

PERSONNEL, AUDITS, AND HIRING COMMITTEE REPORT relative to Department of Fire and Police Pensions (LAFPP) Annual Report for Fiscal Year (FY) 2021-22

Recommendation for Council action:

NOTE and FILE the April 4, 2023 LAFPP report, inasmuch as this report is for information only and no Council action is required.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

Summary:

On September 19, 2023, your Committee considered an April 4, 2023 LAFPP report relative to the LAFPP Annual Report for FY 2021-22. According to the LAFPP, as of June 30, 2022, pension benefits were actuarially funded at 98.0% and health subsidy benefits were funded at 74.3 %. The combined funding status is 95.0 %. The Fund, over the one-year trailing period, outperformed our target allocation index, returning- 7.23% vs. 8.70%, and ranked in the 25th percentile among peers. Longer-term total Fund performance remains strong with the Plan outperforming its benchmark and ranking in the top decile versus peers over the trailing three-, five-, seven-, and ten-year periods. Prior to the market downturn, LAFPP made asset allocation decisions that lowered the Plan's risk profile. Such strategic and long-term approaches have proven to be the best safeguard to ensure the continued strength of LAFPP to pay promised benefits. After consideration and having provided an opportunity for public comment, the Committee moved to note and file the LAFPP report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Personnel, Audits, and Hiring Committee

COUNCILMEMBER VOTE

McOSKER: YES

PADILLA: YES

SOTO-MARTINEZ: YES

ARL

9/19/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-