



TO SERVE THOSE WHO PROTECT

# 2022-23 Preliminary Budget

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RAYMOND  
CIRANNA  
General Manager



# 1

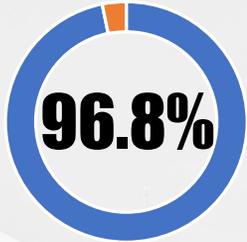
## ANNUAL REPORT JUNE 30, 2021 HIGHLIGHTS

### \$30.7 B

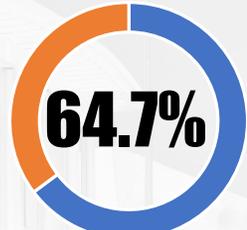
FUND ASSETS  
AS OF JUNE 30, 2021

### \$2.1 B

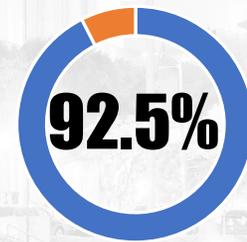
UNFUNDED LIABILITY FOR  
PENSION & HEALTH BENEFITS



PENSION  
FUNDING



HEALTH  
FUNDING



COMBINED  
FUNDING

TOTAL MEMBERS<sup>1</sup>  
**26,350**

RETIRED MEMBERS AND  
BENEFICIARIES<sup>2</sup>

**13,527**

ACTIVE MEMBERS

**12,823**

Average Monthly Pension Payments

Service  
Pension

**\$7,171**

Disability  
Pension

**\$5,360**

Survivor  
Pension

**\$4,875**

MONTHLY HEALTH SUBSIDIES

MAXIMUM NON-  
MEDICARE SUBSIDY

**\$1,920.41**

MAXIMUM  
MEDICARE SUBSIDY

**\$564.92**

<sup>1</sup> Does not include Vested Terminated members

<sup>2</sup> Includes Service Retirement, Disability, and Survivor Benefits

# 2

## FUNDING STATUS

JUNE 30, 2021

HEALTH  
64.7%

PENSION  
96.8%



# 3

## RECEIPTS 2022-23 PRELIMINARY BUDGET AND 5-YEAR HISTORY

# \$1.35 B

## TOTAL PRELIMINARY RECEIPTS

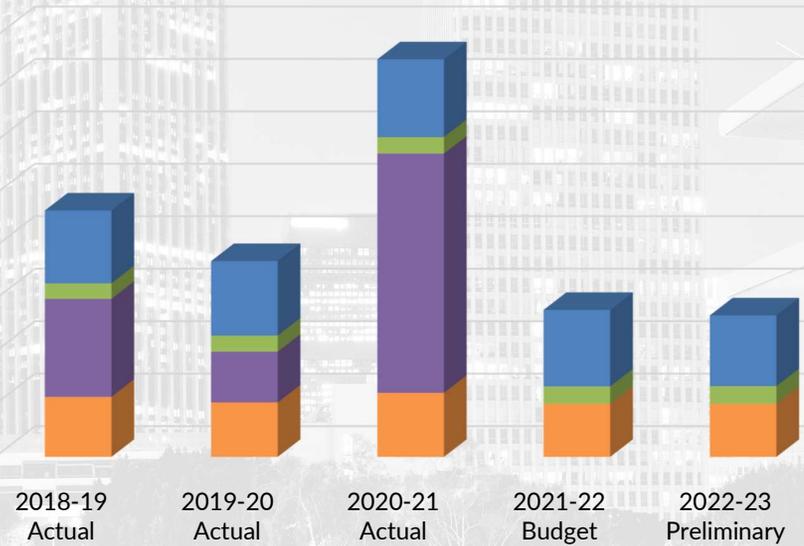
### Five-Year History of Receipts

### 2022-23 Preliminary Receipts

- City (Employer) Contribution
- Member Contributions
- Investment Earnings\*\*



In Millions  
\$4,000  
\$3,500  
\$3,000  
\$2,500  
\$2,000  
\$1,500  
\$1,000  
\$500  
\$0

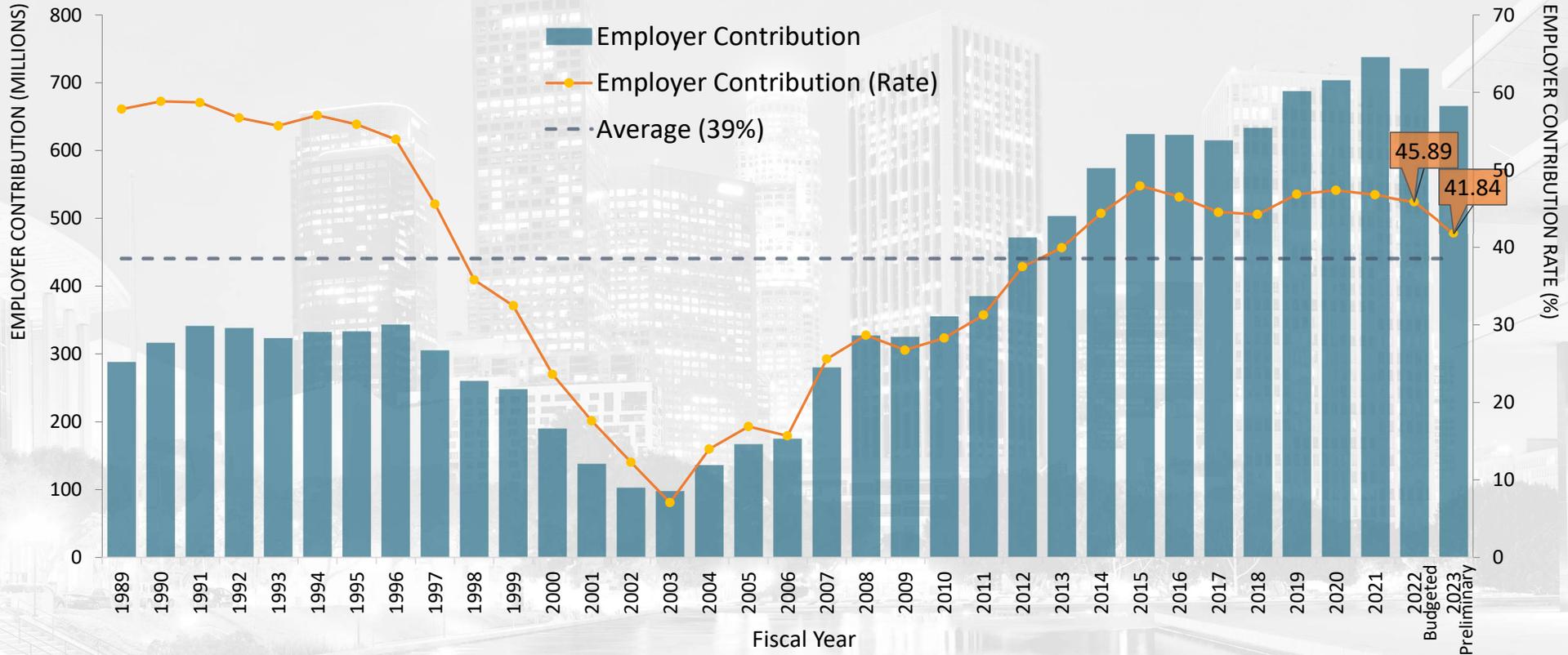


- City (Employer) Contribution
- Member Contributions
- Gain/Loss on Sale of Investments
- Earnings on Investments

Receipts also include Miscellaneous revenue, which is not shown here. Gain (Loss) on Sale of Investments is recorded in LAFPP financial statements after the amount is audited and therefore not included in budget amounts. Graphs exclude Excess Benefit Plan (EBP) amount. Total amounts and percentages may be rounded.

# 4

## GENERAL FUND EMPLOYER CONTRIBUTIONS\* 35-YEAR HISTORY

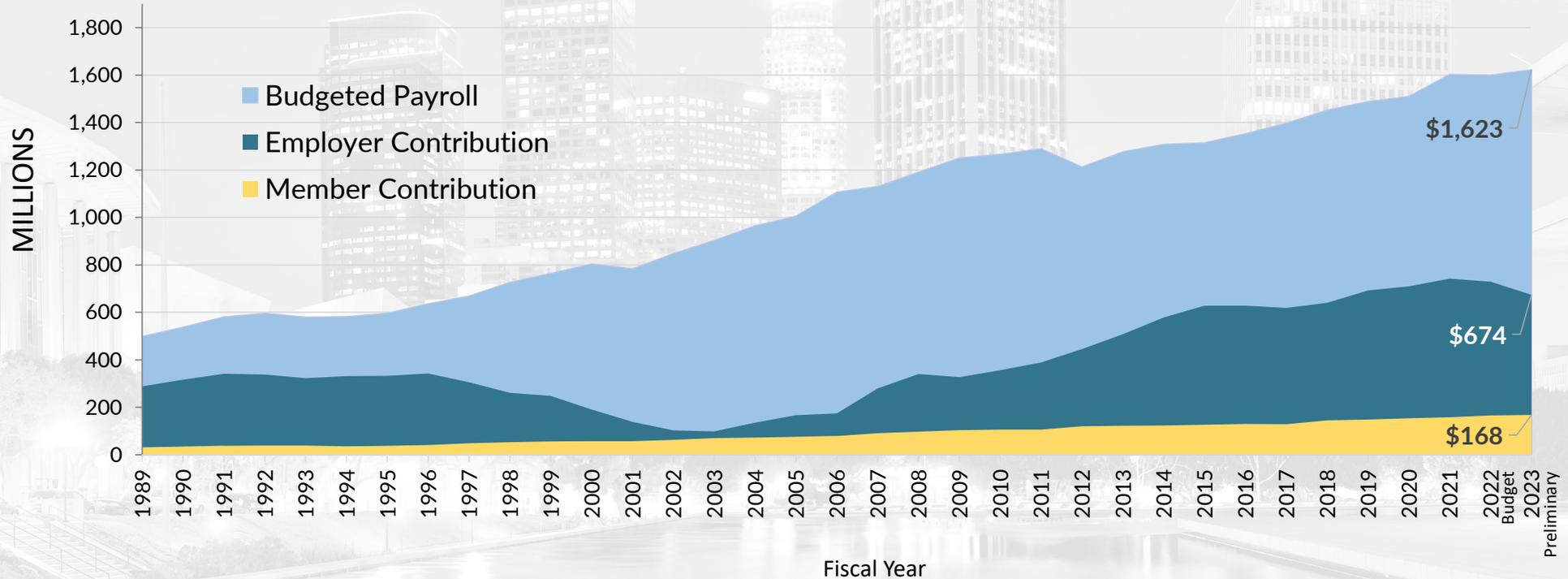


\* General Fund Employer Contribution excludes Excess Benefit Plan (EBP) amount.

# 5

## PAYROLL & CONTRIBUTIONS\* 35-YEAR HISTORY

$$\text{Employer Contribution} = \text{Contribution Rate} \times \text{Budgeted Payroll}$$



\* Employer Contribution excludes Excess Benefit Plan (EBP) amount.

# 6

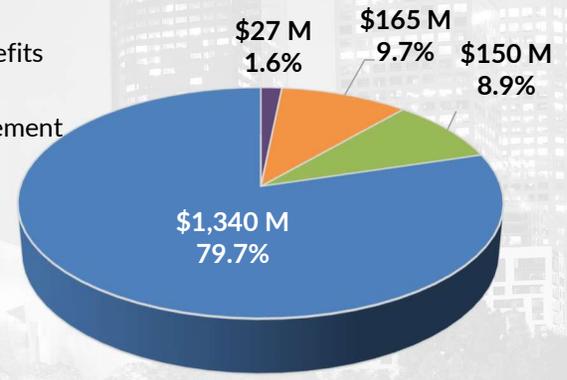
## EXPENDITURES 2022-23 PRELIMINARY BUDGET AND 5-YEAR HISTORY

# \$1.68 B

## TOTAL PRELIMINARY EXPENDITURES

### 2022-23 Preliminary Expenditures

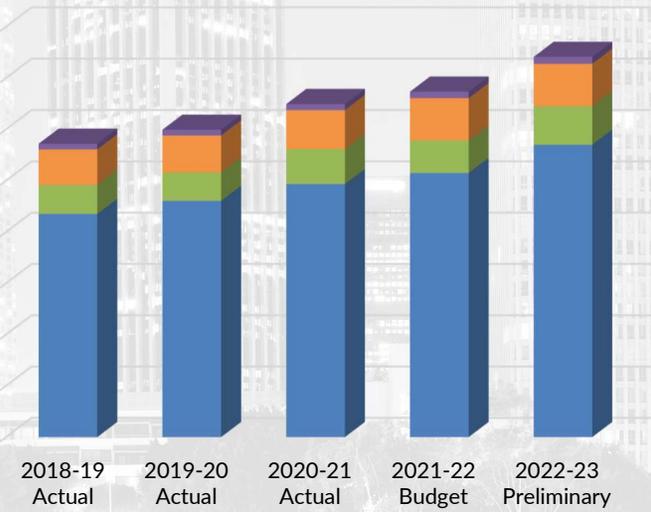
- Administrative Expense
- Health (OPEB) Benefits
- Investment Management Expense
- Pension Benefits



### Five-Year History of Expenditures

In Millions

\$1,800  
\$1,600  
\$1,400  
\$1,200  
\$1,000  
\$800  
\$600  
\$400  
\$200

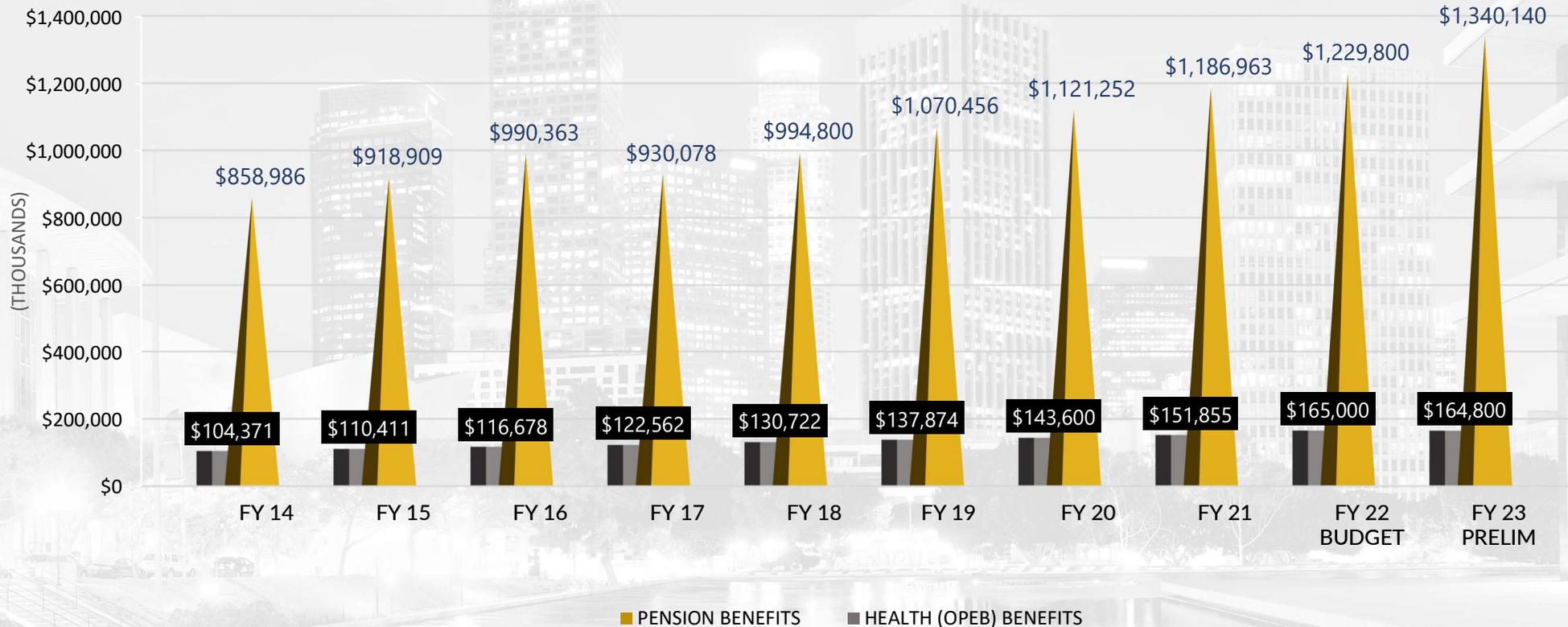


- Administrative Expense
- Health (OPEB) Benefits
- Investment Management Expense
- Pension Benefits

Pension and Health (OPEB) Benefits are non-discretionary expenses. Salaries and employee benefits as part of Administrative Expense are also non-discretionary expenses. Total amounts and percentages may be rounded.

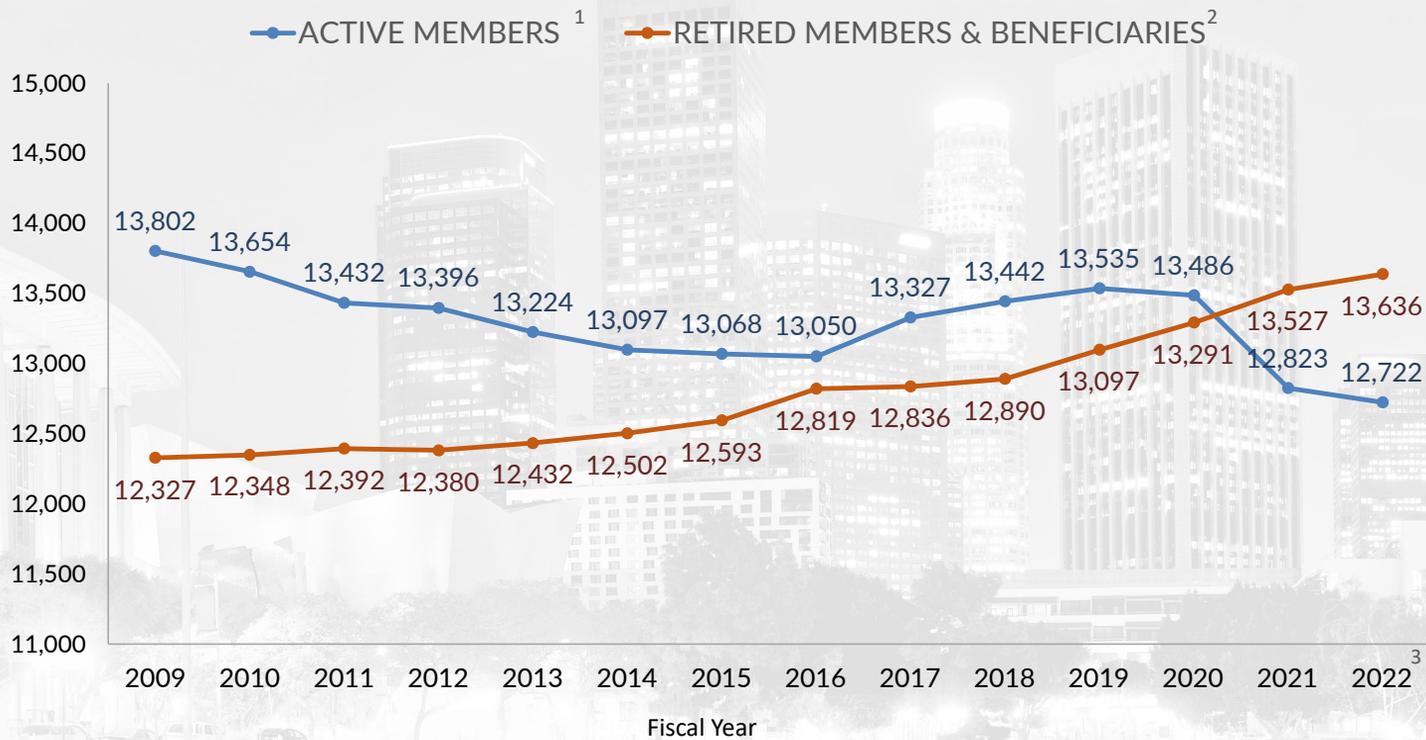
# 7

## PENSION AND HEALTH (OPEB) BENEFITS 10-YEAR HISTORY



# 8

## LAFPP MEMBERSHIP



**TOTAL MEMBERS**  
**26,358**

December 31, 2021

**ACTIVE MEMBERS**  
**12,722**

**SERVICE PENSIONERS**  
**9,434**

**DISABILITY PENSIONERS**  
**1,684**

**SURVIVOR PENSIONERS**  
**2,518**

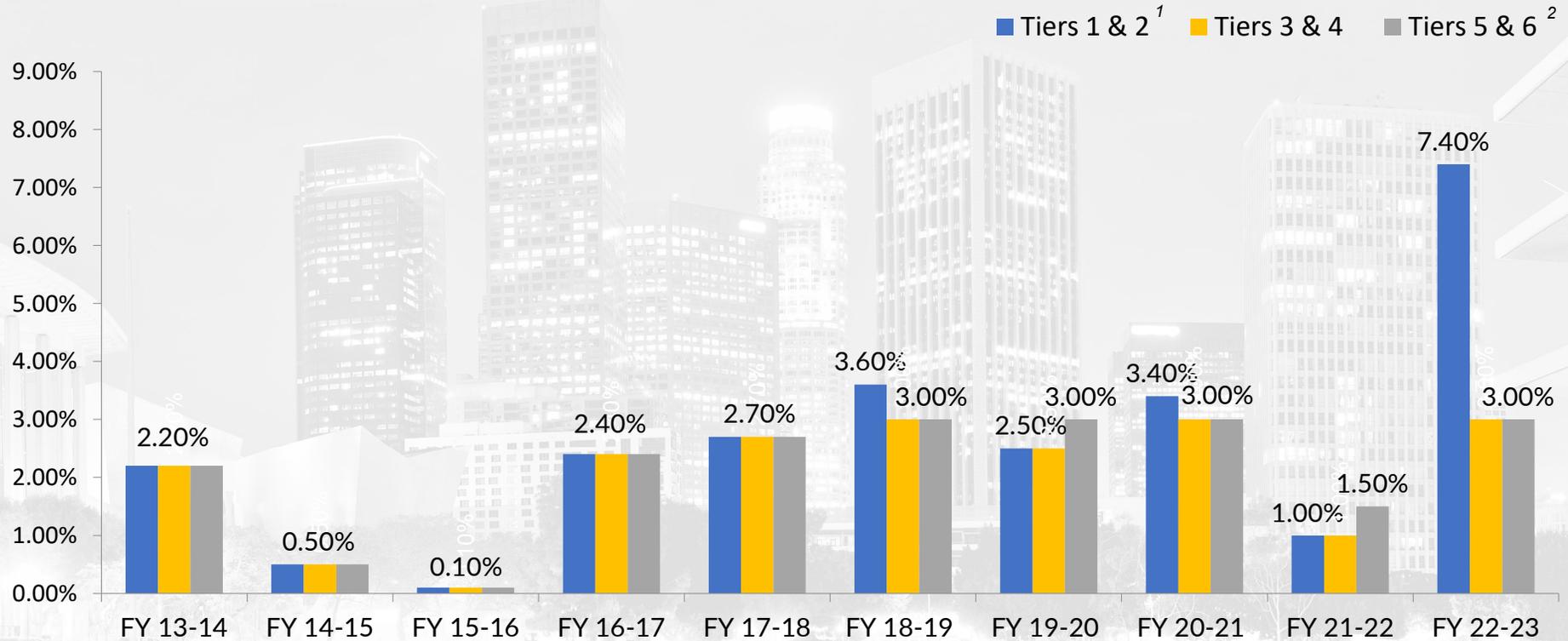
<sup>1</sup> Does not include Vested Terminated members.

<sup>2</sup> Includes Service Retirement, Disability, and Survivor Benefits.

<sup>3</sup> Fiscal Year 2022 figures are as of December 2021.

# 9

## ANNUAL COST OF LIVING ADJUSTMENTS 10-YEAR HISTORY

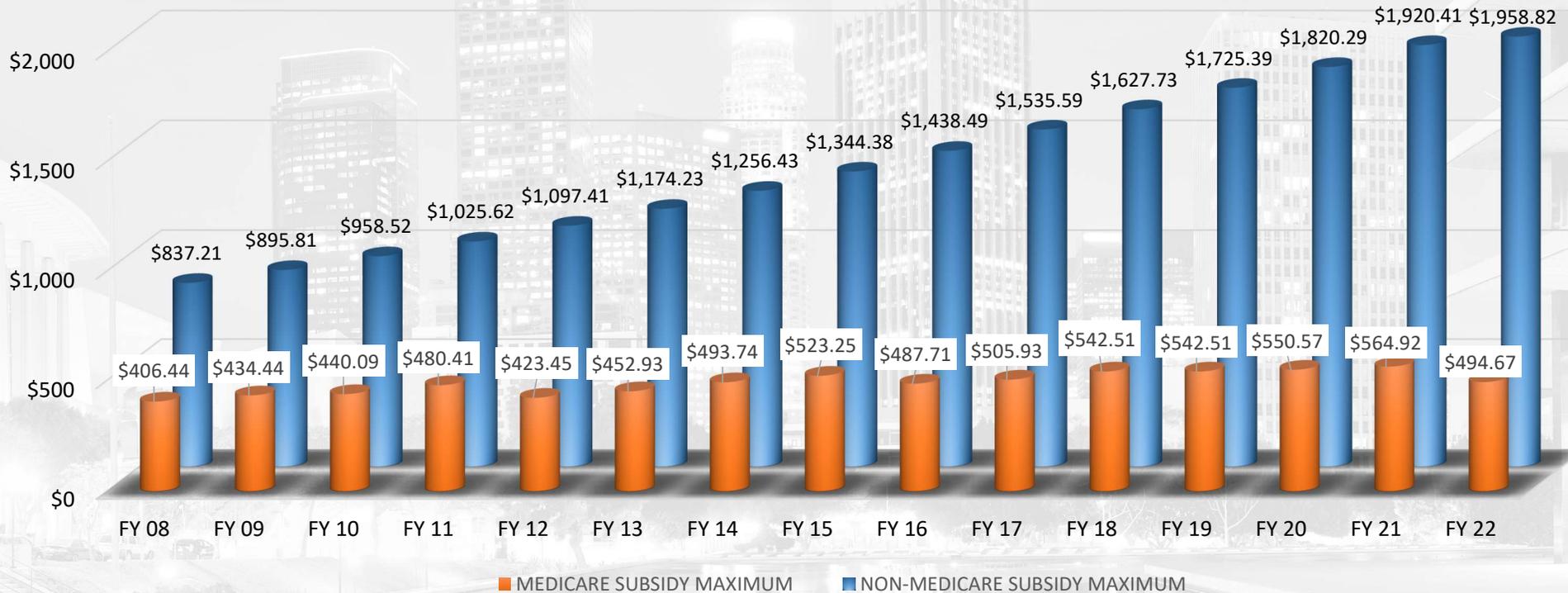


<sup>1</sup> Tiers 1 and 2 pensioners have an uncapped COLA.

<sup>2</sup> Qualified Tiers 5 and 6 pensioners, including Tier 5 DROP participants, are entitled to a COLA bank. These members will receive an increase of up to 3 percent, based on the accumulation in their COLA bank.

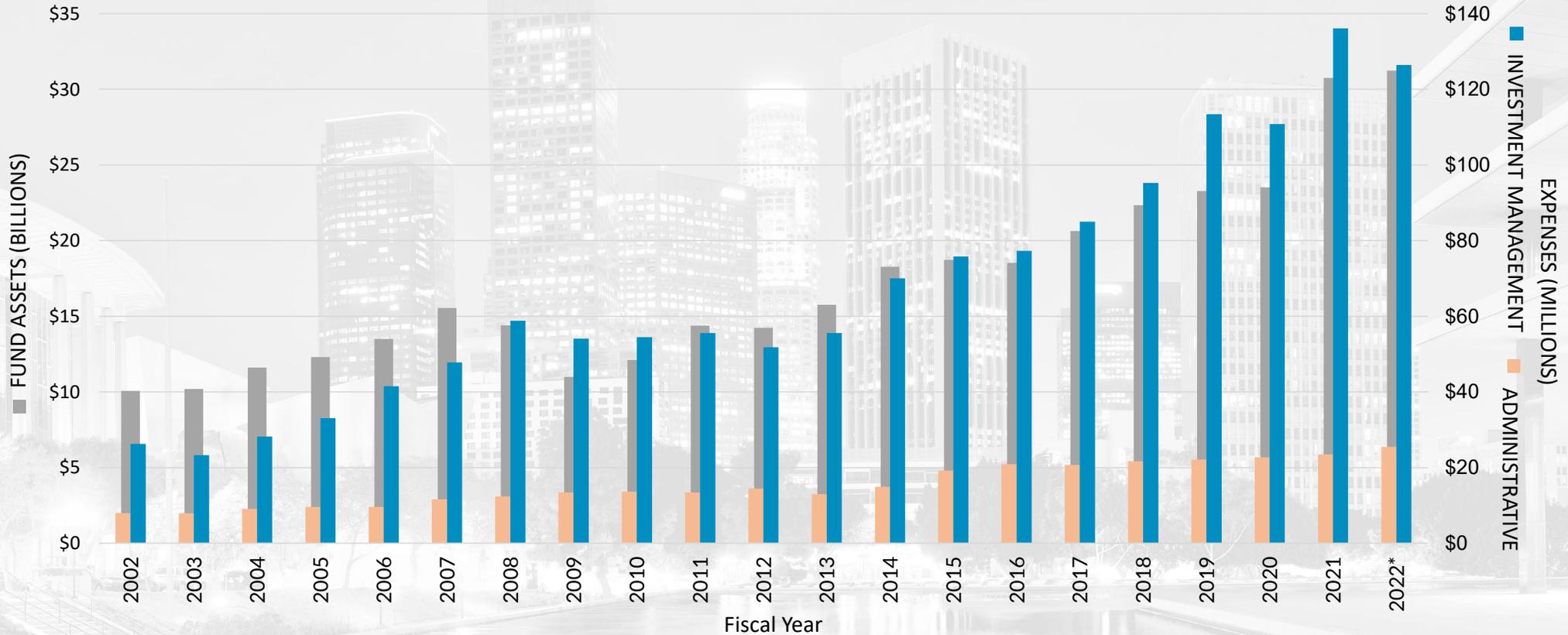
# 10

## MAXIMUM HEALTH INSURANCE PREMIUM SUBSIDIES BENEFIT 15-YEAR HISTORY



# 11

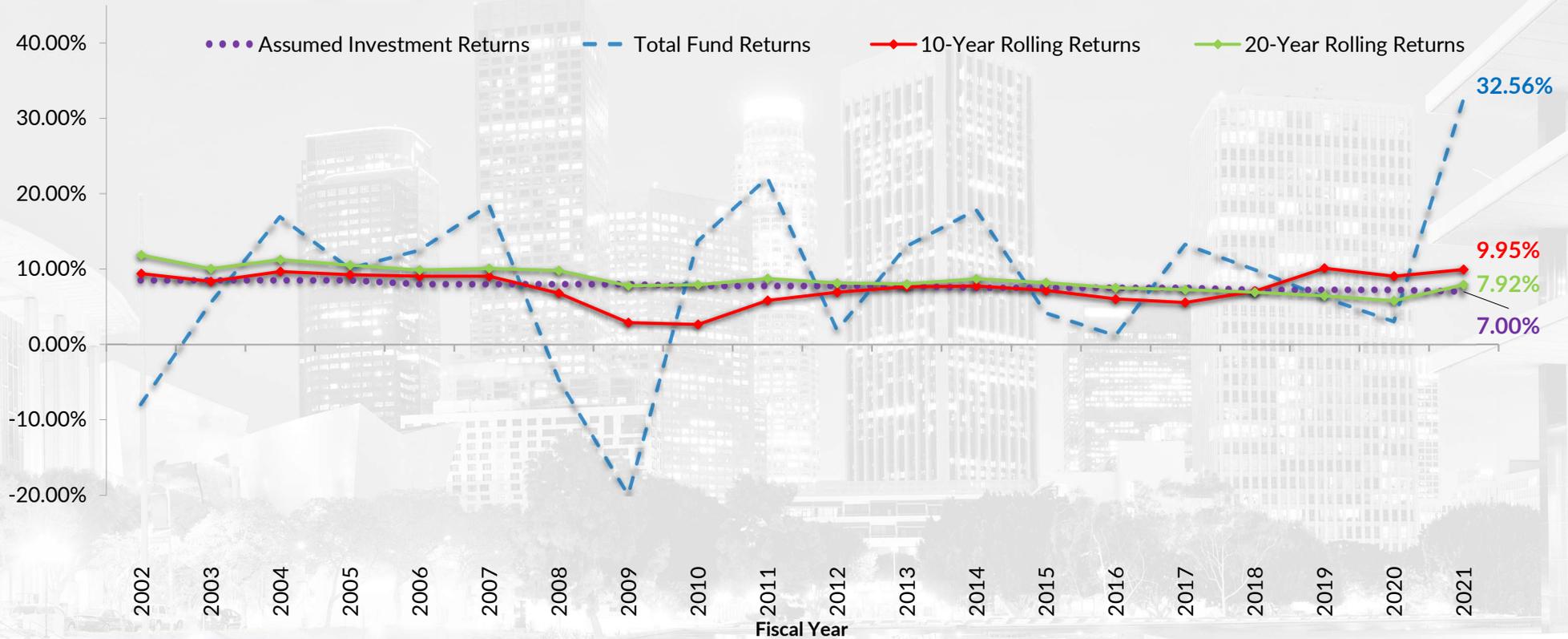
## ASSETS AND EXPENSES 20-YEAR HISTORY



\* Fund assets are as of March 31, 2022 (unaudited).

# 12

## RATE OF RETURN 20-YEAR HISTORY



**1.77%**

FYTD RETURN\*  
\*UNAUDITED AS OF MARCH 31, 2022

## Ensure a Financially Sound Retirement System

1. Implementation of 115 Trust in Financial Reporting
2. Implementation of New Global Credit Mandate
3. Implementation of Asset Allocation Plan

## Manage Risk Throughout the Organization

4. Internal Audit Risk Assessment Framework
5. Enterprise-Wide Cyber Security Program

## Enhance Customer Care and Stakeholder Relations

6. Rollovers of Refund of Contributions via Wire Transfer
7. Engaging Early-Career Members to Plan for Retirement

## Pursue Operational Efficiencies

8. Disability Claims Management System Review
9. Elimination of the Deceased Members Database
10. Unclaimed Final Checks

## Build and Support a Talented Workforce

11. Reinforcing Employee Connections and Organizational Culture in a Hybrid Workforce
12. Permanent Hybrid Workforce

## Promote Diversity Equity and Inclusion (DEI) Throughout the Organization including Our Investment Portfolio and Business Partners

13. Institutional Limited Partners Association Diversity in Action Initiative

## ESG Policy

- Institutional Limited Partners Association Diversity in Action Initiative
- Sustainable Investment Review and Engagement of Portfolio

## Proxy Voting Policies

- Comprehensive proxy voting policy that includes provisions for reporting on race and gender pay equality, climate change issues, board inclusiveness, environmental and sustainability practices

## Specific Investments

- Over 90% of our Public Assets are managed by Investment Managers with ESG Policies incorporated into the investment process

## Real Estate

- LAFPP Headquarters - Gold LEED Certification
- LAFPP Real Estate Core Portfolio GRESB Score of 81, higher than the global average of 73 (GRESB IS the global environmental, social and governance benchmark for real assets)



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# Questions?

