

DEPARTMENT OF FIRE AND POLICE PENSIONS

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Los Angeles, CA 90013
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REPORT TO THE BOARD OF FIRE AND POLICE PENSION COMMISSIONERS

DATE: JUNE 18, 2025

ITEM: C.4

FROM: JOSEPH SALAZAR, GENERAL MANAGER

SUBJECT: 2025-26 FINAL BUDGET AND POSSIBLE BOARD ACTION

RECOMMENDATION

That the Board:

- 1) Adopt the 2025-26 Final Budget (Budget) and authorize the General Manager to transmit the Budget to the Mayor, City Administrative Officer (CAO), and the Controller for their record;
- 2) Adopt the 2025-26 Personnel Resolution and 2025-26 Travel Resolution (2025-26 Final Budget Schedules 7 and 10, respectively);
- 3) Delegate to the General Manager the authority to approve intra-departmental transfers within the 2025-26 Administrative Expense Budget, commensurate with the limit released by the CAO each year pursuant to Charter Section 343, and direct the General Manager to report to the Board on such transfers in the Budget Compliance Report to be provided quarterly; and,
- 4) Authorize Staff to make any technical corrections or clarifications to the 2025-26 Final Budget to effectuate the intent of the above-mentioned recommendations.

BACKGROUND

In accordance with the Board's Operating Policies and Procedures, the Board of Fire and Police Pension Commissioners (Board) must approve the Los Angeles Fire and Police Pensions (LAFPP) Preliminary Budget and present it to the Mayor, CAO, and Controller before April 1st of each year. On March 20, 2025, the Board approved LAFPP's 2025-26 Preliminary Budget. With the adoption of the City's 2025-26 Budget by the City Council and the Mayor on June 6, 2025, the Board must now also adopt a final budget by June 30, 2025.

DISCUSSION

The 2025-26 Final Budget is hereby presented to the Board. Along with this report, the Executive Summary (Attachment I) and Budget Schedules (Attachment II) are included for the Board's review.

Since the Board approved the Preliminary Budget in March, updated projections to the City and Member Contributions have been included, which are based on sworn payroll amounts that were recently adopted by the Mayor, the Board of Harbor Commissioners, and the Board of Airport Commissioners.

OVERVIEW: LAFPP 2025-26 FINAL BUDGET

Receipts ¹	2025-26 Final Budget	2025-26 Preliminary Budget	\$ Change from 2025-26 Preliminary Budget	2024-25 Modified Budget	\$ Change from 2024-25 Modified Budget
City Contribution ²	\$ 644,860,373	\$ 619,129,736	\$ 25,730,637	\$ 668,607,937	\$ (23,747,564)
Member Contributions ³	188,264,821	182,281,364	5,983,457	180,608,580	7,656,241
Earnings on Investments	585,000,000	585,000,000	-	585,000,000	-
Miscellaneous	500,000	500,000	-	500,000	-
TOTAL RECEIPTS	\$ 1,418,625,194	\$ 1,386,911,100	\$ 31,714,094	\$ 1,434,716,517	\$ (16,091,323)
Expenditures	2025-26 Final Budget	2025-26 Preliminary Budget	\$ Change from 2025-26 Preliminary Budget	2024-25 Modified Budget	\$ Change from 2024-25 Modified Budget
Pension Benefits	\$ 1,699,072,000	\$1,651,172,000	\$ 47,900,000	\$ 1,476,900,000	\$ 222,172,000
Health (OPEB) Benefits	203,100,000	202,900,000	200,000	186,400,000	16,700,000
<i>Benefits Expense</i>	<i>1,902,172,000</i>	<i>1,854,072,000</i>	<i>48,100,000</i>	<i>1,663,300,000</i>	<i>238,872,000</i>
Investment Management Expense	188,633,768	186,988,446	1,645,322	165,350,675	23,283,093
Administrative Expense	32,711,000	32,062,000	649,000	31,114,550	1,596,450
TOTAL EXPENDITURES	\$ 2,123,516,768	\$2,073,122,446	\$ 50,394,322	\$ 1,859,765,225	\$ 263,751,543

¹ The City Contribution excludes the Excess Benefit Plan amount of \$2,031,228. 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 2025-26 Final Budget.

² Measure FF (2024) provides eligible LACERS members an opportunity to elect to terminate their LACERS membership and transfer into LAFPP Tier 6. In addition, Measure FF provides for tax compliant, interest-free refunds to Tier 6 LAFPP members, who previously purchased years of service pursuant to prior City Charter amendments; to this end, the 2025-26 Employer Contributions from the General Fund and Special Fund (Airports) include \$885,272 and \$1,627,067, respectively, as a one-time advance payment for LAFPP to process refunds to these Tier 6 members.

³ The calculation of the Member Contributions is overstated due to the use of the whole sworn payroll, including temporary non-pensionable salaries, as a basis for calculating the 2025-26 contribution amount. Inclusion of these temporary non-pensionable amounts was necessary to determine the Employer Contributions and mitigate impact to the LAFPP plan funding. A breakdown of the temporary non-pensionable amounts is unable to be determined at this time.

The \$263.75 million net increase in expenditures from the 2024-25 Modified Budget is attributed to increases across all three Expense Accounts: Benefits Expense (+\$238.87 million net, 90.6% of net increase), Investment Management Expense (+\$23.28 million net, 8.8% of net increase), and Administrative Expense (+\$1.60 million net, 0.6% of net increase). Provided below and in the 2025-26 Final Budget Executive Summary are additional details of the anticipated receipts and estimated expenditures, with applicable references to the 2025-26 Final Budget Schedules.

2025-26 RECEIPTS – \$1.42 BILLION

LAFPP receives revenue from three primary sources: City Contributions, Member Contributions, and Earnings on Investments.

I. City Contribution – \$644.86 Million (45.5% of Receipts)

The City Contribution is made up of employer contributions for sworn employees of the Los Angeles Police, Fire, Harbor, and Airports Departments. Contribution amounts are based on the projected covered payroll (inclusive of regular pensionable salaries and temporarily non-pensionable salary increases) as well as contribution rates for pension and health subsidy benefits as indicated in LAFPP annual actuarial reports.

Since the Preliminary Budget, the projected covered payroll for 2025-26 has increased significantly, as shown below, which impacts the City's total contribution. Additionally, as provided by the passing of Measure FF (2024), contributions from the General Fund and Special Fund (Airports) include \$885,272 and \$1,627,067 respectively, as one-time advanced payments for LAFPP to process refunds that will be issued to members who previously elected to transfer into LAFPP Tier 6 and made purchase payments upon joining LAFPP pursuant to prior City Charter amendments. The projected covered payroll and total contribution amounts by Tier, which are exclusive of the one-time advanced payment for Measure FF refunds, are detailed in Budget Schedules 2 and 3 and are summarized below (figures may be rounded):

	2025-26 Final Budget	2025-26 Preliminary Budget	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget	2024-25 Modified Budget ³
Police and Fire Sworn Payroll	\$ 1,766,945,318	\$ 1,704,976,227	\$ 61,969,091	3.6%	\$ 1,704,976,227
Combined Contribution Rate	35.80%		N/A		38.72%
General Fund (Police and Fire) Contribution ^{1, 2}	\$ 632,530,335	\$ 610,346,664	\$ 22,183,671	3.6%	\$ 660,048,140
Harbor Sworn Payroll	\$ 23,133,679	\$ 21,814,063	\$ 1,319,616	6.0%	\$ 21,814,063
Combined Contribution Rate	28.99%		N/A		25.58%
Special Fund (Harbor) Contribution ¹	\$ 6,706,391	\$ 6,323,838	\$ 382,553	6.0%	\$ 5,580,026
Airports Sworn Payroll	\$ 21,015,678	\$ 19,031,533	\$ 1,984,145	10.4%	\$ 19,031,533
Combined Contribution Rate	24.47%		N/A		24.07%
Special Fund (Airports) Contribution ¹	\$ 5,142,536	\$ 4,657,016	\$ 485,520	10.4%	\$ 4,580,890

¹ Early payment savings may be realized if contributions are made on or before July 15, 2025. Early payment savings for the City is approximately \$19.79 million, for Harbor Department is approximately \$0.21 million, and for the Airports is approximately \$0.16 million. These discounts are included in the figures above.

² Inclusive of the Excess Benefit Plan (EBP) amount of \$1.60 million for 2024-25 and \$2.03 million for 2025-26.

³ Contribution changes (amount and percentage) from the 2024-25 Modified Budget are available on Schedule 1.

The 2025-26 Excess Benefit Plan (EBP) amount is \$2.03 million, which represents a \$0.43 million increase (+26.9%) from the 2024-25 budgeted amount. Though part of the City's General Fund Contribution, the EBP is excluded from the total City Contribution to LAFPP since it is not a revenue that is transferred to LAFPP.

II. Member Contributions – \$188.26 Million (13.3% of Total Receipts)

As reflected in the table below, Member Contributions are estimated to increase from \$180.61 million in 2024-25 to \$188.26 million in 2025-26. Member Contributions are based on pensionable pay and contribution rates for each respective Tier, which range from 7% to 9% for members in Tiers 2 through 5, while members in Tier 6 contribute 11% of salary. Member contributions are paid by members to LAFPP on a biweekly basis through the payroll process. Additional detail is found in Budget Schedule 3 and is summarized below (figures are rounded):

	2025-26 Final Budget ¹	2025-26 Preliminary Budget	\$ Change from 2025-26 Preliminary Budget	2024-25 Modified Budget	\$ Change from 2024-25 Modified Budget
General Fund	\$ 183,545,342	\$ 177,908,271	\$ 5,637,071	\$ 176,256,870	7,288,472
Harbor (Special Fund)	2,407,754	2,279,624	128,130	2,258,241	149,513
Airports (Special Fund)	2,311,725	2,093,469	218,256	2,093,469	218,256
Total Member Contributions²	\$ 188,264,821	\$ 182,281,364	\$ 5,983,457	\$ 180,608,580	7,656,241

¹ The calculation of the Member Contributions is overstated due to the use of the whole sworn payroll, including temporarily non-pensionable salaries, as a basis for calculating the 2025-26 contribution amount. Inclusion of these temporarily non-pensionable amounts was necessary to determine the Employer Contributions and mitigate impact to the LAFPP plan funding. A breakdown of the temporarily non-pensionable amounts is unable to be determined at this time.

² Includes additional 2% opt-in contributions from members in Tiers 2 - 5 who elected to unfreeze their future retiree medical subsidy.

Member Contributions have increased from the 2024-25 Modified Budget by \$7.66 million (+4.2%).

III. Investment Earnings – \$585.00 Million (41.2% of Total Receipts)

The third primary source of revenue for the System is derived from investment earnings, which is comprised of "Earnings on Investments" and "Gain (Loss) on Sale of Investments." No changes are made from the 2025-26 Preliminary Budget.

2025-26 EXPENDITURES – \$2.12 BILLION

The three main categories of Department expenses include: Benefits Expense (Pension Benefits and Other Post-Employment Benefits (OPEB)), Investment Management Expense, and Administrative Expense. For the 2025-26 Final Budget, total expenses are estimated at \$2.12 billion, which is approximately a \$263.75 million (+14.2%) increase from 2024-25.

I. Benefits Expense – \$1.90 Billion (89.6% of Total Expenditures)

	2025-26 Final Budget	2025-26 Preliminary Budget	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget	2024-25 Modified Budget ¹
Service Pensions	\$ 1,204,000,000	\$ 1,154,000,000	\$ 50,000,000	4.3%	\$ 1,062,000,000
Service Pensions - DROP Distributions	192,572,000	192,572,000	-	0.0%	115,400,000
Disability Pensions	114,000,000	114,000,000	-	0.0%	113,000,000
Surviving Spouse / Domestic Partner Pensions	178,000,000	180,000,000	(2,000,000)	(1.1%)	173,000,000
Minor / Dependent Pensions	4,000,000	4,100,000	(100,000)	(2.4%)	3,400,000
Refund of Contributions	6,500,000	6,500,000	-	0.0%	10,100,000
<i>Subtotal Pension Benefits</i>	<i>\$ 1,699,072,000</i>	<i>\$ 1,651,172,000</i>	<i>\$ 47,900,000</i>	<i>2.9%</i>	<i>\$ 1,476,900,000</i>
Health Insurance Premium Subsidy	\$ 175,000,000	\$ 175,000,000	\$ -	0.0%	\$ 162,000,000
Dental Insurance Premium Subsidy	5,800,000	5,800,000	-	0.0%	5,400,000
Medicare Reimbursement	20,000,000	20,000,000	-	0.0%	17,000,000
Health Insurance Premium Reimbursement	2,300,000	2,100,000	200,000	9.5%	2,000,000
<i>Subtotal OPEB</i>	<i>\$ 203,100,000</i>	<i>\$ 202,900,000</i>	<i>\$ 200,000</i>	<i>0.1%</i>	<i>\$ 186,400,000</i>
Total Benefits Expense	\$ 1,902,172,000	\$ 1,854,072,000	\$ 48,100,000	2.6%	\$ 1,663,300,000

¹ Expenditure changes from the 2024-25 Modified Budget are available on Schedule 1.

Since the 2025-26 Preliminary Budget, staff has re-evaluated the Benefits Expense Budget and recommends a net increase of \$48.1 million (+2.6%). This change is primarily attributed to an increase of \$47.9 million (+2.9%) within the Pension Benefits budget, for a total of \$1.70 billion, due to anticipated pension obligations including increased cost of living adjustments (COLA). The OPEB budget also increased by \$0.20 million (+0.1%) to \$203.10 million, which includes consideration of the Board-approved 7.0% increase to the non-Medicare health insurance subsidy.

The Benefits Expense total of \$1.90 billion is a \$238.87 million increase (+14.4%) from the 2024-25 Modified Budget.

II. Investment Management Expense – \$188.63 Million (8.9% of Total Expenditures)

	2025-26 Final Budget	2025-26 Preliminary Budget	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget	2024-25 Modified Budget ²
Consultants and Bank Services	\$ 1,072,314	\$ 1,088,276	\$ (15,962)	(1.5%)	\$ 1,001,816
Public Equity	27,630,189	29,731,567	(2,101,378)	(7.1%)	27,730,925
Fixed Income	11,636,770	12,302,325	(665,555)	(5.4%)	11,626,741
Private Equity	87,224,694	87,135,412	89,282	0.1%	84,932,142
Commodities ¹	-	-	-	--	64,072
Real Estate	41,959,093	41,752,658	206,435	0.5%	35,219,979
Infrastructure	9,835,708	5,703,208	4,132,500	72.5%	-
Private Credit	9,275,000	9,275,000	-	0.0%	4,775,000
Investment Management Expense	\$ 188,633,768	\$ 186,988,446	\$ 1,645,322	0.9%	\$ 165,350,675

¹ In the 2025-26 Final Budget, fees for Private Equity Commodities Partnerships were reclassified from the Commodities asset class to Private Equity. The amounts shown for Commodities and Private Equity in the 2025-26 Preliminary Budget have been adjusted to reflect this reclassification.

² Expenditure changes from the 2024-25 Modified Budget are available on Schedule 4.

Since the 2025-26 Preliminary Budget, updated projections for the Investment Management Expense have increased by \$1.65 million (+0.9%). Investment Management Expense for the 2025-26 Final Budget is projected at \$188.63 million. The increase is attributed to the Board-approved new asset allocation plan and forecasted market value increase of the investment portfolio.

The Investment Management Expense total of \$188.63 million is a \$23.28 million increase (+14.1%) from the 2024-25 Modified Budget.

III. Administrative Expense – \$32.71 Million (1.5% of Total Expenditures)

	2025-26 Final Budget	2025-26 Preliminary Budget	\$ Change from 2025-26 Preliminary Budget	% Change from 2025-26 Preliminary Budget	2024-25 Modified Budget ¹
Salaries	\$ 18,497,200	\$ 17,980,700	\$ 516,500	2.9%	\$ 17,814,100
Employee Benefits	7,695,000	7,696,000	(1,000)	(0.0%)	7,138,000
Expense	6,518,800	6,385,300	133,500	2.1%	6,162,450
Administrative Expense	\$ 32,711,000	\$ 32,062,000	\$ 649,000	2.0%	\$ 31,114,550

¹ Expenditure changes from the 2024-25 Modified Budget are available on Schedules 5 and 6.

Since the 2025-26 Preliminary Budget, the Administrative Expense has increased by \$0.65 million (+2.0%). This increase is due to a \$0.52 million increase (+2.9%) in Salaries and a \$0.13 million increase (+2.1%) in Expense categories.

The Administrative Expense total of \$32.71 million is a \$1.60 million increase (+5.1%) from the 2024-25 Modified Budget.

2025-26 RESOLUTIONS

I. Personnel Resolution

The Personnel Resolution is provided in Schedule 7 of the 2025-26 Final Budget Schedules and provides employment authorization for all Department position authorities. The Detail of Personnel Changes is further illustrated in Schedule 8 and provides changes to regular and resolution position authorities from 2024-25. The Final Budget adds one new position and re-purposes an existing position to create a new Benefits Protection Unit within the Pensions Division. This new section will ensure the continued protection of members' benefits. The Organization Chart is included as Schedule 9 which provides a visual representation of the structure of the Department.

II. Travel Resolution

The Travel Resolution is provided in Schedule 10 of the 2025-26 Final Budget Schedules and includes a list of organizations or other sponsors of conferences, business meetings, and educational programs that help facilitate the conduct of LAFPP business. No changes have been made since the Preliminary Budget was presented to the Board in March.

BUDGET

The Board approval of the 2025-26 Final Budget is consistent with the Board's Operating Policies and Procedures, Section 2.1.

POLICY

No policy changes are recommended.

CONTRACTOR DISCLOSURE INFORMATION

There is no contractor disclosure information required with this report.

This report was prepared by:

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Attachments: (I) 2025-26 Final Budget Executive Summary
 (II) 2025-26 Final Budget Schedules



LAFPP

LOS ANGELES FIRE AND POLICE PENSIONS

2025-26 FINAL BUDGET Executive Summary

As presented on June 18, 2025 to
the Board of Fire and Police Pension Commissioners



BUDGET OVERVIEW

For 126 years, Los Angeles Fire and Police Pensions (LAFPP) has provided retirement benefits to the public safety employees of the City of Los Angeles. LAFPP tirelessly strives to achieve its vision of a secure and prosperous future for our members. This vision is achieved through the implementation of LAFPP's strategic goals, which are designed to propel the organization forward to better serve our members, manage risk, 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 is key to understanding how LAFPP's benefits are funded:

RECEIPTS (+)	EXPENDITURES (-)
City (Employer) Contributions	Benefits Expense
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 2025-26 is formulated to support LAFPP's **2025-27 Strategic Plan**. Under the 2025-27 Strategic Plan, LAFPP seeks to accomplish its three Strategic Plan Goals, while also continuing to support its six Guiding Principles through the development and completion of Strategic Plan and Operational Initiatives projects.

The budget also incorporates the resources necessary to implement the General Manager's **2025-26 Final Annual Plan**. For 2025-26, the Final Annual Plan contains three Strategic Goal projects designed to support each of the Department's three Strategic Goals. Additionally, five Operational Initiatives projects have been developed to support the Guiding Principles.

Budget Summary. The Final Budget for the upcoming fiscal year is submitted to the Board of Fire and Police Pension Commissioners (Board) for consideration each June. For 2025-26, the Final Budget is summarized in the tables below.

Receipts (+)	2024-25 Modified	2025-26 Budget	Change	
			\$	%
City Contribution ^{1, 2} (General Fund and Special Funds)	\$ 668,607,937	\$ 644,860,373	\$ (23,747,564)	(3.6%)
Member Contributions ³	180,608,580	188,264,821	7,656,241	4.2%
Earnings on Investments	585,000,000	585,000,000	-	0.0%
Miscellaneous	500,000	500,000	-	0.0%
TOTAL RECEIPTS	\$ 1,434,716,517	\$ 1,418,625,194	\$ (16,091,323)	(1.1%)

Expenditures (-)	2024-25 Modified	2025-26 Budget	Change	
			\$	%
Benefits Expense (Pension Benefits and OPEB)	\$ 1,663,300,000	\$ 1,902,172,000	\$ 238,872,000	14.4%
Investment Management Expense	165,350,675	188,633,768	23,283,093	14.1%
Administrative Expense	31,114,550	32,711,000	1,596,450	5.1%
TOTAL EXPENDITURES	\$ 1,859,765,225	\$ 2,123,516,768	\$ 263,751,543	14.2%

¹ Excludes the Excess Benefit Plan (EBP) amount (\$2,031,228 for 2025-26) that is not transferred to LAFPP.

² Measure FF (2024) provides eligible LACERS members an opportunity to elect to terminate their LACERS membership and transfer into LAFPP Tier 6. In addition, Measure FF provides for tax compliant, interest-free refunds to Tier 6 LAFPP members, who previously purchased years of service pursuant to prior City Charter amendments; to this end, the 2025-26 Employer Contributions from the General Fund and Special Fund (Airports) include \$885,272 and \$1,627,067, respectively, as a one-time advance payment for LAFPP to process refunds to these Tier 6 members.

³ The calculation of the Member Contributions is overstated due to the use of the whole sworn payroll, including temporarily non-pensionable salaries, as a basis for calculating the 2025-26 contribution amount. Inclusion of these temporarily non-pensionable amounts was necessary to determine the Employer Contributions and mitigate impact to the LAFPP plan funding. A breakdown of the temporarily non-pensionable amounts is unable to be determined at this time.

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 for consideration each March. Upon Board approval, the Preliminary Budget is sent to the Offices of the Mayor and City Administrative Officer (CAO) to be included, for informational purposes only, in the Mayor's Proposed Budget. The Board must then subsequently adopt a Final Budget for LAFPP by June 30th, with updated City and Member Contribution amounts based on sworn payroll amounts that are consistent with the City's Final Budget as adopted by the City Council and the Mayor.

SUMMARY OF RECEIPTS

2025-26 Projected
Receipts

\$1.42 B

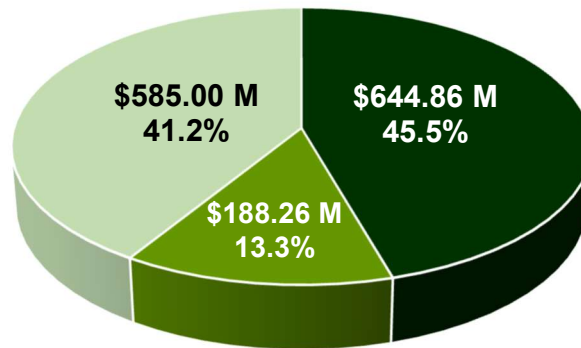
Down **\$16.09 M**
(-1.1%) from 2024-25

LAFPP receives revenue primarily from three sources:

City (Employer)
Contribution*

Member (Employee)
Contributions

Investment
Earnings



*Excludes EBP amount.

Notes:

Percentages may be rounded.

Investment Earnings do not include Gain (Loss) on Sale of Investments.

Miscellaneous revenue is not pictured.

City (Employer) Contribution¹

The City Contribution is one component that funds the retirement and health care benefits promised by the City to its sworn employees. In order to determine the City Contribution, each year the Board adopts contribution rates as recommended by its actuary that are applied to the City's projected sworn payroll. On December 5, 2024, the Board adopted the pension and health valuation reports for the period ending June 30, 2024, which established the City's combined contribution rate as **35.64%** for 2025-26. The table below provides the contribution rate by department:

Departments	Contribution Rates		% Change
	2024-25	2025-26	
Los Angeles Police and Fire	38.72%	35.80%	(2.92%)
Harbor Port Police	25.58%	28.99%	3.41%
Los Angeles World Airports Police	24.07%	24.47%	0.40%

Based on the 2025-26 sworn payroll provided by the CAO, the 2025-26 total City contribution is \$646.89 million. Since the Excess Benefit Plan payment budget is allocated directly to the Office of the Controller, 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 **\$644.86 million**, which is a decrease of \$23.75 million (-3.6%) from the 2024-25 Budget. Additionally, as provided by the passing of Measure FF (2024), contributions from the General Fund and Special Fund (Airports) include \$885,272 and \$1,627,067, respectively, as one-time advanced payments for LAFPP to process refunds that will be issued to members who previously elected to transfer into LAFPP Tier 6 and made purchase payments upon joining LAFPP pursuant to prior City Charter amendments. The projected covered payroll and total contribution amounts by Tier, which are

¹ See Schedule 2, *Details of City, Harbor, and Airports Contribution Requirements*.

exclusive of the one-time advanced payment for the special refunds, are detailed in Budget Schedules 2 and 3.

Member (Employee) Contribution²

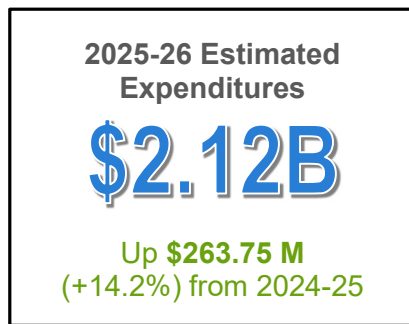
Member contributions are determined by the contribution rate for each Tier and the City's sworn pensionable payroll. The contribution rates range from 7% to 9% for members in Tiers 2 through 5, while members in Tier 6 contribute 11% of pensionable salary. In addition, members of Tiers 2 through 5 who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

Investment Earnings

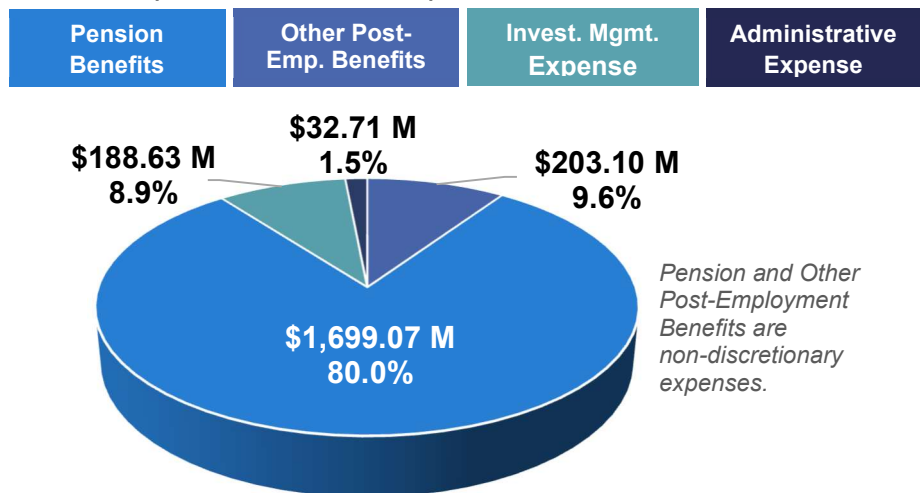
A significant portion of the annual receipts are derived from Investment Earnings, which are comprised of: (1) "Earnings on Investments," which include interest and dividends from equity and fixed income holdings and income from real estate, securities lending, and miscellaneous assets; and (2) "Gain (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 Other Post-Employment Benefits (OPEB) Expense³

Benefits expenditures are projected at **\$1.90 billion**, approximately a 14.4% increase from 2024-25, due to a \$222.17 million increase (+15.0%) in Pension Benefits and \$16.70 million increase (+9.0%) in OPEB (i.e., Health Subsidy Benefits).

Significant increases anticipated for 2025-26 are further highlighted below:

Pension Benefits Expense (\$1.70 billion) **\$222.17 million net increase (+15.0%)**

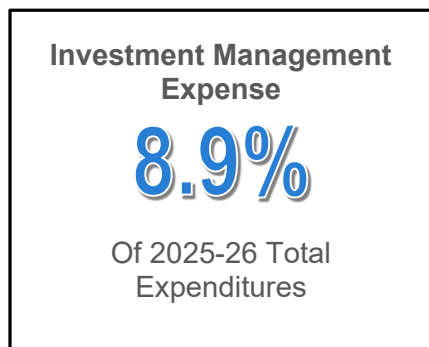
This is primarily attributed to increases in Service Pensions (+\$142.00 million or +13.4%) and Service Pensions – DROP Distributions (+\$77.17 million or +66.9%); as well as smaller increases in Disability Pensions (+\$1.00 million or +0.9%), Surviving Spouse/Domestic Partner Pensions (+\$5.00 million or +2.9%), and Minor/Dependent Pensions (+\$0.60 million or +17.6%). These increases are modestly offset by a \$3.60 million decrease in Refund of Contributions (-35.6%).

OPEB Expense (\$203.10 million) **\$16.70 million net increase (+9.0%)**

This is attributed to increases in all accounts: Health Insurance Premium Subsidy (+\$13.00 million or +8.0%), Dental Insurance Premium Subsidy (+\$0.40 million or +7.4%), Medicare Reimbursement (+\$3.00 million or +17.6%), and Health Insurance Premium Reimbursement (+\$0.30 million or +15.0%). On February 6, 2025, the Board adopted an increase to the maximum health insurance subsidy for 2025-26 to reflect the inflationary increase in health care costs. The budgeted amounts for Health Insurance Premium Subsidy and Health Insurance Premium Reimbursement include this approved increase.

³ See Schedule 1, 2025-26 Final 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, 2024 was **9.9%** gross of fees and **9.7%** net of fees, with assets totaling **\$31.35 billion**. At the end of May 2025, assets under management (unaudited) increased to \$33.24 billion.

IME has increased as assets have grown. For 2025-26, this expense is projected at **\$188.63 million**, an increase of (+\$23.28 million or +14.1%) from 2024-25.

The following table displays IME by asset allocation (figures are shown in millions and rounded):

Type/Asset Class*	2024-25 Modified	2025-26 Budget	% Total	% Change from 2024-25
Consultants and Bank Services	\$ 1.00	\$ 1.07	0.6%	7.0%
Public Equity	27.73	27.63	14.6%	(0.4%)
Fixed Income	11.63	11.64	6.2%	0.1%
Private Equity	84.93	87.22	46.3%	2.7%
Commodities	0.06	-	0.0%	(100.0%)
Real Estate	35.22	41.96	22.2%	19.1%
Infrastructure	-	9.83	5.2%	--
Private Credit	4.78	9.28	4.9%	94.2%
TOTAL	\$ 165.35	\$ 188.63	100.0%	14.1%

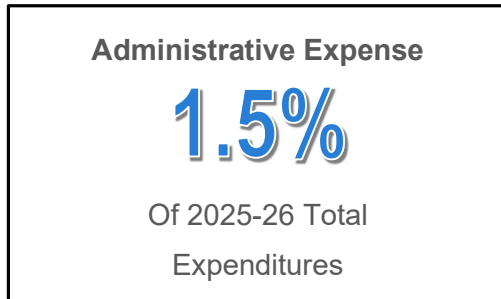
* In millions

The Investment Management Expense budget for 2025-26 has increased by \$23.28 million (or +14.1%) over the previous fiscal year. In 2024-2025, the Board approved a new asset allocation plan that included increased investments in private real estate and new investments in private infrastructure. Approximately \$18.72 million (approximately 80.4%) of this increase is due to ongoing implementation of Board-approved asset allocation changes to build out the Private Credit portfolio, increase Private Real Estate exposure, and the launch of the new Infrastructure portfolio. The remaining \$4.56 million (approximately 19.6%) of the increase is due to the forecasted market value increase of the investment portfolio.

These investment management expenses are in line with the growth of the portfolio and the enhancements being made. 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 2025-26, Administrative Expenses are budgeted at **\$32.71 million**. This includes obligatory personnel costs such as employee salary increases consistent with labor agreements, employer retirement and benefits costs, and other costs such as contractual services and general office expenses.

The Administrative Expense budget is detailed as follows:

Account	2024-25 Modified	2025-26 Budget	\$ Change	% Change
Salaries*	\$ 17,814,100	\$ 18,497,200	\$ 683,100	3.8%
Employee Benefits*	7,138,000	7,695,000	557,000	7.8%
Expense	6,162,450	6,518,800	356,350	5.8%
TOTAL	\$ 31,114,550	\$ 32,711,000	\$ 1,596,450	5.1%

*Non-Discretionary

The Administrative Expense budget for 2025-26 increased by \$1.60 million (+5.1%) over the previous budget year.

- The increase is primarily attributable to increases in Salaries (+\$0.68 million) and Employee Benefits (+\$0.56 million). Collectively these two categories represent 77.7% of the growth within the Administrative Expense.
- There is also a net increase of \$0.36 million for the Expense category. This increase is primarily comprised of a \$0.55 million increase in the Contractual Services account, which is partially offset by reductions in the Election Expense, Office and Administrative Expense, and Furniture, Office, and Technical Equipment accounts.

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 2025-26, Administrative Expense is 1.5% of total expenditures.

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

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Receipts 2023-24	Modified Budget 2024-25 ¹	Estimated Receipts 2024-25 ²	Receipts ³	Budget 2025-26	\$ Change from Budget 2024-25	% Change from Budget 2024-25
<i>Pension</i>						
474,692,259	481,053,148	481,053,148	General Fund to LAFPP ^{4,5}	443,146,663	(37,906,485)	(7.9%)
(424,520)	(1,601,119)	(1,601,119)	less: Excess Benefit Plan (EBP) ⁴	(2,031,228)	(430,109)	26.9%
3,942,764	4,345,066	4,345,066	Special Fund (Harbor)	5,475,633	1,130,567	26.0%
2,599,307	3,161,138	3,161,138	Special Fund (Airports) ⁵	5,313,217	2,152,079	68.1%
480,809,810	486,958,233	486,958,233	<i>Subtotal Pension (31.9%)</i>	451,904,285	(35,053,948)	(7.2%)
<i>OPEB</i>						
162,604,915	178,994,992	178,994,992	General Fund to LAFPP	190,268,944	11,273,952	6.3%
953,325	1,234,960	1,234,960	Special Fund (Harbor)	1,230,758	(4,202)	(0.3%)
1,002,060	1,419,752	1,419,752	Special Fund (Airports)	1,456,386	36,634	2.6%
164,560,300	181,649,704	181,649,704	<i>Subtotal OPEB (13.6%)</i>	192,956,088	11,306,384	6.2%
645,370,110	668,607,937	668,607,937	Combined Total City Contribution - to LAFPP (45.5%)	644,860,373	(23,747,564)	(3.6%)
157,191,117	180,608,580	169,952,000	Member Contributions (13.3%) ⁶	188,264,821	7,656,241	4.2%
763,378,637	585,000,000	606,796,000	Earnings on Investment (41.2%)	585,000,000	-	0.0%
1,159,179,545	-	-	Gain (Loss) on Sale of Investments ⁷	-	-	0.0%
697,339	500,000	609,000	Miscellaneous (0.0%)	500,000	-	0.0%
2,725,816,748	1,434,716,517	1,445,964,937	Total Receipts (100.0%)	1,418,625,194	(16,091,323)	(1.1%)
Expenditures 2023-24	Modified Budget 2024-25 ¹	Estimated Expenditures 2024-25 ²	Expenditures ³	Budget 2025-26	\$ Change from Budget 2024-25	% Change from Budget 2024-25
<i>Pension Benefits</i>						
966,588,857	1,062,000,000	1,025,103,000	Service Pensions	1,204,000,000	142,000,000	13.4%
211,546,327	115,400,000	94,349,000	Service Pensions - DROP Distributions	192,572,000	77,172,000	66.9%
112,885,695	113,000,000	112,450,000	Disability Pensions	114,000,000	1,000,000	0.9%
161,732,846	173,000,000	167,998,000	Surviving Spouse/Domestic Partner Pensions	178,000,000	5,000,000	2.9%
3,655,109	3,400,000	3,612,000	Minor/Dependent Pensions	4,000,000	600,000	17.6%
8,760,384	10,100,000	6,204,000	Refund of Contributions	6,500,000	(3,600,000)	(35.6%)
1,465,169,218	1,476,900,000	1,409,716,000	<i>Subtotal Pension Benefits (80.0%)</i>	1,699,072,000	222,172,000	15.0%
<i>OPEB</i>						
142,496,557	162,000,000	151,281,000	Health Insurance Premium Subsidy	175,000,000	13,000,000	8.0%
4,874,022	5,400,000	4,933,000	Dental Insurance Premium Subsidy	5,800,000	400,000	7.4%
15,256,405	17,000,000	16,424,000	Medicare Reimbursement	20,000,000	3,000,000	17.6%
1,713,908	2,000,000	1,970,000	Health Insurance Premium Reimbursement	2,300,000	300,000	15.0%
164,340,892	186,400,000	174,608,000	<i>Subtotal OPEB (9.6%)</i>	203,100,000	16,700,000	9.0%
1,629,510,110	1,663,300,000	1,584,324,000	Total Benefits Expense (89.6%)	1,902,172,000	238,872,000	14.4%
155,861,569	165,350,675	162,814,136	Investment Management Expense (8.9%)	188,633,768	23,283,093	14.1%
26,768,636	31,114,550	29,797,484	Administrative Expense (1.5%)	32,711,000	1,596,450	5.1%
1,812,140,315	1,859,765,225	1,776,935,620	Total Expenditures (100.0%)	2,123,516,768	263,751,543	14.2%
913,676,433	(425,048,708)	(330,970,683)	Increase (Decrease) in Fund Balance, Net ⁸	(704,891,574)	(279,842,866)	65.8%
2,725,816,748	1,434,716,517	1,445,964,937	Total Expenditures and Increase (Decrease) in Fund Balance	1,418,625,194	(16,091,323)	(1.1%)

¹ Subsequent to the adoption of the 2024-25 Budget on June 20, 2024, the Board approved an intra-departmental transfer of funds within the Administrative Expense Budget to cover unanticipated costs identified throughout the fiscal year and maintain a balanced budget. This transfer is included in the Budget Reports to the Board and within the fiscal year's Modified Budget.

² Estimated receipts and expenditures are as of April 30, 2025.

³ 2023-24 Actual Receipts and Expenditures are derived from LAFPP's Audited Financial Statements using the modified accrual basis. 2024-25 Estimated Receipts and Expenditures and 2025-26 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 Measure FF (2024) provides eligible LACERS members an opportunity to elect to terminate their LACERS membership and transfer into LAFPP Tier 6. In addition, Measure FF provides for tax compliant, interest-free refunds to Tier 6 LAFPP members, who previously purchased years of service pursuant to prior City Charter amendments; to this end, the FY 2025-26 Employer Contributions from the General Fund and Special Fund (Airports) include \$885,272 and \$1,627,067, respectively, as a one-time advance payment for LAFPP to process refunds to these Tier 6 members.

⁶ The calculation of the Member Contributions is overstated due to the use of the whole sworn payroll, including temporary non-pensionable salaries, as a basis for calculating the 2025-26 contribution amount. Inclusion of these temporary non-pensionable amounts was necessary to determine the Employer Contributions and mitigate impact to the LAFPP plan funding. A breakdown of the temporary non-pensionable amounts is unable to be determined at this time.

⁷ 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.

⁸ 2024-25 Modified and 2025-26 Budget Decrease in Fund Balance reflect the increase in estimated pension benefit payments and do not include the Gain (Loss) on Sale of Investments.

2025-26 Final Budget

Details of City, Harbor, and Airports Contribution Requirements

(Assuming Contributions Made On or Before July 15, 2025)

		% of Payroll	x	Projected Payroll	=	Contribution Required ¹
TIER 2 requirements²:						
<i>Pension</i>	1. Employer Normal Cost	24.21%		489,443		118,494
	2. Amortization of UAAL	4.20%		489,443		20,557
	3. Administrative Expense	1.28%		489,443		6,265
				<i>Subtotal</i>		<u>145,316</u>
<i>OPEB</i>	4. Employer Normal Cost	2.64%		489,443		12,921
	5. Amortization of UAAL	5.74%		489,443		28,094
	6. Administrative Expense	0.13%		489,443		636
				<i>Subtotal</i>		<u>41,651</u>
TIER 3 requirements²:						
<i>Pension</i>	1. Employer Normal Cost	18.41%		52,430,569		9,652,468
	2. Amortization of UAAL	4.20%		52,430,569		2,202,084
	3. Administrative Expense	1.28%		52,430,569		671,111
				<i>Subtotal</i>		<u>12,525,663</u>
<i>OPEB</i>	4. Employer Normal Cost	4.28%		52,430,569		2,244,028
	5. Amortization of UAAL	5.74%		52,430,569		3,009,515
	6. Administrative Expense	0.13%		52,430,569		68,160
				<i>Subtotal</i>		<u>5,321,703</u>
TIER 4 requirements²:						
<i>Pension</i>	1. Employer Normal Cost	18.77%		24,295,498		4,560,265
	2. Amortization of UAAL	4.20%		24,295,498		1,020,411
	3. Administrative Expense	1.28%		24,295,498		310,982
				<i>Subtotal</i>		<u>5,891,658</u>
<i>OPEB</i>	4. Employer Normal Cost	4.27%		24,295,498		1,037,418
	5. Amortization of UAAL	5.74%		24,295,498		1,394,562
	6. Administrative Expense	0.13%		24,295,498		31,584
				<i>Subtotal</i>		<u>2,463,564</u>
TIER 5 requirements:						
<i>Pension</i>	1. Employer Normal Cost	20.78%		1,058,048,624		219,862,504
	2. Amortization of UAAL	4.20%		1,058,048,624		44,438,042
	3. Administrative Expense	1.28%		1,058,048,624		13,543,022
				<i>Subtotal</i>		<u>277,843,568</u>
<i>OPEB</i>	4. Employer Normal Cost	4.00%		1,058,048,624		42,321,945
	5. Amortization of UAAL	5.74%		1,058,048,624		60,731,991
	6. Administrative Expense	0.13%		1,058,048,624		1,375,463
				<i>Subtotal</i>		<u>104,429,399</u>

2025-26 Final Budget

Details of City, Harbor, and Airports Contribution Requirements

(Assuming Contributions Made On or Before July 15, 2025)

		% of Payroll	x	Projected Payroll	=	Contribution Required ¹
TIER 6 requirements:						
<i>Pension</i>	1. Employer Normal Cost	17.61%		631,681,184		111,239,057
	2. Amortization of UAAL	4.20%		631,681,184		26,530,610
	3. Administrative Expense	1.28%		631,681,184		8,085,519
				<i>Subtotal</i>		<u>145,855,186</u>
<i>OPEB</i>	4. Employer Normal Cost	6.48%		631,681,184		40,932,941
	5. Amortization of UAAL	5.74%		631,681,184		36,258,500
	6. Administrative Expense	0.13%		631,681,184		821,186
				<i>Subtotal</i>		<u>78,012,627</u>
Total City (General Fund) Pension						442,261,391
Total City (General Fund) OPEB						190,268,944
NET CITY (GENERAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT						<u>632,530,335</u>
Early Payment Savings (relative to payment at the end of each pay period)						19,791,639
TIER 5 Harbor requirements:						
<i>Pension</i>	1. Employer Normal Cost	21.61%		16,958,560		3,664,745
	2. Amortization of UAAL	1.93%		16,958,560		327,300
	3. Administrative Expense	1.28%		16,958,560		217,070
				<i>Subtotal</i>		<u>4,209,115</u>
<i>OPEB</i>	4. Employer Normal Cost	5.10%		16,958,560		864,887
	5. Amortization of UAAL	(0.11%)		16,958,560		(18,654)
	6. Administrative Expense	0.13%		16,958,560		22,046
				<i>Subtotal</i>		<u>868,279</u>
TIER 6 Harbor requirements:						
<i>Pension</i>	1. Employer Normal Cost	17.30%		6,175,119		1,068,296
	2. Amortization of UAAL	1.93%		6,175,119		119,180
	3. Administrative Expense	1.28%		6,175,119		79,042
				<i>Subtotal</i>		<u>1,266,518</u>
<i>OPEB</i>	4. Employer Normal Cost	5.85%		6,175,119		361,244
	5. Amortization of UAAL	(0.11%)		6,175,119		(6,793)
	6. Administrative Expense	0.13%		6,175,119		8,028
				<i>Subtotal</i>		<u>362,479</u>
Total Harbor (Special Fund) Pension						5,475,633
Total Harbor (Special Fund) OPEB						1,230,758
NET HARBOR (SPECIAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT						<u>6,706,391</u>
Early Payment Savings (relative to payment at the end of each pay period)						212,976

2025-26 Final Budget

Details of City, Harbor, and Airports Contribution Requirements

(Assuming Contributions Made On or Before July 15, 2025)

		% of Payroll	x	Projected Payroll	=	Contribution Required ¹
TIER 6 Airports requirements:						
<i>Pension</i>	1. Employer Normal Cost	18.23%		21,015,678		3,831,158
	2. Amortization of UAAL	(1.97%)		21,015,678		(414,009)
	3. Administrative Expense	1.28%		21,015,678		269,001
				<i>Subtotal</i>		<u>3,686,150</u>
<i>OPEB</i>	4. Employer Normal Cost	7.40%		21,015,678		1,555,160
	5. Amortization of UAAL	(0.60%)		21,015,678		(126,094)
	6. Administrative Expense	0.13%		21,015,678		27,320
				<i>Subtotal</i>		<u>1,456,386</u>
Total Airports (Special Fund) Pension						3,686,150
Total Airports (Special Fund) OPEB						1,456,386
NET AIRPORTS (SPECIAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT						<u>5,142,536</u>
Early Payment Savings (relative to payment at the end of each pay period)						161,821
General Fund to LAFPP						440,230,163
Excess Benefit Plan						2,031,228
Total City (General Fund) Pension						<u>442,261,391</u>
Total City (General Fund) OPEB						<u>190,268,944</u>
TOTAL GENERAL FUND CONTRIBUTION						<u>632,530,335</u>
Total Harbor (Special Fund) Pension						5,475,633
Total Harbor (Special Fund) OPEB						1,230,758
TOTAL SPECIAL FUND (HARBOR) CONTRIBUTIONS TO LAFPP						<u>6,706,391</u>
Total Airports (Special Fund) Pension						3,686,150
Total Airports (Special Fund) OPEB						1,456,386
TOTAL SPECIAL FUND (AIRPORTS) CONTRIBUTIONS TO LAFPP						<u>5,142,536</u>
TOTAL CITY CONTRIBUTION						<u>644,379,262</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.

2025-26 Final Budget

Detail of Estimated Payrolls and Member Contributions

	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	TOTAL ⁶
SWORN PAYROLL						
<u>PENSIONABLE PAY</u>						
Fire	143,700	15,393,585	7,133,144	310,642,468	185,461,233	518,774,130
Police	345,743	37,036,984	17,162,354	747,406,156	446,219,951	1,248,171,188
Harbor	-	-	-	16,958,560	6,175,119	23,133,679
Airports	-	-	-	-	21,015,678	21,015,678
TOTAL General Fund	489,443	52,430,569	24,295,498	1,058,048,624	631,681,184	1,766,945,318
TOTAL Special Fund (Harbor)	-	-	-	16,958,560	6,175,119	23,133,679
TOTAL Special Fund (Airports)	-	-	-	-	21,015,678	21,015,678
TOTAL	489,443	52,430,569	24,295,498	1,075,007,184	658,871,981	1,811,094,675
<u>BASE PAY (2% OPT-IN)¹</u>						
Fire	163,556	719,003	3,451,112	203,006,466	-	207,340,137
Police	134,154	29,304,388	9,190,763	388,928,067	-	427,557,372
Harbor	-	-	-	10,111,062	-	10,111,062
Airports	-	-	-	-	-	-
TOTAL General Fund	297,710	30,023,391	12,641,875	591,934,533	-	634,897,509
TOTAL Special Fund (Harbor)	-	-	-	10,111,062	-	10,111,062
TOTAL Special Fund (Airports)	-	-	-	-	-	-
TOTAL	297,710	30,023,391	12,641,875	602,045,595	-	645,008,571

MEMBER CONTRIBUTIONS²PENSIONABLE PAY

	Seven Percent ³	Eight Percent	Eight Percent	Nine Percent ⁴	Eleven Percent	TOTAL
Fire	-	1,231,487	570,652	27,957,822	20,400,736	50,160,697
Police	-	2,962,959	1,372,988	67,266,554	49,084,195	120,686,696
Harbor	-	-	-	1,526,270	679,263	2,205,533
Airports	-	-	-	-	2,311,725	2,311,725
TOTAL	-	4,194,446	1,943,640	96,750,646	72,475,919	175,364,651

BASE PAY (2% OPT-IN)

	Two Percent	Two Percent	Two Percent	Two Percent	N/A ⁵	TOTAL
Fire	3,271	14,380	69,022	4,060,129	-	4,146,802
Police	2,683	586,088	183,815	7,778,561	-	8,551,147
Harbor	-	-	-	202,221	-	202,221
Airports	-	-	-	-	-	-
TOTAL	5,954	600,468	252,837	12,040,911	-	12,900,170
TOTAL General Fund	5,954	4,794,914	2,196,477	107,063,066	69,484,931	183,545,342
TOTAL Special Fund (Harbor)	-	-	-	1,728,491	679,263	2,407,754
TOTAL Special Fund (Airports)	-	-	-	-	2,311,725	2,311,725
TOTAL	5,954	4,794,914	2,196,477	108,791,557	72,475,919	188,264,821

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 The calculation of the Member Contributions is overstated due to the use of the whole sworn payroll, including temporary non-pensionable salaries, as a basis for calculating the 2025-26 contribution amount. Inclusion of these temporary non-pensionable amounts was necessary to determine the Employer Contributions and mitigate impact to the LAFPP plan funding. A breakdown of the temporary non-pensionable amounts is unable to be determined at this time.

³ Pursuant to Charter Section 1420, pension benefit-related deductions shall not be made from the salaries of Tier 2 Plan Members who have completed 30 years of service. Accordingly, as of December 8, 2010, all Tier 2 Plan Members have completed at least 30 years of service and therefore no longer make pension contributions.

⁴ For Tier 5 only, the City pays 1% of the 9% if the Plan is at least 100% actuarially funded for pension benefits.

⁵ 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.

⁶ Figures may be rounded.

DEPARTMENT OF FIRE AND POLICE PENSIONS
2025-26 Final Budget
Detail of Investment Management Expense

Schedule 4

	Modified Budget 2024-25	Estimated Expenditures 2024-25	Budget 2025-26	\$ Change from Budget³ 2024-25	% Change from Budget 2024-25
<u>CONSULTANTS AND BANK SERVICES</u>					
Custodian Bank Services (STIF)	510,316	550,814	550,814	40,498	7.9%
General Consultant - RVK	491,500	494,833	521,500	30,000	6.1%
CONSULTANTS AND BANK SERVICES TOTAL (0.6%)	1,001,816	1,045,647	1,072,314	70,498	7.0%
<u>ADVISORY</u>					
<u>PUBLIC EQUITY - LARGE CAP</u>					
Rhumblin (Russell 1000 Growth Index)	93,369	92,446	98,917	5,548	5.9%
Alliance Capital (S&P 500 Index)	189,129	182,197	194,951	5,822	3.1%
AllianceBernstein (Systemic Value)	627,572	648,037	693,400	65,828	10.5%
Boston Partners (Value)	917,910	848,822	908,239	(9,671)	(1.1%)
S&P 500 (Equal Weighted Index)	488,612	255,722	273,623	(214,989)	(44.0%)
STOXX USA (900 Minimum Variance)	290,985	308,322	329,904	38,919	13.4%
Subtotal	2,607,577	2,335,546	2,499,034	(108,543)	(4.2%)
<u>PUBLIC EQUITY - SMALL CAP</u>					
AB Small Cap Value Domestic	1,279,249	1,179,754	1,262,337	(16,912)	(1.3%)
Channing Capital Mgmt. (Core)	513,530	438,034	468,696	(44,834)	(8.7%)
Denali Advisors	834,642	560,689	599,937	(234,705)	(28.1%)
Eastern Shore Capital	408,266	407,089	435,585	27,319	6.7%
Frontier Capital Management (Growth)	5,825,952	4,918,195	5,262,468	(563,484)	(9.7%)
Lisanti Capital	354,821	320,258	342,676	(12,145)	(3.4%)
Palisade	656,280	601,560	643,669	(12,611)	(1.9%)
Phocas Financial (Value)	531,638	667,385	714,102	182,464	34.3%
PIMCO Stocks Plus	906,661	854,229	914,025	7,364	0.8%
Rhumblin (S&P 600)	7,681	6,930	7,415	(266)	(3.5%)
Westwood Management (Value)	1,663,359	1,431,409	1,531,608	(131,751)	(7.9%)
Subtotal	12,982,079	11,385,532	12,182,518	(799,561)	(6.2%)
<u>PUBLIC EQUITY - INTERNATIONAL</u>					
Baillie Gifford (Growth)	4,323,674	4,386,294	4,693,335	369,661	8.5%
Blackrock (EAFE Index)	632,761	444,987	476,136	(156,625)	(24.8%)
Boston Common (ESG)	228,460	37,799	-	(228,460)	(100.0%)
Brandes (Value)	3,739,991	3,920,742	4,195,194	455,203	12.2%
Intl Active Small Cap Equity Transition	-	-	232,927	232,927	--
New Active Intl Small Cap Equity Manager	-	-	517,614	517,614	--
Principal (Active Small Cap)	1,354,018	961,215	771,375	(582,643)	(43.0%)
Victory Capital Management (Active Small Cap)	1,862,365	1,927,155	2,062,056	199,691	10.7%
Subtotal	12,141,269	11,678,192	12,948,637	807,368	6.6%
PUBLIC EQUITY TOTAL (14.6%)	27,730,925	25,399,270	27,630,189	(100,736)	(0.4%)
<u>FIXED INCOME - INVESTMENT GRADE</u>					
GIA Partners (Opportunistic)	287,005	283,321	303,153	16,148	5.6%
LM Capital Group (Opportunistic)	924,634	664,253	710,750	(213,884)	(23.1%)
Loomis Sayles (Long Duration)	559,946	679,734	727,316	167,370	29.9%
Northern Trust (Index)	-	108,187	-	-	--
Payden & Rygel (Unconstrained)	1,326,800	85,970	1,103,859	(222,941)	(16.8%)
Reams Asset Management (Opportunistic)	1,012,902	962,072	1,029,418	16,516	1.6%
Reams Asset Management (Passive TIPS)	852,148	783,150	837,970	(14,178)	(1.7%)
Reams Asset Management (Unconstrained)	65,797	60,622	64,866	(931)	(1.4%)
Semper Capital Management / Medalist Partners (MBS)	655,703	667,017	713,709	58,006	8.8%
New Active Core FI Manager	328,238	305,209	326,574	(1,664)	(0.5%)
Subtotal	6,013,173	4,599,535	5,817,615	(195,558)	(3.3%)

DEPARTMENT OF FIRE AND POLICE PENSIONS
2025-26 Final Budget
Detail of Investment Management Expense

Schedule 4

	Modified Budget 2024-25	Estimated Expenditures 2024-25	Budget 2025-26	\$ Change from Budget³ 2024-25	% Change from Budget 2024-25
FIXED INCOME - HIGH YIELD					
MacKay Shields	2,771,692	2,545,896	2,724,109	(47,583)	(1.7%)
Loomis Sayles Global Credit	2,841,876	2,892,566	3,095,046	253,170	8.9%
Subtotal	5,613,568	5,438,462	5,819,155	205,587	3.7%
FIXED INCOME TOTAL (6.2%)	11,626,741	10,037,997	11,636,770	10,029	0.1%
PRIVATE EQUITY					
Portfolio Advisors (Consultant)	1,400,000	1,400,000	1,400,000	-	0.0%
Portfolio Advisors (Specialized Mandate)	150,000	150,000	150,000	-	0.0%
Subtotal	1,550,000	1,550,000	1,550,000	-	0.0%
PRIVATE EQUITY - DEDUCTED FROM ASSETS					
Private Equity Commodities Partnership Fees ¹	2,349,056	1,889,867	1,376,486	(972,570)	(41.4%)
Private Equity Partnership Fees ¹	81,033,086	78,783,372	84,298,208	3,265,122	4.0%
Subtotal	83,382,142	80,673,239	85,674,694	2,292,552	2.7%
PRIVATE EQUITY TOTAL (46.3%)	84,932,142	82,223,239	87,224,694	2,292,552	2.7%
COMMODITIES					
Rhumblin Commodities	64,072	31,639	-	(64,072)	(100.0%)
Subtotal	64,072	31,639	-	(64,072)	(100.0%)
COMMODITIES TOTAL (0.0%)	64,072	31,639	-	(64,072)	(100.0%)
REAL ESTATE					
Alliance Capital (Global REIT) Index	132,380	105,269	112,638	(19,742)	(14.9%)
Cohen & Steers (US REIT)	2,034,247	2,219,153	2,374,493	340,246	16.7%
Principal (Global REIT)	903,938	926,709	991,579	87,641	9.7%
Principal (U.S. REIT)	1,711,373	1,421,270	1,520,759	(190,614)	(11.1%)
Real Estate Annual Appraisals	35,000	35,000	35,000	-	0.0%
Townsend (Consultant)	246,875	246,875	251,417	4,542	1.8%
Subtotal	5,063,813	4,954,276	5,285,886	222,073	4.4%
REAL ESTATE - DEDUCTED FROM ASSETS					
AEW (Asset Management Fees)	2,524,242	2,647,329	3,113,385	589,143	23.3%
Total Pooled Funds ¹	27,631,924	31,364,319	33,559,822	5,927,898	21.5%
Subtotal	30,156,166	34,011,648	36,673,207	6,517,041	21.6%
REAL ESTATE TOTAL (22.2%)	35,219,979	38,965,924	41,959,093	6,739,114	19.1%
INFRASTRUCTURE					
Townsend (Consultant)	-	35,417	85,708	85,708	--
Subtotal	-	35,417	85,708	85,708	--
INFRASTRUCTURE - DEDUCTED FROM ASSETS					
Total Pooled Funds ¹	-	300,000	9,750,000	9,750,000	--
Subtotal	-	300,000	9,750,000	9,750,000	--
INFRASTRUCTURE TOTAL (5.2%)	-	335,417	9,835,708	9,835,708	--
PRIVATE CREDIT					
Stepstone LLC	275,000	275,000	275,000	-	0.0%
Subtotal	275,000	275,000	275,000	-	0.0%

	Modified Budget 2024-25	Estimated Expenditures 2024-25	Budget 2025-26	\$ Change from Budget ³ 2024-25	% Change from Budget 2024-25
PRIVATE CREDIT - DEDUCTED FROM ASSETS					
Private Credit Partnership Fees ² (Estimated)	4,500,000	4,500,000	9,000,000	4,500,000	100.0%
Subtotal	4,500,000	4,500,000	9,000,000	4,500,000	100.0%
PRIVATE CREDIT TOTAL (4.9%)	4,775,000	4,775,000	9,275,000	4,500,000	94.2%
Advisory Total - Paid Directly	46,310,551	42,283,599	46,463,553	153,002	0.3%
Advisory Total - Deducted from Assets	118,038,308	119,484,887	141,097,901	23,059,593	19.5%
ADVISORY TOTAL (99.4%)	164,348,859	161,768,486	187,561,454	23,212,595	14.1%
INVESTMENT MANAGEMENT EXPENSE (100.0%)	165,350,675	162,814,133	188,633,768	23,283,093	14.1%

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.

² 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.

³ Figures may be rounded.

DEPARTMENT OF FIRE AND POLICE PENSIONS
2025-26 Final Budget
Administrative Expense

Schedule 5

Actual Expenditures 2023-24	Modified Budget 2024-25¹	Estimated Expenditures 2024-25²	Account Title	Budget 2025-26	% Change from Budget 2024-25
13,698,417	17,378,900	16,498,000	Salaries, General	18,125,000	4.3%
173,188	332,700	282,200	Salaries, As-Needed	246,500	(25.9%)
83,015	102,500	75,775	Overtime	125,700	22.6%
13,954,620	17,814,100	16,855,975	Subtotal Salaries (56.5%)	18,497,200	3.8%
1,673,899	2,033,000	1,901,000	Health Insurance	2,402,000	18.2%
50,601	59,000	52,000	Dental Insurance	63,000	6.8%
40,434	47,000	47,000	Other Employee Benefits	65,000	38.3%
4,335,312	4,738,000	4,727,000	Retirement Contribution ³	4,896,000	3.3%
207,182	261,000	244,400	Medicare Contribution	269,000	3.1%
6,307,428	7,138,000	6,971,400	Subtotal Employee Benefits (23.5%)	7,695,000	7.8%
15,732	38,000	38,000	Printing and Binding	31,100	(18.2%)
60,194	142,300	57,000	Travel Expense	142,200	(0.1%)
5,795,205	4,699,500	4,690,259	Contractual Expense	5,250,300	11.7%
6,250	6,000	6,000	Transportation	6,000	0.0%
200,964	400,000	400,000	Medical Services	400,000	0.0%
36,481	97,000	62,000	Election Expense	-	(100.0%)
391,763	717,650	709,850	Office and Administrative Expense	683,700	(4.7%)
-	55,000	-	Total Furniture, Office, & Tech. Equip. >\$5,000	-	(100.0%)
-	7,000	7,000	Tuition Reimbursement	5,500	(21.4%)
6,506,589	6,162,450	5,970,109	Subtotal Expense (19.9%)	6,518,800	5.8%
-	-	-	Unappropriated Balance	-	--
26,768,637	31,114,550	29,797,484	TOTAL ADMINISTRATIVE EXPENSE (100.0%)	32,711,000	5.1%

¹ Subsequent to the adoption of the 2024-25 Budget on June 20, 2024, the Board approved an intra-departmental transfer of funds within the Administrative Expense Budget to cover unanticipated costs identified throughout the fiscal year and maintain a balanced budget. This transfer is included in the Budget Reports to the Board and within the fiscal year's Modified Budget.

² Estimated expenditures are as of April 30, 2025.

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 No. 645360). LAFPP began receiving credit for the Enhanced Benefit Adjustment in 2018-19 for 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.

DEPARTMENT OF FIRE AND POLICE PENSIONS
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Detail of Administrative Expense

Schedule 6

Acct No.	Account Titles	Modified Budget 2024-25 ¹	Budget 2025-26	\$ Change from 2024-25	% Change from 2024-25
641010	Salaries, General	17,378,900	18,125,000	746,100	4.3%
641070	Salaries, As-Needed	332,700	246,500	(86,200)	(25.9%)
641090	Overtime	102,500	125,700	23,200	22.6%
	Subtotal Salaries (56.5%)	17,814,100	18,497,200	683,100	3.8%
645180	Health Insurance	2,033,000	2,402,000	369,000	18.2%
645190	Dental Insurance	59,000	63,000	4,000	6.8%
645200	Other Employee Benefits	47,000	65,000	18,000	38.3%
645360	Retirement Contribution ²	4,738,000	4,896,000	158,000	3.3%
645370	Medicare Contribution	261,000	269,000	8,000	3.1%
	Subtotal Employee Benefits (23.5%)	7,138,000	7,695,000	557,000	7.8%
642120	Printing and Binding	38,000	31,100	(6,900)	(18.2%)
642130	Travel Expense	142,300	142,200	(100)	(0.1%)
643040	Contractual Expense				
	Board				
	Legal Services: Conflict Counsel	65,000	65,000	-	0.0%
	Subtotal	65,000	65,000	-	0.0%
	City Attorney				
	City Attorney Expenses Paid to LACERS	55,000	50,000	(5,000)	(9.1%)
	City Attorney Staff	1,116,500	1,170,000	53,500	4.8%
	Legal Services: Fiduciary Counsel	50,000	50,000	-	0.0%
	Legal Services: Health & Data Privacy Counsel	50,000	50,000	-	0.0%
	Legal Services: Legal Representation	20,000	20,000	-	0.0%
	Legal Services: Real Estate and Investment Counsel	650,000	650,000	-	0.0%
	Legal Services: Tax Counsel	100,000	100,000	-	0.0%
	Subtotal	2,041,500	2,090,000	48,500	2.4%
	Communications & Education				
	Financial Planning Education Consultant	34,000	32,500	(1,500)	(4.4%)
	Financial Planning Education Venue	5,500	-	(5,500)	(100.0%)
	Graphic Design Services	29,500	29,500	-	0.0%
	Pre-Retirement Seminar Caterer	30,000	32,000	2,000	6.7%
	Website Support Services	25,000	25,000	-	0.0%
	Subtotal	124,000	119,000	(5,000)	(4.0%)
	Department-wide				
	Career Development Training	10,000	10,000	-	0.0%
	Headquarters Furnishing	5,000	23,000	18,000	360.0%
	Letter Folding Machine	2,000	4,000	2,000	100.0%
	Neptune Building Property Management	511,000	631,000	120,000	23.5%
	Photocopiers	20,000	20,000	-	0.0%
	Records Retention	3,000	2,400	(600)	(20.0%)
	Secure Shredding Services	2,500	3,000	500	20.0%
	Vehicle Maintenance	2,200	2,200	-	0.0%
	Workers' Compensation	45,000	55,000	10,000	22.2%
	Subtotal	600,700	750,600	149,900	25.0%
	Disability Pensions				
	Hearing Reporter	20,000	20,000	-	0.0%
	Investigative Services	20,000	20,000	-	0.0%
	Subtotal	40,000	40,000	-	0.0%

DEPARTMENT OF FIRE AND POLICE PENSIONS
2025-26 Final Budget
Detail of Administrative Expense

Schedule 6

Acct No.	Account Titles	Modified Budget 2024-25 ¹	Budget 2025-26	\$ Change from 2024-25	% Change from 2024-25
	Executive Management				
	Actuarial Audit	-	200,000	200,000	--
	Actuarial Services	400,000	425,000	25,000	6.3%
	Cyber Liability Insurance	256,000	281,600	25,600	10.0%
	Fiduciary Liability Insurance	67,000	73,700	6,700	10.0%
	Subtotal	723,000	980,300	257,300	35.6%
	Internal Audit				
	ALGA Peer Review	6,300	-	(6,300)	(100.0%)
	Financial Audit	90,000	99,000	9,000	10.0%
	Subtotal	96,300	99,000	2,700	2.8%
	Investments				
	Proxy Service	40,000	45,000	5,000	12.5%
	Subtotal	40,000	45,000	5,000	12.5%
	Medical & Dental Benefits				
	Health Consultant	20,000	20,000	-	0.0%
	Subtotal	20,000	20,000	-	0.0%
	Systems				
	AT&T	24,000	24,000	-	0.0%
	Northern Trust - Integrated Disbursement Services	220,000	230,000	10,000	4.5%
	Pension Administration System (Avenu)	705,000	787,400	82,400	11.7%
	Subtotal	949,000	1,041,400	92,400	9.7%
	Total Contractual Expense	4,699,500	5,250,300	550,800	11.7%
643310	Transportation	6,000	6,000	-	0.0%
644230	Medical Services (Disability Cases)	400,000	400,000	-	0.0%
645417	Election Expense	97,000	-	(97,000)	(100.0%)
646010	Office and Administrative Expense				
	646010-01 Office & Administrative Expense	382,400	411,800	29,400	7.7%
	646010-02 Office Supplies	23,500	21,900	(1,600)	(6.8%)
	646010-03 Telephone, Internet, & Tablet Devices	106,900	108,100	1,200	1.1%
	646010-05 Training Expense	99,000	83,500	(15,500)	(15.7%)
	646010-06 Dues & Subscriptions	43,350	47,100	3,750	8.7%
	646010-530 Computer & Peripheral	62,500	11,300	(51,200)	(81.9%)
	Total Office and Administrative Expense	717,650	683,700	(33,950)	(4.7%)
647300	Total Furniture, Office, & Technical Equip. >\$5,000	55,000	-	(55,000)	(100.0%)
649570	Tuition Reimbursement	7,000	5,500	(1,500)	(21.4%)
	Subtotal Expense (19.9%)	6,162,450	6,518,800	356,350	5.8%
649500	Unappropriated Balance (UB)	-	-	-	--
	TOTAL ADMINISTRATIVE EXPENSE (100.0%)	31,114,550	32,711,000	1,596,450	5.1%

¹ Subsequent to the adoption of the 2024-25 Budget on June 20, 2024, the Board approved an intra-departmental transfer of funds within the Administrative Expense Budget to cover unanticipated costs identified throughout the fiscal year and maintain a balanced budget. This transfer is included in the Budget Reports to the Board and 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 No. 645360). LAFPP began receiving credit for the Enhanced Benefit Adjustment in 2018-19 for 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, 2025, 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:

2024-25	2025-26	Change	Code	Classification	Salary Range
8	8	-	1513	Accountant	(74,792 - 109,327)
3	3	-	1358	Administrative Clerk	(52,513 - 68,883)
2	2	-	9269	Assistant General Manager	(194,371 - 284,176)
18	18	-	9108	Benefits Analyst	(91,015 - 133,089)
21	21	-	1203	Benefits Specialist	(68,966 - 100,829)
2	2	-	9151	Chief Benefits Analyst	(153,948 - 225,086)
1	1	-	9147	Chief Investment Officer	(268,746 - 392,940)
1	1	-	9182	Chief Management Analyst	(153,948 - 225,086)
1	1	-	9734-2	Commission Executive Assistant II	(87,382 - 127,743)
1	1	-	1610	Departmental Audit Manager	(153,948 - 225,086)
1	1	-	1593-4	Departmental Chief Accountant IV	(153,948 - 225,086)
1	1	-	9375	Director of Systems	(153,948 - 225,086)
1	1	-	1117-2	Executive Administrative Assistant II	(75,877 - 110,935)
1	1	-	1117-3	Executive Administrative Assistant III	(81,369 - 118,953)
1	1	-	9267	General Manager	(213,769 - 378,909)
1	1	-	1625-2	Internal Auditor II	(87,382 - 127,743)
1	1	-	1625-4	Internal Auditor IV	(127,848 - 186,917)
2	2	-	9146-1	Investment Officer I	(118,828 - 173,742)
5	5	-	9146-2	Investment Officer II	(148,018 - 216,421)
2	2	-	9146-3	Investment Officer III	(186,124 - 272,108)
7	7	-	9184	Management Analyst	(87,382 - 127,743)
1	1	-	1170	Payroll Supervisor	(84,396 - 123,379)
1	1	-	1731	Personnel Analyst	(87,382 - 127,743)
1	1	-	1525-1	Principal Accountant I	(101,936 - 149,020)
1	1	-	1525-2	Principal Accountant II	(107,490 - 157,122)
1	1	-	1116	Secretary	(63,099 - 92,247)
1	1	-	1523-2	Senior Accountant II	(94,628 - 138,371)
13	14	1	1368	Senior Administrative Clerk	(58,025 - 84,835)
6	6	-	9109-1	Senior Benefits Analyst I	(111,833 - 163,532)
6	6	-	9109-2	Senior Benefits Analyst II	(138,192 - 202,348)
1	1	-	9171-1	Senior Management Analyst I	(107,511 - 157,142)
1	1	-	9171-2	Senior Management Analyst II	(133,110 - 194,601)
1	1	-	9167-1	Senior Personnel Analyst I	(109,557 - 160,191)
3	3	-	1597-1	Senior Systems Analyst I	(107,511 - 157,142)
2	2	-	1597-2	Senior Systems Analyst II	(133,110 - 194,601)
2	2	-	1455-1	Systems Administrator I	(134,738 - 158,541)
1	1	-	1455-2	Systems Administrator II	(116,677 - 170,589)
1	1	-	1455-3	Systems Administrator III	(126,386 - 184,788)
5	5	-	1596	Systems Analyst	(108,555 - 127,743)
<u>129</u>	<u>130</u>	<u>1</u>			

(b) Resolution Authority Positions:

2024-25	2025-26	Change	Code	Classification	Salary Range
-	1	1	1513	Accountant	(74,792 - 109,327)
-	1	1	9108	Benefits Analyst	(91,015 - 133,089)
1	1	-	1203	Benefits Specialist	(68,966 - 100,829)
1	1	-	9109-1	Senior Benefits Analyst I	(111,833 - 163,532)
<u>2</u>	<u>4</u>	<u>2</u>			

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

1358	Administrative Clerk
1535-1	Administrative Intern I
1535-2	Administrative Intern II
0820	Administrative Trainee
1133	Relief Retirement Worker
1502	Student Professional Worker
1501	Student Worker

(d) Commissioner Positions:

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

Section 2. 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 3. Upon approval of the General Manager, substitute 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 authority positions approved for filling.

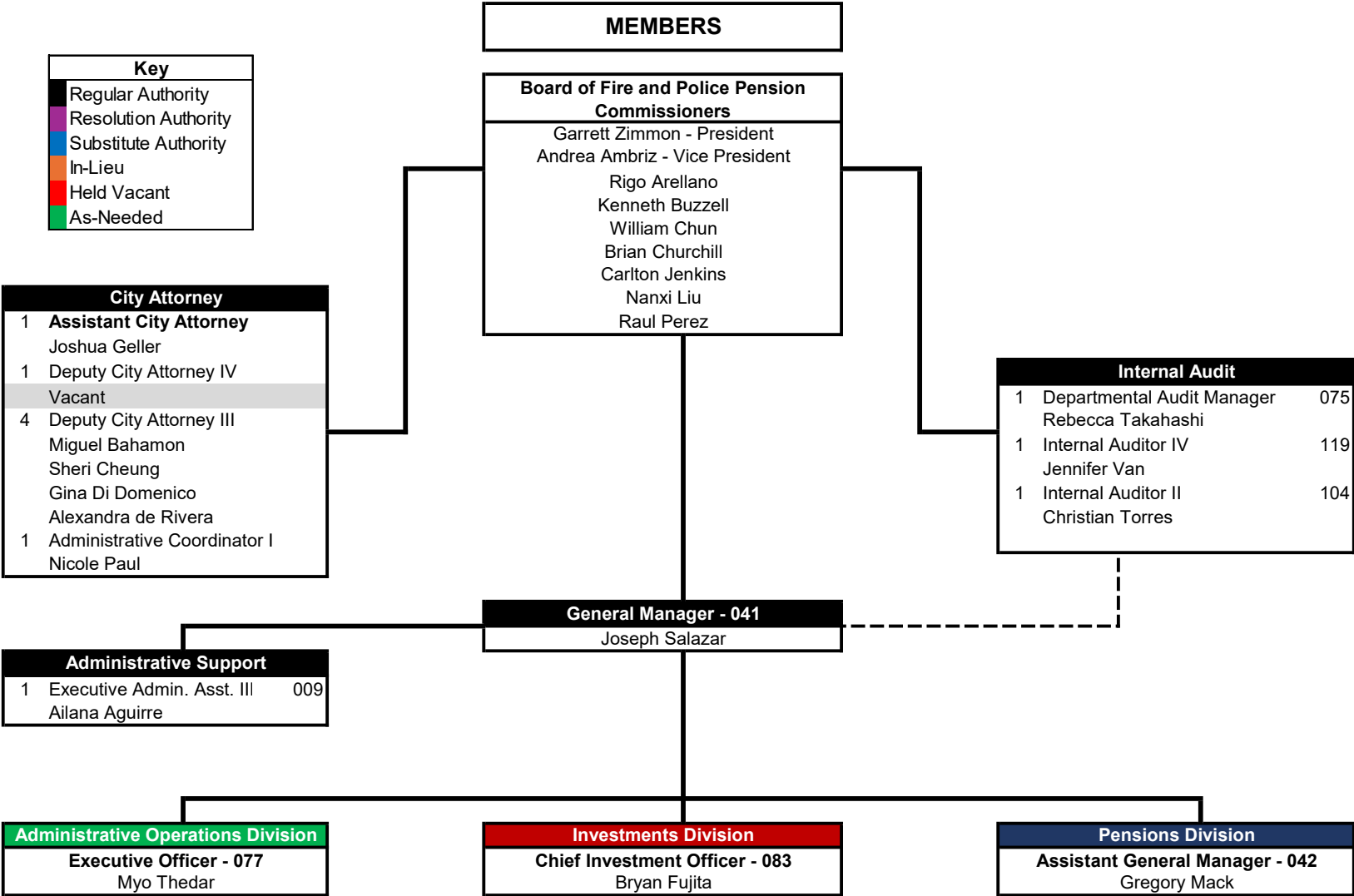
Section 4. The General Manager may employ persons and assign duties appropriate to the employee's classification and pay grade in any class of position specified in Schedule "A" of Los Angeles Administrative Code Section 4.61 in lieu of vacant positions in a related occupational series which vacant positions 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.

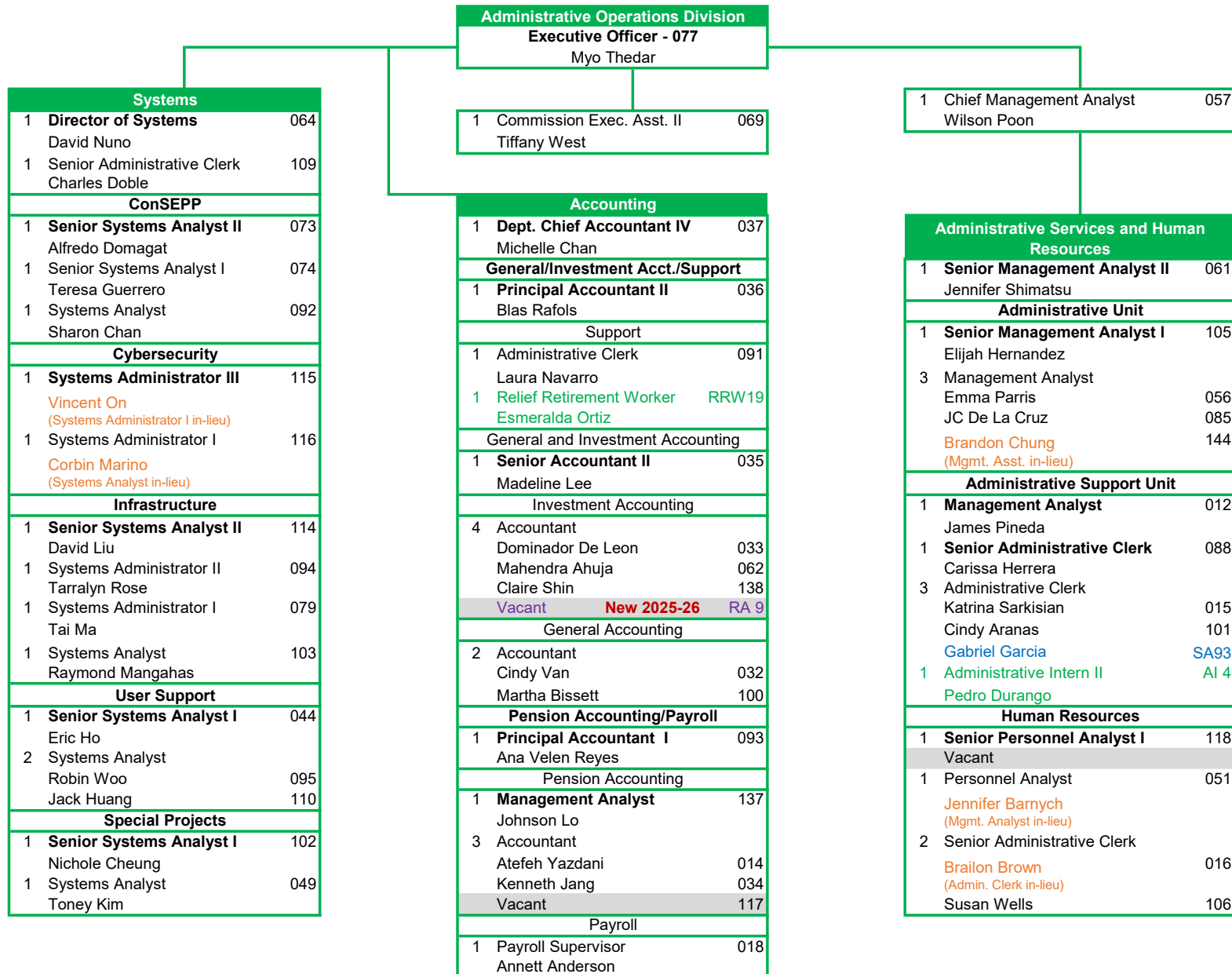
Section 5. The personnel authority contained in this resolution shall be limited by the amount of money available on the records of the Departmental Chief Accountant for the payment of salaries and wages in the appropriate departmental account.

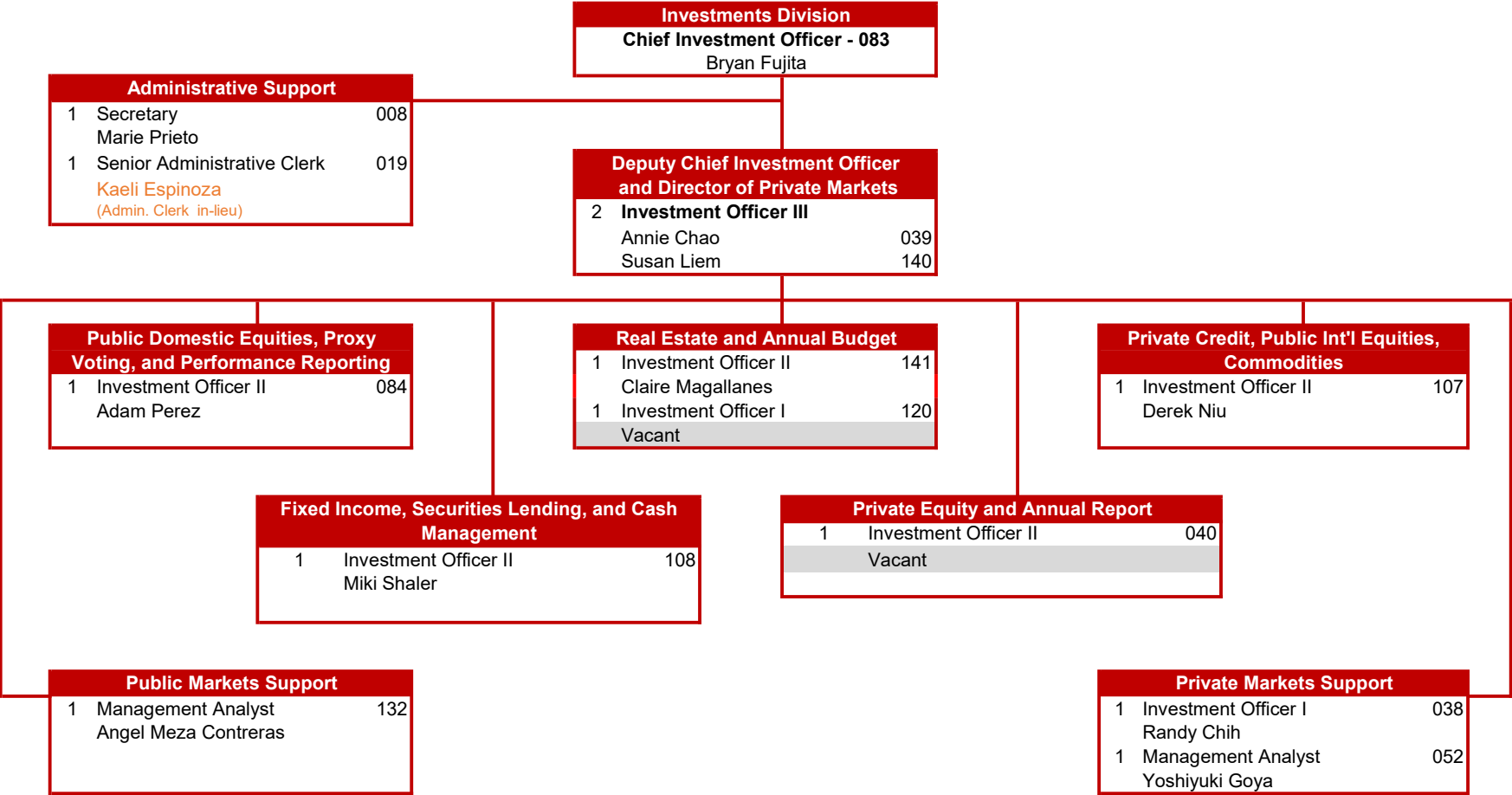
DEPARTMENT OF FIRE AND POLICE PENSIONS
 2025-26 Final Budget
 Detail of Personnel Changes

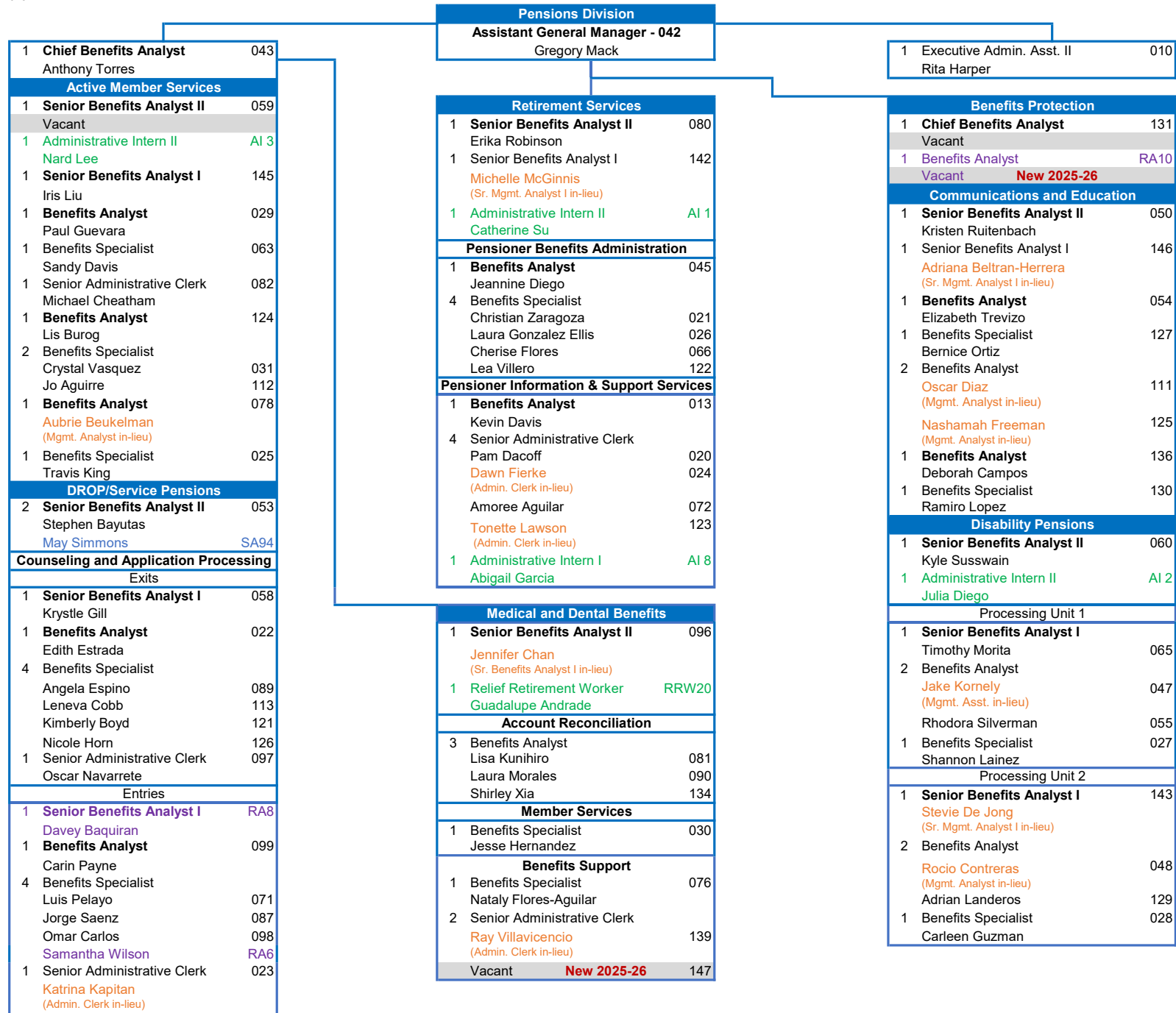
Schedule 8

Change	No.	Reason for Change
<u>Regular Positions</u>		
Add / Delete Position		
<u>Medical & Dental Benefits</u>		
Senior Administrative Clerk (New)	1	This new position is necessary to address an increased workload within the section.
NET NUMBER OF REGULAR POSITIONS	1	
<u>Resolution Authority Positions</u>		
Add / Delete Position		
<u>Accounting</u>		
Accountant (New)	1	This new position is necessary to strengthen internal controls for the Department and to address an increased workload within the section.
<u>Benefits Protection</u>		
Benefits Analyst (New)	1	This new position is necessary to ensure the continued protection of members' benefits.
NET NUMBER OF RESOLUTION AUTHORITY POSITIONS	2	









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, 2025. 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)
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 (IFEBC)
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/ IFEBC)

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.