Special Fund) OPEB						953,325
TOTAL SPECIAL FUND (HARBOR) CONTRIBUTION TO LAFPP						<u>4,896,089</u>
Total Airport (Special Fund) Pension						2,599,307
Total Airport (Special Fund) OPEB						1,002,060
TOTAL SPECIAL FUND (AIRPORT) CONTRIBUTION TO LAFPP						<u>3,601,367</u>
TOTAL CITY CONTRIBUTION						<u>645,794,630</u>

¹ Figures may be rounded.

² On May 19, 2022 the Board adopted a change to the Actuarial Funding Policy (Board Operating Policies and Procedures Section 10.0) which altered the calculation used for determining the UAAL amortization rate beginning in the June 30, 2022 valuation. The UAAL amortization payment for each Tier is determined in proportion to the covered payroll for that Tier.

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2023-24 Final Budget
 Detail Of Estimated Payrolls and Member Contributions

	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	TOTAL ⁵
SWORN PAYROLL						
<u>PENSIONABLE PAY</u>						
Fire	177,211	20,274,975	7,367,055	322,514,979	132,529,740	482,863,960
Police	398,355	45,576,385	16,560,502	724,985,697	297,915,359	1,085,436,298
Harbor	-	-	-	14,285,300	3,850,111	18,135,411
Airport	-	-	-	-	13,745,674	13,745,674
TOTAL	575,566	65,851,360	23,927,557	1,061,785,976	448,040,884	1,600,181,343
TOTAL General Fund	575,566	65,851,360	23,927,557	1,047,500,676	430,445,099	1,568,300,258
TOTAL Special Fund (Harbor)	-	-	-	14,285,300	3,850,111	18,135,411
TOTAL Special Fund (Airport)	-	-	-	-	13,745,674	13,745,674

<u>BASE PAY (2% OPT-IN)¹</u>						
Fire	149,670	1,339,400	3,304,312	203,770,373	-	208,563,755
Police	134,154	39,454,013	10,531,363	432,065,560	-	482,185,090
Harbor	-	-	-	9,313,811	-	9,313,811
Airport	-	-	-	-	-	-
TOTAL	283,824	40,793,413	13,835,675	645,149,744	-	700,062,656
TOTAL General Fund	283,824	40,793,413	13,835,675	635,835,933	-	690,748,845
TOTAL Special Fund (Harbor)	-	-	-	9,313,811	-	9,313,811
TOTAL Special Fund (Airport)	-	-	-	-	-	-

MEMBER CONTRIBUTIONS

<u>PENSIONABLE PAY</u>						
	Seven Percent ²	Eight Percent	Eight Percent	Nine Percent ³	Eleven Percent	TOTAL
Fire	-	1,621,998	589,364	29,026,348	14,578,271	45,815,981
Police	-	3,646,111	1,324,840	65,248,713	32,770,689	102,990,353
Harbor	-	-	-	1,285,677	423,512	1,709,189
Airport	-	-	-	-	1,512,024	1,512,024
TOTAL	-	5,268,109	1,914,204	95,560,738	49,284,496	152,027,547

<u>BASE PAY (2% OPT-IN)</u>						
	Two Percent	Two Percent	Two Percent	Two Percent	N/A ⁴	TOTAL
Fire	2,993	26,788	66,086	4,075,407	-	4,171,274
Police	2,683	789,080	210,627	8,641,311	-	9,643,701
Harbor	-	-	-	186,276	-	186,276
Airport	-	-	-	-	-	-
TOTAL	5,676	815,868	276,713	12,902,994	-	14,001,251
TOTAL	5,676	6,083,977	2,190,917	108,463,732	49,284,496	166,028,798
TOTAL General Fund	5,676	6,083,977	2,190,917	106,991,779	47,348,960	162,621,309
TOTAL Special Fund (Harbor)	-	-	-	1,471,953	423,512	1,895,465
TOTAL Special Fund (Airport)	-	-	-	-	1,512,024	1,512,024

¹ This figure reflects estimated base pay amounts for those members who elected to unfreeze their future retiree medical subsidy by making additional 2% opt-in contributions. The 2% is calculated based on base pay, not pensionable pay.

² Pursuant to Charter Section 1420, pension benefit-related deductions shall not be made from the salaries of Tier 2 System members who have completed 30 years of service. Accordingly, as of December 8, 2010, all Tier 2 members have completed at least 30 years of service and therefore no longer make pension contributions.

³ For Tier 5 only, the City pays 1% of the 9% if the Plan is at least 100% actuarially funded for pension benefits.

⁴ Pursuant to Charter Section 1714(a)(2), Tier 6 Plan Members are required to make an additional 2% contribution to support funding of retiree health benefits and, as such, do not need to 'opt-in.' The 2% contribution shall not be required of Tier 6 Plan Members who have served more than 25 years as a Plan Member.

⁵ Figures may be rounded.

	Adopted Budget 2022-23	Estimated Expenditures 2022-23	Budget 2023-24	\$ Change from Budget ⁴ 2022-23	% Change from Budget 2022-23
CONSULTANTS & BANK SERVICES					
Custodian Bank Services (STIF)	482,327	490,493	490,493	8,166	1.7%
General Consultant - RVK	451,500	451,500	451,500	-	0.0%
CONSULTANTS & BANK SERVICES TOTAL (0.6%)	933,827	941,993	941,993	8,166	0.9%
ADVISORY					
PUBLIC EQUITY - LARGE CAP					
Alliance Capital / Rhumblin (Russell 1000 Growth Index)	323,837	147,068	86,539	(237,298)	(73.3%)
Alliance Capital (S&P 500 Index)	191,125	178,546	191,046	(79)	(0.0%)
AllianceBernstein (Systemic Value)	636,315	602,467	644,639	8,324	1.3%
Boston Partners (Value)	784,861	771,417	825,416	40,555	5.2%
S&P 500 (Equal Weighted Index)	467,781	244,263	261,361	(206,420)	(44.1%)
STOXX USA (900 Minimum Variance)	274,663	276,933	296,318	21,655	7.9%
Subtotal	2,678,582	2,220,694	2,305,319	(373,263)	(13.9%)
PUBLIC EQUITY - SMALL CAP					
AB Small Cap Value Domestic	1,278,762	1,155,696	1,236,596	(42,166)	(3.3%)
Channing Capital Mgmt. (Core)	450,425	414,253	443,250	(7,175)	(1.6%)
Denali Advisors	506,951	481,574	515,284	8,333	1.6%
Eastern Shore Capital	372,539	353,057	377,771	5,232	1.4%
Frontier Capital Management (Growth)	4,138,809	4,169,434	4,461,294	322,485	7.8%
Lisanti Capital	342,816	307,178	328,681	(14,135)	(4.1%)
Palisade	572,252	571,241	611,227	38,975	6.8%
Phocas Financial (Value)	-	248,788	266,203	266,203	-
PIMCO Stocks Plus	868,098	774,293	828,494	(39,604)	(4.6%)
AllianceBernstein / Rhumblin (S&P 600)	36,256	16,868	7,266	(28,990)	(80.0%)
Westwood Management (Value)	1,370,988	1,387,874	1,485,025	114,037	8.3%
Subtotal	9,937,896	9,880,256	10,561,091	623,195	6.3%
PUBLIC EQUITY - INTERNATIONAL					
Baillie Gifford (Growth)	3,759,650	3,925,446	4,200,227	440,577	11.7%
Blackrock (EAFE Index)	397,296	407,406	435,925	38,629	9.7%
Boston Common (ESG)	208,017	151,141	161,721	(46,296)	(22.3%)
Brandes (Value)	4,250,912	3,148,997	3,369,427	(881,485)	(20.7%)
Principal (Active Small Cap)	1,239,363	1,069,835	1,144,723	(94,640)	(7.6%)
Victory Capital Management (Active Small Cap)	1,687,808	1,639,714	1,754,494	66,686	4.0%
Subtotal	11,543,046	10,342,539	11,066,517	(476,529)	(4.1%)
PUBLIC EQUITY - EMERGING MARKETS					
Dimensional Fund Advisors	2,881,847	2,732,898	2,924,201	42,354	1.5%
Harding Loevner	3,131,395	3,102,295	3,319,455	188,060	6.0%
Subtotal	6,013,242	5,835,193	6,243,656	230,414	3.8%
PUBLIC EQUITY TOTAL (18.5%)	30,172,766	28,278,682	30,176,583	3,817	0.0%
FIXED INCOME - INVESTMENT GRADE					
GIA Partners (Opportunistic)	154,537	227,116	243,014	88,477	57.3%
LM Capital Group (Opportunistic)	328,458	370,571	396,511	68,053	20.7%
Loomis Sayles (Long Duration)	570,266	566,419	606,068	35,802	6.3%
Northern Trust (Index)	206,307	106,132	113,561	(92,746)	(45.0%)
Payden & Rygel (Unconstrained)	2,202,734	971,798	1,039,824	(1,162,910)	(52.8%)
Reams Asset Management (Opportunistic)	718,340	717,801	768,047	49,707	6.9%
Reams Asset Management (Passive TIPS)	265,245	65,564	70,154	(195,091)	(73.6%)
Reams Asset Management (Unconstrained)	1,458,978	749,646	802,121	(656,857)	(45.0%)
Semper Capital Management	167,713	159,832	171,021	3,308	2.0%
Subtotal	6,072,578	3,934,879	4,210,321	(1,862,257)	(30.7%)
FIXED INCOME - HIGH YIELD					
MacKay Shields	2,402,477	2,413,664	2,582,620	180,143	7.5%
Loomis Sayles Global Credit	1,500,000	2,342,208	2,506,163	1,006,163	67.1%
Subtotal	3,902,477	4,755,872	5,088,783	1,186,306	30.4%
FIXED INCOME TOTAL (5.7%)	9,975,055	8,690,751	9,299,104	(675,951)	(6.8%)

DEPARTMENT OF FIRE AND POLICE PENSIONS
2023-24 Final Budget
Detail of Investment Management Expense

Schedule 4

	Adopted Budget 2022-23	Estimated Expenditures 2022-23	Budget 2023-24	\$ Change from Budget ⁴ 2022-23	% Change from Budget 2022-23
PRIVATE EQUITY					
Fairview Capital Partners (Specialized Mandate)	300,000	-	-	(300,000)	(100.0%)
Portfolio Advisors	1,300,000	1,300,000	1,300,000	-	0.0%
Portfolio Advisors (Specialized Mandate)	262,500	150,000	150,000	(112,500)	(42.9%)
Subtotal	1,862,500	1,450,000	1,450,000	(412,500)	(22.1%)
PRIVATE EQUITY - DEDUCTED FROM ASSETS					
Private Equity Partnership Fees ¹	68,504,279	73,383,333	78,520,166	10,015,887	14.6%
Subtotal	68,504,279	73,383,333	78,520,166	10,015,887	14.6%
PRIVATE EQUITY TOTAL (49.0%)	70,366,779	74,833,333	79,970,166	9,603,387	13.6%
COMMODITIES					
AB Commodities Indices (6)	445,072	51,482	-	(445,072)	(100.0%)
Rhumblin Commodities	-	-	65,000	65,000	--
Subtotal	445,072	51,482	65,000	(380,072)	(85.4%)
COMMODITIES - DEDUCTED FROM ASSETS					
Private Equity Partnership Fees ¹	2,317,807	2,648,236	2,833,613	515,806	22.3%
Subtotal	2,317,807	2,648,236	2,833,613	515,806	22.3%
COMMODITIES TOTAL (1.8%)	2,762,879	2,699,718	2,898,613	135,734	4.9%
REAL ESTATE					
Alliance Capital (Global REIT) Index	198,361	141,378	151,275	(47,086)	(23.7%)
Cohen & Steers (US REIT)	3,926,984	2,293,121	2,453,640	(1,473,344)	(37.5%)
Principal (Global REIT)	1,095,557	910,593	974,334	(121,223)	(11.1%)
Principal (U.S. REIT)	3,127,514	1,951,197	2,087,780	(1,039,734)	(33.2%)
Real Estate Annual Appraisals	35,000	35,000	35,000	-	0.0%
Townsend (Consultant)	245,000	245,000	245,000	-	0.0%
Subtotal	8,628,416	5,576,289	5,947,029	(2,681,387)	(31.1%)
REAL ESTATE - DEDUCTED FROM ASSETS					
AEW (Asset Management Fees) ²	2,485,203	2,960,458	3,167,690	682,487	27.5%
Total Pooled Funds ¹	23,116,724	25,858,609	27,668,712	4,551,988	19.7%
Subtotal	25,601,927	28,819,067	30,836,402	5,234,475	20.4%
REAL ESTATE TOTAL (22.5%)	34,230,343	34,395,356	36,783,431	2,553,088	7.5%
PRIVATE CREDIT					
StepStone LLC	500,000	200,000	225,000	(275,000)	(55.0%)
Subtotal	500,000	200,000	225,000	(275,000)	(55.0%)
PRIVATE CREDIT - DEDUCTED FROM ASSETS					
Private Credit Partnership Fees ³ (Estimated)	3,000,000	1,500,000	3,000,000	-	0.0%
Subtotal	3,000,000	1,500,000	3,000,000	-	0.0%
PRIVATE CREDIT TOTAL (2.0%)	3,500,000	1,700,000	3,225,000	(275,000)	(7.9%)
Advisory Total - Paid Directly	51,583,809	44,247,204	47,162,716	(4,421,093)	(8.6%)
Advisory Total - Deducted from Assets	99,424,013	106,350,636	115,190,181	15,766,168	15.9%
ADVISORY TOTAL (99.4%)	151,007,822	150,597,840	162,352,897	11,345,075	7.5%
INVESTMENT MANAGEMENT EXPENSE TOTAL (100.0%)	151,941,649	151,539,833	163,294,890	11,353,241	7.5%

¹ Partnership and Pooled Fund fees do not include performance fees. Generally performance fees take 20% of the profit. In some cases, they can go as high as 30%. Fees are deducted from assets. Fee breakout is made available effective FY 2023-24.

² Fees are deducted from assets. Fee breakout is made available FY 2023-24.

³ Partnership fees do not include performance fees. Generally performance fees take 15% of the profit. In some cases, they can go as high as 20%. Fees are deducted from assets. Fee breakout is made available effective FY 2023-24.

⁴ Figures may be rounded.

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2023-24 Final Budget
 Administrative Expense

Actual Expenditures 2021-22	Modified Budget 2022-23 ¹	Estimated Expenditures 2022-23 ²	Account Titles	Budget 2023-24	% Change from Budget 2022-23	% Change from Estimated Expenditures 2022-23
12,865,360	14,570,000	13,589,645	Salaries - General	15,360,000	5.4%	13.0%
87,950	163,370	190,824	Salaries - As-Needed	268,200	64.2%	40.5%
80,133	85,060	141,660	Overtime	123,800	45.5%	(12.6%)
13,033,442	14,818,430	13,922,129	Sub-total Salaries	15,752,000	6.3%	13.1%
26,903	47,000	47,000	Printing and Binding	38,000	(19.1%)	(19.1%)
16,328	100,000	100,000	Travel Expense	122,200	22.2%	22.2%
4,732,892	4,327,270	4,282,270	Contractual Expense	4,309,800	(0.4%)	0.6%
6,000	6,000	6,000	Transportation	6,000	0.0%	0.0%
169,637	320,000	320,000	Medical Services	320,000	0.0%	0.0%
1,433,756	1,703,000	1,464,254	Health Insurance	1,826,000	7.2%	24.7%
51,209	60,000	50,200	Dental Insurance	59,000	(1.7%)	17.5%
39,141	46,000	41,396	Other Employee Benefits	45,000	(2.2%)	8.7%
4,103,167	4,464,000	4,449,614	Retirement Contribution ³	4,355,000	(2.4%)	(2.1%)
186,826	215,000	201,871	Medicare Contribution	229,000	6.5%	13.4%
45,805	-	-	Election Expense	67,000	--	--
581,626	1,208,550	767,970	Office and Administrative Expense	747,900	(38.1%)	(2.6%)
-	-	-	Total Furniture, Office, & Tech Equip.	60,000	--	--
15,103	12,300	6,300	Tuition Reimbursement	-	(100.0%)	(100.0%)
11,408,392	12,509,120	11,736,874	Sub-total Expense	12,184,900	(2.6%)	3.8%
-	-	-	Unappropriated Balance	-	--	--
24,441,834	27,327,550	25,659,003	TOTAL ADMINISTRATIVE EXPENSE	27,936,900	2.2%	8.9%

¹ Subsequent to the adoption of the 2022-23 Budget on June 16, 2022, the General Manager exercised the Board delegated authority to approve intra-departmental transfers of funds within the Administrative Expense Budget to cover unanticipated costs identified throughout the fiscal year and maintain a balanced budget. These transfers are included in the Monthly Budget Reports to the Board and are included within the fiscal year's Modified Budget.

² Estimated expenditures are as of April 30, 2023.

³ Beginning 2014-15, LAFPP has made payments to LACERS for LAFPP employee retirement contributions pursuant to the released audit of the City Contribution to LACERS and LAFPP (Account 645360). LAFPP began receiving credit for the Enhanced Benefit Adjustment in 2018-19 for the Airport Peace Officers who opted to stay with LACERS (Tier 1 Enhanced) during the transition of Airport Police to LAFPP. As costs associated with the Enhanced Benefit Adjustment would be borne exclusively by Airport, LAFPP was credited for its share.

2023-24 Final Budget

Detail of Administrative Expense

Acct No.	Account Titles	Modified Budget 2022-23 ¹	Budget 2023-24	\$ Change
641010	Salaries - General	14,570,000	15,360,000	790,000
641070	Salaries - As-Needed	163,370	268,200	104,830
641090	Overtime	85,060	123,800	38,740
	Sub-total Salaries	14,818,430	15,752,000	933,570
642120	Printing and Binding	47,000	38,000	(9,000)
642130	Travel Expense	100,000	122,200	22,200
643040	Contractual Expense			
	Board			
	Legal Services: Conflict Counsel	65,000	65,000	-
	Subtotal	65,000	65,000	-
	City Attorney			
	City Attorney Expense Paid to LACERS	30,000	51,000	21,000
	City Attorney Staff	837,000	869,000	32,000
	Legal Services: Fiduciary Counsel	50,000	50,000	-
	Legal Services: Health & Data Privacy Outside Counsel	75,000	50,000	(25,000)
	Legal Services: Legal Representation	300,000	20,000	(280,000)
	Legal Services: Real Estate and Investment Counsel	500,000	650,000	150,000
	Legal Services: Tax Counsel	100,000	100,000	-
	Subtotal	1,892,000	1,790,000	(102,000)
	Communications & Education			
	Financial Planning Education - Venue	2,000	5,500	3,500
	Financial Planning Education Consultant	32,000	36,000	4,000
	Graphic Design Services	36,000	29,500	(6,500)
	Pre-Retirement Seminar Caterer	15,500	30,000	14,500
	Web Site Support Services	110,000	25,000	(85,000)
	Cision Daily Newsletters	7,500	7,500	-
	Subtotal	203,000	133,500	(69,500)
	Department-wide			
	Career Development Training	10,000	10,000	-
	Headquarters Furnishing	10,000	5,000	(5,000)
	Neptune Building Property Management	511,000	511,000	-
	Photocopiers	20,000	20,000	-
	Records Retention	3,000	3,000	-
	Secure Shredding Services	2,500	2,500	-
	Vehicle Maintenance	1,000	1,000	-
	Workers Compensation	25,000	25,000	-
	Letter Folding Machine	2,000	2,000	-
	Subtotal	584,500	579,500	(5,000)
	Disability Pension			
	Hearing Reporter	30,000	20,000	(10,000)
	Investigative Services	30,000	20,000	(10,000)
	Subtotal	60,000	40,000	(20,000)
	Executive			
	Actuarial Services	400,000	400,000	-
	Cyber Liability Insurance	109,000	256,000	147,000
	Fiduciary Liability Insurance	63,000	67,000	4,000
	Strategic Planning Consultant	20,000	20,000	-
	Subtotal	592,000	743,000	151,000
	Internal Audit			
	Financial Audit	83,000	86,000	3,000
	Subtotal	83,000	86,000	3,000

2023-24 Final Budget

Detail of Administrative Expense

Acct No.	Account Titles	Modified Budget 2022-23 ¹	Budget 2023-24	\$ Change
<i>Investments Division</i>				
	Proxy Service	40,000	40,000	-
	Subtotal	40,000	40,000	-
<i>Medical and Dental Benefits</i>				
	Graphic Designer	2,500	2,500	-
	Health Consultant	100,000	75,000	(25,000)
	Subtotal	102,500	77,500	(25,000)
<i>Systems</i>				
	AT&T	24,000	24,000	-
	Pension Administration System (Avenu)	511,270	541,300	30,030
	NT - Integrated Disbursement Services	170,000	190,000	20,000
	Subtotal	705,270	755,300	50,030
	Total Contractual Expense	4,327,270	4,309,800	(17,470)
643310	Transportation	6,000	6,000	-
644230	Medical Services (Disability Cases)	320,000	320,000	-
645180	Health Insurance	1,703,000	1,826,000	123,000
645190	Dental Insurance	60,000	59,000	(1,000)
645200	Other Employee Benefits	46,000	45,000	(1,000)
645360	Retirement Contribution ²	4,464,000	4,355,000	(109,000)
645370	Medicare Contribution	215,000	229,000	14,000
645417	Election Expense	-	67,000	67,000
646010	Office and Administrative Expense			
	646010-01 Office & Administrative Expense	444,860	458,100	13,240
	646010-02 Office Supplies	34,400	22,500	(11,900)
	646010-03 Telephone, Internet, and Tablet Devices	100,600	100,600	-
	646010-05 Training Expense	71,730	94,700	22,970
	646010-06 Dues & Subscriptions	505,660	33,400	(472,260)
	646010-530 Computer & Peripheral	51,300	38,600	(12,700)
	Total Office and Administrative Expense	1,208,550	747,900	(460,650)
647300	Total Furniture, Office, & Technical Equip > \$5,000	-	60,000	60,000
649570	Tuition Reimbursement	12,300	-	(12,300)
	Sub-total Expense	12,509,120	12,184,900	(324,220)
649500	Unappropriated Balance (UB)	-	-	-
	Sub-total Unappropriated Balance	-	-	-
	TOTAL ADMINISTRATIVE EXPENSE	27,327,550	27,936,900	609,350

¹ Subsequent to the adoption of the 2022-23 Budget on June 16, 2022, the General Manager exercised the Board delegated authority to approve intra-departmental transfers of funds within the Administrative Expense Budget to cover unanticipated costs identified throughout the fiscal year and maintain a balanced budget. These transfers are included in the Monthly Budget Reports to the Board and are included within the fiscal year's Modified Budget.

² Beginning 2014-15, LAFPP has made payments to LACERS for LAFPP employee retirement contributions pursuant to the released audit of the City Contribution to LACERS and LAFPP (Account 645360). LAFPP began receiving credit for the Enhanced Benefit Adjustment in 2018-19 for the Airport Peace Officers who opted to stay with LACERS (Tier 1 Enhanced) during the transition of Airport Police to LAFPP. As costs associated with the Enhanced Benefit Adjustment would be borne exclusively by Airport, LAFPP was credited for its share.

**A resolution authorizing the employment of personnel in the Department of Fire and Police Pensions
 of the City of Los Angeles.**

BE IT RESOLVED, that:

Section 1. Effective July 1, 2023, the number and classification of positions listed below are authorized within the Los Angeles Fire and Police Pension System:

FIRE AND POLICE PENSIONS

(a) Regular Positions:

2022-23	2023-24	Change	Code	Title	Salary Range
1	1	0	1116	Secretary	(57,148 - 83,603)
1	1	0	1117-2	Executive Administrative Assistant II	(68,778 - 100,558)
1	1	0	1117-3	Executive Administrative Assistant III	(73,748 - 107,803)
1	1	0	1170	Payroll Supervisor	(77,965 - 114,004)
19	19	0	1203	Benefits Specialist	(63,704 - 93,145)
3	3	0	1358	Administrative Clerk	(42,678 - 62,431)
15	15	0	1368	Senior Administrative Clerk	(52,575 - 76,880)
2	2	0	1455-1	Systems Programmer I	(124,486 - 146,494)
1	1	0	1455-2	Systems Programmer II	(107,782 - 157,581)
1	1	0	1455-3	Systems Programmer III	(116,802 - 170,735)
8	8	0	1513	Accountant	(63,308 - 92,581)
2	1	-1	1523-2	Senior Accountant II	(79,636 - 116,468)
1	1	0	1525-1	Principal Accountant I	(91,579 - 133,903)
1	1	0	1525-2	Principal Accountant II	(96,632 - 141,274)
1	1	0	1593-4	Departmental Chief Accountant IV	(139,499 - 203,955)
6	6	0	1596	Systems Analyst	(80,701 - 117,992)
3	3	0	1597-1	Senior Systems Analyst I	(95,484 - 139,624)
2	2	0	1597-2	Senior Systems Analyst II	(118,159 - 172,719)
1	1	0	1610	Departmental Audit Manager	(139,499 - 203,955)
1	1	0	1625-2	Internal Auditor II	(80,701 - 117,992)
1	1	0	1625-4	Internal Auditor IV	(118,159 - 172,719)
19	19	0	9108	Benefits Analyst	(84,083 - 122,983)
2	3	1	9109-1	Senior Benefits Analyst I	(103,314 - 151,087)
7	7	0	9109-2	Senior Benefits Analyst II	(120,890 - 186,959)
2	2	0	9146-1	Investment Officer I	(106,613 - 155,848)
5	5	0	9146-2	Investment Officer II	(132,818 - 194,184)
2	2	0	9146-3	Investment Officer III	(166,977 - 244,129)
1	1	0	9147	Chief Investment Officer	(243,523 - 356,045)
2	2	0	9151	Chief Benefits Analyst	(139,499 - 203,955)
1	1	0	9167-1	Senior Personnel Analyst I	(103,314 - 151,087)
1	1	0	9171-1	Senior Management Analyst I	(99,305 - 146,199)
1	1	0	9171-2	Senior Management Analyst II	(122,983 - 179,776)
1	1	0	9182	Chief Management Analyst	(139,499 - 203,955)
7	8	1	9184	Management Analyst	(80,701 - 117,992)
1	1	0	9267	General Manager	(188,129 - 333,454)
2	2	0	9269	Assistant General Manager	(157,957 - 230,931)
1	1	0	9375	Director of Systems	(139,499 - 203,955)
1	1	0	9734-2	Commission Executive Assistant II	(80,701 - 117,992)
128	129	1			

(b) Resolution Authority Positions:

<u>2022-23</u>	<u>2023-24</u>	<u>Change</u>	<u>Code</u>	<u>Title</u>	<u>Salary Range</u>
1	1	0	1203	Benefits Specialist	(63,704 - 93,145)
2	2	0	9108	Benefits Analyst	(84,083 - 122,983)
1	0	-1	9109-1	Senior Benefits Analyst I	(103,314 - 151,087)
1	1	0	9167-2	Senior Personnel Analyst II	(119,371 - 174,536)
<u>5</u>	<u>4</u>	<u>-1</u>			

(c) To be Employed As Needed in Such Numbers as Required:

- 0820 Administrative Trainee
- 1133 Relief Retirement Worker
- 1501 Student Worker
- 1502 Student Professional Worker
- 1535-1 Administrative Intern I
- 1535-2 Administrative Intern II

(d) Commissioner Positions:

<u>9</u>	0101-2 Commissioner
9	

Section 2. One Assistant General Manager (Class Code 9269), when designated by the General Manager to assume the additional administrative and supervisory duties of Executive Officer, may be compensated up to the fifth premium level rate above the appropriate step rate or premium level rate of the incumbent. Upon approval of the General Manager, one additional Assistant General Manager (Class Code 9269) may receive salary up to the fourth premium level rate above the appropriate step rate of the prescribed salary range.

Section 3. Whenever the General Manager is authorized pursuant to Charter Section 1164(b) to employ a person who is retired from City service, the employee may be employed at any step within the salary range prescribed for the class that is determined by the General Manager to be commensurate with, and based upon, the extent, responsibility, and importance of the work to be assigned and the experience, skill and ability of the employee.

Section 4. Upon approval of the General Manager, substitute and resolution authority positions may be activated and filled using any class of position specified in Schedule "A" of Los Angeles Administrative Code Section 4.61 or approved Memorandum of Understanding. This approval shall specify the period during which the position shall be filled. The General Manager shall maintain a record of the substitute and resolution authority positions approved for filling.

Section 5. The General Manager may employ persons and assign duties appropriate to the employee's classification and pay grade in any class of position specified in Schedule "A" of Los Angeles Administrative Code Section 4.61 in lieu of vacant positions in a related occupational series which vacant positions have a salary or salary range equal to or higher than the salary or salary range for the class of position in which the persons are to be employed; provided, however, that at no time shall the total number of persons employed in the department exceed the total number of positions authorized.

CHANGE **No.** **REASON FOR CHANGE**

REGULAR POSITIONS

ADD/DELETE POSITION

Accounting

Management Analyst (Reallocation)	1	The reallocation of the Senior Accountant II to Management Analyst will help to improve staff retention and allow the section to keep up with special projects; including, but not limited to, Workers' Compensation recapture, review of business processes and PARIS reports.
Senior Accountant II	-1	

Disability Pensions

Senior Benefits Analyst I (New)	1	Regularizing the Senior Benefits Analyst I resolution authority will allow for the continued assistance with succession plan projects and addressing the backlog of Disability Pension applications, helping to decrease the overall processing times.
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NET NUMBER OF REGULAR POSITIONS	1	
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RESOLUTION AUTHORITY POSITIONS

ADD/DELETE POSITION

Disability Pension

Senior Benefits Analyst I	-1	This position is being changed to a regular authority position to provide, on a more permanent basis, continued assistance with succession plan projects and addressing the backlog of Disability Pension applications, helping to decrease the overall processing times.
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DROP/Service Pensions

Benefits Analyst (New)	1	This position will help alleviate the increased workload the section is currently experiencing and with future workload increases such as the expected mass DROP exit in January 2024.
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PAS Coordination

Benefits Analyst	-1	This position is no longer needed since the new Pension Administration System, PARIS, has been implemented and in use since go-live in January 2019.
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NET NUMBER OF RESOLUTION AUTHORITY POSITIONS	-1	
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LAFPP – TOTAL POSITIONS	
Authorized	Filled
129	109
Sub-Authorities	Filled
4	4
Resolution Authorities	Filled
4	1
As Needed	Filled
4	4

Members

Board of Fire and Police Pension Commissioners

Kenneth Buzzell – President
 Sumi Parekh – Vice President
 Andrea Ambriz
 Rigo Arellano
 William Chun
 Brian Churchill
 Michael Lawson
 Raul Perez
 Garrett W. Zimmon

City Attorney

1 **Assistant City Attorney**
 Anya J. Freedman
 1 Deputy City Attorney IV
 Joshua M. Geller
 4 Deputy City Attorney III
 Miguel Bahamon
 Sheri Cheung
 Gina Di Domenico
 Alexandra de Rivera
 1 Legal Secretary II
 Nicole Paul

Internal Audit

1 **Departmental Audit Manager** #075
 Cynthia Varela
 1 Internal Auditor IV #119
 James Yeung
 1 Internal Auditor II #104
 Faviola Herrera

General Manager #041
 Joseph Salazar

1 Executive Administrative Assistant III #009
 Martha Martinez
 1 Management Analyst #011
 Vacant

Administrative Operations Division

Assistant General Manager #077
 Myo Thedar

Investments Division

Chief Investment Officer #083
 Vacant

Interim Chief Investment Officer AN1
 Tom Lopez

Pensions Division

Assistant General Manager #042
 Gregory Mack

ADMINISTRATIVE OPERATIONS DIVISION

Assistant General Manager #077
Myo Thedar

Systems		
1	Director of Systems	#064
	Bob Yan (Info Systems Manager II in-lieu)	
1	Senior Systems Analyst I	#102
	Nichole Cheung	
1	Systems Analyst	#049
	Toney Kim	
1	Sr. Administrative Clerk	#109
	Charles Doble	
ConSEPP		
1	Senior Systems Analyst II	#073
	Alfredo Domagat	
1	Senior Systems Analyst I	#074
	Teresa Guerrero	
2	Systems Analyst	#092
	Sharon Chan	
	Raymond Mangahas	#103
Infrastructure Support		
1	Senior Systems Analyst II	#114
	David Liu	
1	Systems Programmer II	#094
	Tarralyn Rose	
1	Systems Programmer I	#079
	Tai Ma	
User Support		
1	Senior Systems Analyst I	#044
	Eric Ho	
3	Systems Analyst	#046
	Joseph Cundiff	
	Robin Woo	#095
	Jack Huang	#110
Network and Security		
1	Systems Programmer III	#115
	Vincent On	
	(Systems Programmer I in-lieu)	
1	Systems Programmer I	#116
	Albert Almeda	

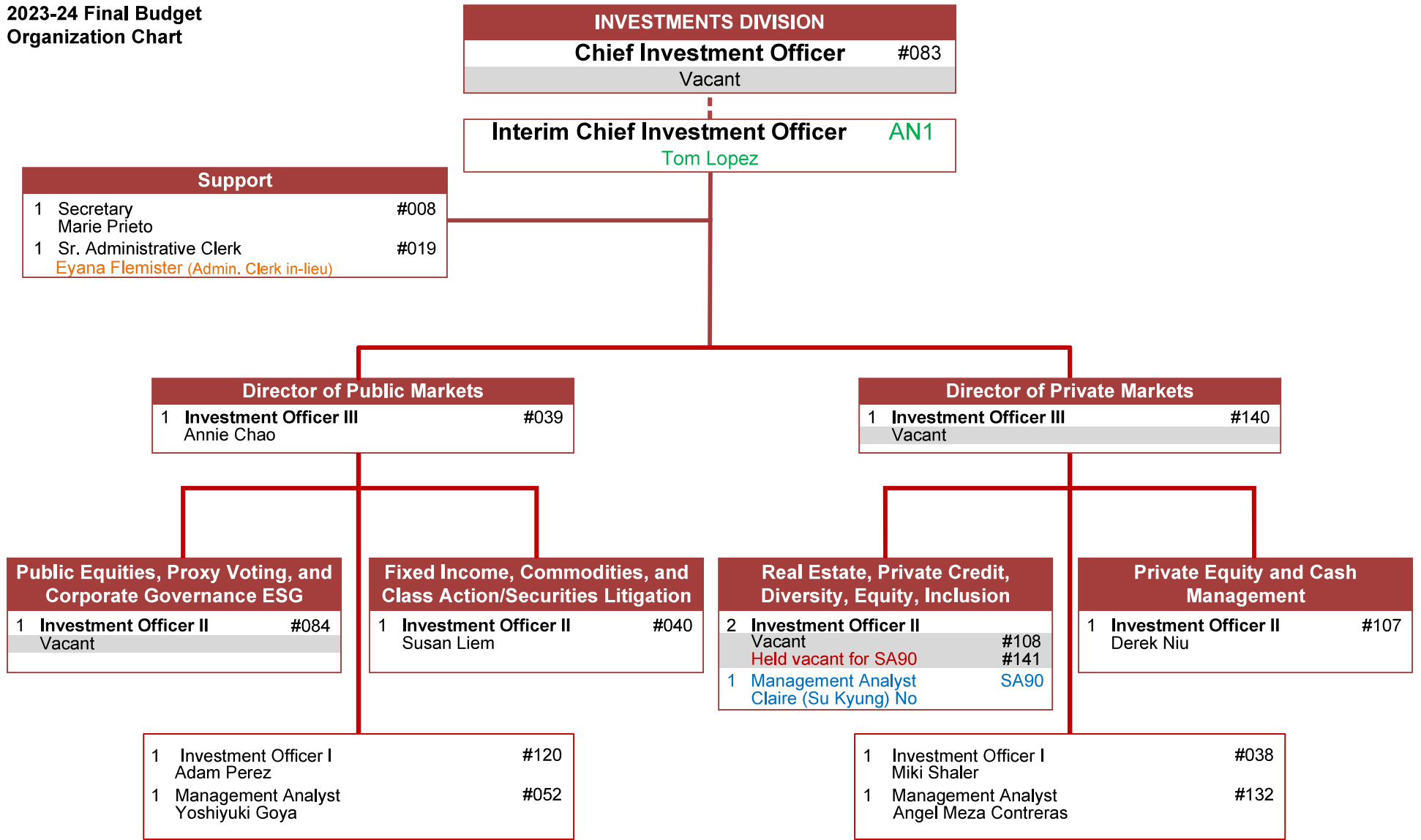
1	Commission Executive Assistant II	#069
	Evange Masud	

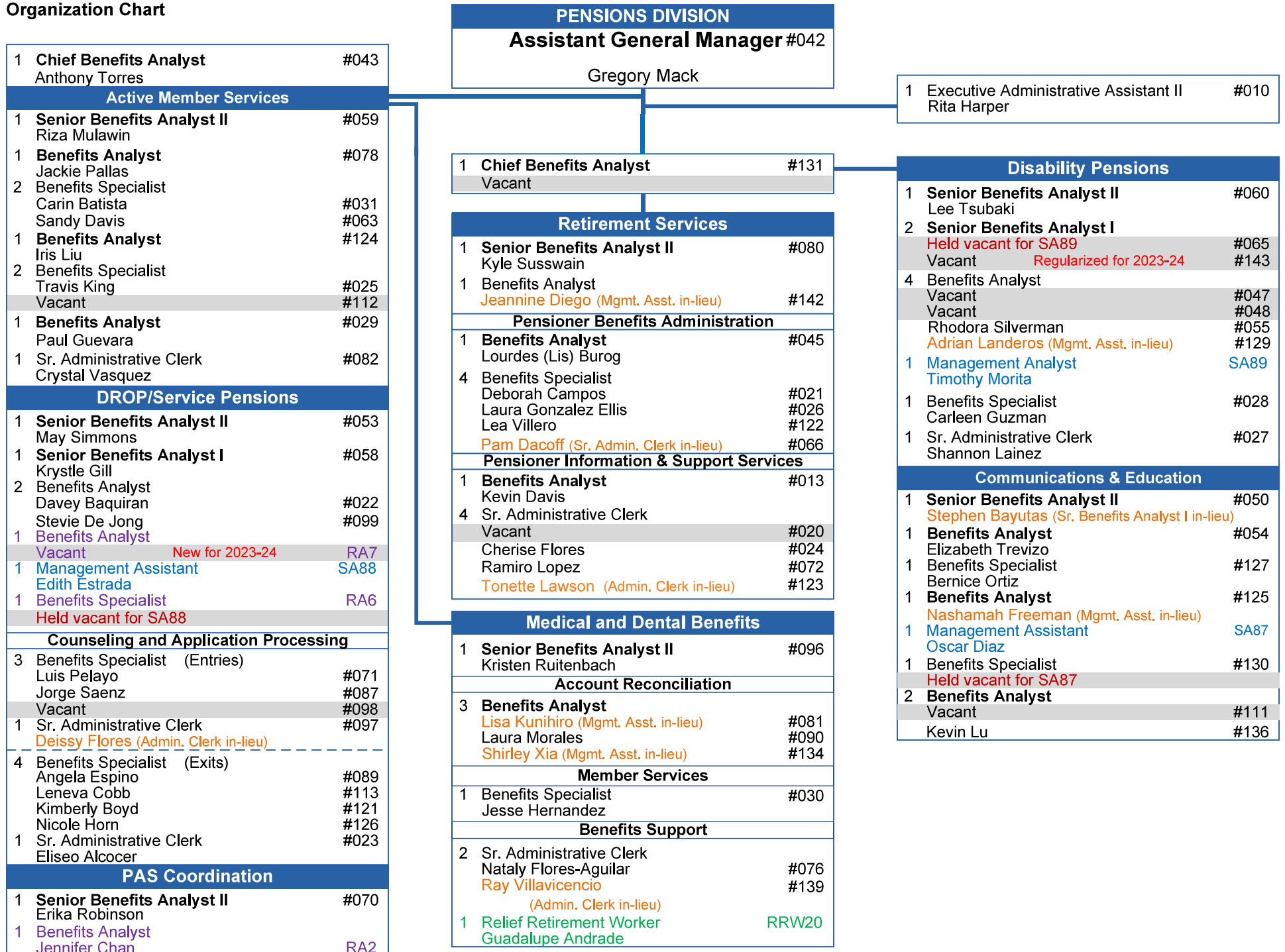
Accounting		
1	Department Chief Accountant IV	#037
	Michelle Chan	
General /Investment Accounting		
1	Principal Accountant II	#036
	Blas Rafols	
General Accounting		
2	Accountant	#032
	Jennifer Garcia	
	Martha Bissett	#100
1	Administrative Clerk	#091
	Laura Navarro	
1	Relief Retirement Worker	RRW19
	Esmeralda Ortiz	
Investment Accounting		
1	Senior Accountant II	#035
	Cindy Van (Accountant in-lieu)	
3	Accountant	#033
	Dominador De Leon	#062
	Mahendra Ahuja	#117
	Eden Garcia	
Pension Accounting/Payroll		
1	Principal Accountant I	#093
	Ana Velen Reyes	
Pension Accounting		
1	Management Analyst	#137
	Vacant	Reallocated for 2023-24
3	Accountant	#014
	Atefeh Yazdani	#034
	Kenneth Jang	#138
	Claire Shin	
Payroll		
1	Payroll Supervisor	#018
	Annett Anderson	

1	Chief Management Analyst	#057
	Wilson Poon	

Human Resources		
1	Senior Personnel Analyst II	RA4
	Vacant	
1	Senior Personnel Analyst I	#118
	Monique Lewis	
1	Management Analyst	#051
	Jennifer Barnych	
2	Sr. Administrative Clerk	#016
	Brailon Brown (Admin. Clerk in-lieu)	
	Sue Wells	#106

Administrative Services		
1	Senior Management Analyst II	#061
	Jennifer Shimatsu	
Administrative Unit		
1	Senior Management Analyst I	#105
	Vacant	
3	Management Analyst	#056
	Elijah Hernandez	#085
	JC De La Cruz	#012
	James Pineda	
Administrative Support Unit		
1	Sr. Administrative Clerk	#088
	Vacant	
2	Administrative Clerk	#015
	Katrina Sarkisian	#101
	Destiny Pantoja	
1	Relief Retirement Worker	RRW1
	Maddison Laidlaw	





2023-24 Final Budget

Travel Resolution

BE IT RESOLVED, that the Board of Fire and Police Pension Commissioners and staff are authorized to travel and incur required expenses to the functions and for the reasons listed below, adopted effective July 1, 2023. Travel under the following categories (A, B and C) is automatically approved to a maximum of four Commissioners (Board Operating Policies and Procedures, Section 2.6).

A. Business Trips

1. To meetings with investment advisors, a master custodian bank, and various consultants under contract in connection with fund asset management.
2. To the offices of investment advisors and consultants who are under consideration to be hired.
3. To the site of proposed real estate property investments.

B. Conferences, business meetings and educational programs held or sponsored by the following organizations as necessary to conduct the business of LAFPP:

Association of Asian American Investment Managers (AAAIM)
 Association of Local Government Auditors (ALGA)
 Association of Public Pension Fund Auditors (APPPFA)
 Avenu Insights (Pension Administration System)
 California Association of Public Retirement Systems (CALAPRS)
 California Public Employees' Retirement System (CalPERS)
 California State Teachers' Retirement System (CalSTRS)
 Callan Investment Institute
 Chartered Financial Analyst Institute (CFA Institute)
 Client conferences of current contractors
 Conferences and seminars related to women in Information Technology
 Government Finance Officers Association (GFOA)
 Harvard Kennedy School
 Hispanic Heritage Foundation - Latinos On Fast Track Investors Forum (LOFT)

Human Resources Executive (HRE)

Institute for Fiduciary Education
 Institute of Internal Auditors (IIA)
 Institutional Investor Institute
 Institutional Limited Partners Association (ILPA)
 Institutional Real Estate, Inc. (IREI)
 International Foundation of Employee Benefit Plans (IFEBCP)

LRP Publications, Inc.

MER Conference
 National Association of Investment Companies (NAIC)
 National Association of Public Pension Attorneys (NAPPA)
 National Association of REITS (NAREIT)
 National Association of Securities Professionals (NASP)
 National Conference on Public Employee Retirement Systems (NCPERS)
 National Employment Law Institute (NELI)
 New America Alliance (NAA)
 Opal Financial Group Conferences
 Pension Real Estate Association (PREA)
 Public Retirement Information Systems Management (PRISM)
 Public Safety Employees Pension and Benefits Conference
 Stanford Law School - Fiduciary College
 State Association of County Retirement Systems (SACRS)
 Sworn active employee or retired member associations
 The Pension Bridge
 TRS Emerging Manager Conferences
 Wharton School (Partnership w/ IFEBCP)

C. Pension industry organization meetings of officers and directors, when a Commissioner or staff member is an officer in that organization and expenses are not reimbursable by the organization.

D. Other educational or continuing education training and seminars (not listed in B above), approved by the General Manager up to \$4,500 per staff member per trip.

AUTHORIZATIONS FOR TRAVEL

Travel expenses incurred by any Commissioner or General Manager shall require the approval of the Board President.