

**LOS ANGELES FIRE DEPARTMENT
BUDGET AND FINANCE COMMITTEE
FY 2019-20 BUDGET
MAY 1, 2019**

**SB 523: GROUND EMERGENCY MEDICAL TRANSPORT (GEMT),
MANDATORY QUALITY ASSURANCE FEE (QAF)**

- State Department of Health Care Services administers mandatory QA Fee program
 - Program Goals
 - Obtain additional federal financial participation for Medi-Cal program
 - Provide additional reimbursement to EMS transport providers to support quality improvement efforts
- LAFD Annual QA Fee of approximately \$6M (based on \$25.23/transport). Quarterly Transfer of \$1.5M to State to Obtain Matching Federal Medicare Funds.
- City to Receive Additional \$228.20 Per Medi-Cal Transport (in addition to the current \$118.20/Medi-Cal Transport reimbursement)
- QAF Program Retroactive to July 1, 2018. Approximately \$2M Additional Revenue For July 1, 2018 – March 31, 2019 Medi-Cal Transports
- Approximately \$5M - \$6M Additional Revenue Each Fiscal Year for Medi-Cal Transports

NEW REVENUE: Ground Emergency Transport (GEMT) Quality Assurance Fee (QAF)	\$2,000,000
Cost of Requested Items	\$1,674,744
Balance to General Fund	\$ 325,256

FY 2019-20 Budget: Critical LAFD Requests
 (Position Requests for Six Months Funding Unless Noted)

	Item	Cost	Notes
1	BLS Rescue Ambulances – 12 Firefighter III	\$481,901	RA 839 (Van Nuys) RA 813 (Pico-Union/Koreatown) Three months funding
2	Marine Battalion Chief	\$95,144	Reduce span of control in Battalion 6 (11 stations versus 6 at other battalions). BC will manage all POLA related issues, 4 Marine Fire Stations, and all personnel issues to reduce grievances and litigation. Awaiting POLA response to 50% full cost recovery proposal.
3	Senior Arson Investigator – Firefighter III	\$66,315	Additional position to keep pace with increasing workload
4	CAD Support – Captain I	\$74,177	Address delays in CAD and dispatch-related technology projects implementation
5	Operations Valley Bureau - Headquarters	\$0- Item Deleted	Project cost will be included in the potential Public Safety Bond Initiative
6	Fire Inspection Management System (FIMS) Project: – Programmer Analyst V; V-Hours	\$135,391	Civilian position plus \$75K for sworn variable staffing overtime for FIMS project development and maintenance
7	Oil Well Fire Safety Inspections – Fire Inspector I	\$64,425	Additional Inspector to ensure inspection compliance with State mandated regulations. FEE SUPPORTED
8	Cannabis Enforcement Program Expenses	\$340,150 to MICLA (10 vehicles) \$104,500 Operating Budget (Expense Items)	Add \$340,150 to MICLA to fund 10 additional vehicles Fund expense items for 10 Inspectors (e.g., computers, mobile devices, field inspection equipment. Reimbursed as part of CAP rate.)
9	Standards of Cover Study	\$200,000	Add \$200K to Proposed Budget amount of \$200K for \$400K total for SOC consultant study contract.
10	Organizational Study – Mayor's Innovation Team	\$250,000	Workplace Environment Assessment to support positive workplace and existing zero tolerance policies
11	Youth Program Staffing – Firefighter I	\$140,491 [Revision from \$215,491; deleted \$74K expenses]	Goal of 1 Firefighter per Magnet High School. Currently, 4 Magnet High Schools, to be increased to 5, with only 2 Firefighter coordinators. [Fire Foundation will fund Youth Program \$74K expense items.]
12	Cadet to Firefighter Program	\$62,400	Hire 8 Part-Time Cadets from existing Cadet Posts as the 3 rd person on a Rescue Ambulance for on-the-job training and preparation for Firefighter.
13	A. Personnel Analyst B. Management Analyst	\$0	Position Authorities without funding to address significant increased workload in personnel services and revenue reimbursement analysis and processing.
	TOTAL COST	\$1,674,744	Excludes \$340,150 MICLA request for Cannabis Inspector Vehicles



Making our Sidewalk Safe

StreetsLA is exploring several options to address interim repair/remediation to reduce tripping hazards until a more permanent repair is performed later.

- Temporary or short term maintenance measures may include:
 - Patching
 - Wedging
 - Grinding
 - Widening Tree Well and Meandering Sidewalk
 - Stenciling
- Types of materials that may be used:
 - Asphalt
 - Quick-mix cement
 - Asphalt with Concrete Dusting
 - Cement Mortar Overlay

Date: 5/2/19

Submitted in BF Committee

Council File No: 19-0600

Item No.: 1

Deputy Cam from B. Street
Services



Making our Sidewalk Safe

Patching with asphalt



Before



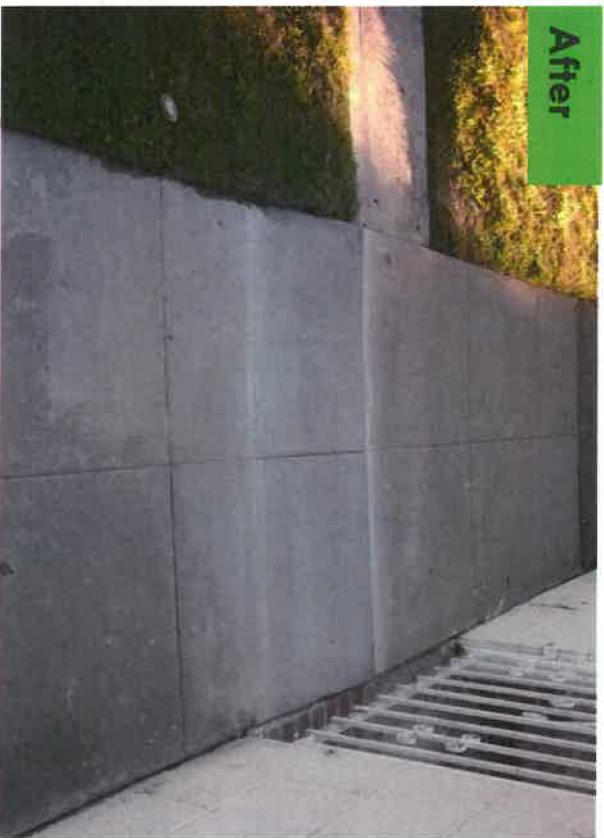
After

Location: 1340 S. Hill Street



Making our Sidewalk Safe

Wedging/Ramping with concrete mix

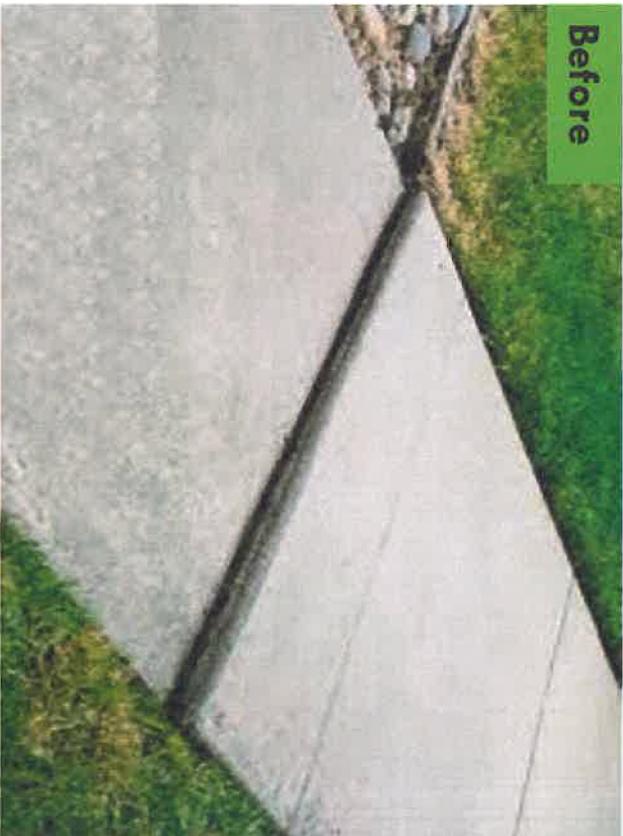


Location: 1558 W. 64th St.



Making our Sidewalk Safe

Grinding



Sample Photo – Address not available



Making our Sidewalk Safe

Widening Tree Well and Meandering Sidewalk with Asphalt and Concrete Dusting

Before



After



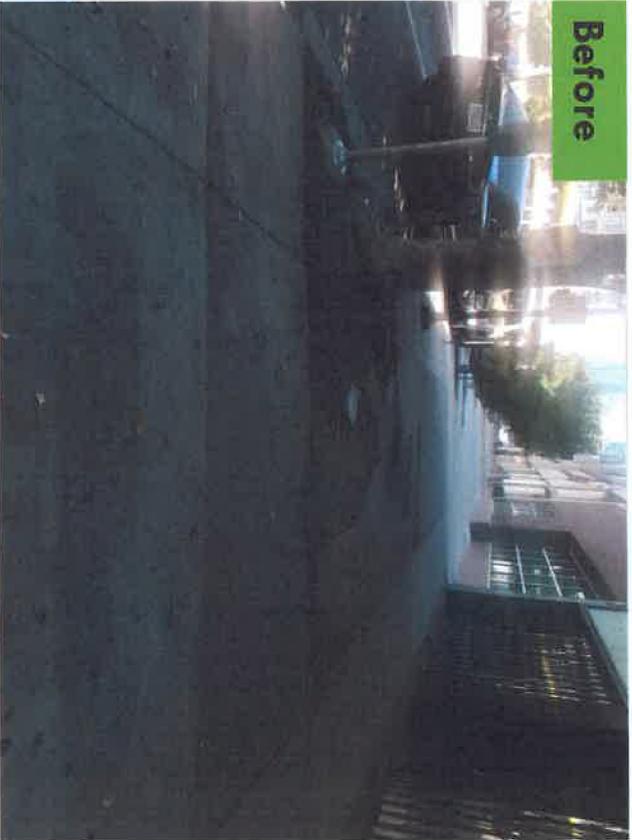
Location: 1251 N. Cherokee Ave.



Making our Sidewalk Safe

Asphalt with Concrete Dusting / Widen Tree Well

Before



After



Location: 1040 S. Olive Street



Making our Sidewalk Safe

Cement Mortar Overlay

Before



After



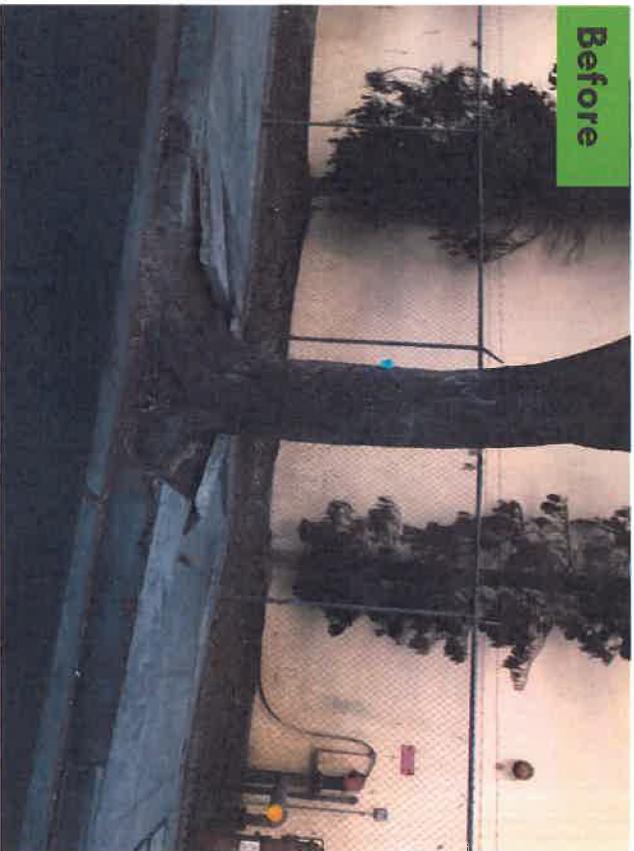
Location: 4225 Allott



Making our Sidewalk Safe

Widen Tree Well with Permanent Concrete Repair

Before



After



Location: Avenue 19 (Between N. Broadway & Pasadena Ave.)



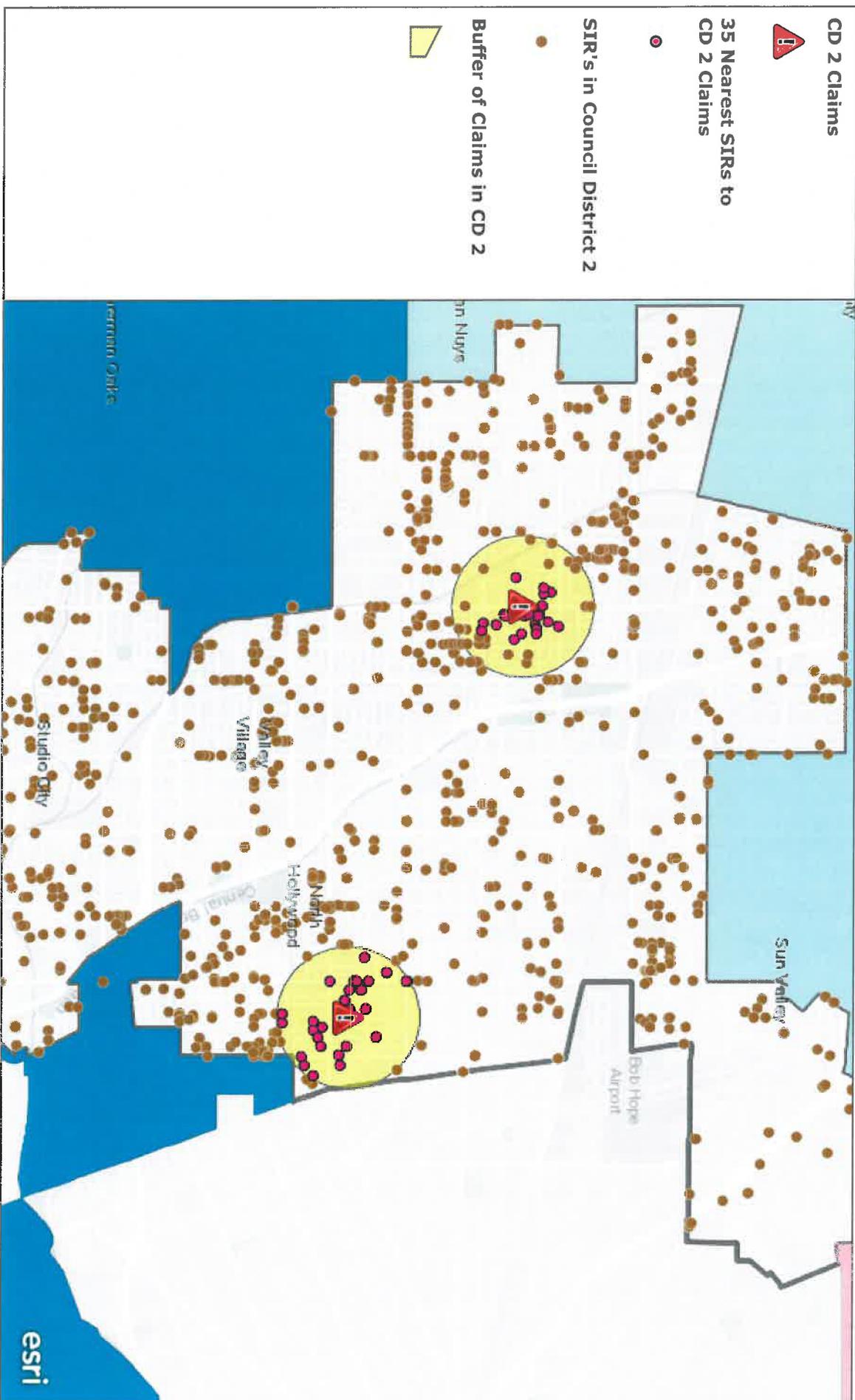
Making our Sidewalk Safe

Stenciling

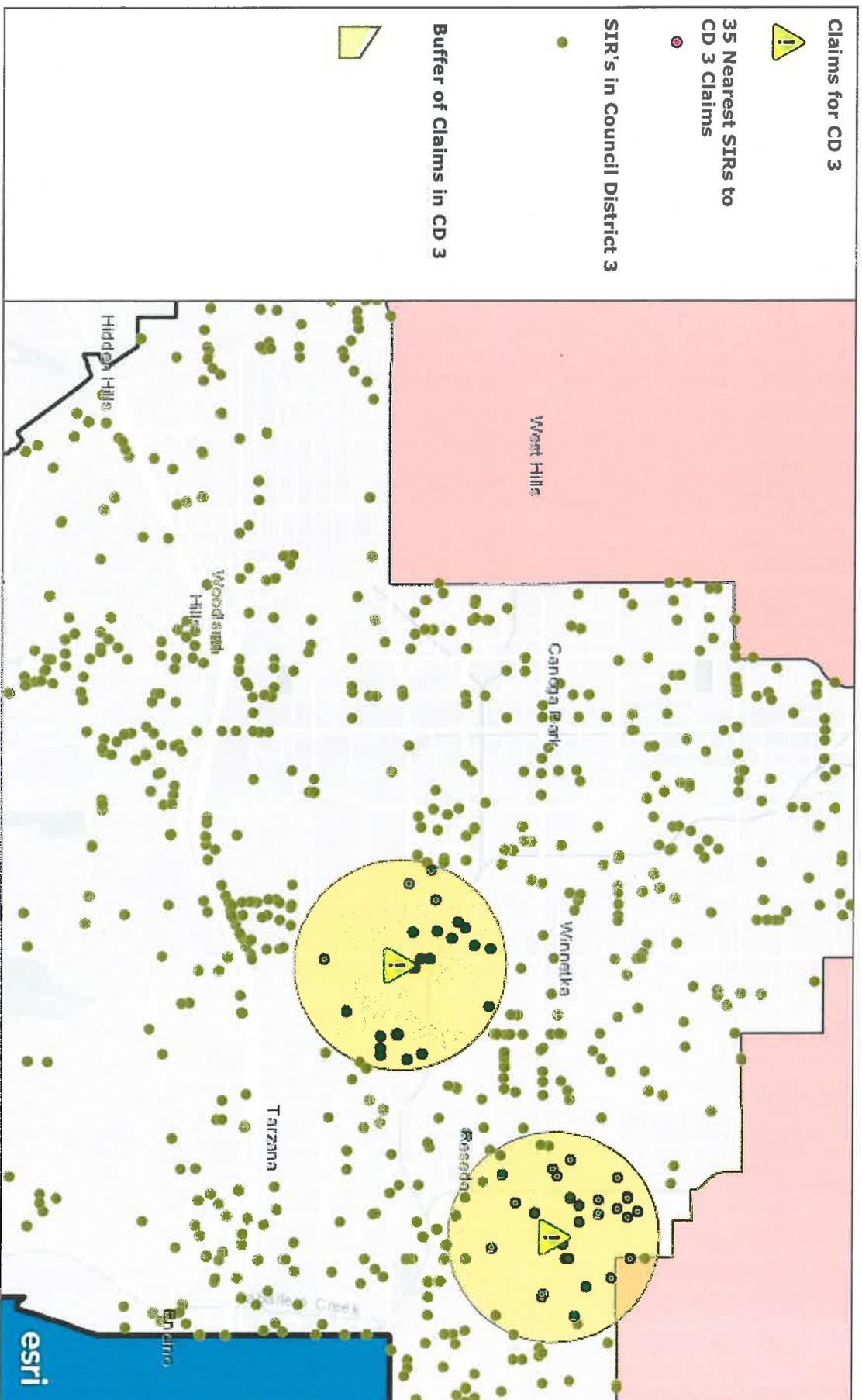


Sample Photo – Address not available

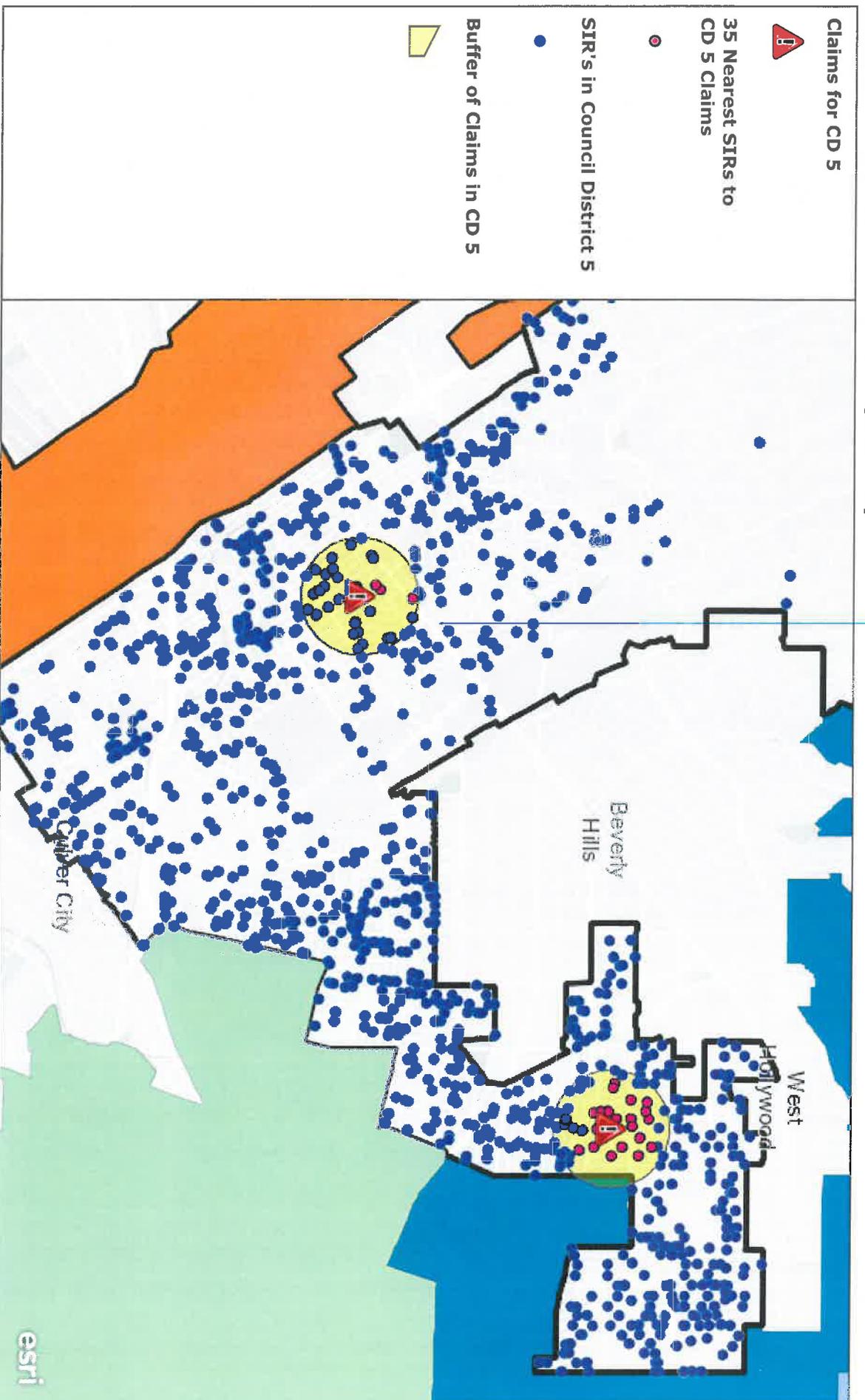
Council District 2 Sidewalk Repair Map



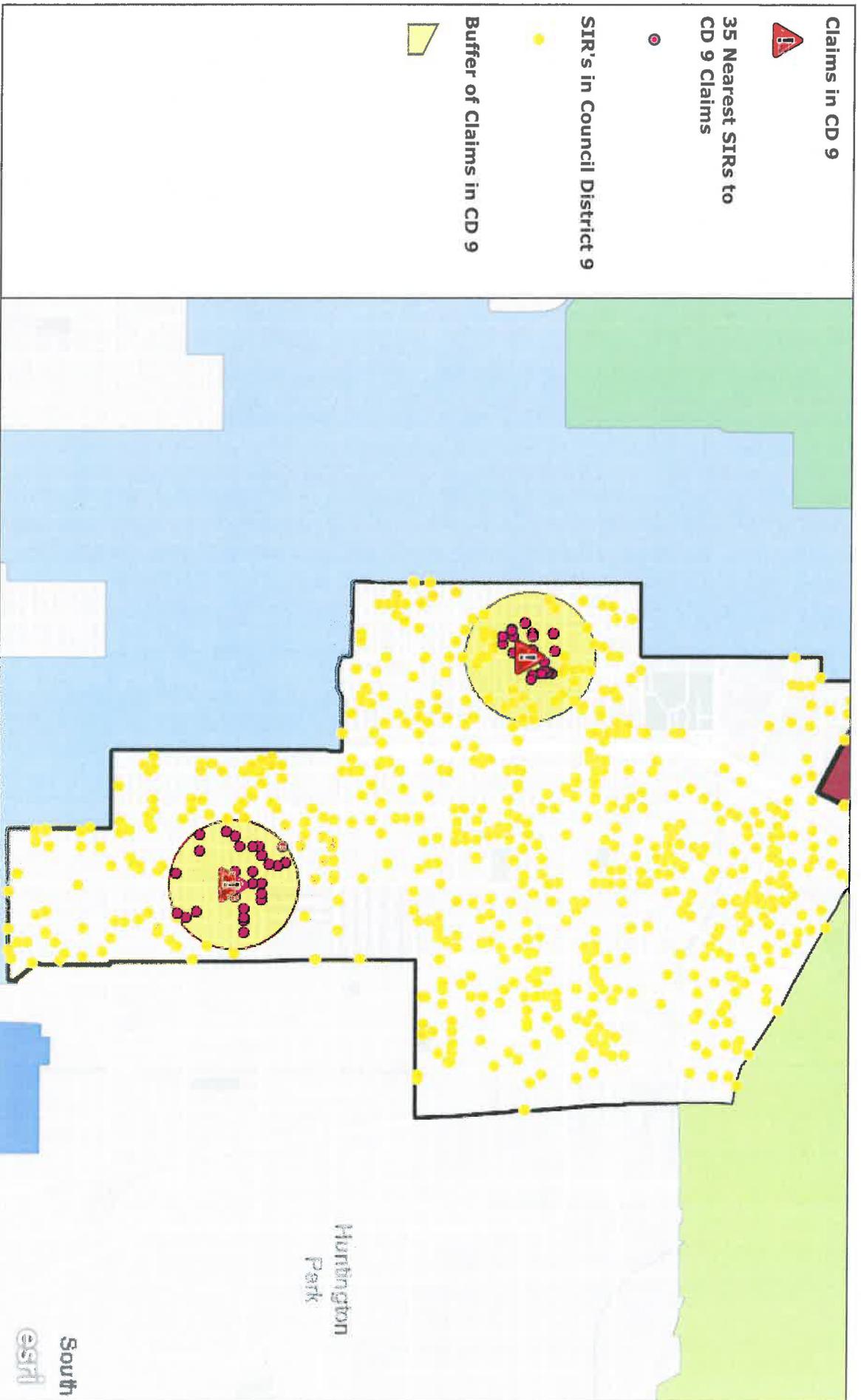
Council District 3 Sidewalk Repair Map



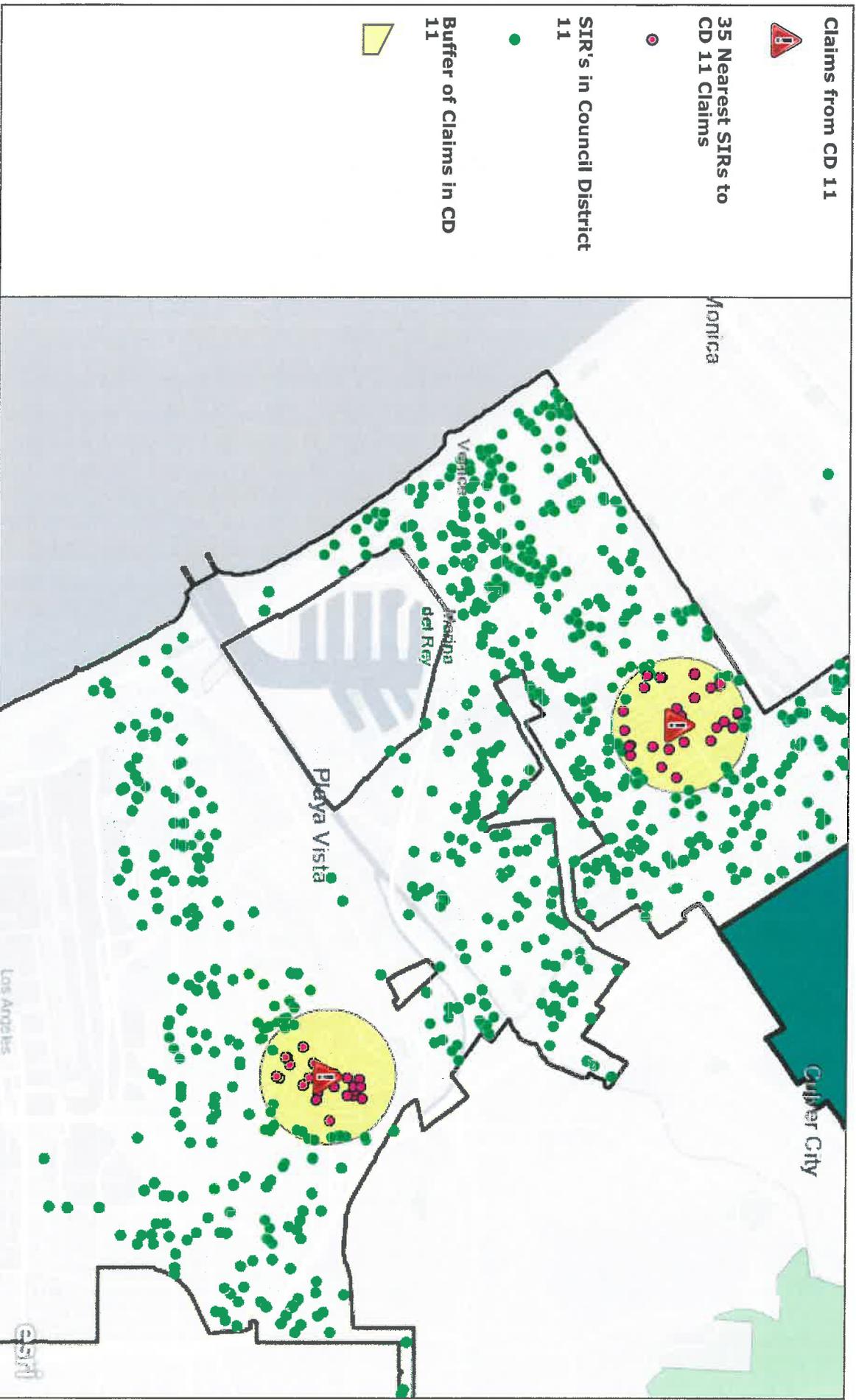
Council District 5 Sidewalk Repair Map



Council District 9 Sidewalk Repair Map



Council District 11 Sidewalk Repair Map



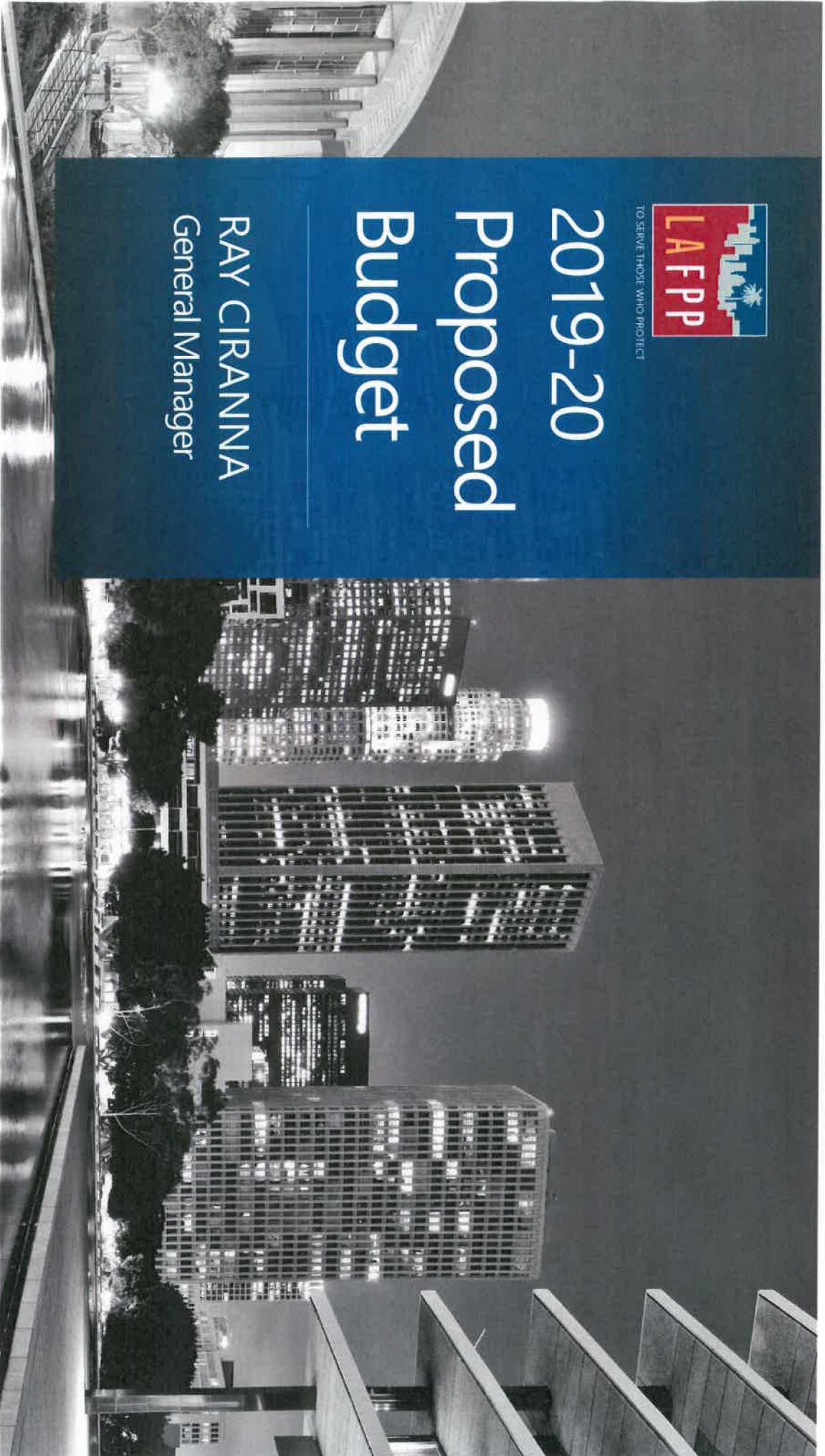


TO SERVE THOSE WHO PROTECT

2019-20

Proposed Budget

RAY CIRANNA
General Manager

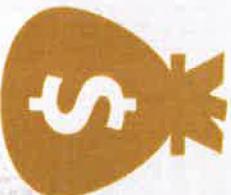


1

ANNUAL REPORT HIGHLIGHTS

\$22.3 B

FUND ASSETS ON JUNE 30, 2018



9.91%

FUND RETURN ON JUNE 30, 2018

\$3.25 B

UNFUNDED LIABILITY FOR PENSION & HEALTH BENEFITS



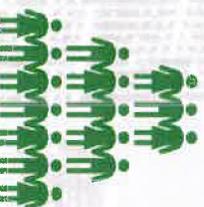
PENSION FUNDING



HEALTH FUNDING



COMBINED ACTUARIAL FUNDING



RETIRED MEMBERS AND BENEFICIARIES

12,890



ACTIVE MEMBERS

13,442

TOTAL MEMBERS

26,332

2 ANNUAL REPORT HIGHLIGHTS

COLA 2.7%

FY 2017-18



Average Monthly Pension Payments

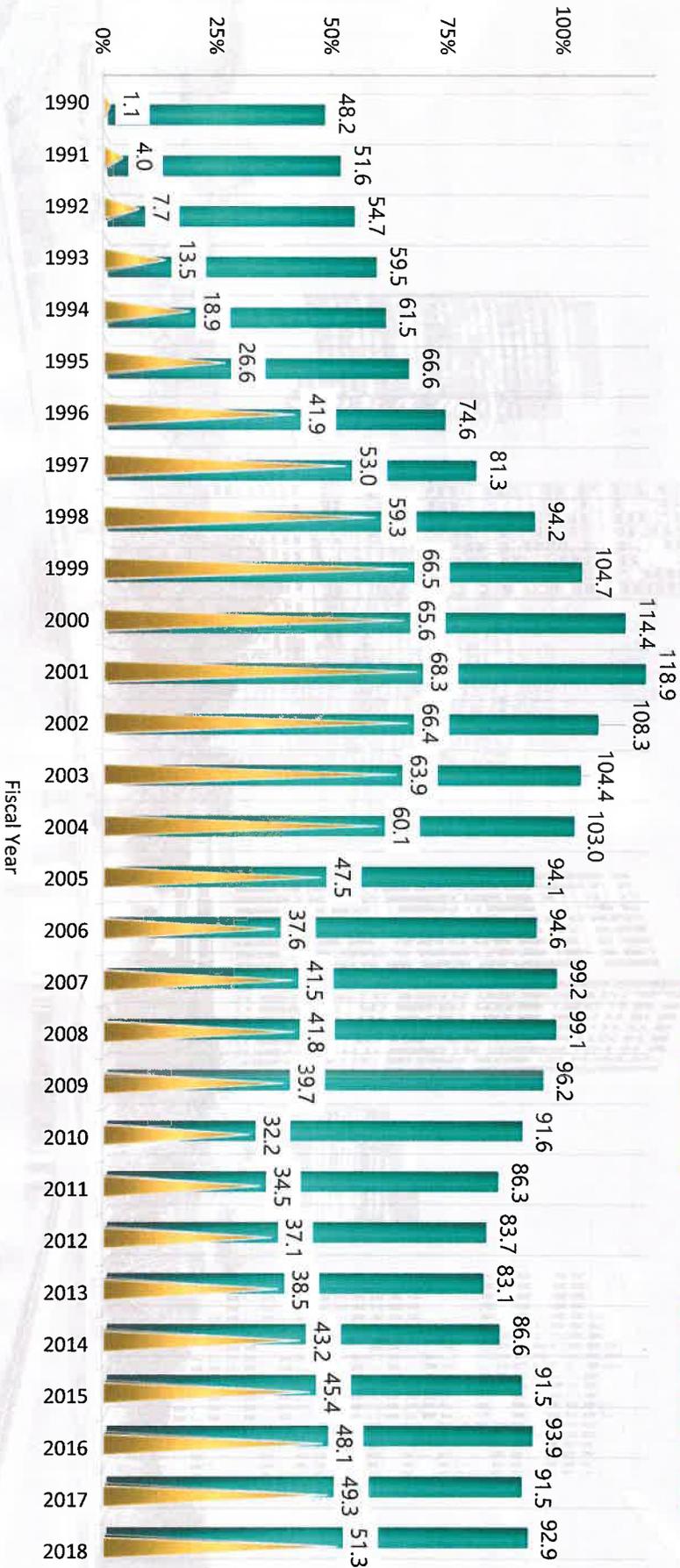
Service Pension	Disability Pension	Survivor Pension
 \$6,512	 \$5,015	 \$4,518

MONTHLY HEALTH SUBSIDIES

MAXIMUM NON-MEDICARE SUBSIDY	AVERAGE NON-MEDICARE SUBSIDY
 \$1,627.73	\$1,222.52
	AVERAGE MEDICARE SUBSIDY
	\$820.57

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FUNDING STATUS



HEALTH

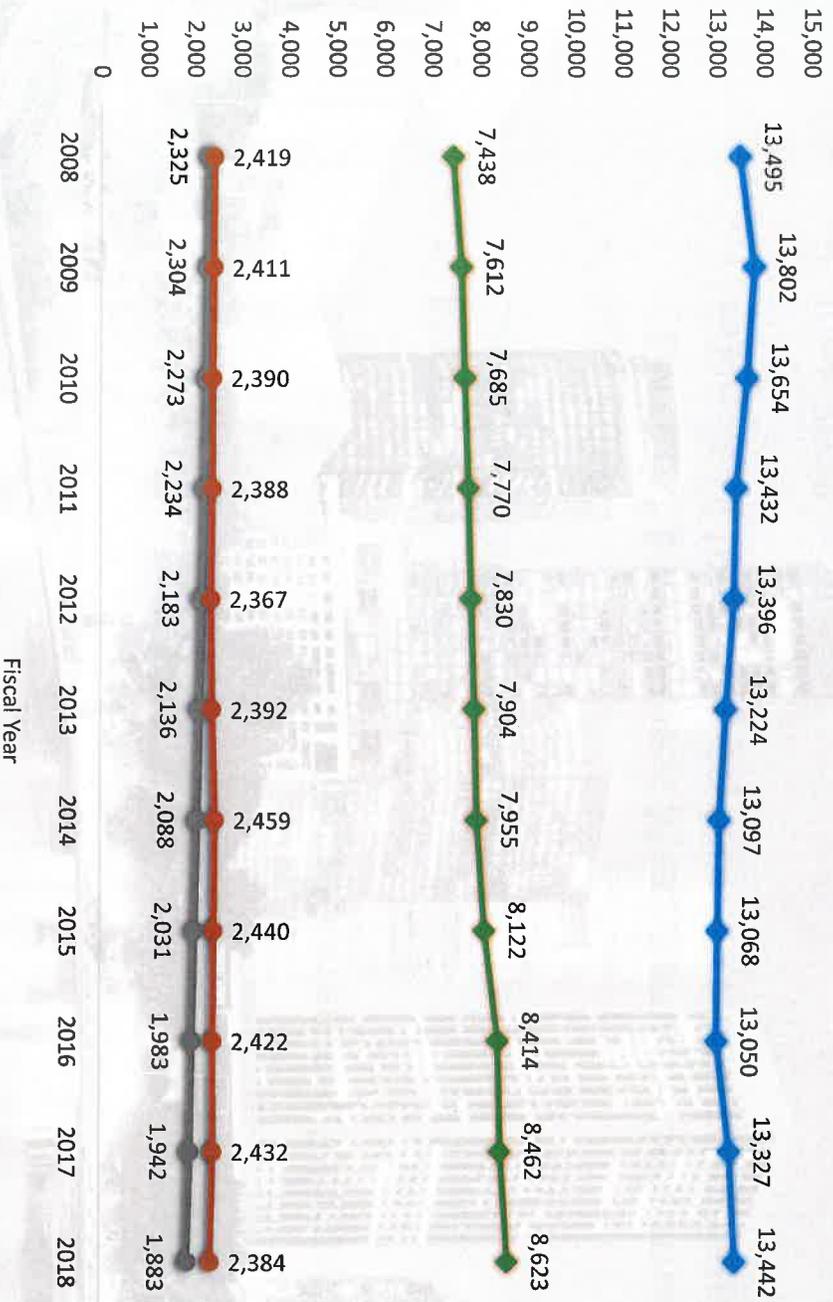
51.3%

PENSION

92.9%

4

LAFPP MEMBERSHIP



TOTAL MEMBERS

26,332

ACTIVE MEMBERS

13,442

SERVICE PENSIONERS

8,623

DISABILITY PENSIONERS

1,883

SURVIVOR PENSIONERS

2,384

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LAFPP

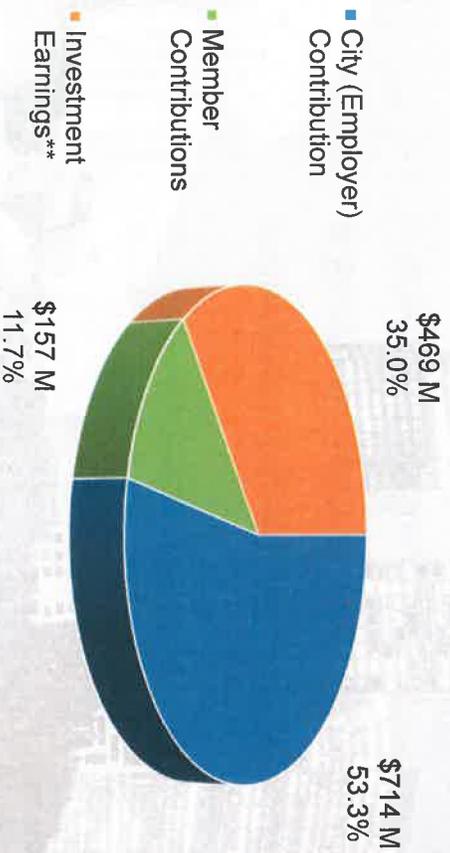
2018-19 INITIATIVES

- ✓ January 2019
Go-Live PARIS (Pension and Retirement Information System)
- ✓ March 2019
Launched Redesigned Website
- ✓ May 2019
CEM (Cost Effectiveness Measurement) Benchmarking
Analysis of the Plan's performance and administrative costs
- ✓ June 2019
Workforce Succession Planning
Continued efforts to build and support a talented workforce

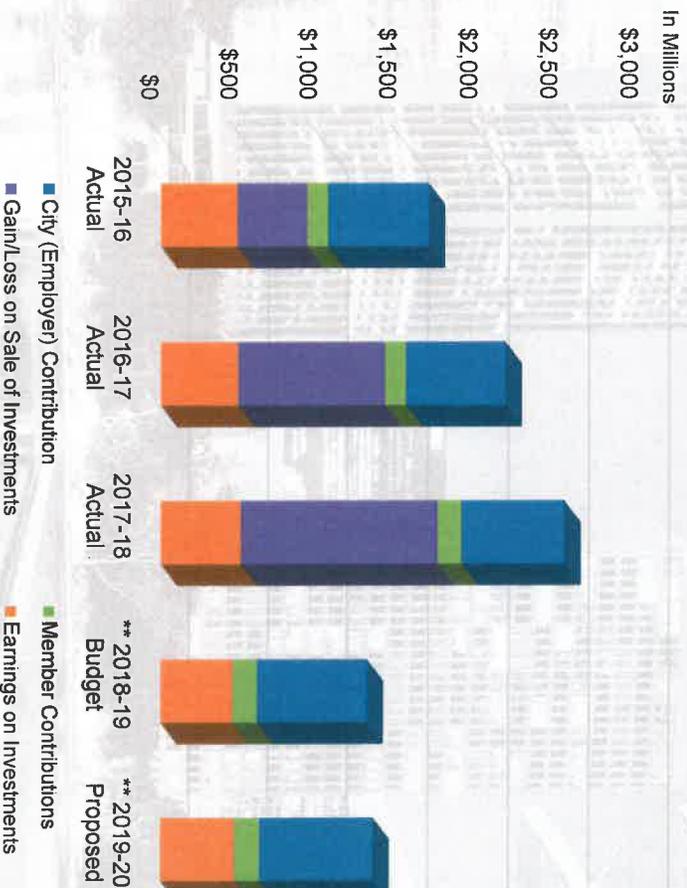
6

RECEIPTS 2019-20 PROPOSED BUDGET AND 5-YEAR HISTORY

2019-20 Proposed Receipts*



Five-Year History of Receipts*

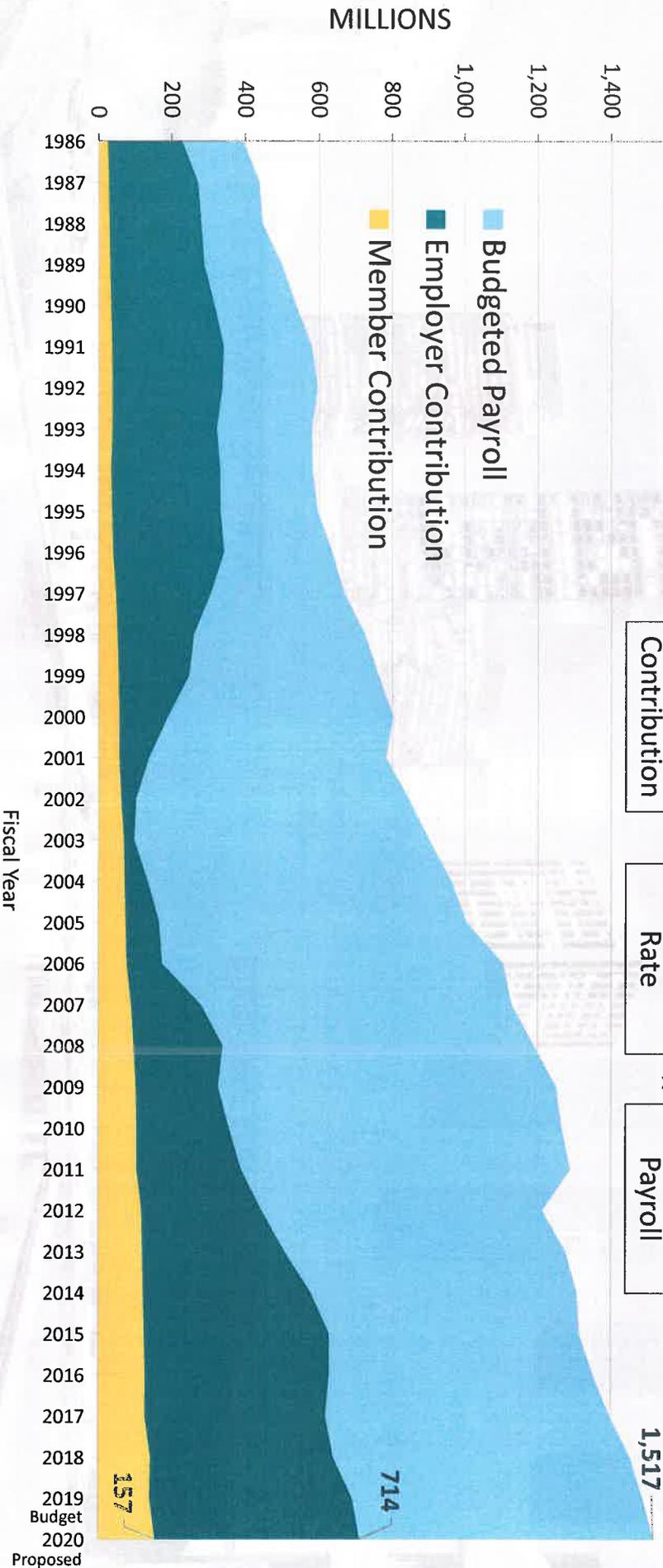


*Receipts do not include Miscellaneous revenue. Percentages may be rounded.
 **Investment Earnings do not include Gain (Loss) on Sale of Investments.

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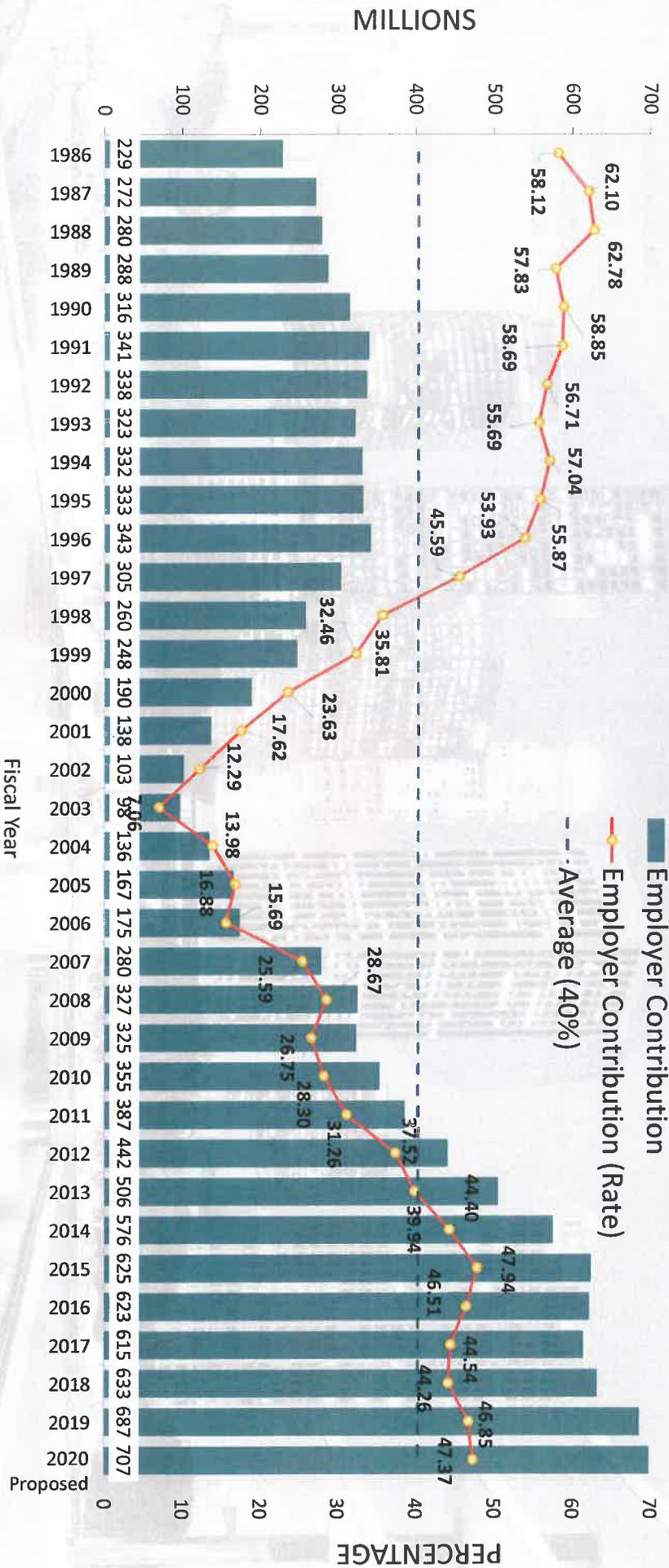
PAYROLL & CONTRIBUTIONS 35-YEAR HISTORY

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



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GENERAL FUND EMPLOYER CONTRIBUTIONS 35-YEAR HISTORY

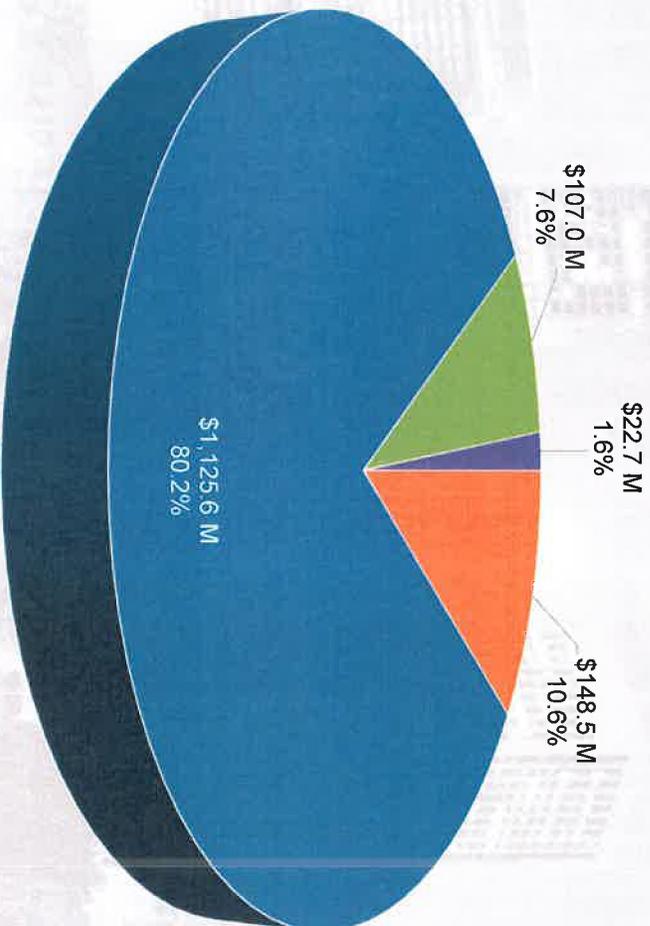


EXPENDITURES 2019-20 PROPOSED BUDGET

\$1,403.8M

TOTAL PROPOSED
EXPENDITURES

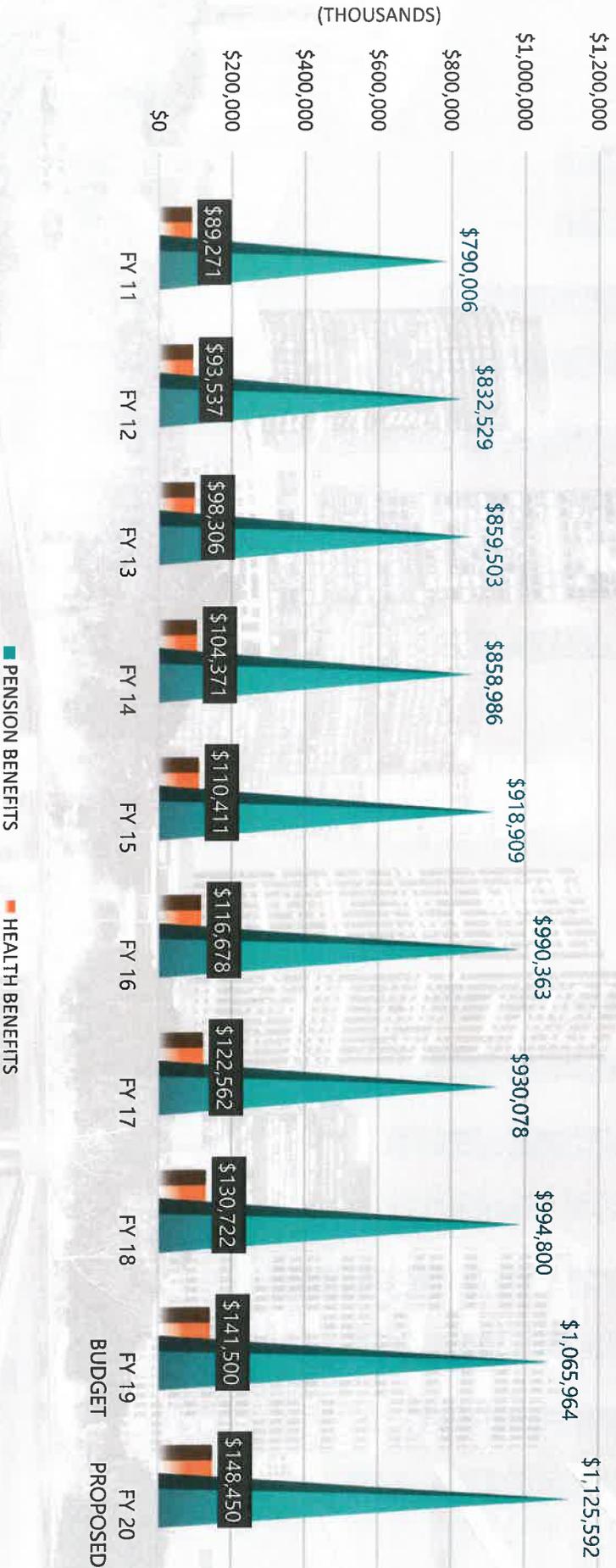
- Health Benefits
- Pension Benefits
- Investment Management Expense
- Administrative Expense



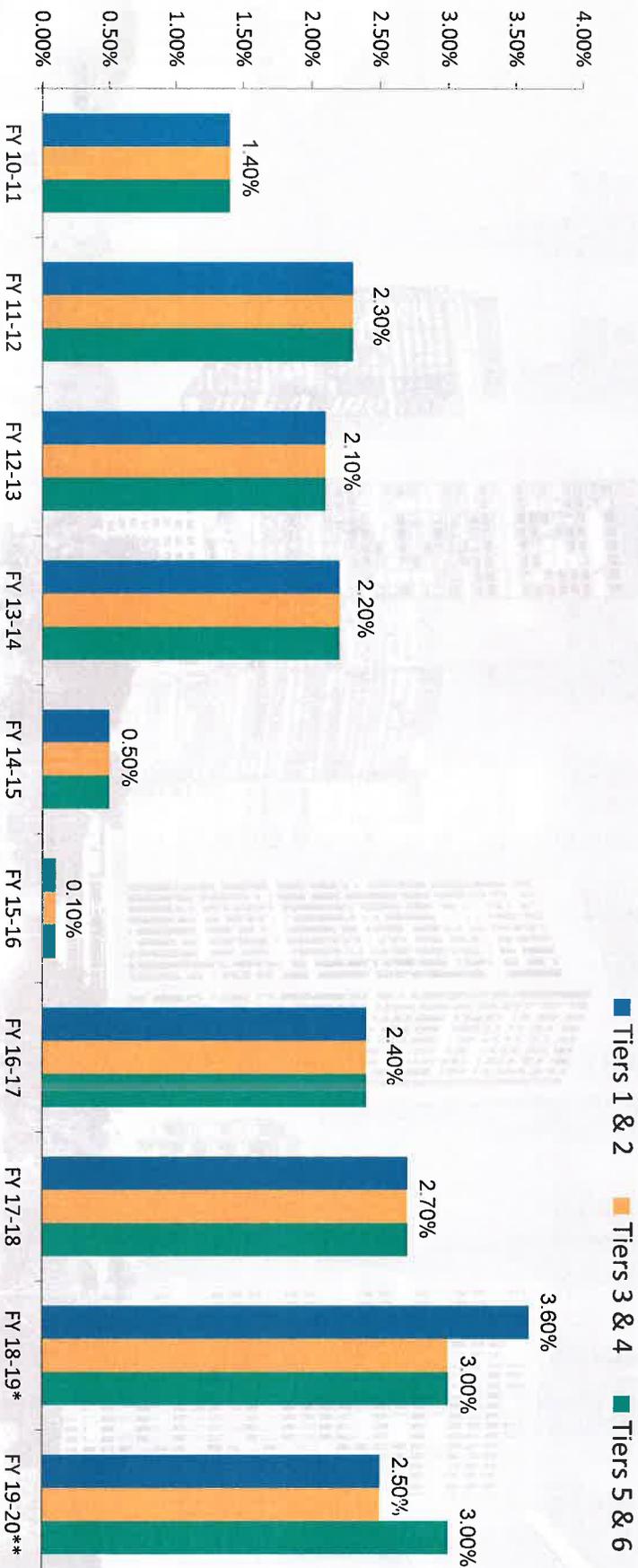
* Pension and Health Benefits are non-discretionary expenses. Percentages may be rounded.

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PENSION AND HEALTH BENEFITS 10-YEAR HISTORY



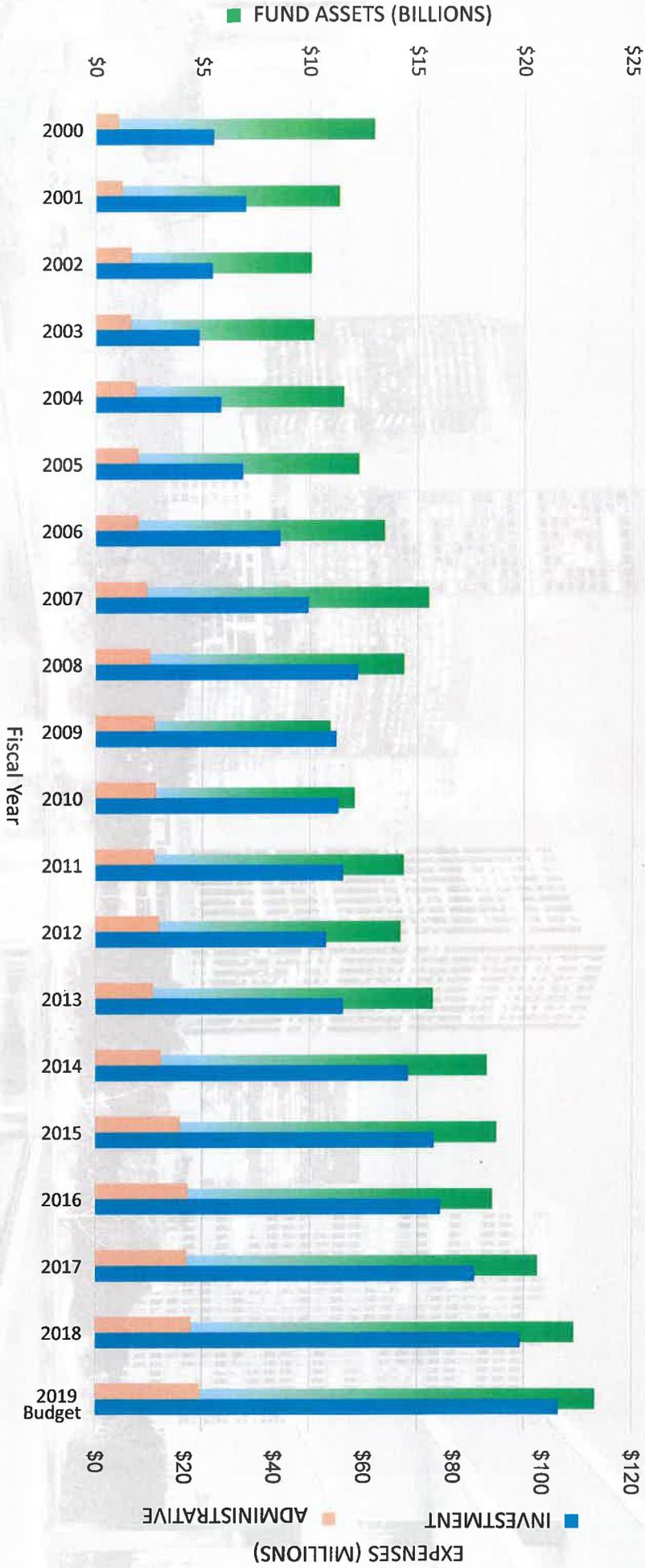
11 ANNUAL COST OF LIVING ADJUSTMENTS 10-YEAR HISTORY



*Tiers 1 and 2 pensioners have an uncapped COLA.
 **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.

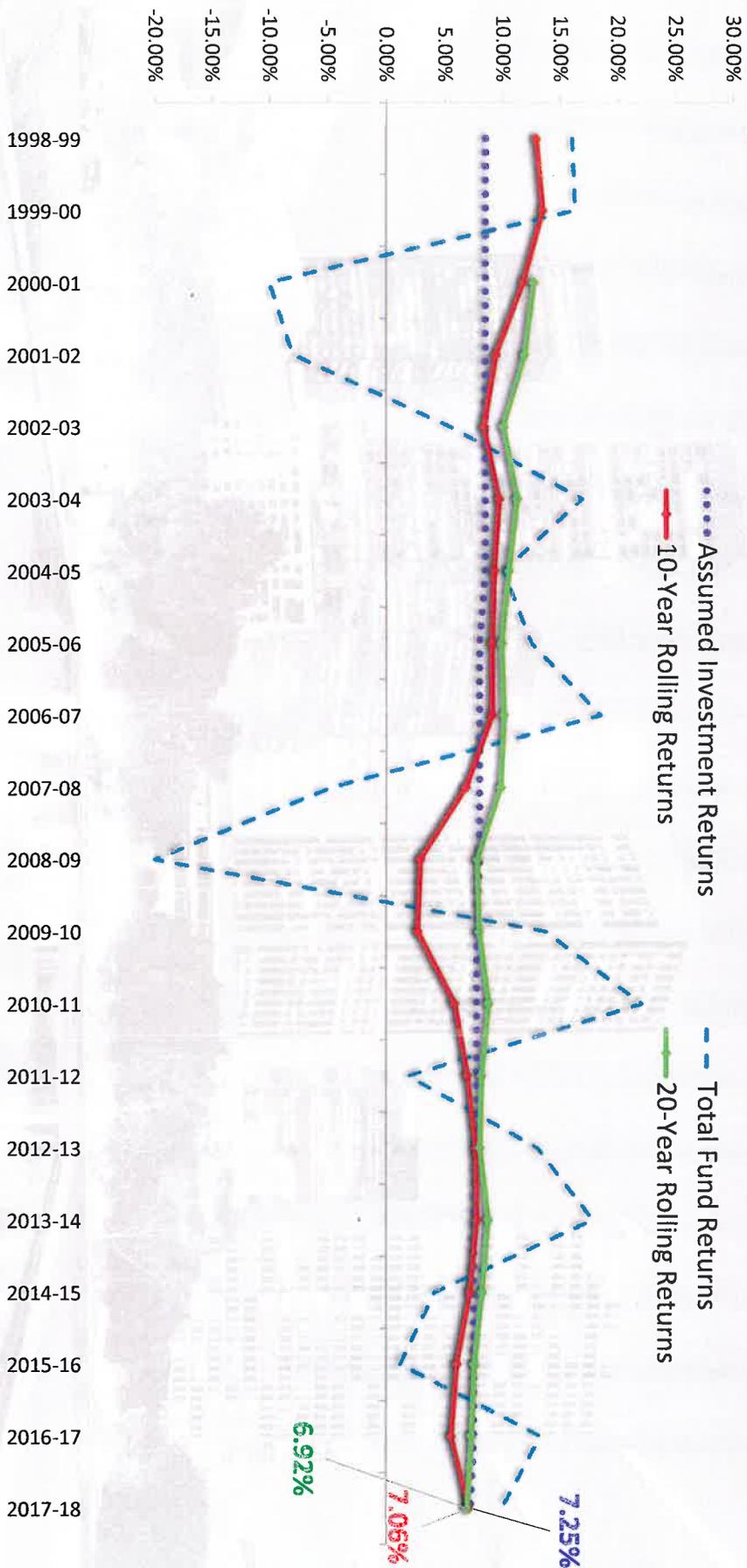
12

ASSETS AND EXPENSES 20-YEAR HISTORY



13

RATE OF RETURN 20-YEAR HISTORY



14

2018-19

ASSET ALLOCATION AND RETURNS

Asset Class	Market Value* (in millions)	Targeted Allocation (rounded)
Domestic Equity	7,051	29%
International Equity	4,556	21%
Fixed Income	4,746	22%
Private Equity	2,217	12%
Real Estate	1,939	10%
Commodities	1,007	5%
Cash	1,221	1%
Total	\$22,737	100%

4.42%

RETURN *

* AS OF
MARCH 31, 2019
Unaudited

7.25%

ASSUMED
RATE OF
RETURN

EXPECTED
RISK

13.3%

EXPECTED
ARITHMETIC
RETURN

6.8%

EXPECTED
COMPOUND
RETURNS

6.0%

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LAFPP 2019-20 INITIATIVES

- Review and reengineer business processes to leverage PARIS functionalities
- Benchmark current investment fees and pursue opportunities to lower fees where possible
- Research new actuarial standards and assumptions in preparation for the new experience study
- Create focused benefit communications to address FAQs
- Replace the Plan's Accounting Software
- Research and pursue improvements in the emerging manager program



TO SERVE THOSE WHO PROTECT

Questions

