

November 25, 2024

The Honorable City Council
c/o Office of the City Clerk
Room 395, City Hall
Mail Stop 160

Honorable Members:

Subject: Approval of Salary Setting for Proposed New Duties Description Record for Investment Officer

This letter recommends the City Council approve the proposed salary setting for the proposed new Duties Description Record (DDR) for the classification of Investment Officer (IO), Class Code 9146, at the Los Angeles Department of Water and Power (LADWP). This approval is consistent with the bargaining instructions received and salary setting request approved by the Executive Employee Relations Committee (EERC) at its meeting on October 22, 2024.

The IO classification is currently represented by the LADWP Management Employees Association (MEA). LADWP and MEA (the Parties) have discussed the proposed salary and MEA agrees.

The IO classification is assigned to the LADWP Retirement Plan Office (RPO) and is necessary to the continued fiscal well-being of the Water and Power Employee's Retirement Plan (WPERP), a pension plan that has over \$20 billion in assets and is one of the most well-funded in the entire country. The fiscal health of the retirement plan is critical to the success of the LADWP.

Background

The IO job classification currently has two (2) DDR levels. The existing DDRs administer or assist in administering the investment or cash management functions for the LADWP's pension system; as well as develop investment strategies and procedures for all current and new asset classes across short, intermediate, and long-term investment horizons considering the forecasted LADWP pension funding needs. These similar responsibilities and duties are conducted by their counterparts at the Los Angeles City Employees' Retirement System (LACERS) and Los Angeles Fire and Police Pensions.

LADWP is seeking to add two positions at a new IO III level. LADWP proposes the new IO III DDR salary be set at the same level as the IO III at LACERS, since both perform similar work and are in the same classification.

The IO III will be responsible for assisting the Chief Investment Officer (CIO) in the administration and implementation of management and operational functions of the WPERP Investment Program, and any staff assigned thereto. The IO III will be immediately responsible for the Investment staff oversight, including the coordination, preparation and review of staff reports and other assignments for quality and completeness, administration of assigned projects including asset allocation, risk management and asset classes such as: Fixed Income; Domestic or International Equities; Private Equity; Private Credit; Private Real Estate and other Real Assets; Credit Opportunities; Commodities; and Hedge Funds. The IO III will also perform other duties related to the overall management of the WPERP Investment Section and report directly to the CIO; attend Board meetings and make presentations to the Board as needed; provide staff training on relevant topics; handle other assignments as requested by the CIO and Retirement Plan Manager; and represent the WPERP Investment Section in the absence of the CIO.

Salary Proposal

LADWP recommends the IO III salary be set at Salary Range 10234. The chart below is a summary of the current and proposed salaries at the top salary steps:

Classification/ DDR	Current		Proposed		Salary Range
	Monthly Salary	Annual Salary	Monthly Salary*	Annual Salary*	
IO III 95-91463	N/A	N/A	\$22,122.36	\$265,468.32	10234

*Salary is depicted at the top salary step (Step 5) of the MEA MOU for the Cost of Living Adjustment effective, October 1, 2024.

Fiscal Impact

There is no fiscal impact to the City's General Fund. LADWP expects to budget funds to cover the two (2) IO III positions.

The estimated average year over year financial impact associated with the two (2) IO III positions is approximately \$530,936.64.

Recommendation

LADWP respectfully requests approval from the City Council relative to the salary setting proposal summarized above for the new IO III DDR. Should you have any

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questions or require further information, please contact Mr. Thomas Simonovski,
Director of Labor Relations, at (213) 367-1951.

Sincerely,



Janisse Quiñones

Chief Executive Officer and Chief Engineer

JQ:lt/mm

Attachment

- c. Mr. Matthew Szabo, City Administrative Officer
- Mr. Paul A. Girard, Employee Relations Chief
- Ms. Tracey K. Pierce
- Mr. Thomas Simonovski

LETTER OF INTENT

Investment Officer III and Assistant Retirement Plan Manager

The Parties of this Letter of Intent (LOI) are the Los Angeles Department of Water and Power (LADWP) and the LADWP Management Employees Association (MEA).

As an outcome of the Joint Labor-Management Transformation Review and Action Council, the Parties have deemed that it is prudent to create a new salary level and associated Duties Description Record (DDR) within the Investment Officer (IO) classification at LADWP in order to optimize the organizational structure and to improve succession planning for the Investments Section of the Retirement Plan Office (RPO).

Upon the signing of this agreement, the Parties hereby agree they will mutually request the creation of a new IO III level and will negotiate appropriate changes to the IO I and II DDRs to be consistent with the new organizational structure in the RPO.

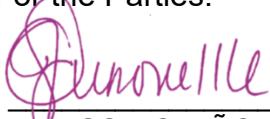
The Parties have agreed to the proposed IO III salary scale below and agree that the creation of this new IO level will not affect any "historic differentials" as referenced in MEA MOU article 13.1 to cause the need for salary adjustments of any other MEA-represented classifications.

	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
HOURLY	99.83	105.40	111.28	117.48	124.03
BIWEEKLY	7,986.40	8,432.00	8,902.40	9,398.40	9,922.40
MONTHLY	17,370.42	18,339.60	19,362.72	20,441.52	21,581.22
ANNUAL	208,445.04	220,075.20	232,352.64	245,298.24	258,974.64

The parties agree to review the Assistant Retirement Plan Manager salary and levels during the forthcoming Memorandum of Understanding (MOU) negotiations for the successor to the Management Employees Unit MOU, Term January 1, 2022, through December 31, 2025. Any tentative agreement reached shall be subject to approval by the Los Angeles City Council.

Any issues that arise during any part of the process of creating this new IO salary level and DDR will be resolved through the Transformation Review and Action Council or other joint labor-management process agreed upon by the Parties.

For the Parties:



JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer
Los Angeles Department of
Water and Power



NORMAN CAHILL
Interim President
Management Employees Association

Date: 7/18/2024

Date: 7/23/2024