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¹ Receipts 2016-17	Adopted Budget 2017-18	Estimated Receipts 2017-18		Budget 2018-19	Change from Budget 2017-18	% Change from Budget 2017-18	% Change from Estimated Receipts 2017-18
RECEIPTS							
614,931,398	634,905,341	634,905,341	Total General Fund ²	687,867,488	52,962,147	8.3%	8.3%
(1,303,600)	(1,917,323)	(1,917,323)	less: Excess Benefit Plan (EBP) ²	(1,274,936)	642,387	(-33.5%)	(-33.5%)
613,627,798	632,988,018	632,988,018	General Fund to LAFPP	686,592,552	53,604,534	8.5%	8.5%
4,547,876	4,663,241	4,663,242	Special Fund (Harbor)	4,967,756	304,515	6.5%	6.5%
-	-	2,295,560	Special Fund (Airport) ³	1,337,008	1,337,008	--	(-41.8%)
618,175,674	637,651,259	639,946,820	City Contribution (to LAFPP)	692,897,316	55,246,057	8.7%	8.3%
128,900,736	148,421,052	147,745,189	Member Contributions	153,177,807	4,756,755	3.2%	3.7%
490,120,000	464,000,000	464,000,000	Earnings on Investments	455,500,000	(8,500,000)	(-1.8%)	(-1.8%)
921,673,886	-	-	Gain (Loss) on Sale of Investments ⁴	-	-	0.0%	0.0%
3,474,784	2,500,000	5,580,339	Miscellaneous	2,500,000	-	0.0%	(-55.2%)
2,162,345,080	1,252,572,311	1,257,272,348	Total Receipts	1,304,075,123	51,502,812	4.1%	3.7%
EXPENDITURES							
¹ Expenditures 2016-17	Adopted Budget 2017-18	Estimated Expenditures 2017-18		Budget 2018-19	Change from Budget 2017-18	% Change from Budget 2017-18	% Change from Estimated Expenditures 2017-18
611,420,718	634,000,000	639,725,001	Service Pensions	671,000,000	37,000,000	5.8%	4.9%
79,079,249	110,000,000	105,736,632	Service Pensions - DROP payout	145,464,000	35,464,000	32.2%	37.6%
111,470,775	115,000,000	111,930,475	Disability Pensions	115,000,000	-	0.0%	2.7%
121,499,558	126,000,000	125,020,234	Surviving Spouse/Domestic Partner Pensions	127,000,000	1,000,000	0.8%	1.6%
2,432,830	3,000,000	2,402,806	Minor/Dependent Pensions	3,000,000	-	0.0%	24.9%
4,174,935	3,500,000	3,821,971	Refund of Contributions	4,500,000	1,000,000	28.6%	17.7%
930,078,065	991,500,000	988,637,119	Subtotal Pension Benefits	1,065,964,000	74,464,000	7.5%	7.8%
107,639,953	117,000,000	115,312,069	Health Insurance Subsidy	122,000,000	5,000,000	4.3%	5.8%
4,062,109	4,500,000	4,195,470	Dental Insurance Subsidy	4,500,000	-	0.0%	7.3%
9,816,800	12,500,000	10,957,027	Medicare Reimbursement	13,500,000	1,000,000	8.0%	23.2%
1,042,778	2,200,000	1,135,382	Health Insurance Premium Reimbursement	1,500,000	(700,000)	(-31.8%)	32.1%
122,561,640	136,200,000	131,599,948	Subtotal Health Benefits	141,500,000	5,300,000	3.9%	7.5%
1,052,639,705	1,127,700,000	1,120,237,067	Total Benefits Expenses (90.4%)	1,207,464,000	79,764,000	7.1%	7.8%
84,962,504	100,572,158	98,888,353	Investment Management Expense (7.8%)	103,621,611	3,049,453	3.0%	4.8%
20,739,903	23,454,000	21,060,078	Administrative Expense (1.8%)	23,693,000	239,000	1.0%	12.5%
1,158,342,112	1,251,726,158	1,240,185,498	Total Expenditures (100.0%)	1,334,778,611	83,052,453	6.6%	7.6%
1,004,002,968	846,153	17,086,850	Increase (Decrease) in Fund Balance ⁵	(30,703,488)	(31,549,641)	(-3728.6%)	(-279.7%)
2,162,345,080	1,252,572,311	1,257,272,348	Total Expenditures and Increase (Decrease) in Fund Balance	1,304,075,123	51,502,812	4.1%	3.7%

¹ 2016-17 Actual Receipts and Expenditures are derived from LAFPP's Audited Financial Statements using the modified accrual basis. 2017-18 Estimated Receipts and Expenditures and 2018-19 Budgeted Receipts and Expenditures are calculated on a cash basis.

² 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.

³ Pursuant to the November 2016 Charter Amendment, 42 Los Angeles World Airports (LAWA) Police Officers transferred to Tier 6 of LAFPP effective January 2, 2018. New hires are automatically enrolled as Tier 6 members of LAFPP. Starting 2018-19, LAFPP's total receipts will include special fund contributions from LAWA.

⁴ 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.

⁵ 2017-18 Adopted and 2018-19 Budget Decrease in Fund Balance is due to an expected increase in pension benefits, along with a decrease in Earnings on Investments.

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2018-19 Budget
 Detail of City, Harbor, and Airport Contribution Requirements
 (Assuming Contributions Made on July 13, 2018)

Schedule 2

	%	Projected	=	Contribution
	of Payroll	Payroll		Required ¹
TIER 1 requirements:				
1. Unfunded supplemental present value annual amount	N/A	N/A		14,731,272
2. Health subsidy unfunded actuarial accrued liability annual amount	N/A	N/A		1,654,195
		Subtotal		16,385,467
TIER 2 requirements:				
1. Entry age cost	24.75%	1,468,524		363,460
2. Unfunded supplemental present value annual amount*	1.15%	1,468,523,373		16,888,019
3. Pension Admin Expenses	1.12%	1,468,524		16,447
4. Health subsidy entry age cost	3.27%	1,468,524		48,021
5. Health subsidy unfunded actuarial accrued liability annual amount*	4.30%	1,468,523,373		63,146,505
6. Health Admin Expenses	0.09%	1,468,524		1,322
		Subtotal		80,463,774
* Unfunded Actuarial Accrued Liability (UAAL) expressed as a percent of payroll for all active members.				
TIER 3 requirements:				
1. Entry age cost	16.93%	91,048,449		15,414,502
2. Unfunded supplemental present value annual amount*	1.75%	1,468,523,373		25,699,159
3. Pension Admin Expenses	1.12%	91,048,449		1,019,743
4. Health subsidy entry age cost	4.52%	91,048,449		4,115,390
5. Health subsidy unfunded actuarial accrued liability annual amount*	0.38%	1,468,523,373		5,580,389
6. Health Admin Expenses	0.09%	91,048,449		81,944
		Subtotal		51,911,127
* Unfunded Actuarial Accrued Liability (UAAL) expressed as a percent of payroll for all active members.				
TIER 4 requirements:				
1. Entry age cost	18.29%	33,776,038		6,177,637
2. Unfunded supplemental present value annual amount*	1.18%	1,468,523,373		17,328,576
3. Pension Admin Expenses	1.12%	33,776,038		378,292
4. Health subsidy entry age cost	4.37%	33,776,038		1,476,013
5. Health subsidy unfunded actuarial accrued liability annual amount*	0.23%	1,468,523,373		3,377,604
6. Health Admin Expenses	0.09%	33,776,038		30,398
		Subtotal		28,768,520
* Unfunded Actuarial Accrued Liability (UAAL) expressed as a percent of payroll for all active members.				
TIER 5 requirements:				
1. Entry age cost	19.53%	1,152,790,847		225,140,052
2. Unfunded supplemental present value annual amount	9.87%	1,152,790,847		113,780,457
3. Pension Admin Expenses	1.12%	1,152,790,847		12,911,257
4. Health subsidy entry age cost	4.24%	1,152,790,847		48,878,332
5. Health subsidy unfunded actuarial accrued liability annual amount	3.31%	1,152,790,847		38,157,377
6. Health Admin Expenses	0.09%	1,152,790,847		1,037,512
		Subtotal		439,904,987

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2018-19 Budget
 Detail of City, Harbor, and Airport Contribution Requirements
 (Assuming Contributions Made on July 13, 2018)

Schedule 2

	%	Projected	=	Contribution
	of Payroll	Payroll		Required ¹
TIER 6 requirements:				
1. Entry age cost	16.15%	189,439,515		30,594,482
2. Unfunded supplemental present value annual amount	9.87%	189,439,515		18,697,680
3. Pension Admin Expenses	1.12%	189,439,515		2,121,723
4. Health subsidy entry age cost	6.64%	189,439,515		12,578,784
5. Health subsidy unfunded actuarial accrued liability annual amount	3.31%	189,439,515		6,270,448
6. Health Admin Expenses	0.09%	189,439,515		170,496
		Subtotal		70,433,613
<u>NET CITY (GENERAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT</u>				687,867,488
Early Payment Savings (relative to payment at the end of each pay period)				22,477,868
TIER 5 Harbor requirements:				
1. Entry age cost	19.95%	12,687,916		2,531,239
2. Unfunded supplemental present value annual amount	6.45%	12,687,916		818,371
3. Pension Admin Expenses	1.12%	12,687,916		142,105
4. Health subsidy entry age cost	5.75%	12,687,916		729,555
5. Health subsidy unfunded actuarial accrued liability annual amount	1.23%	12,687,916		156,061
6. Health Admin Expenses	0.09%	12,687,916		11,419
		Subtotal		4,388,750
TIER 6 Harbor requirements:				
1. Entry age cost	15.73%	1,895,895		298,224
2. Unfunded supplemental present value annual amount	6.45%	1,895,895		122,285
3. Pension Admin Expenses	1.12%	1,895,895		21,234
4. Health subsidy entry age cost	5.92%	1,895,895		112,237
5. Health subsidy unfunded actuarial accrued liability annual amount	1.23%	1,895,895		23,320
6. Health Admin Expenses	0.09%	1,895,895		1,706
		Subtotal		579,006
<u>NET HARBOR (SPECIAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT</u>				4,967,756
Early Payment Savings (relative to payment at the end of each pay period)				162,333
TIER 6 Airport requirements:				
1. Entry age cost	16.08%	4,870,700		783,209
2. Unfunded supplemental present value annual amount	2.43%	4,870,700		118,358
3. Pension Admin Expenses	1.12%	4,870,700		54,552
4. Health subsidy entry age cost	7.44%	4,870,700		362,380
5. Health subsidy unfunded actuarial accrued liability annual amount	0.29%	4,870,700		14,125
6. Health Admin Expenses	0.09%	4,870,700		4,384
		Subtotal		1,337,008
<u>NET AIRPORT (SPECIAL FUND) ACTUARIAL CONTRIBUTION REQUIREMENT</u>				1,337,008
Early Payment Savings (relative to payment at the end of each pay period)				43,835

DEPARTMENT OF FIRE AND POLICE PENSIONS
2018-19 Budget
Detail of City, Harbor, and Airport Contribution Requirements
(Assuming Contributions Made on July 13, 2018)

Schedule 2

GENERAL FUND TO LAFPP	686,592,552
EXCESS BENEFIT PLAN	<u>1,274,936</u>
TOTAL GENERAL FUND CONTRIBUTION	687,867,488
TOTAL SPECIAL FUND (HARBOR) CONTRIBUTION TO LAFPP	4,967,756
TOTAL SPECIAL FUND (AIRPORT) CONTRIBUTION TO LAFPP	<u>1,337,008</u>
TOTAL CITY CONTRIBUTION	<u><u>694,172,252</u></u>

¹ Figures may be rounded.

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2018-19 Budget
 Detail of Estimated Payrolls and Member Contributions

Schedule 3

	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	TOTAL ⁴
SWORN PAYROLL						
<u>PENSIONABLE PAY</u>						
Fire	392,356	24,326,044	9,024,178	307,999,104	50,613,865	392,355,546
Police	1,076,168	66,722,405	24,751,860	844,791,743	138,825,650	1,076,167,826
Harbor	-	-	-	12,687,916	1,895,895	14,583,811
Airport	-	-	-	-	4,870,700	4,870,700
TOTAL	1,468,524	91,048,449	33,776,038	1,165,478,763	196,206,110	1,487,977,884
TOTAL General Fund	1,468,524	91,048,449	33,776,038	1,152,790,847	189,439,515	1,468,523,373
TOTAL Special Fund (Harbor)	-	-	-	12,687,916	1,895,895	14,583,811
TOTAL Special Fund (Airport)	-	-	-	-	4,870,700	4,870,700
<u>BASE PAY (2% OPT-IN)¹</u>						
Fire	244,674	1,444,713	3,960,310	216,567,477	-	222,217,174
Police	586,089	57,839,936	18,066,720	527,482,409	-	603,975,154
Harbor	-	-	-	9,612,121	-	9,612,121
Airport	-	-	-	-	-	-
TOTAL	830,763	59,284,649	22,027,030	753,662,007	-	835,804,449
TOTAL General Fund	830,763	59,284,649	22,027,030	744,049,886	-	826,192,328
TOTAL Special Fund (Harbor)	-	-	-	9,612,121	-	9,612,121
TOTAL Special Fund (Airport)	-	-	-	-	-	-
MEMBER CONTRIBUTIONS						
<u>PENSIONABLE PAY</u>						
	Seven Percent ²	Eight Percent	Eight Percent	Nine Percent ³	Eleven Percent	TOTAL
Fire	-	1,946,084	721,934	27,719,919	5,567,525	35,955,462
Police	-	5,337,792	1,980,149	76,031,257	15,270,822	98,620,020
Harbor	-	-	-	1,141,912	208,548	1,350,460
Airport	-	-	-	-	535,777	535,777
TOTAL	-	7,283,876	2,702,083	104,893,088	21,582,672	136,461,719
<u>BASE PAY (2% OPT-IN)</u>						
	Two Percent	Two Percent	Two Percent	Two Percent	N/A	TOTAL
Fire	4,893	28,894	79,206	4,331,350	-	4,444,343
Police	11,722	1,156,799	361,334	10,549,648	-	12,079,503
Harbor	-	-	-	192,242	-	192,242
Airport	-	-	-	-	-	-
TOTAL	16,615	1,185,693	440,540	15,073,240	-	16,716,088
TOTAL	16,615	8,469,569	3,142,623	119,966,328	21,582,672	153,177,807
TOTAL General Fund	16,615	8,469,569	3,142,623	118,632,174	20,838,347	151,099,328
TOTAL Special Fund (Harbor)	-	-	-	1,334,154	208,548	1,542,702
TOTAL Special Fund (Airport)	-	-	-	-	535,777	535,777

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 Figures may be rounded.

	Adopted Budget 2017-18	Estimated Expenditures 2017-18	Budget 2018-19	Change from Budget ³ 2017-18	% Change from Budget 2017-18
CONSULTANTS & BANK SERVICES					
Custodian Bank Services (STIF)	301,897	331,739	331,739	29,842	9.9%
General Consultant - RV Kuhns	503,750	375,000	503,750	-	0.0%
CONSULTANTS & BANK SERVICES TOTAL (0.8%)	805,647	706,739	835,489	29,842	3.7%
ADVISORY					
PUBLIC EQUITY - LARGE CAP					
AllianceBernstein (Systemic Value)	386,541	395,623	423,917	37,376	9.7%
Alliance Capital (S&P 500 Index)	141,909	195,426	142,320	411	0.3%
Alliance Capital (Russell 1000 Growth Index)	239,565	245,992	270,011	30,446	12.7%
LA Capital (Enhanced Index-Growth)	786,294	660,214	772,808	(13,486)	-1.7%
OakBrook Investments (Core)	165,719	154,963	175,774	10,055	6.1%
Redwood Investments (Core)	144,991	145,752	168,319	23,328	16.1%
Robeco (Value)	479,742	540,730	597,526	117,784	24.6%
S&P 500 (Equal Weighted Index)	309,150	299,131	310,596	1,446	0.5%
STOXX USA (900 Minimum Variance)	234,505	222,866	222,246	(12,259)	-5.2%
Subtotal	2,888,416	2,860,697	3,083,517	195,101	6.8%
PUBLIC EQUITY - SMALL CAP					
Channing Capital Mgmt. (Core)	533,800	503,040	557,269	23,469	4.4%
Daruma (Core)	1,986,596	2,147,654	2,463,693	477,097	24.0%
Frontier Capital Management (Growth)	757,854	2,678,840	1,884,753	1,126,899	148.7%
AB Small Cap Value Domestic	-	596,032	853,360	853,360	--
Phocas Financial (Value)	561,572	524,645	591,729	30,157	5.4%
Westwood Management (Value)	-	115,543	1,633,225	1,633,225	--
Future Active Small Cap Manager (Value)	2,847,406	-	-	(2,847,406)	-100.0%
Subtotal	6,687,228	6,565,754	7,984,029	1,296,801	19.4%
PUBLIC EQUITY - INTERNATIONAL					
Baillie Gifford (Growth)	2,554,176	2,557,114	2,932,756	378,580	14.8%
Blackrock (Large Cap Index)	294,507	294,701	324,995	30,488	10.4%
Boston Common (ESG)	181,092	180,424	202,882	21,790	12.0%
Brandes (Value)	4,026,383	3,849,279	3,426,301	(600,082)	-14.9%
FIS International (Manager of Emerging Managers)	722,305	684,279	805,483	83,178	11.5%
Fisher (Core)	2,163,538	2,050,566	2,317,228	153,690	7.1%
Principal (Active Small Cap)	-	-	1,349,936	1,349,936	--
Victory Capital Management (Active Small Cap)	-	-	1,600,809	1,600,809	--
Future Active International Small Cap Manager	3,956,919	291,128	-	(3,956,919)	-100.0%
Subtotal	13,898,920	9,907,491	12,960,390	(938,530)	-6.8%
PUBLIC EQUITY - EMERGING MARKETS					
Dimensional Fund Advisors	2,444,450	2,505,660	2,886,671	442,221	18.1%
Harding Loevner	3,061,085	3,009,906	3,690,397	629,312	20.6%
Subtotal	5,505,535	5,515,566	6,577,068	1,071,533	19.5%
PUBLIC EQUITY TOTAL (29.5%)	28,980,099	24,849,508	30,605,004	1,624,905	5.6%
FIXED INCOME - INVESTMENT GRADE					
Bridgewater (Pure Alpha)	1,592,195	1,532,420	1,569,218	(22,977)	-1.4%
Bridgewater (TIPS)	1,514,001	1,393,394	1,536,034	22,033	1.5%
CA Community Mortgage Fund	13,017	7,883	7,793	(5,224)	-40.1%
GIA Partners (Opportunistic)	87,147	80,787	88,073	926	1.1%
LM Capital Group (Opportunistic)	336,669	326,311	349,351	12,682	3.8%
Loomis Sayles (Long Duration)	727,055	582,001	626,195	(100,860)	-13.9%
Northern Trust (Index)	201,368	178,710	206,650	5,282	2.6%
Payden & Rygel (Unconstrained)	682,759	682,630	842,369	159,610	23.4%

	Adopted Budget 2017-18	Estimated Expenditures 2017-18	Budget 2018-19	Change from Budget ³ 2017-18	% Change from Budget 2017-18
FIXED INCOME - INVESTMENT GRADE (Continued)					
Reams Asset Management (Opportunistic)	757,501	697,264	755,358	(2,143)	-0.3%
Reams Asset Management (Passive TIPS)	103,598	98,955	118,012	14,414	13.9%
Reams Asset Management (Unconstrained)	395,565	391,743	481,085	85,520	21.6%
Semper Capital Management	89,465	83,821	91,909	2,444	2.7%
Subtotal	6,500,340	6,055,919	6,672,047	171,707	2.6%
FIXED INCOME - HIGH YIELD					
MacKay Shields	2,217,877	1,825,612	2,037,646	(180,231)	-8.1%
Subtotal	2,217,877	1,825,612	2,037,646	(180,231)	-8.1%
FIXED INCOME TOTAL (8.4%)	8,718,217	7,881,531	8,709,693	(8,524)	-0.1%
PRIVATE EQUITY					
Fairview Capital Partners (Specialized Mandate)	240,000	240,000	240,000	-	0.0%
Portfolio Advisors	1,300,000	1,159,421	1,300,000	-	0.0%
Portfolio Advisors (Specialized Mandate)	45,000	45,000	45,000	-	0.0%
Private Equity Partnership Fees ¹	32,629,733	34,787,482	36,940,972	4,311,239	13.2%
PRIVATE EQUITY TOTAL (37.2%)	34,214,733	36,231,903	38,525,972	4,311,239	12.6%
COMMODITIES					
AB (Public Equity Index)	371,503	9,063	-	(371,503)	-100.0%
AB Commodities Indices (6)	-	363,054	485,305	485,305	--
Gresham Investment Management (Active)	582,932	534,770	489,616	(93,316)	-16.0%
Goldman Sachs (Enhanced Index)	205,043	188,553	210,033	4,990	2.4%
KBI Global Investors (Public Equity)	536,252	109,594	-	(536,252)	-100.0%
Mellon Capital (Public Equity)	262,658	50,764	-	(262,658)	-100.0%
Private Equity Partnership Fees ¹	1,862,429	2,210,601	2,407,580	545,151	29.3%
COMMODITIES TOTAL (3.5%)	3,820,817	3,466,399	3,592,534	(228,283)	-6.0%
REAL ESTATE					
Alliance Capital (Global REIT) Index	84,356	79,715	84,493	137	0.2%
Principal (Global REIT)	835,357	811,009	893,332	57,975	6.9%
Cohen & Steers (US REIT)	-	429,329	835,357	835,357	--
Principal (U.S. REIT)	831,408	1,519,002	813,196	(18,212)	-2.2%
Future US REIT Manager	835,357	-	-	(835,357)	-100.0%
Total Pooled Funds ²	16,336,810	14,981,605	14,389,162	(1,947,648)	-11.9%
AEW (Asset Management Fees)	-	1,349,250	4,057,379	4,057,379	--
Heitman (Asset Management Fees)	1,556,327	682,652	-	(1,556,327)	-100.0%
Sentinel (Asset Management Fees)	2,152,325	643,411	-	(2,152,325)	-100.0%
Sentinel - Neptune (Headquarters)	371,205	-	-	(371,205)	-100.0%
Separate Accounts (Heitman/Sentinel)	729,300	5,000,000	-	(729,300)	-100.0%
Townsend (Consultant)	300,200	256,300	280,000	(20,200)	-6.7%
REAL ESTATE TOTAL (20.6%)	24,032,645	25,752,273	21,352,919	(2,679,726)	-11.2%
ADVISORY TOTAL (99.2%)	99,766,511	98,181,614	102,786,122	3,019,611	3.0%
INVESTMENT MANAGEMENT EXPENSE TOTAL (100.0%)	100,572,158	98,888,353	103,621,611	3,049,453	3.0%

¹ 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%.

² 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%.

³ Figures may be rounded.

Actual Exp 2016-17	Adopted Budget 2017-18	Estimated Expenditure 2017-18	Account Titles	Budget 2018-19	% Change from Budget 2017-18	% Change from Estimated Expenditure 2017-18
10,907,577	12,020,000	11,410,000	Salaries - General	12,009,000	(-0.1%)	5.2%
94,066	81,000	56,000	Salaries - As-Needed	39,000	(-51.9%)	(-30.4%)
33,971	82,000	95,000	Overtime ²	87,000	6.1%	(-8.4%)
11,035,614	12,183,000	11,561,000	Sub-total Salaries	12,135,000	(-0.4%)	5.0%
29,751	68,000	38,090	Printing and Binding	72,000	5.9%	89.0%
100,583	157,000	103,770	Travel Expense	147,000	(-6.4%)	41.7%
2,034,080	5,379,000	4,064,865	Contractual Expense ²	5,534,000	2.9%	36.1%
6,000	6,000	6,000	Transportation	6,000	0.0%	0.0%
170,908	330,000	145,000	Medical Services	300,000	(-9.1%)	106.9%
1,259,899	1,355,000	1,335,000	Health Insurance	1,417,000	4.6%	6.1%
53,790	60,000	55,000	Dental Insurance	60,000	0.0%	9.1%
42,096	40,000	36,000	Other Employee Benefits	40,000	0.0%	11.1%
3,173,522	2,997,000	2,986,513	Retirement Contribution ¹	3,081,000	2.8%	3.2%
141,184	177,000	146,000	Medicare Contribution	176,000	(-0.6%)	20.5%
11,024	-	17,600	Election Expense ²	25,000	--	42.0%
2,314,936	662,000	525,240	Office and Administrative Expense	659,000	(-0.5%)	25.5%
350,961	20,000	20,000	Total Furniture, Office, & Tech Equip.	-	(-100.0%)	(-100.0%)
15,555	20,000	20,000	Tuition Reimbursement	41,000	105.0%	105.0%
9,704,289	11,271,000	9,499,078	Sub-total Expense	11,558,000	2.5%	21.7%
-	-	-	Unappropriated Balance	-	0.0%	0.0%
20,739,903	23,454,000	21,060,078	TOTAL ADMINISTRATIVE EXPENSE	23,693,000	1.0%	12.5%

¹ 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 will begin 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.

² The following adjustments were made to the 2017-18 Adopted Budget:

a) On July 20, 2017, the Board authorized the transfer of funds totaling \$20,000 from Office and Administrative Expense (Account 646010) to Election Expense (Account 645417) to defray costs for the Board Special Election.

b) On November 16, 2017, the Board authorized the transfer of funds totaling \$190,000 from Investment Management Expenses (Account 649750) to Contractual Services (Account 643040) for property management services.

c) Based on the General Manager's authority, delegated by the Board on June 15, 2017, funds totaling \$13,000 were transferred from Salaries, General (Account 641010) to Salaries, Overtime (Account 641090) to defray costs related to the Pension and Retirement Information System testing and unanticipated vacancies.

DEPARTMENT OF FIRE AND POLICE PENSIONS
 2018-19 Budget
 Detail of Administrative Expense

Schedule 6

Acct No.	Account Titles	Adopted Budget 2017-18	Budget 2018-19	Change from 2017-18
641010	Salaries - General	12,020,000	12,009,000	(11,000)
641070	Salaries - As-Needed	81,000	39,000	(42,000)
641090	Overtime ²	82,000	87,000	5,000
	Sub-total Salaries	12,183,000	12,135,000	(48,000)
642120	Printing and Binding	68,000	72,000	4,000
642130	Travel Expense	157,000	147,000	(10,000)
643040	Contractual Expense			
	City Attorney			
	City Attorney Expense Paid to LACERS	30,000	31,500	1,500
	City Attorney Staff	700,000	700,000	-
	Legal Services: Fiduciary Counsel	100,000	100,000	-
	Legal Services: Legal Representation	50,000	50,000	-
	Legal Services: Real Estate and Investment Counsel	300,000	335,000	35,000
	Legal Services: Securities Litigation Counsel	35,000	-	(35,000)
	Legal Services: Tax Counsel	100,000	100,000	-
	Subtotal	1,315,000	1,316,500	1,500
	Communications & Education			
	Financial Planning Education - Venue	15,000	10,000	(5,000)
	Financial Planning Education Consultant	53,500	70,000	16,500
	Graphic Design Services	18,000	19,000	1,000
	Pre-Retirement Seminar Caterer	40,000	40,000	-
	Web Site Support Services	30,000	115,000	85,000
	Subtotal	156,500	254,000	97,500
	Department-wide			
	Contracted LAFPP Training	5,000	5,000	-
	Headquarters Contingency	50,000	-	(50,000)
	Neptune Building Property Management	-	511,000	511,000
	Photocopiers	30,000	30,000	-
	Records Retention	5,000	5,000	-
	Secure Shredding Services	4,500	4,500	-
	Vehicle Maintenance	5,000	2,300	(2,700)
	Workers Compensation	54,000	50,000	(4,000)
	Subtotal	153,500	607,800	454,300
	Disability Pension			
	Hearing Reporter	20,000	20,000	-
	Investigative Services	100,000	80,000	(20,000)
	Subtotal	120,000	100,000	(20,000)
	Executive			
	Actuarial Services	425,000	500,000	75,000
	Annual Offsite Meeting	10,000	10,000	-
	Fiduciary Liability Insurance	40,000	40,000	-
	Governance Consultant	20,000	20,000	-
	Pension Administration Benchmarking	-	20,000	20,000
	Subtotal	495,000	590,000	95,000
	Internal Audit			
	Financial Audit	82,000	82,000	-
	Subtotal	82,000	82,000	0
	Investments Division			
	Proxy Service	40,000	40,000	-
	Subtotal	40,000	40,000	-
	Medical and Dental Benefits			
	Health Consultant	75,000	225,000	150,000
	Subtotal	75,000	225,000	150,000

Acct No.	Account Titles	Adopted Budget 2017-18	Budget 2018-19	Change from 2017-18
<i>Retirement Services</i>				
	Investigative Services - Age 95+ Alive and Well Audit	40,000	-	(40,000)
	Subtotal	40,000	0	(40,000)
<i>Systems</i>				
	Disaster Recovery - Verizon Terremark	43,000	50,000	7,000
	EMC/AT&T	24,000	24,000	-
	IT Systems Security	30,000	-	(30,000)
	Offsite Media Storage	12,000	-	(12,000)
	OnPoint Enhancements	25,000	15,000	(10,000)
	OnPoint License & Maintenance	175,000	87,500	(87,500)
	Pension Administration System Consultant (LRWL)	390,000	217,200	(172,800)
	Pension Administration System (Conduent State & Local Solutions)	1,903,000	1,700,000	(203,000)
	Retiree Benefit Payment Services	300,000	225,000	(75,000)
	Subtotal	2,902,000	2,318,700	(583,300)
	Total Contractual Expense	5,379,000	5,534,000	155,000
643310	Transportation	6,000	6,000	-
644230	Medical Services (Disability Cases)	330,000	300,000	(30,000)
645180	Health Insurance	1,355,000	1,417,000	62,000
645190	Dental Insurance	60,000	60,000	-
645200	Other Employee Benefits	40,000	40,000	-
645360	Retirement Contribution ¹	2,997,000	3,081,000	84,000
645370	Medicare Contribution	177,000	176,000	(1,000)
645417	Election Expense ²	-	25,000	25,000
646010	Office and Administrative Expense			
	646010-01 Office & Administrative Expense	307,000	316,000	9,000
	646010-02 Office Supplies	77,000	74,000	(3,000)
	646010-03 Telephone, Internet, and Tablet Devices	125,000	117,000	(8,000)
	646010-05 Training Expense	77,000	73,000	(4,000)
	646010-06 Dues & Subscriptions	30,000	26,000	(4,000)
	646010-530 Computer & Peripheral	46,000	53,000	7,000
	Total Office and Administrative Expense	662,000	659,000	(3,000)
647300	Total Furniture, Office, & Technical Equip > \$5,000	20,000	-	(20,000)
649570	Tuition Reimbursement	20,000	41,000	21,000
	Sub-total Expense	11,271,000	11,558,000	287,000
649500	Unappropriated Balance (UB)	-	-	-
	TOTAL ADMINISTRATIVE EXPENSE	23,454,000	23,693,000	239,000

¹ 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 will begin 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.

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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, 2018, 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:

2017-18	2018-19	Change	Code	Title	Salary Range
2	2	0	1116	Secretary	(50,425 - 73,686)
2	2	0	1117-2	Executive Administrative Assistant II	(60,656 - 88,698)
1	1	0	1117-3	Executive Administrative Assistant III	(65,020 - 95,067)
1	1	0	1170-1	Payroll Supervisor I	(63,579 - 92,957)
1	1	0	1201	Principal Clerk	(55,332 - 80,930)
20	20	0	1203	Benefits Specialist	(55,332 - 80,930)
4	4	0	1358	Administrative Clerk	(37,584 - 54,935)
17	17	0	1368	Senior Administrative Clerk	(46,374 - 67,818)
1	2	1	1455-1	Systems Programmer I	(105,276 - 127,305)
1	1	0	1455-2	Systems Programmer II	(93,667 - 136,931)
1	1	0	1455-3	Systems Programmer III	(101,497 - 148,394)
7	7	0	1513	Accountant	(55,018 - 80,471)
1	1	0	1523-2	Senior Accountant II	(69,217 - 101,205)
1	1	0	1525-1	Principal Accountant I	(79,615 - 116,385)
1	1	0	1525-2	Principal Accountant II	(83,937 - 122,732)
1	0	-1	1555-1	Fiscal Systems Specialist I	(87,883 - 128,516)
1	1	0	1593-3	Departmental Chief Accountant III	(113,984 - 166,664)
6	6	0	1596	Systems Analyst	(70,156 - 102,562)
3	3	0	1597-1	Senior Systems Analyst I	(82,977 - 121,333)
2	2	0	1597-2	Senior Systems Analyst II	(102,666 - 150,127)
1	1	0	1610	Departmental Audit Manager	(123,067 - 179,944)
0	1	1	1625-2	Internal Auditor II	(70,156 - 102,562)
1	1	0	1625-4	Internal Auditor IV	(102,666 - 150,127)
3	3	0	9146-1	Investment Officer I	(95,442 - 139,541)
3	3	0	9146-2	Investment Officer II	(118,912 - 173,889)
1	1	0	9146-3	Investment Officer III	(149,563 - 218,655)
1	1	0	9147	Chief Investment Officer	(179,109 - 261,814)
2	2	0	9151	Chief Benefits Analyst	(123,067 - 179,944)
1	1	0	9167-1	Senior Personnel Analyst I	(86,339 - 126,199)
5	4	-1	9171-1	Senior Management Analyst I	(82,872 - 121,145)
7	7	0	9171-2	Senior Management Analyst II	(102,666 - 150,127)
1	1	0	9182	Chief Management Analyst	(123,067 - 179,944)
21	22	1	9184	Management Analyst	(70,156 - 102,562)
1	1	0	9267	General Manager	(168,627 - 298,876)
2	2	0	9269	Assistant General Manager	(141,462 - 206,837)
1	1	0	9375	Director of Systems	(123,067 - 179,944)
1	1	0	9734-2	Commission Executive Assistant II	(70,156 - 102,562)
126	127	1			

(b) Resolution Authority Positions:

2017-18	2018-19	Change	Code	Title	Salary Range
1	1	0	1539	Management Assistant	(49,903 - 72,996)
1	1	0	9184	Management Analyst	(70,156 - 102,562)
1	1	0	1203	Benefits Specialist	(55,332 - 80,930)
<u>3</u>	<u>3</u>	<u>0</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, shall be compensated at the fourth 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.

Section 6. 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.

CHANGE	No.	REASON FOR CHANGE
ADD/DELETE POSITION		
<u>Communications & Education</u>		
Management Analyst (New)	1	The new Management Analyst position will serve as the coordinator to the Financial Planning Education Program and to the new Financial Counseling Program.
Senior Management Analyst II (Upgrade)	1	Additional workload due to evaluation and update of existing programs, implementation of new Financial Counseling and Retiree Medicare Workshop programs, updates to MyLAFPP, and increased outreach.
Senior Management Analyst I	-1	
<u>Internal Audit</u>		
Internal Auditor II (Reallocation)	1	The Internal Auditor II position will have expanded audit role, including project management, and will assist in development of new audit techniques and report formats.
Senior Management Analyst II	-1	
<u>Systems</u>		
Systems Programmer I (Reallocation)	1	The Systems Programmer I position will be better aligned with the skill sets required for the Section's technical work and will increase the effectiveness of IT support services to the Department.
Fiscal Systems Specialist I	-1	
NET NUMBER OF POSITIONS	1	

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, 2018. 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)
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
Conduent State and Local Solutions, Inc. (Pension Administration System)
Conferences and seminars related to women in Information Technology
Government Finance Officers Association (GFOA)
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)
International Foundation of Employee Benefit Plans (IFEBC)
National Association of Investment Companies (NAIC)
National Association of Public Pension Attorneys (NAPPA)
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
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.