



2022-23 FINAL BUDGET Executive Summary

As presented on June 16, 2022 to the
Board of Fire and Police Pension Commissioners



"To serve those who protect."

Los Angeles Fire and Police Pensions

BUDGET OVERVIEW

For nearly 123 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 & Health Benefits Expenses
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 2022-23 (FY23) was developed with broad consideration of the **Mayor’s Priorities**, which are to make Los Angeles the best run big city in America, promote good jobs for Angelenos, create a more sustainable and livable city, and ensure our communities are the safest in the nation. The budget is also 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 **FY23 Business Plan**, which is comprised of the following projects:

- | | |
|--|---|
| <ul style="list-style-type: none"> ➤ Implementation of 115 Trust in Financial Reporting ➤ Implementation of New Global Credit Mandate ➤ Implementation of Asset Allocation Plan ➤ Internal Audit Risk Assessment Framework ➤ Enterprise-wide Cyber Security Program ➤ Rollovers of Refund of Contributions via Wire Transfer ➤ Engaging Early-Career Members to Plan for Retirement | <ul style="list-style-type: none"> ➤ Member Video Guides for Completing Counseling Forms ➤ Disability Claims Management System Review ➤ Elimination of Deceased Members Database ➤ Unclaimed Final Checks ➤ Reinforcing Employee Connections and Organizational Culture in a Hybrid Workforce ➤ Permanent Hybrid Workforce ➤ Institutional Limited Partners Diversity in Action Initiative |
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Budget Summary. For FY23, the Final Budget is summarized in the tables below.

Receipts (+)	FY22 Modified Budget	FY23 Budget	\$ Change	% Change
City Contribution* (General Fund/Special Fund)	\$728,589,957	\$668,242,775	(\$60,347,182)	(8.3%)
Member Contributions	165,516,117	165,936,895	420,778	0.3%
Earnings on Investments	506,000,000	506,000,000	0	0.0%
Miscellaneous	500,000	500,000	0	0.0%
TOTAL RECEIPTS	1,400,606,074	1,340,679,670	(59,926,404)	(4.3%)

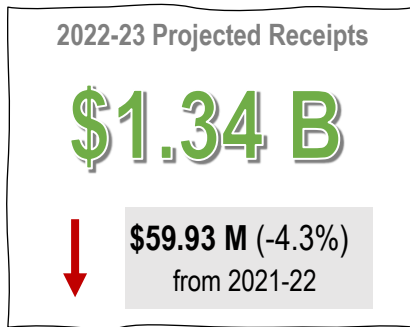
Expenditures (-)	FY22 Modified Budget	FY23 Budget	\$ Change	% Change
Pension & Health Benefits Expenses	\$1,394,800,000	\$1,533,840,500	\$139,040,500	10.0%
Investment Management Expense	133,402,428	151,941,649	18,539,221	13.9%
Administrative Expense	25,538,810	27,327,550	1,788,740	7.0%
TOTAL EXPENDITURES	1,553,741,238	1,713,109,699	159,368,461	10.3%

*Excludes the Excess Benefit Plan (EBP) amount (\$2,013,500 for FY23) that is not transferred to LAFPP.

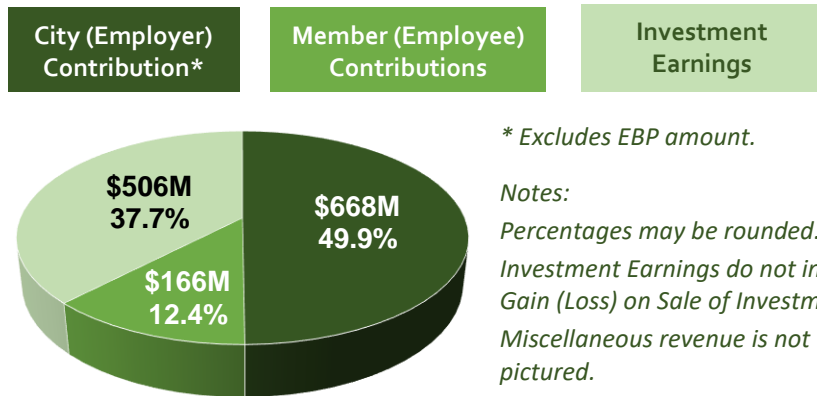
Note: Gain (Loss) on Sale of Investments is recorded in LAFPP financial statements after the amount is audited and therefore an amount is not included in the budget.

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, this Preliminary Budget is sent to the Mayor's Office and the City Administrative Officer to be included in the Mayor's proposed FY23 City Budget. The Board must then subsequently adopt a final budget for LAFPP by June 30, 2022, with updated City and Member Contribution amounts based on sworn payroll amounts that are consistent with the City's FY23 Final Budget as adopted by the City Council and the Mayor.

SUMMARY OF RECEIPTS



LAFPP receives revenue primarily from three sources:



City (Employer) Contribution¹

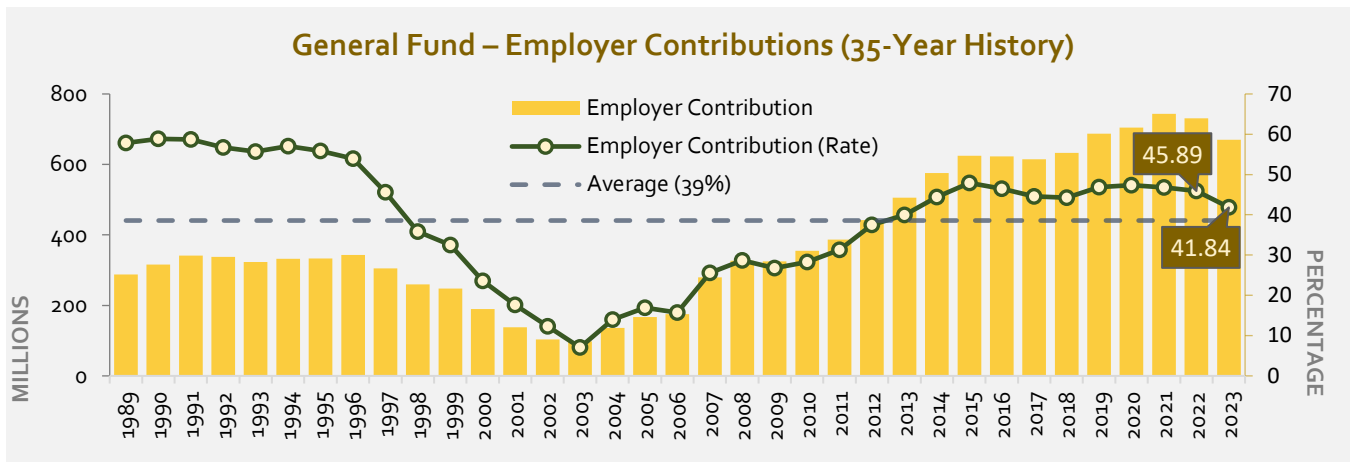
The City Contribution is one component that funds the retirement and health care benefits promised by the City to its sworn LAFPP members. In order to determine the City Contribution, each year the Board adopts a contribution rate that is applied to the City’s projected sworn payroll. On November 18, 2021, the Board adopted the pension and health valuation reports for the period ending June 30, 2021, which established the City’s combined contribution rate as **41.67%** for Fiscal Year 2022-23. The table below provides contribution rate by department:

Departments	FY22 Contribution Rate	FY23 Contribution Rate	% Change
Los Angeles Police & Fire	45.89%	41.84%	(4.05%)
Harbor Port Police	35.90%	33.49%	(2.41)%
Los Angeles World Airports Police	28.14%	27.80%	(0.34%)

The estimate for the FY23 total City contribution is \$670.26 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 **\$668.24 million**, a decrease of \$60.35 million (-8.3%) from the 2021-22 Budget.

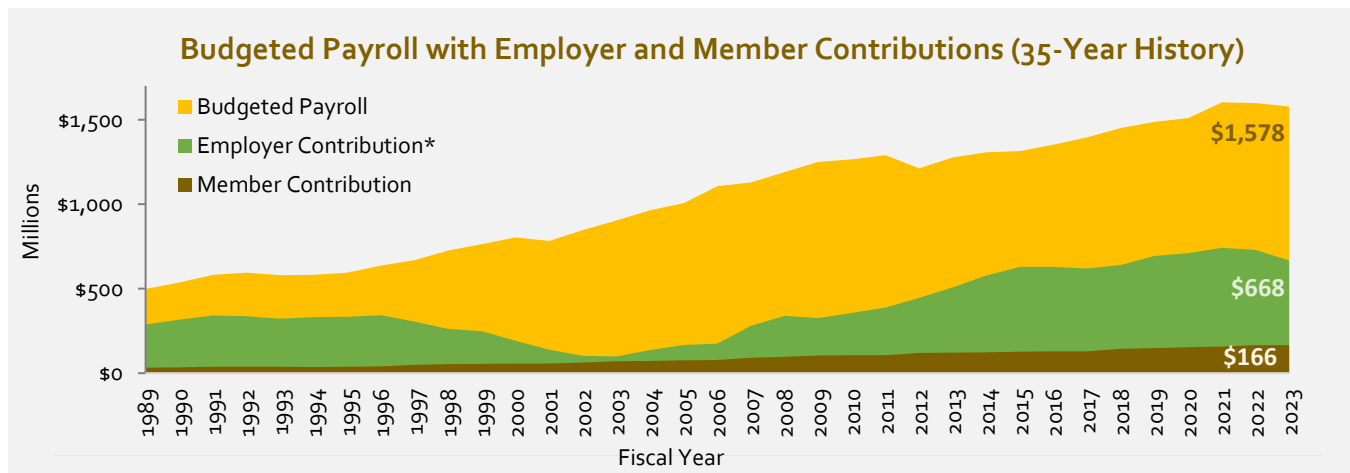
The following chart depicts the 35-year history of the General Fund contribution rate, which comprises the majority of the City Contribution:

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 7.0 to 9.0% for members in Tiers 2 through 5, while members in Tier 6 contribute 11.0% of pensionable salary. In addition, members of Tiers 2 through 5 who elected to unfreeze their future retiree medical subsidy make additional 2.0% “opt-in” contributions of base pay. Following is a 35-year history of member contributions in relation to the employer contribution and budgeted payroll.



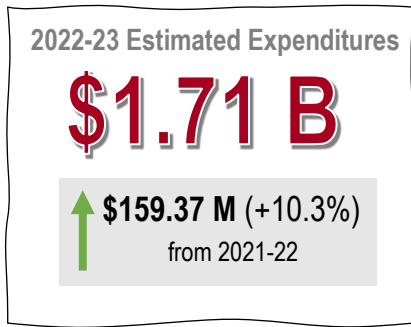
* General Fund and Special Fund (Harbor and Airports) contributions. Does not include Excess Benefit Plan (EBP).

Investment Earnings

A significant portion of the annual receipts are derived from Investments 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 in 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*.

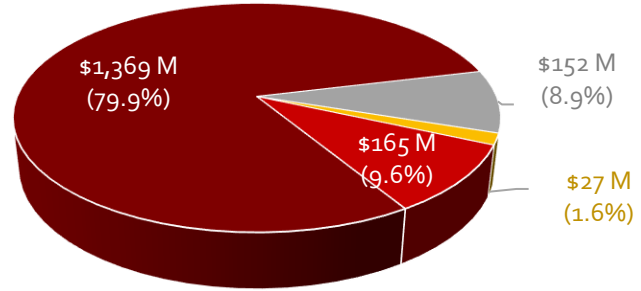
SUMMARY OF EXPENDITURES



LAFPP expenditures are comprised of:

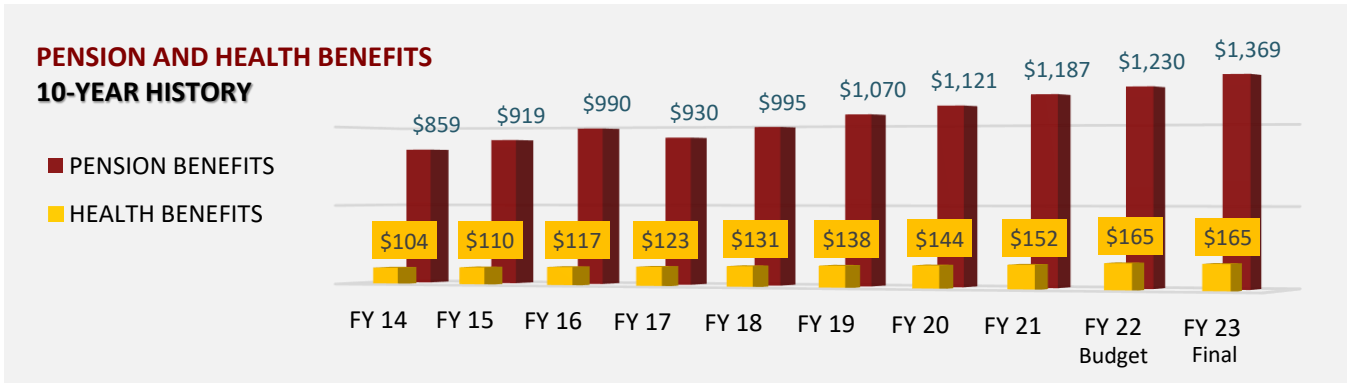


Pension and Health Benefits are non-discretionary expenses.



Pension & Health Benefits Expense³

Benefits expenditures are projected at **\$1.53 billion**, approximately a 10.0% increase from FY22, due in part to an increase in the average monthly benefit amount, increased retirements as reflected in the increase in DROP distributions, along with the approved 7.4% COLA for Tiers 1 and 2. Following is a 10-year history of Pension & Health Benefits expenses.



Significant increases anticipated for FY23 are further highlighted below:

Pension Benefits Expense (\$1.37 billion) \$139.24 million net increase (+11.3%)

Mainly attributed to DROP Distributions (+\$74.44 million or +54.2%) based on a 66.0% increase in mandatory exits and projected early exits in FY23 due to the new Retirement Incentive Pay (RIP) Program and potential impacts from the City's employee vaccination mandate, and Service Pensions (+\$55.00 million or +6.7%) due to the increased COLA. Additional increases are due to survivor/domestic partner and minor/dependent pensions (+\$7.00 million or +4.7%), and contribution refunds (+\$2.80 million or +68.3%).

³ Please refer to Schedule 1, 2022-23 Final Budget.

Health Benefits Expense (\$164.80 million)

\$0.20 million net decrease (-0.1%)

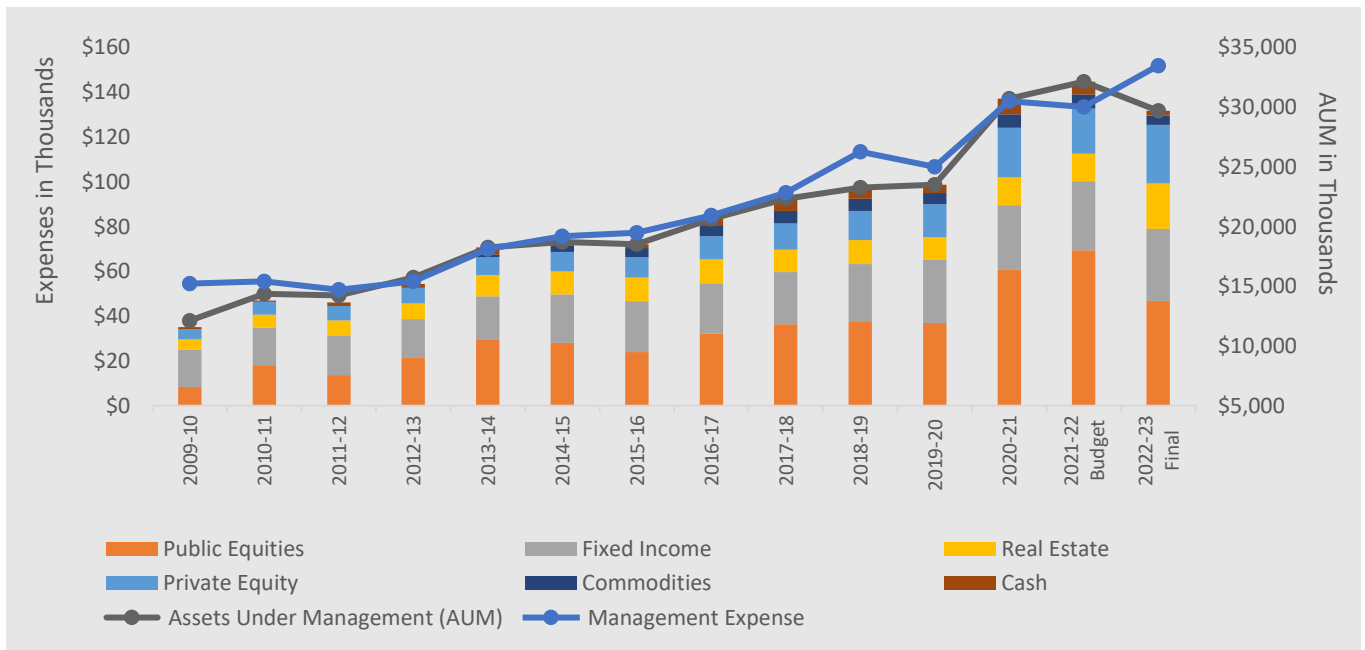
Primarily attributed to a decrease in Medicare Reimbursement (-\$0.50 million or -3.0%) offset by an increase in Dental Insurance Premium Subsidy (+\$0.20 million or +4.0%) due to an anticipated increase in participants receiving a dental subsidy, and an increase to the Health Insurance Premium Reimbursement (+\$0.10 million or +6.7%) due to increased claim amounts.

Investment Management Expense⁴

Investment Management Expense
8.9%
 of FY23 Total Expenditures

The Investment Management Expense (IME) are fees associated with managing the Plan’s funds and are commensurate with asset growth. LAFPP’s investment rate of return (market value) for the fiscal year ending June 30, 2021 was **32.56%**, with assets totaling **\$30.72 billion**. At the beginning of May 2022, assets under management (unaudited) decreased to \$29.70 billion.

As the following chart shows, IME has increased as Plan assets have grown over time. For FY23, this expense is projected at **\$151.94 million**, an increase of 13.9% from FY22.



⁴ See Schedule 4, Detail of Investment Management Expense.

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

Type/Asset Class	FY22 IME Modified Budget	FY23 IME Final Budget	% Total of FY23 IME	% Change from FY22
Consultants & Bank Services	\$ 0.90 million	\$ 0.93 million	0.6%	4.3%
Public Equity	38.37 million	30.17 million	19.9%	(21.4%)
Fixed Income	9.83 million	9.98 million	6.6%	1.5%
Private Equity	53.86 million	70.37 million	46.3%	30.7%
Commodities	2.36 million	2.76 million	1.8%	16.8%
Real Estate	24.69 million	34.23 million	22.5%	38.7%
Private Credit	3.40 million	3.50 million	2.3%	2.9%
TOTAL	133.40 million	151.94 million	100.0%	13.9%

The increase in fees is primarily attributed to:

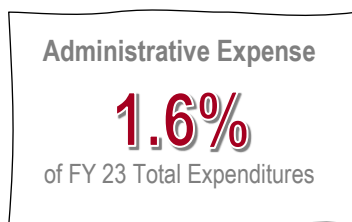
- \$16.51 million (or 30.7%) increase for Private Equity due to the additional 2% allocation approved by the Board during FY21 and an increase in Private Equity invested capital during FY21 of \$852 million compared to FY20 invested capital of approximately \$420 million;
- \$9.54 million (or 38.7%) increase for Real Estate and REITs investment fees due to the reallocation of small-cap and large-cap growth equity overweighting; and
- \$0.14 million (or 1.5%) increase for Fixed Income, with a new allocation to Global Credit⁵ and the rebalancing of large-cap equity index assets into the Unconstrained Fixed Income Strategies.

These are partially offset by:

- \$8.19 million (or 21.4%) decrease in Public Equity investments that were reduced to meet the Board's asset allocation plan and to reduce the volatility of the investment returns.

These investment management expenses are reasonable and 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.

Administrative Expense⁶



For FY23, the Administrative Expense is budgeted to be **\$27.33 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).

⁵ For Global Credit, \$1,500,000 is newly budgeted in FY23 within the Fixed Income asset class.

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

The Administrative Expense budget is detailed as follows:

Account	FY 22 Adopted	FY 23 Final	\$ Change	% Change
Employee Salaries*	\$ 13,874,910	\$ 14,818,430	\$ 943,520	6.8%
Employee Retirement & Benefits*	6,272,000	6,494,000	222,000	3.5%
Training, Travel, Education	181,480	184,030	2,550	1.4%
Contractual Services	4,339,000	4,647,270	308,270	7.1%
Office & Administrative	811,620	1,183,820	372,200	45.9%
Board Elections	59,800	-	(59,800)	(100.0%)
TOTAL	25,538,810	27,327,550	1,788,740	7.0%

**Non-Discretionary*

The administrative expense budget for FY23 is increased by \$1.79 million or 7.0% over the previous fiscal year.

- The increase is largely due to Employee Salaries and Retirement & Benefits. For salaries, the change (+\$0.94 million) is mostly due to non-discretionary salary increases that will take effect for most employee bargaining units in January 2023 as part of existing labor agreements, along with recently negotiated bonus rates and one-time payouts. In addition, the FY23 Budget includes new positions to address the evolving nature and complexity of duties within the Department. These costs will be partially offset with in-lieu and vacancy savings, along with a salary savings rate of **7.0%**. For retirement and benefits, the employer contribution rates⁷ for LACERS retirement benefits (for LAFPP employees) increased from 32.81% to 33.93% for Tier 1 and 30.16% to 31.35% for Tier 3, resulting in an increase to the retirement benefits cost, which is offset by a reduction in health benefits costs for an overall net increase of \$0.22 million for the FY23 Employee Retirement & Benefits budget amount.
- Additional increases are due to Contractual Services (+\$0.31 million) and Office & Administrative (+\$0.37 million) costs. Increases in the Contractual Services budget is due to additional costs related to pending litigation, funding for conflict counsel services, and rising insurance obligations for cybersecurity and fiduciary liability. Increases to the Office & Administrative budget is largely to provide additional investment management tools and resources.

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 FY23, Administrative Expense is 1.6% of total expenditures.

⁷ LACERS contribution rates assume payment by July 15.

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Receipts 2020-21	Modified Budget 2021-22 ¹	Estimated Receipts 2021-22 ²	RECEIPTS ³	Budget 2022-23	\$ Change from Budget 2021-22	% Change from Budget 2021-22	% Change from Estimated Receipts 2021-22
<i>Pension</i>							
537,963,220	530,757,996	530,757,996	General Fund to LAFPP ⁴	476,645,411	(54,112,585)	(10.2%)	(10.2%)
(2,399,556)	(2,191,000)	(2,191,000)	less: Excess Benefit Plan (EBP) ⁴	(2,013,500)	177,500	(8.1%)	(8.1%)
4,299,643	4,848,780	4,848,780	Special Fund (Harbor)	4,588,702	(260,078)	(5.4%)	(5.4%)
1,555,884	2,034,626	2,034,626	Special Fund (Airport)	2,603,682	569,056	28.0%	28.0%
541,419,191	535,450,402	535,450,402	<i>Subtotal Pension (36.0%)</i>	481,824,295	(53,626,107)	(10.0%)	(10.0%)
<i>OPEB</i>							
198,545,441	191,240,268	191,240,268	General Fund to LAFPP	184,299,998	(6,940,270)	(3.6%)	(3.6%)
1,211,197	1,093,914	1,093,914	Special Fund (Harbor)	1,062,792	(31,122)	(2.8%)	(2.8%)
667,930	805,373	805,373	Special Fund (Airport)	1,055,690	250,317	31.1%	31.1%
200,424,568	193,139,555	193,139,555	<i>Subtotal OPEB (13.9%)</i>	186,418,480	(6,721,075)	(3.5%)	(3.5%)
741,843,759	728,589,957	728,589,957	Combined Total City Contribution - to LAFPP (49.9%)	668,242,775	(60,347,182)	(8.3%)	(8.3%)
157,785,911	165,516,117	149,506,000	Member Contributions (12.4%)	165,936,895	420,778	0.3%	11.0%
609,902,322	506,000,000	506,000,000	Earnings on Investments (37.7%)	506,000,000	-	0.0%	0.0%
2,279,392,209	-	-	Gain (Loss) on Sale of Investments ⁵	-	-	0.0%	0.0%
739,998	500,000	491,000	Miscellaneous (0.0%)	500,000	-	0.0%	1.8%
3,789,664,199	1,400,606,074	1,384,586,957	Total Receipts (100.0%)	1,340,679,670	(59,926,404)	(4.3%)	(3.2%)
<i>Expenditures</i>							
Expenditures 2020-21	Modified Budget 2021-22 ¹	Estimated Expenditures 2021-22 ²	EXPENDITURES ³	Budget 2022-23	\$ Change from Budget 2021-22	% Change from Budget 2021-22	% Change from Estimated Expenditures 2021-22
770,714,705	826,000,000	812,485,000	Service Pensions	881,000,000	55,000,000	6.7%	8.4%
156,462,097	137,300,000	130,555,793	Service Pensions - DROP Distributions	211,740,500	74,440,500	54.2%	62.2%
111,657,072	113,000,000	108,236,000	Disability Pensions	113,000,000	-	0.0%	4.4%
140,369,541	146,000,000	143,658,000	Surviving Spouse/Domestic Partner Pensions	152,000,000	6,000,000	4.1%	5.8%
3,203,071	3,400,000	3,872,062	Minor/Dependent Pensions	4,400,000	1,000,000	29.4%	13.6%
4,556,135	4,100,000	6,885,281	Refund of Contributions	6,900,000	2,800,000	68.3%	0.2%
1,186,962,621	1,229,800,000	1,205,692,135	<i>Subtotal Pension Benefits (79.9%)</i>	1,369,040,500	139,240,500	11.3%	13.5%
133,192,395	142,000,000	127,937,000	Health Insurance Premium Subsidy	142,000,000	-	0.0%	11.0%
4,532,889	5,000,000	4,682,000	Dental Insurance Premium Subsidy	5,200,000	200,000	4.0%	11.1%
12,811,006	16,500,000	13,223,000	Medicare Reimbursement	16,000,000	(500,000)	(3.0%)	21.0%
1,319,104	1,500,000	1,551,507	Health Insurance Premium Reimbursement	1,600,000	100,000	6.7%	3.1%
151,855,394	165,000,000	147,393,507	<i>Subtotal OPEB (9.6%)</i>	164,800,000	(200,000)	(0.1%)	11.8%
1,338,818,015	1,394,800,000	1,353,085,642	Total Benefits Expenses (89.5%)	1,533,840,500	139,040,500	10.0%	13.4%
136,064,510	133,402,428	132,789,433	Investment Management Expense (8.9%)	151,941,649	18,539,221	13.9%	14.4%
23,513,284	25,538,810	24,645,297	Administrative Expense (1.6%)	27,327,550	1,788,740	7.0%	10.9%
1,498,395,809	1,553,741,238	1,510,520,372	Total Expenditures (100.0%)	1,713,109,699	159,368,461	10.3%	13.4%
2,291,268,390	(153,135,164)	(125,933,415)	Increase (Decrease) in Fund Balance, Net ⁶	(372,430,029)	(219,294,865)	143.2%	195.7%
3,789,664,199	1,400,606,074	1,384,586,957	Total Expenditures and Increase (Decrease) in Fund Balance	1,340,679,670	(59,926,404)	(4.3%)	(3.2%)

¹ Subsequent to the adoption of the 2021-22 Budget on June 17, 2021, on June 2, 2022 the Board approved \$7 million in additional appropriation to the Investment Management Expense due to significant increases in both the Private Equity and commingled Private Real Estate assets. The approved appropriation resulted in a modified 2021-22 Total Expenditures Budget of \$1,553,741,238 (from \$1,546,741,238).

² Estimated receipts and expenditures are as of April 30, 2022.

³ 2020-21 Actual Receipts and Expenditures are derived from LAFPP's Audited Financial Statements using the modified accrual basis. 2021-22 Estimated Receipts and Expenditures and 2022-23 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 2021-22 Modified and 2022-23 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
 2022-23 Final Budget
 Detail Of City, Harbor, and Airport Contribution Requirements
 (Assuming Contributions Made On or Before July 15, 2022)

Schedule 2

		%	x	Projected Payroll	=	Contribution Required ¹
		of Payroll				
TIER 1 requirements:						
<i>Pension</i>	1. Amortization of UAAL	N/A		N/A		13,715,841
				<i>Subtotal</i>		<u>13,715,841</u>
<i>OPEB</i>	2. Amortization of UAAL	N/A		N/A		1,253,412
				<i>Subtotal</i>		<u>1,253,412</u>
TIER 2 requirements:						
<i>Pension</i>	1. Employer Normal Cost	24.62%		631,239		155,411
	2. Amortization of UAAL	-0.67%		1,578,096,386		(10,573,246)
	3. Admin Expenses	1.25%		631,239		7,890
				<i>Subtotal</i>		<u>(10,409,945)</u>
<i>OPEB</i>	4. Employer Normal Cost	3.24%		631,239		20,452
	5. Amortization of UAAL	3.75%		1,578,096,386		59,178,614
	6. Admin Expenses	0.11%		631,239		694
				<i>Subtotal</i>		<u>59,199,760</u>
	* Unfunded Actuarial Accrued Liability (UAAL) expressed as a percent of payroll for all active members.					
TIER 3 requirements:						
<i>Pension</i>	1. Employer Normal Cost	18.78%		73,854,911		13,869,952
	2. Amortization of UAAL	-0.48%		1,578,096,386		(7,574,863)
	3. Admin Expenses	1.25%		73,854,911		923,186
				<i>Subtotal</i>		<u>7,218,275</u>
<i>OPEB</i>	4. Employer Normal Cost	4.42%		73,854,911		3,264,387
	5. Amortization of UAAL	0.28%		1,578,096,386		4,418,670
	6. Admin Expenses	0.11%		73,854,911		81,240
				<i>Subtotal</i>		<u>7,764,297</u>
	* Unfunded Actuarial Accrued Liability (UAAL) expressed as a percent of payroll for all active members.					
TIER 4 requirements:						
<i>Pension</i>	1. Employer Normal Cost	20.16%		26,827,638		5,408,452
	2. Amortization of UAAL	0.21%		1,578,096,386		3,314,002
	3. Admin Expenses	1.25%		26,827,638		335,345
				<i>Subtotal</i>		<u>9,057,799</u>
<i>OPEB</i>	4. Employer Normal Cost	4.44%		26,827,638		1,191,147
	5. Amortization of UAAL	0.17%		1,578,096,386		2,682,764
	6. Admin Expenses	0.11%		26,827,638		29,510
				<i>Subtotal</i>		<u>3,903,421</u>
	* Unfunded Actuarial Accrued Liability (UAAL) expressed as a percent of payroll for all active members.					
TIER 5 requirements:						
<i>Pension</i>	1. Employer Normal Cost	21.27%		1,100,406,610		234,056,486
	2. Amortization of UAAL	9.35%		1,100,406,610		102,888,018
	3. Admin Expenses	1.25%		1,100,406,610		13,755,083
				<i>Subtotal</i>		<u>350,699,587</u>
<i>OPEB</i>	4. Employer Normal Cost	4.16%		1,100,406,610		45,776,915
	5. Amortization of UAAL	2.74%		1,100,406,610		30,151,141
	6. Admin Expenses	0.11%		1,100,406,610		1,210,447
				<i>Subtotal</i>		<u>77,138,503</u>

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2022-23 Final Budget
 Detail Of City, Harbor, and Airport Contribution Requirements
 (Assuming Contributions Made On or Before July 15, 2022)

Schedule 2

		%	x	Projected Payroll	=	Contribution Required ¹
		of Payroll				
TIER 6 requirements:						
<i>Pension</i>	1. Employer Normal Cost	17.66%		376,375,988		66,467,999
	2. Amortization of UAAL	9.35%		376,375,988		35,191,155
	3. Admin Expenses	1.25%		376,375,988		4,704,700
				<i>Subtotal</i>		<u>106,363,854</u>
<i>OPEB</i>	4. Employer Normal Cost	6.46%		376,375,988		24,313,889
	5. Amortization of UAAL	2.74%		376,375,988		10,312,702
	6. Admin Expenses	0.11%		376,375,988		414,014
				<i>Subtotal</i>		<u>35,040,605</u>
Total City (General Fund) Pension						476,645,411
Total City (General Fund) OPEB						184,299,998
NET CITY (GENERAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT						<u>660,945,409</u>
Early Payment Savings (relative to payment at the end of each pay period)						20,857,925
<hr/>						
TIER 5 Harbor requirements:						
<i>Pension</i>	1. Employer Normal Cost	21.59%		13,313,508		2,874,386
	2. Amortization of UAAL	5.35%		13,313,508		712,273
	3. Admin Expenses	1.25%		13,313,508		166,419
				<i>Subtotal</i>		<u>3,753,078</u>
<i>OPEB</i>	4. Employer Normal Cost	5.61%		13,313,508		746,888
	5. Amortization of UAAL	0.57%		13,313,508		75,887
	6. Admin Expenses	0.11%		13,313,508		14,645
				<i>Subtotal</i>		<u>837,420</u>
<hr/>						
TIER 6 Harbor requirements:						
<i>Pension</i>	1. Employer Normal Cost	16.87%		3,560,393		600,638
	2. Amortization of UAAL	5.35%		3,560,393		190,481
	3. Admin Expenses	1.25%		3,560,393		44,505
				<i>Subtotal</i>		<u>835,624</u>
<i>OPEB</i>	4. Employer Normal Cost	5.65%		3,560,393		201,162
	5. Amortization of UAAL	0.57%		3,560,393		20,294
	6. Admin Expenses	0.11%		3,560,393		3,916
				<i>Subtotal</i>		<u>225,372</u>
Total Harbor (Special Fund) Pension						4,588,702
Total Harbor (Special Fund) OPEB						1,062,792
NET HARBOR (SPECIAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT						<u>5,651,494</u>
Early Payment Savings (relative to payment at the end of each pay period)						177,254

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2022-23 Final Budget
 Detail Of City, Harbor, and Airport Contribution Requirements
 (Assuming Contributions Made On or Before July 15, 2022)

Schedule 2

		%	x	Projected Payroll	=	Contribution Required ¹
TIER 6 Airport requirements:						
<i>Pension</i>	1. Employer Normal Cost	17.77%		13,163,207		2,339,102
	2. Amortization of UAAL	0.76%		13,163,207		100,040
	3. Admin Expenses	1.25%		13,163,207		164,540
				<i>Subtotal</i>		<u>2,603,682</u>
<i>OPEB</i>	4. Employer Normal Cost	7.47%		13,163,207		983,292
	5. Amortization of UAAL	0.44%		13,163,207		57,918
	6. Admin Expenses	0.11%		13,163,207		14,480
				<i>Subtotal</i>		<u>1,055,690</u>
Total Airport (Special Fund) Pension						2,603,682
Total Airport (Special Fund) OPEB						1,055,690
NET AIRPORT (SPECIAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT						<u>3,659,372</u>
Early Payment Savings (relative to payment at the end of each pay period)						114,519
General Fund to LAFPP						474,631,911
Excess Benefit Plan						2,013,500
Total City (General Fund) Pension						476,645,411
Total City (General Fund) OPEB						184,299,998
TOTAL GENERAL FUND CONTRIBUTION						<u>660,945,409</u>
Total Harbor (Special Fund) Pension						4,588,702
Total Harbor (Special Fund) OPEB						1,062,792
TOTAL SPECIAL FUND (HARBOR) CONTRIBUTION TO LAFPP						<u>5,651,494</u>
Total Airport (Special Fund) Pension						2,603,682
Total Airport (Special Fund) OPEB						1,055,690
TOTAL SPECIAL FUND (AIRPORT) CONTRIBUTION TO LAFPP						<u>3,659,372</u>
TOTAL CITY CONTRIBUTION						<u>670,256,275</u>

¹ Figures may be rounded.

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2022-23 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	184,853	21,627,751	7,856,234	322,244,244	110,218,345	462,131,427
Police	446,386	52,227,160	18,971,404	778,162,366	266,157,643	1,115,964,959
Harbor	-	-	-	13,313,508	3,560,393	16,873,901
Airport	-	-	-	-	13,163,207	13,163,207
TOTAL	631,239	73,854,911	26,827,638	1,113,720,118	393,099,588	1,608,133,494
TOTAL General Fund	631,239	73,854,911	26,827,638	1,100,406,610	376,375,988	1,578,096,386
TOTAL Special Fund (Harbor)	-	-	-	13,313,508	3,560,393	16,873,901
TOTAL Special Fund (Airport)	-	-	-	-	13,163,207	13,163,207

<u>BASE PAY (2% OPT-IN)¹</u>						
Fire	278,839	1,424,721	3,525,092	204,109,934	-	209,338,586
Police	128,334	43,830,683	10,785,512	446,407,953	-	501,152,482
Harbor	-	-	-	9,835,146	-	9,835,146
Airport	-	-	-	-	-	-
TOTAL	407,173	45,255,404	14,310,604	660,353,033	-	720,326,214
TOTAL General Fund	407,173	45,255,404	14,310,604	650,517,887	-	710,491,068
TOTAL Special Fund (Harbor)	-	-	-	9,835,146	-	9,835,146
TOTAL Special Fund (Airport)	-	-	-	-	-	-

MEMBER CONTRIBUTIONS

<u>PENSIONABLE PAY</u>						
	Seven Percent ²	Eight Percent	Eight Percent	Nine Percent ³	Eleven Percent	TOTAL
Fire	-	1,730,220	628,499	29,001,982	12,124,018	43,484,719
Police	-	4,178,173	1,517,712	70,034,613	29,277,341	105,007,839
Harbor	-	-	-	1,198,216	391,643	1,589,859
Airport	-	-	-	-	1,447,953	1,447,953
TOTAL	-	5,908,393	2,146,211	100,234,811	43,240,955	151,530,370

<u>BASE PAY (2% OPT-IN)</u>						
	Two Percent	Two Percent	Two Percent	Two Percent	N/A ⁴	TOTAL
Fire	5,577	28,494	70,502	4,082,199	-	4,186,772
Police	2,567	876,614	215,710	8,928,159	-	10,023,050
Harbor	-	-	-	196,703	-	196,703
Airport	-	-	-	-	-	-
TOTAL	8,144	905,108	286,212	13,207,061	-	14,406,525
TOTAL	8,144	6,813,501	2,432,423	113,441,872	43,240,955	165,936,895
TOTAL General Fund	8,144	6,813,501	2,432,423	112,046,953	41,401,359	162,702,380
TOTAL Special Fund (Harbor)	-	-	-	1,394,919	391,643	1,786,562
TOTAL Special Fund (Airport)	-	-	-	-	1,447,953	1,447,953

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.

DEPARTMENT OF FIRE AND POLICE PENSIONS
2022-23 Final Budget
Detail of Investment Management Expense

Schedule 4

	Modified Budget 2021-22 ¹	Estimated Expenditures 2021-22	Budget 2022-23	\$ Change from Budget ⁵ 2021-22	% Change from Budget 2021-22
CONSULTANTS & BANK SERVICES					
Custodian Bank Services (STIF)	444,146	484,347	482,327	38,181	8.6%
General Consultant - RV Kuhns	451,500	451,500	451,500	-	0.0%
CONSULTANTS & BANK SERVICES TOTAL (0.6%)	895,646	935,847	933,827	38,181	4.3%
ADVISORY					
PUBLIC EQUITY - LARGE CAP					
Alliance Capital (Russell 1000 Growth Index)	612,258	439,351	323,837	(288,421)	(47.1%)
Alliance Capital (S&P 500 Index)	208,317	196,002	191,125	(17,192)	(8.3%)
AllianceBernstein (Systemic Value)	644,485	628,533	636,315	(8,170)	(1.3%)
Boston Partners (Value)	815,624	745,085	784,861	(30,763)	(3.8%)
S&P 500 (Equal Weighted Index)	465,515	462,708	467,781	2,266	0.5%
STOXX USA (900 Minimum Variance)	245,968	251,592	274,663	28,695	11.7%
Subtotal	2,992,167	2,723,271	2,678,582	(313,585)	(10.5%)
PUBLIC EQUITY - SMALL CAP					
AB Small Cap Value Domestic	1,106,657	987,340	1,278,762	172,105	15.6%
Channing Capital Mgmt. (Core)	662,038	477,581	450,425	(211,613)	(32.0%)
Denali Advisors	619,987	524,200	506,951	(113,036)	(18.2%)
Eastern Shore Capital	578,055	433,834	372,539	(205,516)	(35.6%)
Frontier Capital Management (Growth)	7,474,082	2,971,940	4,138,809	(3,335,273)	(44.6%)
Lisanti Capital	585,080	429,550	342,816	(242,264)	(41.4%)
Palisade	863,640	625,448	572,252	(291,388)	(33.7%)
Phocas Financial (Value)	496,848	-	-	(496,848)	(100.0%)
PIMCO Stocks Plus	1,380,722	985,640	868,098	(512,624)	(37.1%)
S&P 600	53,263	42,201	36,256	(17,007)	(31.9%)
Westwood Management (Value)	2,156,737	1,494,794	1,370,988	(785,749)	(36.4%)
Subtotal	15,977,109	8,972,528	9,937,896	(6,039,213)	(37.8%)
PUBLIC EQUITY - INTERNATIONAL					
Baillie Gifford (Growth)	5,251,126	4,213,264	3,759,650	(1,491,476)	(28.4%)
Blackrock (EAFE Index)	433,593	399,067	397,296	(36,297)	(8.4%)
Boston Common (ESG)	251,761	224,842	208,017	(43,744)	(17.4%)
Brandes (Value)	2,420,891	2,740,634	4,250,912	1,830,021	75.6%
Principal (Active Small Cap)	1,502,659	1,317,414	1,239,363	(263,296)	(17.5%)
Victory Capital Management (Active Small Cap)	1,989,148	1,775,905	1,687,808	(301,340)	(15.1%)
Subtotal	11,849,178	10,671,126	11,543,046	(306,132)	(2.6%)
PUBLIC EQUITY - EMERGING MARKETS					
Dimensional Fund Advisors	3,198,435	2,875,803	2,881,847	(316,588)	(9.9%)
Harding Loevner	4,349,902	3,523,085	3,131,395	(1,218,507)	(28.0%)
Subtotal	7,548,337	6,398,888	6,013,242	(1,535,095)	(20.3%)
PUBLIC EQUITY TOTAL (19.9%)	38,366,791	28,765,813	30,172,766	(8,194,025)	(21.4%)
FIXED INCOME - INVESTMENT GRADE					
Bridgewater (Pure Alpha)	1,588,087	132,341	-	(1,588,087)	(100.0%)
Bridgewater (TIPS)	1,837,068	153,089	-	(1,837,068)	(100.0%)
GIA Partners (Opportunistic)	168,032	154,963	154,537	(13,495)	(8.0%)
LM Capital Group (Opportunistic)	361,630	357,694	328,458	(33,172)	(9.2%)
Loomis Sayles (Long Duration)	666,949	625,457	570,266	(96,683)	(14.5%)
Northern Trust (Index)	227,586	205,657	206,307	(21,279)	(9.3%)
Payden & Rygel (Unconstrained)	800,679	1,493,606	2,202,734	1,402,055	175.1%

(Continue on next page)

	Modified Budget 2021-22 ¹	Estimated Expenditures 2021-22	Budget 2022-23	\$ Change from Budget ⁵ 2021-22	% Change from Budget 2021-22
FIXED INCOME - INVESTMENT GRADE (Continued)					
Reams Asset Management (Opportunistic)	785,790	718,292	718,340	(67,450)	(8.6%)
Reams Asset Management (Passive TIPS)	170,309	244,399	265,245	94,936	55.7%
Reams Asset Management (Unconstrained)	531,423	1,049,370	1,458,978	927,555	174.5%
Semper Capital Management	178,253	164,843	167,713	(10,540)	(5.9%)
Subtotal	7,315,806	5,299,711	6,072,578	(1,243,228)	(17.0%)
FIXED INCOME - HIGH YIELD					
MacKay Shields	2,516,117	2,337,135	2,402,477	(113,640)	(4.5%)
Global Credit	-	-	1,500,000	1,500,000	--
Subtotal	2,516,117	2,337,135	3,902,477	1,386,360	55.1%
FIXED INCOME TOTAL (6.6%)	9,831,923	7,636,846	9,975,055	143,132	1.5%
PRIVATE EQUITY					
Fairview Capital Partners (Specialized Mandate)	300,000	300,000	300,000	-	0.0%
Portfolio Advisors	1,300,000	1,300,000	1,300,000	-	0.0%
Portfolio Advisors (Specialized Mandate)	75,000	180,000	262,500	187,500	250.0%
Private Equity Partnership Fees ²	52,180,938	60,210,495	68,504,279	16,323,341	31.3%
PRIVATE EQUITY TOTAL (46.3%)	53,855,938	61,990,495	70,366,779	16,510,841	30.7%
COMMODITIES					
AB Commodities Indices (6)	716,027	581,281	445,072	(270,955)	(37.8%)
Private Equity Partnership Fees ²	1,648,905	1,844,038	2,317,807	668,902	40.6%
COMMODITIES TOTAL (1.8%)	2,364,932	2,425,319	2,762,879	397,947	16.8%
REAL ESTATE					
AEW (Asset Management Fees)	2,436,913	2,477,027	2,485,203	48,290	2.0%
Alliance Capital (Global REIT) Index	121,346	195,978	198,361	77,015	63.5%
Cohen & Steers (US REIT)	1,289,790	3,483,138	3,926,984	2,637,194	204.5%
Principal (Global REIT)	1,089,289	1,087,703	1,095,557	6,268	0.6%
Principal (U.S. REIT)	1,020,069	2,742,373	3,127,514	2,107,445	206.6%
Real Estate Annual Appraisals	35,000	35,000	35,000	-	0.0%
Total Pooled Funds ³	18,449,791	19,893,894	23,116,724	4,666,933	25.3%
Townsend (Consultant)	245,000	245,000	245,000	-	0.0%
REAL ESTATE TOTAL (22.5%)	24,687,198	30,160,113	34,230,343	9,543,145	38.7%
PRIVATE CREDIT					
Private Credit Advisor (Estimated)	500,000	125,000	500,000	-	0.0%
Private Credit Partnership Fees ⁴ (Estimated)	1,500,000	750,000	3,000,000	1,500,000	100.0%
Bank Loan Investment Manager (Estimated)	1,400,000	-	-	(1,400,000)	(100.0%)
PRIVATE CREDIT TOTAL (2.3%)	3,400,000	875,000	3,500,000	100,000	2.9%
ADVISORY TOTAL (99.4%)	132,506,782	131,853,586	151,007,822	18,501,040	14.0%
INVESTMENT MANAGEMENT EXPENSE TOTAL (100.0%)	133,402,428	132,789,433	151,941,649	18,539,221	13.9%

¹ Subsequent to the adoption of the 2021-22 Budget on June 17, 2021, on June 2, 2022 the Board approved \$7 million in additional appropriation to the Investment Management Expense due to significant increases in both the Private Equity and commingled Private Real Estate assets. The approved appropriation resulted in a modified 2021-22 Investment Management Expense Budget of \$133,402,428 (from \$126,402,428).

² Partnership fees **do not** include performance fees. Generally performance fees take 20% of the profit. In some cases, they can go as high as 30%.

³ 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%.

⁴ 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%.

⁵ Figures may be rounded.

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2022-23 Final Budget
 Administrative Expense

Schedule 5

Actual Expenditures 2020-21	Modified Budget 2021-22 ¹	Estimated Expenditures 2021-22 ²	Account Titles	Budget 2022-23	% Change from Budget 2021-22	% Change from Estimated Expenditures 2021-22
12,574,314	13,722,000	13,319,187	Salaries - General	14,570,000	6.2%	9.4%
36,472	86,370	103,970	Salaries - As-Needed	163,370	89.2%	57.1%
498	66,540	91,540	Overtime	85,060	27.8%	(7.1%)
12,611,284	13,874,910	13,514,697	Sub-total Salaries	14,818,430	6.8%	9.6%
14,197	54,500	27,250	Printing and Binding	47,000	(13.8%)	72.5%
9,255	92,500	69,375	Travel Expense	100,000	8.1%	44.1%
4,606,013	4,019,000	3,948,000	Contractual Expense	4,327,270	7.7%	9.6%
6,000	6,000	6,000	Transportation	6,000	0.0%	0.0%
127,623	320,000	320,000	Medical Services	320,000	0.0%	0.0%
1,357,709	1,840,000	1,523,010	Health Insurance	1,703,000	(7.4%)	11.8%
47,531	63,000	54,494	Dental Insurance	60,000	(4.8%)	10.1%
36,812	45,000	42,061	Other Employee Benefits	46,000	2.2%	9.4%
3,701,340	4,116,000	4,105,791	Retirement Contribution ³	4,464,000	8.5%	8.7%
169,894	202,000	195,963	Medicare Contribution	215,000	6.4%	9.7%
-	59,800	50,800	Election Expense	-	(100.0%)	(100.0%)
475,238	800,700	742,456	Office and Administrative Expense	1,208,550	50.9%	62.8%
347,783	30,000	30,000	Total Furniture, Office, & Tech Equip.	-	(100.0%)	(100.0%)
2,605	15,400	15,400	Tuition Reimbursement	12,300	(20.1%)	(20.1%)
10,902,000	11,663,900	11,130,600	Sub-total Expense	12,509,120	7.2%	12.4%
-	-	-	Unappropriated Balance	-	0.0%	0.0%
23,513,284	25,538,810	24,645,297	TOTAL ADMINISTRATIVE EXPENSE	27,327,550	7.0%	10.9%

¹ Subsequent to the adoption of the 2021-22 Budget on June 17, 2021, 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, 2022.

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.

2022-23 Final Budget

Detail of Administrative Expense

Acct No.	Account Titles	Modified Budget 2021-22 ¹	Budget 2022-23	\$ Change
641010	Salaries - General	13,722,000	14,570,000	848,000
641070	Salaries - As-Needed	86,370	163,370	77,000
641090	Overtime	66,540	85,060	18,520
	Sub-total Salaries	13,874,910	14,818,430	943,520
642120	Printing and Binding	54,500	47,000	(7,500)
642130	Travel Expense	92,500	100,000	7,500
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	30,000	-
	City Attorney Staff	791,000	837,000	46,000
	Legal Services: Fiduciary Counsel	50,000	50,000	-
	Legal Services: Health & Data Privacy Outside Counsel	75,000	75,000	-
	Legal Services: Legal Representation	100,000	300,000	200,000
	Legal Services: Real Estate and Investment Counsel	500,000	500,000	-
	Legal Services: Tax Counsel	100,000	100,000	-
	Subtotal	1,646,000	1,892,000	246,000
	Communications & Education			
	Financial Planning Education - Venue	5,000	2,000	(3,000)
	Financial Planning Education Consultant	54,500	32,000	(22,500)
	Graphic Design Services	32,500	36,000	3,500
	Pre-Retirement Seminar Caterer	40,000	15,500	(24,500)
	Web Site Support Services	110,000	110,000	-
	Cision Daily Newsletters	7,500	7,500	-
	Subtotal	249,500	203,000	(46,500)
	Department-wide			
	Career Development Training	10,000	10,000	-
	Headquarters Furnishing	5,000	10,000	5,000
	Neptune Building Property Management	511,000	511,000	-
	Photocopiers	30,000	20,000	(10,000)
	Records Retention	3,500	3,000	(500)
	Secure Shredding Services	3,000	2,500	(500)
	Vehicle Maintenance	1,000	1,000	-
	Workers Compensation	25,000	25,000	-
	Letter Folding Machine	-	2,000	2,000
	Subtotal	588,500	584,500	(4,000)
	Disability Pension			
	Hearing Reporter	30,000	30,000	-
	Investigative Services	30,000	30,000	-
	Subtotal	60,000	60,000	-
	Executive			
	Actuarial Services	350,000	400,000	50,000
	Annual Offsite Meeting	10,000	-	(10,000)
	CEM Benchmarking	23,000	-	(23,000)
	Cyber Liability Insurance	75,000	109,000	34,000
	Fiduciary Liability Insurance	45,000	63,000	18,000
	Governance Consultant	20,000	20,000	-
	Strategic Plan	20,000	-	(20,000)
	Subtotal	543,000	592,000	49,000
	Internal Audit			
	Financial Audit	83,000	83,000	-
	ALGA Peer Review	8,000	-	(8,000)
	Subtotal	91,000	83,000	(8,000)
	Investments Division			
	Proxy Service	40,000	40,000	-
	Subtotal	40,000	40,000	-

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Detail of Administrative Expense

Acct No.	Account Titles	Modified Budget 2021-22 ¹	Budget 2022-23	\$ Change
<i>Medical and Dental Benefits</i>				
	Graphic Designer	2,500	2,500	-
	Health Consultant	100,000	100,000	-
	Subtotal	102,500	102,500	-
<i>Systems</i>				
	AT&T	24,000	24,000	-
	Pension Administration System (Avenu)	509,500	511,270	1,770
	NT - Integrated Disbursement Services	165,000	170,000	5,000
	Subtotal	698,500	705,270	6,770
	Total Contractual Expense	4,019,000	4,327,270	308,270
643310	Transportation	6,000	6,000	-
644230	Medical Services (Disability Cases)	320,000	320,000	-
645180	Health Insurance	1,840,000	1,703,000	(137,000)
645190	Dental Insurance	63,000	60,000	(3,000)
645200	Other Employee Benefits	45,000	46,000	1,000
645360	Retirement Contribution ²	4,116,000	4,464,000	348,000
645370	Medicare Contribution	202,000	215,000	13,000
645417	Election Expense	59,800	-	(59,800)
646010	Office and Administrative Expense			
	646010-01 Office & Administrative Expense	433,370	444,860	11,490
	646010-02 Office Supplies	44,600	34,400	(10,200)
	646010-03 Telephone, Internet, and Tablet Devices	99,600	100,600	1,000
	646010-05 Training Expense	73,580	71,730	(1,850)
	646010-06 Dues & Subscriptions	89,550	505,660	416,110
	646010-530 Computer & Peripheral	60,000	51,300	(8,700)
	Total Office and Administrative Expense	800,700	1,208,550	407,850
647300	Total Furniture, Office, & Technical Equip > \$5,000	30,000	-	(30,000)
649570	Tuition Reimbursement	15,400	12,300	(3,100)
	Sub-total Expense	11,663,900	12,509,120	845,220
649500	Unappropriated Balance (UB)	-	-	-
	TOTAL ADMINISTRATIVE EXPENSE	25,538,810	27,327,550	1,788,740

¹ Subsequent to the adoption of the 2021-22 Budget on June 17, 2021, 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, 2022, 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:

<u>2021-22</u>	<u>2022-23</u>	<u>Change</u>	<u>Code</u>	<u>Title</u>	<u>Salary Range</u>
1	1	0	1116	Secretary	(55,457 - 81,097)
2	1	-1	1117-2	Executive Administrative Assistant II	(66,774 - 97,614)
1	1	0	1117-3	Executive Administrative Assistant III	(71,618 - 104,671)
1	1	0	1170	Payroll Supervisor	(73,142 - 106,926)
19	19	0	1203	Benefits Specialist	(59,716 - 87,320)
3	3	0	1358	Administrative Clerk	(41,384 - 60,552)
16	15	-1	1368	Senior Administrative Clerk	(51,030 - 74,646)
2	2	0	1455-1	Systems Programmer I	(93,918 - 137,306)
1	1	0	1455-2	Systems Programmer II	(101,080 - 147,767)
1	1	0	1455-3	Systems Programmer III	(109,515 - 160,128)
8	8	0	1513	Accountant	(59,361 - 86,798)
2	2	0	1523-2	Senior Accountant II	(74,708 - 109,202)
1	1	0	1525-1	Principal Accountant I	(85,858 - 125,551)
1	1	0	1525-2	Principal Accountant II	(90,577 - 132,420)
1	1	0	1593-4	Departmental Chief Accountant IV	(135,448 - 198,005)
6	6	0	1596	Systems Analyst	(75,690 - 110,643)
3	3	0	1597-1	Senior Systems Analyst I	(89,491 - 130,854)
2	2	0	1597-2	Senior Systems Analyst II	(110,726 - 161,945)
1	1	0	1610	Departmental Audit Manager	(135,448 - 198,005)
1	1	0	1625-2	Internal Auditor II	(75,690 - 110,643)
1	1	0	1625-4	Internal Auditor IV	(110,726 - 161,945)
17	19	2	9108	Benefits Analyst	(78,842 - 115,278)
2	2	0	9109-1	Senior Benefits Analyst I	(96,820 - 141,608)
7	7	0	9109-2	Senior Benefits Analyst II	(119,872 - 175,266)
2	2	0	9146-1	Investment Officer I	(102,959 - 150,544)
4	5	1	9146-2	Investment Officer II	(128,307 - 187,565)
2	2	0	9146-3	Investment Officer III	(161,298 - 235,797)
1	1	0	9147	Chief Investment Officer	(197,002 - 288,039)
2	2	0	9151	Chief Benefits Analyst	(135,448 - 198,005)
1	1	0	9167-1	Senior Personnel Analyst I	(93,083 - 136,095)
1	1	0	9171-1	Senior Management Analyst I	(93,083 - 136,095)
1	1	0	9171-2	Senior Management Analyst II	(115,257 - 168,501)
1	1	0	9182	Chief Management Analyst	(135,448 - 198,005)
6	7	1	9184	Management Analyst	(75,690 - 110,643)
1	1	0	9267	General Manager	(185,352 - 328,526)
2	2	0	9269	Assistant General Manager	(152,549 - 223,040)
1	1	0	9375	Director of Systems	(135,448 - 198,005)
1	1	0	9734-2	Commission Executive Assistant II	(75,690 - 110,643)
<u>126</u>	<u>128</u>	<u>2</u>			

(b) Resolution Authority Positions:

<u>2021-22</u>	<u>2022-23</u>	<u>Change</u>	<u>Code</u>	<u>Title</u>	<u>Salary Range</u>
0	1	1	1203	Benefits Specialist	(59,716 - 87,320)
2	2	0	9108	Benefits Analyst	(78,842 - 115,278)
0	1	1	9109-1	Senior Benefits Analyst I	(96,820 - 141,608)
0	1	1	9167-2	Senior Personnel Analyst II	(115,257 - 168,501)
<u>2</u>	<u>5</u>	<u>3</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

ADD/DELETE POSITION

REGULAR POSITIONS

Communications & Education

- | | | |
|--|----|--|
| Benefits Analyst (Reallocation) | 1 | The reallocated Benefits Analyst position will help the section to work more efficiently given the increased duties and long-term shift to remote assignments. |
| Senior Administrative Clerk | -1 | |

Executive Management

- | | | |
|--|----|--|
| Management Analyst (Reallocation) | 1 | The new Management Analyst position will assist Management with the ongoing FY 2022-23 LAFPP Business Plan Project #13 - Permanent Hybrid Workforce. In addition, the position will conduct research and analysis of data pertaining to a variety of related policies and other special projects at the request of Management. |
| Executive Administrative Assistant II | -1 | |

Investments Division

- | | | |
|--------------------------------------|---|---|
| Investment Officer II (New) | 1 | The new Investment Officer II position will help the section to work more efficiently given the increased complexity of the investment portfolio and the development of the new private credit asset class. |
|--------------------------------------|---|---|

Retirement Services

- | | | |
|---------------------------------|---|--|
| Benefits Analyst (New) | 1 | The new Benefits Analyst position will help the section to work more efficiently given the increased duties and the Board-mandated Overpayment Collections task. |
|---------------------------------|---|--|

NET NUMBER OF REGULAR POSITIONS	<u>2</u>
--	----------

RESOLUTION AUTHORITY POSITIONS

Administrative Services

- | | | |
|--|---|--|
| Senior Personnel Analyst II (New) | 1 | The new Senior Personnel Analyst II position will help the Human Resources Unit address the dramatically increased workload due to COVID-19. This position, along with the Senior Personnel Analyst I position, will be able to better address the volume and complexity of COVID-19 and other related issues and ongoing employee development and engagement, including work on the FY 2022-23 LAFPP Business Plan Project #12 - Reinforcing Employee Connections and Organizational Culture in a Hybrid Workforce. |
|--|---|--|

Disability Pension

- | | | |
|--|---|---|
| Senior Benefits Analyst I (New) | 1 | The new Senior Benefits Analyst I position will help to alleviate the bottleneck of disability pension applications needing administrative file review prior to going to the medical desk. In addition, this position will assist in training, contract development and compliance, supervision of staff, among other responsibilities. |
|--|---|---|

DROP/Service Pensions

- | | | |
|------------------------------------|---|---|
| Benefits Specialist (New) | 1 | The new Benefits Specialist position will help the section to better address the continued increases to workload, changes, and demands year after year. Changes such as the implementation of the City's Retirement Incentive Pay (RIP) bonus and the City's vaccination mandate for all City employees, including sworn, are causing an increase of entries and exits expected to continue for the foreseeable future. |
|------------------------------------|---|---|

NET NUMBER OF RESOLUTION AUTHORITY POSITIONS	<u>3</u>
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LAFPP – TOTAL POSITIONS	
Authorized	Filled
128	109
Resolution Authorities	Filled
5	3
As Needed	Filled
3	1

Members

Board of Fire and Police Pension Commissioners

Brian Pendleton – President
 Kenneth Buzzell – Vice President
 Andrea Ambriz
 Rigo Arellano
 Brian Churchill
 Michael Lawson
 Sumi Parekh
 Garrett W. Zimmon
 Vacant

City Attorney

1 **Assistant City Attorney**
 Anya J. Freedman

2 **Deputy City Attorney IV**
 Joshua M. Geller
 James H. Napier

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
 Jennifer Van

General Manager #041
 Raymond P. Ciranna

1 **Executive Administrative Assistant III** #009
 Martha Martinez

1 **Management Analyst** *New 2022-23* #011
 Vacant

Administrative Operations Division

Executive Officer #077
 William S. Raggio

Investments Division

Chief Investment Officer #083
 Vacant

Pensions Division

Assistant General Manager #042
 Joseph Salazar

ADMINISTRATIVE OPERATIONS DIVISION

Executive Officer #077
William S. Raggio

Systems		
1	Director of Systems	#064
	Bob Yan (Info Systems Manager II in-lieu)	
1	Senior Systems Analyst I	#102
	Nichole Cheung	
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	
	Sharon Chan	#092
	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	
4	Systems Analyst	
	Joseph Cundiff	#046
	Vacant	#049
	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	
	Albert Almeda	#116

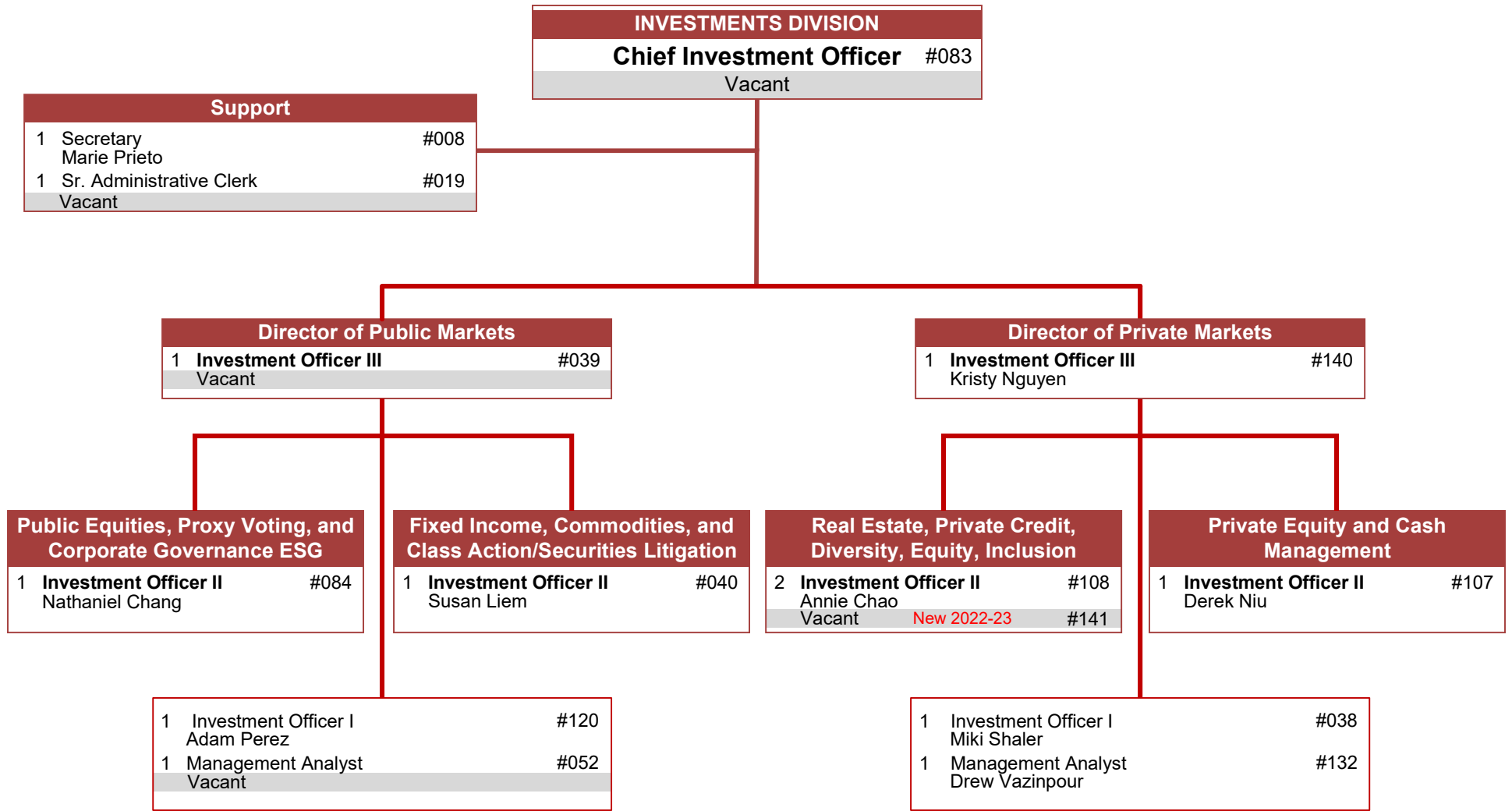
1	Commission Executive Assistant II	#069
	Evange Masud	

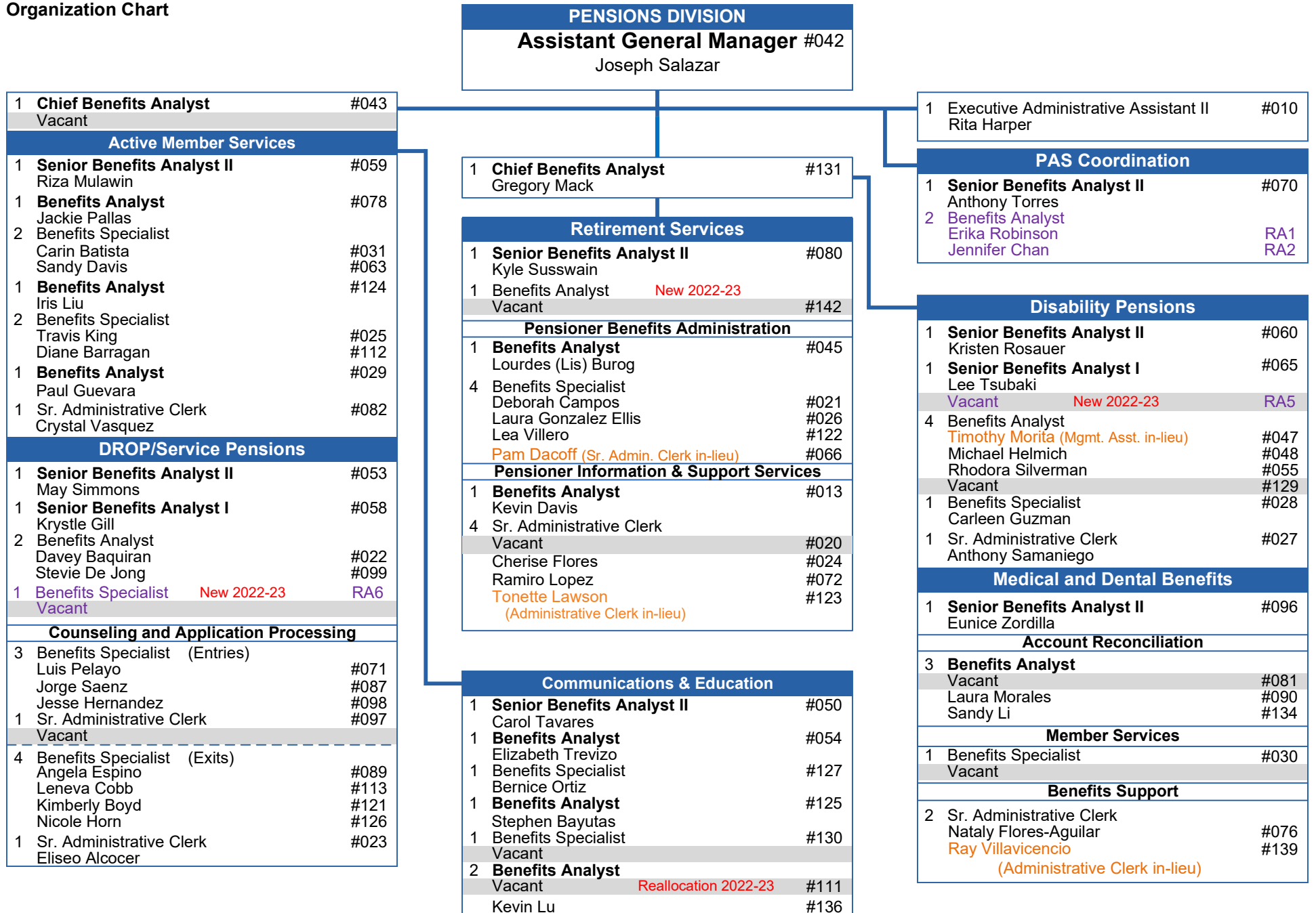
Accounting		
1	Department Chief Accountant IV	#037
	Michelle Chan	
General /Investment Accounting		
1	Principal Accountant II	#036
	Blas Rafols	
General Accounting		
2	Accountant	
	Emma Tuason	#032
	Martha Bissett	#100
1	Administrative Clerk	#091
	Laura Navarro	
1	Relief Retirement Worker	RRW19
	Esmeralda Ortiz	
Investment Accounting		
1	Senior Accountant II	#035
	Vacant	
3	Accountant	
	Dominador De Leon	#033
	Mahendra Ahuja	#062
	Eden Garcia	#117
Pension Accounting/Payroll		
1	Principal Accountant I	#093
	Ana Velen Reyes (Sr. Acct. II in-lieu)	
Pension Accounting		
1	Senior Accountant II	#137
	Yoshiyuki Goya (Acct. in-lieu)	
3	Accountant	
	Darlene Bacalzo	#014
	Kenneth Jang	#034
	Claire Shin	#138
Payroll		
1	Payroll Supervisor	#018
	Annett Anderson	

1	Chief Management Analyst	#057
	Myo Thedar (Chief Benefits Analyst in-lieu)	

Human Resources		
1	Senior Personnel Analyst II	RA4
	James Schiffhauer	New 2022-23
1	Senior Personnel Analyst I	#118
	Monique Lewis	
1	Management Analyst	#051
	Jennifer Barnych	
1	Sr. Administrative Clerk	#106
	Sue Wells	

Administrative Services		
Administrative Unit		
1	Senior Management Analyst II	#061
	Esther Chang	
2	Management Analyst	
	Elijah Hernandez	#056
	Held Vacant	#085
Administrative Support Unit		
1	Senior Management Analyst I	#105
	Grace Hsieh	
1	Management Analyst	#012
	James Pineda (Mgmt. Aide in-lieu)	
1	Sr. Administrative Clerk	#088
	Amanda Alva	
2	Administrative Clerk	
	Katrina Sarkisian	#015
	Destiny Pantoja	#101
1	Sr. Administrative Clerk	#016
	Vacant	





2022-23 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, 2022. 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 (APPFA)
 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)
 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)
 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.