

Strengthening the Voice of Business

June 23, 2010

Sally Choi
General Manager
Los Angeles City Employee Retirement System
360 East 2nd Street, Second Floor
Los Angeles, CA 90012

Michael Perez
General Manager
Los Angeles Fire & Police Pension
360 East 2nd Street, Room 800
Los Angeles, CA 90012

RE: Request for information

Dear Ms. Choi and Mr. Perez,

On behalf of the Los Angeles County Business Federation (BizFed), we write to request information regarding the two pension funds that you oversee.

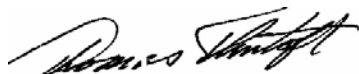
Having recently reviewed the five-year projections of future city contributions that will be required for your funds, we see that contributions for pension and health benefits at LA FPP will rise from \$423 million to between \$934 million and \$1.099 billion by 2014, and contributions to LACERS will rise from \$421 million to between \$816 million and \$973 million by 2014.

The actuarial reports that contain these projections continue to assume an 8% return on plan assets. We have noted commentary from the likes of Berkshire Hathaway's Warren Buffett, Governor Schwarzenegger's advisor David Crane, BlackRock's Lawrence Fink and former Mayor Richard Riordan calling into question the likelihood of achieving such an ambitious rate of return.

Thus, we request that you each ask Segal, the actuarial firm for both of your pension funds, to re-run its five year projections of future contributions, in dollars, assuming lower rates of return (3% and 5% in addition to 8%), and make the information public.

Last week, the state instructed CALPERS to provide similar disclosure as part of the pension reform package negotiated with four state unions. We also note that the LA FPP in particular used to provide such data in its actuarial valuation reports, which you can see by examining page 90 of the document linked below. We ask simply that you return to your former standard of disclosure by providing similar disclosure today.

Sincerely,



Thomas Flintoft
BizFed Chair
LAX Coastal Area Chamber



David Fleming
Founding Chair
Latham & Watkins



Tracy Rafter
BizFed CEO
Rafter Group, Inc.

http://www.lafpp.com/LAFPP/documents/financial_reports/2005_actuarial_valuation.pdf



CITY OF LOS ANGELES

ANTONIO R. VILLARAIGOSA
Mayor

SALLY CHOI
General Manager

THOMAS MOUTES
Assistant General Manager

LITA PAYNE
Assistant General Manager

360 East Second Street
2nd Floor
Los Angeles, CA
90012-4207

www.LACERS.org

(800) 779-8328
(888) 349-3996 TDD
(213) 687-4174 Fax

July 6, 2010

Los Angeles County Business Federation
1000 North Alameda Street, Suite 240
Los Angeles, CA 90012

Re: Request for Information

To Whom It May Concern:

We received your request for LACERS to re-run the five year projections of future contributions, in dollars, assuming 3% and 5% rates of return, and to make this information public. Pursuant to the California Constitution and the Los Angeles City Charter, LACERS' assets are to be held for the exclusive purpose of: 1) providing benefits to system participants and their beneficiaries; and, 2) defraying the reasonable expenses of administering the system. Fulfilling your request would necessitate spending trust assets for a purpose other than those specified above, therefore, we are unable to provide the information you have requested.

Attached for your records is our Five-Year Illustration of Contributions assuming 0%, 8% and 16% rates of return for fiscal year 09/10, then 8% per year thereafter.

Should you have any questions or require further information, please do not hesitate to contact Edeliza Fang, Senior Management Analyst, at (213) 473-7276.

Sincerely,

for SALLY CHOI, General Manager
Los Angeles City Employees' Retirement System

SC:TM:KF:jd



THE SEGAL COMPANY
100 Montgomery Street, Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 F 415.263.8290 www.segalco.com

VIA EMAIL and USPS

May 25, 2010

Ms. Sally Choi
General Manager
Los Angeles City Employees' Retirement System
360 E Second Street, Eighth Floor
Los Angeles, CA 90012-4207

Re: Five-Year Projection of Contributions, Funded Ratio and UAAL

Dear Sally:

Enclosed please find five-year projections of contributions, funded ratios and Unfunded Actuarial Accrued Liabilities (UAAL) for each of the Pension and the Retiree Health Plans. We have also included similar results for the two Plans combined.

Background and Discussions

We projected the City's contribution rates for the Pension and the Retiree Health Plans assuming contributions would be made in one lump sum on July 15. The rates we show on the enclosed exhibits take into account the 12-month lag between the valuation year and the fiscal year when the rate will be paid by the employer.

As directed, we have provided different scenarios of rates of return on a market value basis for the current fiscal year. Scenarios 1, 2 and 3 assume a rate of return of 0%, 8% and 16% for 2009-2010, respectively. For 2010-2011 and thereafter we assume a return of 8% for all three scenarios.

Unless otherwise noted, these projections are based on the revised June 30, 2009 actuarial valuation results that reflect the Early Retirement Incentive Program (ERIP) elections, including the participant data and the actuarial assumptions on which that valuation was based.

Benefits, Compensation and HR Consulting Offices throughout the United States and Canada



Founding Member of the Multinational Group of Actuaries and Consultants, a global affiliation of independent firms

We have been informed by LACERS that an estimated payroll of \$1,720,193,000 should be used to approximate the City's payroll for fiscal year 2010-2011. This payroll is significantly lower than the amount we would have otherwise anticipated starting with the estimated \$1,816,171,000 payroll for fiscal year 2009-2010 shown in our June 30, 2009 valuation and then projecting to 2010-2011 by an increase of 4.25% for assumed wage inflation.

We understand that the lower payroll estimate includes adjustments for layoffs and other salary reductions for fiscal year 2010-2011. These adjustments are in addition to the reduction in payroll from the ERIP retirements included in our June 30, 2009 valuation.

Other than the above adjustments, we have assumed that the payroll for each subsequent fiscal year will increase by 4.25% per year, consistent with the wage increase assumption from our June 30, 2009 valuation. In particular, our payroll projections do not anticipate that any of the positions left vacant as a result of the ERIP will be back filled by the City.

Calculations were completed under the supervision of Andy Yeung, ASA, MAAA, Enrolled Actuary.

Results

The results of our projections are shown in the attached exhibits. The first exhibit provides a consolidated summary of all projection results under the three market return scenarios for the Pension Plan. The second exhibit provides similar results for the Retiree Health Plan, and the third exhibit provides results for the two Plans combined. In the fourth exhibit, we have provided a graph of the projected City contribution rates for the two Plans combined.

Below is a summary of the key results from the projections:

- At the end of the five-year projection, the total City contribution rates for the Pension and the Retiree Health Plans combined are projected to be between 39% and 46% of payroll under the three hypothetical market return scenarios previously discussed, assuming contributions are made on July 15. These rates can be compared to the combined rate of 24.49% from the June 30, 2009 valuation.
- Most of the increase in the projected City rate under the Scenario 2 market returns of 8% for all years (i.e., from 24.49% in the June 30, 2009 valuation to the net rate of 42.23% in the June 30, 2014 valuation) is attributable to the recognition of prior asset losses as of June 30, 2009 under the smoothed actuarial value of assets method. There are also additional "contribution losses" due to the one year lag for implementing the higher contribution rates determined in the actuarial valuation.

- As discussed, the payroll for fiscal year 2010-2011 provided by LACERS is significantly lower than the amount we would have anticipated by projecting the payroll from the June 30, 2009 valuation. Utilizing a lower payroll has the effect of increasing the City's UAAL amortization contribution rate determined in the actuarial valuation, since pre-existing UAAL and emerging UAAL from investment losses as described above will now be spread over a lower payroll base.
- The employee contribution rate for the Pension Plan is scheduled to increase to 7% of pay (from 6%) beginning on July 1, 2011, pursuant to the ERIP Ordinance No. 180926. This increase in employee rates will partially offset the increase in the City contribution rate for the Pension Plan attributable to the ERIP. We have included the effect of this offset to the City rates in the enclosed exhibits. After adjusting the 1% increase in member contributions for refundability and payment timing, we have estimated the City's net contribution rate offset to be about 0.87% of payroll.

Additional Information

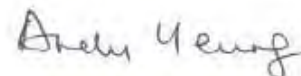
Projections, by their nature, are not a guarantee of future results. The modeling projections are intended to serve as estimates of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

If you have any questions, please let us know.

Sincerely,



Paul Angelo, FSA, EA, MAAA, FCA
Senior Vice President and Consulting Actuary



Andy Yeung, ASA, EA, MAAA
Vice President and Associate Actuary

DNA/bqb/jc
Enclosures

cc: Li Hsi
Tom Moutes

Los Angeles City Employees' Retirement System

Projection of UAAL, Funded Ratio and City Contributions - Pension Only - Includes Impact of Current ERIP
(Contributions Made on July 15)

Scenario #1: 0% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

June 30 of Valuation Year		City Contributions (July 15)										
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Member Rate**	City Rate	Net City Rate	Contribution Amount	Incremental Increase
2009	\$ 2,464,237	79.5%	2011	\$ 1,720,193	9.87%	8.22%	18.09%		18.09%	18.09%	\$ 311,183	
2010	\$ 3,429,509	72.8%	2012	\$ 1,793,301	9.87%	13.59%	23.46%	(0.87)%	22.59%	22.59%	\$ 405,107	\$ 93,924
2011	\$ 4,445,128	66.2%	2013	\$ 1,869,516	9.87%	18.26%	28.13%	(0.87)%	27.26%	27.26%	\$ 509,630	\$ 104,523
2012	\$ 5,574,058	59.5%	2014	\$ 1,948,971	9.87%	23.33%	33.20%	(0.87)%	32.33%	32.33%	\$ 630,102	\$ 120,472
2013	\$ 6,344,922	55.9%	2015	\$ 2,031,802	9.87%	26.76%	36.63%	(0.87)%	35.76%	35.76%	\$ 726,572	\$ 96,470
2014	\$ 6,486,031	56.9%	2016	\$ 2,118,153	9.87%	27.56%	37.43%	(0.87)%	36.56%	36.56%	\$ 774,397	\$ 47,825

Scenario #2: 8% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

June 30 of Valuation Year		City Contributions (July 15)										
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Member Rate**	City Rate	Net City Rate	Contribution Amount	Incremental Increase
2009	\$ 2,464,237	79.5%	2011	\$ 1,720,193	9.87%	8.22%	18.09%		18.09%	18.09%	\$ 311,183	
2010	\$ 3,315,516	73.7%	2012	\$ 1,793,301	9.87%	13.03%	22.90%	(0.87)%	22.03%	22.03%	\$ 395,064	\$ 83,881
2011	\$ 4,171,547	68.3%	2013	\$ 1,869,516	9.87%	16.94%	26.81%	(0.87)%	25.94%	25.94%	\$ 484,952	\$ 89,888
2012	\$ 5,148,085	62.6%	2014	\$ 1,948,971	9.87%	21.31%	31.18%	(0.87)%	30.31%	30.31%	\$ 590,733	\$ 105,781
2013	\$ 5,779,090	59.8%	2015	\$ 2,031,802	9.87%	24.10%	33.97%	(0.87)%	33.10%	33.10%	\$ 672,526	\$ 81,793
2014	\$ 5,794,339	61.5%	2016	\$ 2,118,153	9.87%	24.32%	34.19%	(0.87)%	33.32%	33.32%	\$ 705,769	\$ 33,243

Scenario #3: 16% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

June 30 of Valuation Year		City Contributions (July 15)										
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Member Rate**	City Rate	Net City Rate	Contribution Amount	Incremental Increase
2009	\$ 2,464,237	79.5%	2011	\$ 1,720,193	9.87%	8.22%	18.09%		18.09%	18.09%	\$ 311,183	
2010	\$ 3,201,524	74.6%	2012	\$ 1,793,301	9.87%	12.47%	22.34%	(0.87)%	21.47%	21.47%	\$ 385,022	\$ 73,839
2011	\$ 3,897,965	70.4%	2013	\$ 1,869,516	9.87%	15.62%	25.49%	(0.87)%	24.62%	24.62%	\$ 460,275	\$ 75,253
2012	\$ 4,722,112	65.7%	2014	\$ 1,948,971	9.87%	19.28%	29.15%	(0.87)%	28.28%	28.28%	\$ 551,169	\$ 90,894
2013	\$ 5,213,459	63.8%	2015	\$ 2,031,802	9.87%	21.44%	31.31%	(0.87)%	30.44%	30.44%	\$ 618,481	\$ 67,312
2014	\$ 5,102,865	66.1%	2016	\$ 2,118,153	9.87%	21.09%	30.96%	(0.87)%	30.09%	30.09%	\$ 637,352	\$ 18,871

* Fiscal year 2010/2011 pay provided by LACERS.

** According to the ERIP Ordinance No. 180926, the employee rate for all active members is scheduled to increase to 7% of pay (from 6%) beginning on July 1, 2011. This increase in the member contribution rate will partially offset the increase in the City contribution rate attributable to the current ERIP. The rates shown in this column reflect the net reduction in the City's rate after adjusting for refundability and assuming payment of member contributions at the end of every pay period.

Los Angeles City Employees' Retirement System

Projection of UAAL, Funded Ratio and City Contributions - Health Only - Includes Impact of Current ERIP
(Contributions Made on July 15)

Scenario #1: 0% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

June 30 of Valuation Year		City Contributions (July 15)									
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase		
2009	\$ 715,680	65.2%	2011	\$ 1,720,193	3.86%	2.54%	6.40%	\$ 110,092			
2010	\$ 867,506	60.8%	2012	\$ 1,793,301	3.86%	3.51%	7.37%	\$ 132,166	\$ 22,074		
2011	\$ 1,018,214	56.7%	2013	\$ 1,869,516	3.86%	4.20%	8.06%	\$ 150,683	\$ 18,517		
2012	\$ 1,177,993	52.9%	2014	\$ 1,948,971	3.86%	4.92%	8.78%	\$ 171,120	\$ 20,437		
2013	\$ 1,285,590	51.6%	2015	\$ 2,031,802	3.86%	5.41%	9.27%	\$ 188,348	\$ 17,228		
2014	\$ 1,303,202	53.8%	2016	\$ 2,118,153	3.86%	5.53%	9.39%	\$ 198,895	\$ 10,547		

Scenario #2: 8% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

June 30 of Valuation Year		City Contributions (July 15)									
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase		
2009	\$ 715,680	65.2%	2011	\$ 1,720,193	3.86%	2.54%	6.40%	\$ 110,092			
2010	\$ 850,809	61.5%	2012	\$ 1,793,301	3.86%	3.43%	7.29%	\$ 130,732	\$ 20,640		
2011	\$ 978,142	58.4%	2013	\$ 1,869,516	3.86%	4.01%	7.87%	\$ 147,131	\$ 16,399		
2012	\$ 1,115,596	55.4%	2014	\$ 1,948,971	3.86%	4.62%	8.48%	\$ 165,273	\$ 18,142		
2013	\$ 1,202,727	54.8%	2015	\$ 2,031,802	3.86%	5.02%	8.88%	\$ 180,424	\$ 15,151		
2014	\$ 1,201,908	57.4%	2016	\$ 2,118,153	3.86%	5.05%	8.91%	\$ 188,727	\$ 8,303		

Scenario #3: 16% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

June 30 of Valuation Year		City Contributions (July 15)									
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Contribution Amount	Incremental Increase		
2009	\$ 715,680	65.2%	2011	\$ 1,720,193	3.86%	2.54%	6.40%	\$ 110,092			
2010	\$ 834,112	62.3%	2012	\$ 1,793,301	3.86%	3.34%	7.20%	\$ 129,118	\$ 19,026		
2011	\$ 938,069	60.1%	2013	\$ 1,869,516	3.86%	3.81%	7.67%	\$ 143,392	\$ 14,274		
2012	\$ 1,053,200	57.9%	2014	\$ 1,948,971	3.86%	4.33%	8.19%	\$ 159,621	\$ 16,229		
2013	\$ 1,119,864	57.9%	2015	\$ 2,031,802	3.86%	4.63%	8.49%	\$ 172,500	\$ 12,879		
2014	\$ 1,100,614	61.0%	2016	\$ 2,118,153	3.86%	4.58%	8.44%	\$ 178,772	\$ 6,272		

* Fiscal year 2010/2011 pay provided by LACERS.

Los Angeles City Employees' Retirement System

Projection of UAAL, Funded Ratio and City Contributions - Pension and Health - Includes Impact of Current ERIIP
(Contributions Made on July 15)

Scenario #1: 0% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

June 30 of Valuation Year		City Contributions (July 15)										
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Member Rate**	City Rate	Net City Rate	Contribution Amount	Incremental Increase
2009	\$ 3,179,917	77.4%	2011	\$ 1,720,193	13.73%	10.76%	24.49%		24.49%	24.49%	\$ 421,275	
2010	\$ 4,297,015	71.0%	2012	\$ 1,793,301	13.73%	17.10%	30.83%	(0.87)%	29.96%	29.96%	\$ 537,273	\$ 115,998
2011	\$ 5,463,342	64.8%	2013	\$ 1,869,516	13.73%	22.46%	36.19%	(0.87)%	35.32%	35.32%	\$ 660,313	\$ 123,040
2012	\$ 6,752,051	58.5%	2014	\$ 1,948,971	13.73%	28.25%	41.98%	(0.87)%	41.11%	41.11%	\$ 801,222	\$ 140,909
2013	\$ 7,630,512	55.2%	2015	\$ 2,031,802	13.73%	32.17%	45.90%	(0.87)%	45.03%	45.03%	\$ 914,920	\$ 113,698
2014	\$ 7,789,233	56.4%	2016	\$ 2,118,153	13.73%	33.09%	46.82%	(0.87)%	45.95%	45.95%	\$ 973,292	\$ 58,372

Scenario #2: 8% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

June 30 of Valuation Year		City Contributions (July 15)										
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Member Rate**	City Rate	Net City Rate	Contribution Amount	Incremental Increase
2009	\$ 3,179,917	77.4%	2011	\$ 1,720,193	13.73%	10.76%	24.49%		24.49%	24.49%	\$ 421,275	
2010	\$ 4,166,325	71.8%	2012	\$ 1,793,301	13.73%	16.46%	30.19%	(0.87)%	29.32%	29.32%	\$ 525,796	\$ 104,521
2011	\$ 5,149,689	66.8%	2013	\$ 1,869,516	13.73%	20.95%	34.68%	(0.87)%	33.81%	33.81%	\$ 632,083	\$ 106,287
2012	\$ 6,263,681	61.5%	2014	\$ 1,948,971	13.73%	25.93%	39.66%	(0.87)%	38.79%	38.79%	\$ 756,006	\$ 123,923
2013	\$ 6,981,817	59.0%	2015	\$ 2,031,802	13.73%	29.12%	42.85%	(0.87)%	41.98%	41.98%	\$ 852,950	\$ 96,944
2014	\$ 6,996,247	60.8%	2016	\$ 2,118,153	13.73%	29.37%	43.10%	(0.87)%	42.23%	42.23%	\$ 894,496	\$ 41,546

Scenario #3: 16% Return on Market Value of Assets for 2009/2010 and 8% Per Year Thereafter

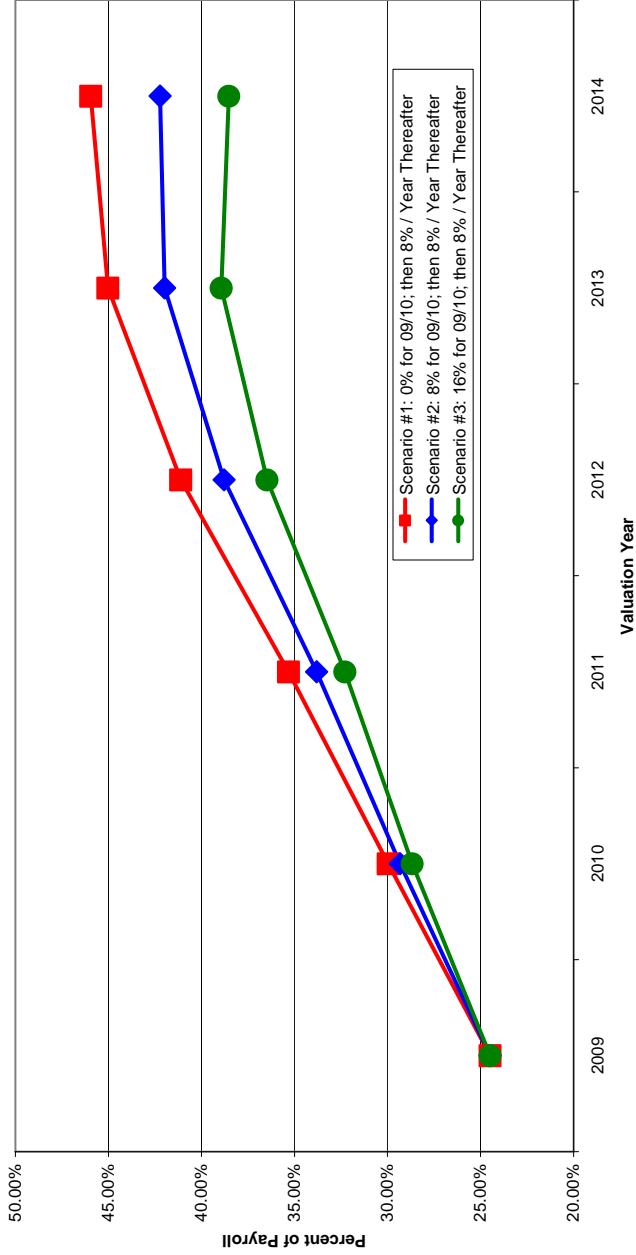
June 30 of Valuation Year		City Contributions (July 15)										
Valuation Year	UAAL (In thousands)	Funded Ratio	Fiscal Year End	Fiscal Year Pay* (In thousands)	Normal Cost	Amortization	Total Rate	Member Rate**	City Rate	Net City Rate	Contribution Amount	Incremental Increase
2009	\$ 3,179,917	77.4%	2011	\$ 1,720,193	13.73%	10.76%	24.49%		24.49%	24.49%	\$ 421,275	
2010	\$ 4,035,636	72.7%	2012	\$ 1,793,301	13.73%	15.81%	29.54%	(0.87)%	28.67%	28.67%	\$ 514,140	\$ 92,865
2011	\$ 4,836,034	68.8%	2013	\$ 1,869,516	13.73%	19.43%	33.16%	(0.87)%	32.29%	32.29%	\$ 603,667	\$ 89,527
2012	\$ 5,775,312	64.5%	2014	\$ 1,948,971	13.73%	23.61%	37.34%	(0.87)%	36.47%	36.47%	\$ 710,790	\$ 107,123
2013	\$ 6,333,323	62.8%	2015	\$ 2,031,802	13.73%	26.07%	39.80%	(0.87)%	38.93%	38.93%	\$ 790,981	\$ 80,191
2014	\$ 6,203,479	65.3%	2016	\$ 2,118,153	13.73%	25.67%	39.40%	(0.87)%	38.53%	38.53%	\$ 816,124	\$ 25,143

* Fiscal year 2010/2011 pay provided by LACERS.

** According to the ERIIP Ordinance No. 180926, the employee rate for all active members is scheduled to increase to 7% of pay (from 6%) beginning on July 1, 2011. This increase in the member contribution rate will partially offset the increase in the City contribution rate attributable to the current ERIIP. The rates shown in this column reflect the net reduction in the City's rate after adjusting for refundability and assuming payment of member contributions at the end of every pay period.

Los Angeles City Employees' Retirement System

Projection of Total City Contributions - Pension and Health - Includes Impact of Current ERIIP
Under Various Market Value Rate of Return Scenarios
(Contributions Made on July 15)



	2009	2010	2011	2012	2013	2014
Scenario #1: 0% for 09/10; then 8% / Year Thereafter	24.49%	29.96%	35.32%	41.11%	45.03%	45.95%
Scenario #2: 8% for 09/10; then 8% / Year Thereafter	24.49%	29.32%	33.81%	38.79%	41.98%	42.23%
Scenario #3: 16% for 09/10; then 8% / Year Thereafter	24.49%	28.67%	32.29%	36.47%	38.93%	38.53%

Assumptions:

1. There is a 12-month lag between the valuation year shown above and the fiscal year the rate will be paid by the employer.
2. The above contribution rates have been calculated assuming the City will contribute on each July 15.
3. We assume the plan will have no actuarial gains or losses other than:
 - (a) the prior investment losses as of 6/30/2009 that are scheduled to be recognized using the Board's 5 year asset smoothing method; and
 - (b) the "contribution gains or losses" due to the one year time lag for implementing the new rates; and
 - (c) the asset gains or losses from investments earning a return of either 0%, 8%, or 16% for FY 2009/2010, and 8% per year thereafter. (note that there is no additional asset gain or loss under the 8% return scenario)

Strengthening the Voice of Business

July 22, 2010

Sally Choi
General Manager
Los Angeles City Employee Retirement System
360 East 2nd Street, Second Floor
Los Angeles, CA 90012

RE: Response to LACERS Letter 7.6.2010 – Revised Request

Dear Ms. Choi,

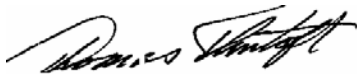
Thank you for your response to the Los Angeles County Business Federation (BizFed) request to re-run the five-year projections of future contributions, in dollars, assuming 3% and 5% returns, and to make this information public.

We understand LACERS' obligations under the state Constitution and the LA City Charter regarding asset expenditures.

Toward this end, we request that LACERS incorporate into its FY 2010 annual report the above-requested rate-of-return projection forecasts. This should not entail any additional, extra or unusual expenditure of LACERS assets as the report already is an approved and budgeted expense for release in December.

The state recently instructed CALPERS to provide similar disclosure as part of a pension reform package negotiated with several state unions. We ask simply that you return to your former standard of disclosure by providing similar disclosure today.

Sincerely,



Thomas Flintoft
BizFed Chair
LAX Coastal Area Chamber



David Fleming
Founding Chair
Latham & Watkins



Tracy Rafter
BizFed CEO
Rafter Group, Inc.