



REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: JULY 23, 2019
ITEM: X – B

List Payroll for NMG

SUBJECT: YEAR-END REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING JUNE 2019

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report.

Executive Summary

This report provides the status of Business Plan Initiatives (BPIs) for the Fiscal Year Ending (FYE) 2019, and presents BPIs for the new FYE 2020. A number of priority projects advancing LACERS' strategic goals are designated as BPIs. Through diligent staff work effort to deliver results, furthered by monthly reporting and support meetings with the Executive and senior management team, five of the ten FYE 2019 initiatives have achieved desired milestones and are transitioning from a BPI to ongoing operational work. One FYE 2019 BPI (Contractor Disclosure) has progressed and will continue as an initiative outside of the BPI process. For FYE 2020, the remaining four initiatives continue as BPIs, and five new initiatives are added to the program. The attached report provides a detailed fiscal year-end status report of the BPIs as of June 30, 2019.

Discussion

LACERS' strategic plan goals are achieved through a series of initiatives, generally developed in conjunction with the annual budget process, and if prioritized as a BPI are presented and discussed in a performance management approach by the BPI Team, inclusive of the General Manager, Chief Investment Officer, Assistant General Managers, senior managers, and the leads of each initiative. In September 2018, the Executive team identified ten BPIs to drive the strategic goals of the Department in FYE 2019. Below is a summary status of the FYE 2019 BPI; detailed dispositions for each of the below BPIs can be found in the attached "Business Plan Initiatives Fiscal Year End 2019 Dashboards for the reporting period ending June 2019."

FYE 2019 Business Plan Initiatives

Goal	Initiative	Status
<i>Customer Service</i>	Website Redesign	Continuing BPI
<i>Benefit Delivery</i>	ALEX Software	Completed; Operational
<i>Health & Wellness</i>	LACERS Well – Purpose Campaign	Completed; Operational
<i>Investment</i>	Active vs. Passive Investing	Completed; Operational
	Asset Allocation	Continuing BPI
<i>Board Governance</i>	Contractor Disclosure	Continuing Operations
<i>Organization</i>	Performance Management	Completed; Operational
	Cybersecurity Plan	Completed; Operational
	Emergency Preparedness	Continuing BPI
<i>Workforce</i>	Recruitment & Retention	Continuing BPI

Earlier this month of July 2019, LACERS' management staff met to review and discuss the BPI program status and next steps. Key takeaways from that meeting include a desire to continue to expand the program and tools into other areas of the office and expose more LACERS' staff to this management practice, as well as to begin broadening responsibility for the budget among divisions and to provide more centralized internal discussion of key metrics and indicators. Various staff presentations were heard to help determine which FYE 2019 BPIs should continue to be elevated and which new initiatives merited BPI status. The FYE 2020 BPIs, as proposed by staff and supported by Executive management, represent a blend of continuing multi-year initiatives combined with a number of new initiatives funded in the 2019-20 LACERS Adopted Budget. Many of the below FYE 2020 BPIs will be comprised of a number of sub-initiatives aimed at achieving the overarching strategic goal.

FYE 2020 Business Plan Initiatives

Goal	Initiative	Description
<i>Customer Service</i>	Website Redesign	Continued from FYE 2019
	Web Counseling	Develop a web-based counseling program for greater ease of access to Members

	Multi-Channel Outreach	Utilize new types of media to allow Members to receive communications in multiple ways
<i>Benefit Delivery</i>	Member Self-Service Options – Phase 1	Develop the infrastructure necessary to make more services directly available to Members online
	Government Service Buyback Calculator	Provide Members with the ability to estimate the costs of their Government Service Buyback, allowing them to plan ahead for this expense
<i>Health & Wellness</i>	LACERS <i>Well</i> – Financial Wellness	Educate Members on how to build and maintain their financial standing
<i>Investment</i>	Asset Allocation	Continued from FYE 2019
<i>Organization</i>	Emergency Preparedness	Continued from FYE 2019
<i>Workforce</i>	Recruitment & Retention	Continued from FYE 2019

A mid-year status report on FYE 2020 BPIs through December 2019 will be presented to the Board by February 2020. While BPIs represent significant high visibility strategic initiatives undertaken by the Department, there are many other significant initiatives and achievements of LACERS' staff for FYE 2019. Though not a comprehensive list, below are additional initiatives achieved by staff and deserving of acknowledgement for all those who continue to serve our Members daily while innovating to find better, more efficient ways to operate and deliver services.

- ✓ Adopted a new Strategic Plan with significant stakeholder engagement.
- ✓ Instituted organizational realignment to realize operational efficiencies resultant from the implementation of the pension administration system.
- ✓ Contracted for a 0.8% reduction in annual Health Plan premium costs, substantially below the 2019 assumed medical trend rate of 7%.
- ✓ Established a 115 Trust for Retiree Health contributions, ensuring ongoing tax compliance and providing a mechanism to better manage retiree health costs.
- ✓ Instituted a self-insured dental Preferred Provider Organization plan
- ✓ Implemented Tier 1 Enhanced benefits negotiated by the City for 469 Airport Peace Officers.
- ✓ Established a Member Experience Commitment including our service philosophy, service level commitments, and specific initiatives to better serve our Members.
- ✓ Realized a number of Member Experience improvements including customer call backs, provision of an onsite computer kiosk, provision of virtual remote interpretation services, and accessibility of Board meetings live via Council Phone.
- ✓ Offering LACERS Members a Power of Attorney template and notary service to facilitate ease of administration of their retirement benefits.

- ✓ Launched a transparency initiative on the Mayor's open data portal, publishing 15-years of robust high-demand year end reporting data.

Strategic Plan Impact Statement

The BPI Program seeks to enhance the strategic goal toward greater organizational effectiveness, efficiency, and resiliency.

Prepared By: Todd Bouey, Assistant General Manager and Dale Wong-Nguyen, Chief Benefits Analyst, Administration Division

NMG/TB/DWN

Attachments: Business Plan Initiatives Fiscal Year End 2019 Dashboards for the reporting period ending June 2019

LACERS

Los Angeles City Employees' Retirement System

BUSINESS PLAN INITIATIVES FISCAL YEAR END 2019

Dashboards for the Reporting Period Ending June 2019



PREPARED FOR

THE LACERS BOARD OF ADMINISTRATION

July 23, 2019

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EXECUTIVE SUMMARY DASHBOARD

COMPLETED
ON TRACK
OFF TARGET
NEEDS INTERVENTION

BUSINESS PLAN INITIATIVES

INITIATIVES, GOALS & EXECUTIVE SPONSORS		JUNE STATUS	INITIATIVE LEADS
1	PERFORMANCE MANAGEMENT ORGANIZATION EFFICIENCY, EFFECTIVENESS, RESILIENCY Executive Sponsor: Todd Bouey		Lead: Dale Wong-Nguyen
2	WEB REDESIGN OUTSTANDING CUSTOMER SERVICE Executive Sponsor: Lita Payne		Lead: Thomas Ma & Taneda Larios
3	CYBERSECURITY PLAN ORGANIZATION EFFICIENCY, EFFECTIVENESS, RESILIENCY Executive Sponsor: Todd Bouey		Lead: Thomas Ma & Dale Wong-Nguyen
4	EMERGENCY PREPAREDNESS ORGANIZATION EFFICIENCY, EFFECTIVENESS, RESILIENCY Executive Sponsor: Todd Bouey		Lead: John Koontz
5	CONTRACTOR DISCLOSURE GOVERNANCE Executive Sponsor: Neil Guglielmo		Lead: Rahoof Oyewole & Melani Rejuso
6	RECRUITMENT & RETENTION HIGH PERFORMING WORKFORCE Executive Sponsor: Neil Guglielmo		Lead: Lin Lin
7	ALEX SOFTWARE OUTSTANDING CUSTOMER SERVICE Executive Sponsor: Lita Payne		Lead: Alex Rabrenovich
8	LACERS WELL - PURPOSE CAMPAIGN MINIMIZE HEALTH CARE COSTS Executive Sponsor: Lita Payne		Lead: Alex Rabrenovich
9 & 10	ASSET ALLOCATION - ACTIVE VERSUS PASSIVE INVESTING ACHIEVE PERFORMANCE/RISK OBJECTIVES Executive Sponsor: Rod June		Lead: Bryan Fujita

PERFORMANCE MANAGEMENT

Strategic Goal: ORGANIZATION

REPORTING MONTH: **JUNE 2019**
STATUS: **COMPLETED**

LEAD(S): DALE WONG-NGUYEN
DIVISION(S)/SECTION(S): ADMINISTRATIVE SERVICES

INITIATIVE SUMMARY

Implement a Performance Management System comprised of:

- Business Plan (BP)
- Strategic Plan (SP)
- Performance Budget (PB)
- Operational Benchmarking (OB)

ISSUES / CHALLENGES

None

MILESTONES / ACHIEVEMENTS

Q1/FY19

- ✓ BP: Initiative Dashboard launch – Sept
- ✓ SP: Strategic Plan Consultant selection - Sept

Q2/FY19

- ✓ OB:CEM (Benefits) contract approval - Oct
- ✓ SP: Board Strategic Planning Retreat - Oct
- ✓ SP: Stakeholder input – Oct, Nov, Dec
- ✓ SP: Develop Strategic Initiatives – Nov

Q3/FY19

- ✓ BP: Business Plan Update to Board – Feb
- ✓ SP: Board approval of Strategic Plan – Feb
- ✓ SP: Guiding Principles survey - Mar
- ✓ PB: FY20 Budget discussed with Board- Mar

Q4/FY19

- ✓ OB: CEM survey begins – April
- ✓ PB: City Budget Hearing Presentation - April
- ✓ PB: FY20 Board approval of Budget – May

Q4/FY19

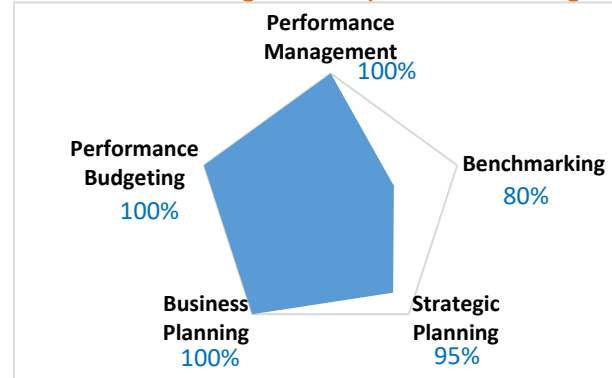
- ✓ SP: Finalize Guiding Principle statements – June
- ✓ OB: Submit CEM Benchmarking data - June

BUDGET

Appropriation:	\$88,000
Expense:	(\$80,000)
Unspent:	\$8,000

KEY INDICATORS

Performance Management Implementation Progress



KEY DEPENDENCIES/ASSUMPTIONS

- Staff & time resources to lead this effort
- Divisions meet timelines
- CEM benchmarking contract – funding, final execution of contract

- Performance Management at 100% = 100% commitment to this initiative
- 100% Strategic Planning is achieved when plan is adopted by the Board & promotion in office is initiated
- 100% Benchmarking is achieved upon receipt of final report
- 100% Business Planning is achieved when all FY19 initiatives complete first dashboard for monthly reporting & report is made to the Board
- 100% Performance budgeting is achieved when new budget process is implemented and adopted.

DELIVERABLES / TIMEFRAME

FY20

- BP: Year-end Business Plan Report to Board – July
- SP: Publish Strategic Plan - July
- OB: Receive Operational Benchmarking Report – August

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LACERS WEB REDESIGN – PHASE 1

Strategic Goal: **CUSTOMER SERVICE**

REPORTING MONTH: **JUNE 2019**
STATUS: **ON TRACK**

LEAD(S): **TANEDA LARIOS/THOMAS MA**
DIVISION(S)/SECTION(S): **Member Engagement/Systems**

INITIATIVE SUMMARY

Systems and Member Engagement are co-leads on technical and business requirements/development of a new LACERS internet site focused on the following key priorities:

- A New Website with Prevailing Design
- Functionality and Usability
- Scalability (Desktop/Mobile)
- Ease of Use/Approachability
- Integration of Social Media Platforms
- Content Management System
- Supportability

BUDGET

Appropriation: \$0

Expense: \$0

Unspent: \$0

* \$221,000 funded in FY2019-20

KEY DEPENDENCIES/ASSUMPTIONS

- Fund availability
- Staffing resources
- Board approval
- Leverage existing agreement

ISSUES / CHALLENGES

- Internal operational requirements compete for personnel resources
- Adequate testing and readiness
- Data conversion issues and delays

KEY INDICATORS

JUNE 2019

Baseline:

Key Indicators

- Web Analytics (Comparison of Legacy)
 - Total Visitors
 - Most Accessed Pages
 - Unique Users
- Operational Efficiencies
 - Service Center Reports
 - User Administration & Maintenance
- Member Satisfaction & Ratings
 - Accessibility
 - Ease of Use
- Compliance
 - 508 & ADA
 - Penetration Testing & Security

[Exhibit A: Website Metrics](#)

Compliance

- Website must be compliant with Federal laws requiring accessibility to all users regardless of disability status (Federal §508-compliant and ADA-compliant)
- Penetration testing and security

MILESTONES / ACHIEVEMENTS

Q1/FY19

- ✓ Form Working Group
- ✓ Gather & Codify Requirements
- ✓ Review Existing Contracts

Q2/FY19

- ✓ Develop Project Plan – Dec

Q3/FY19

- ✓ Proposals received from five vendors
- ✓ Appoint team leads and proposal raters
- ✓ Board report for approval of contractual services
- ✓ Vendor selection & reference check
- ✓ Finalize budget needs
- ✓ Preliminary scope of work & deliverables
- ✓ Establish regular meeting schedule
- ✓ Confirm roles of working group
- ✓ Project manager identified

Q4/FY19

- ✓ Execute contract – May
- ✓ Project kick-off – May
- ✓ Conduct surveys & focus groups – May/June
- ✓ Establish video sharing site – June
- ✓ SMS texting account – June
- ✓ Requirements gathering – June
- ✓ Provide orientation to contractor – June

DELIVERABLES / TIMEFRAME

FY20

- Design prototype & selection
- Board presentation
- Content review
- Content migration & data conversion
- Train internal staff on new site
- User and Member testing
- Penetration testing
- Soft launch
- Go live of new internet site

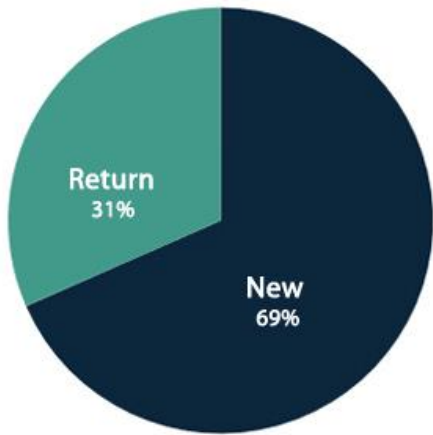
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BUSINESS PLAN INITIATIVE FY 2018-19
Exhibit A

June 2019 Website Metrics

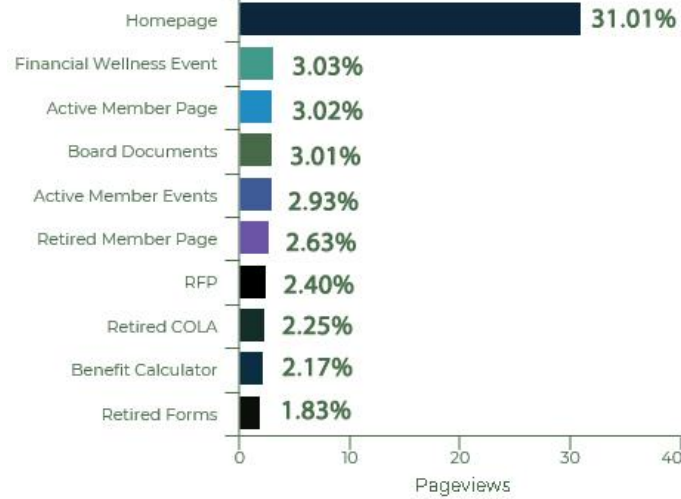
WEBSITE USERS

Total Visitors: 10,505



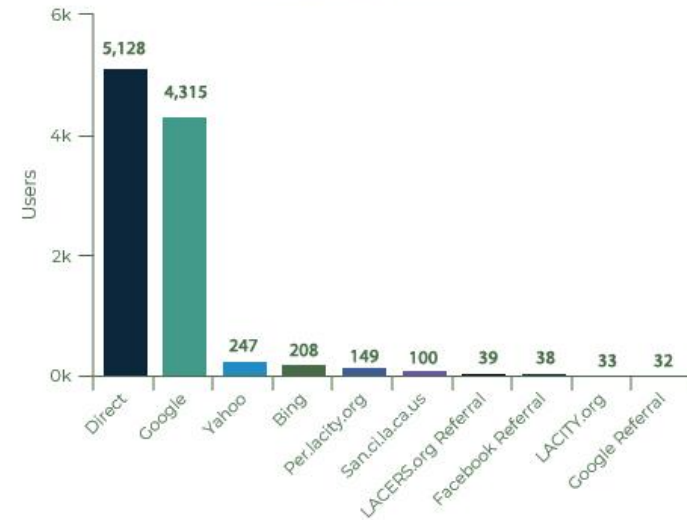
TOP ACCESS PAGES

Total Pageviews: 42,131



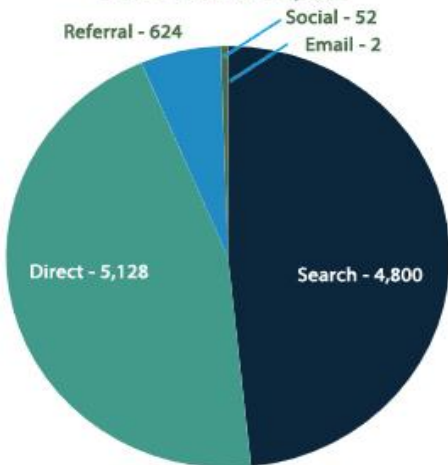
TRAFFIC SOURCE

Total Users: 10,505



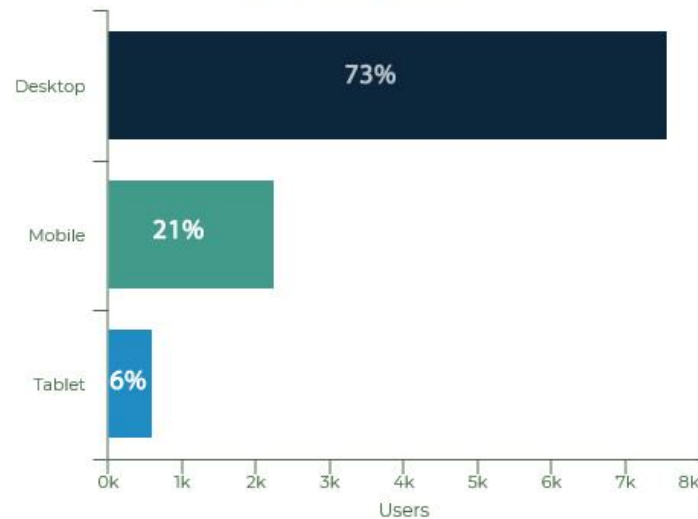
CHANNELS

Total Users: 10,505



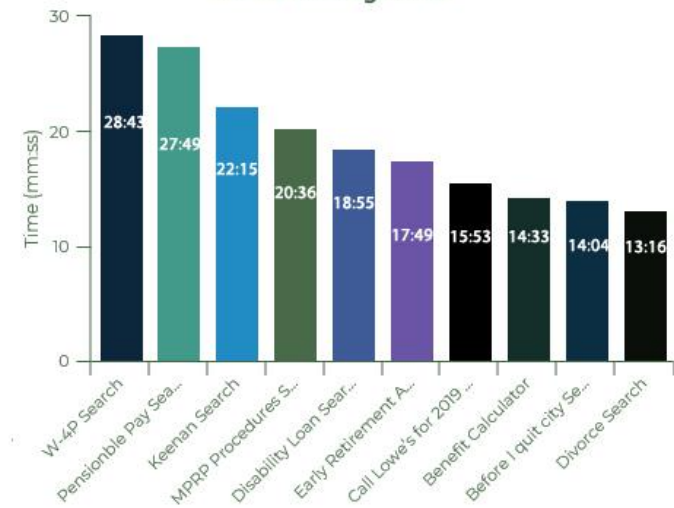
DEVICES

Total Users: 10,505



AVERAGE TIME ON PAGE

Overall Average: 1:59



CYBERSECURITY

Strategic Goal: ORGANIZATION

REPORTING MONTH: **JUNE 2019**
STATUS: **COMPLETED**

LEAD(S): THOMAS MA & DALE WONG-NGUYEN
DIVISION(S)/SECTION(S): SYSTEMS/ADMINISTRATIVE SERVICES/INTERNAL AUDIT

INITIATIVE SUMMARY

The Ad-Hoc Cybersecurity Committee and the Cybersecurity Working Group (Internal Audit & Administrative Services Division) shall develop and implement strategies to build our organization's cyber resilience in the following key areas:

- INFRASTRUCTURE [I]
- GOVERNANCE [G]
- PREPAREDNESS [P]
- RESPONSE [R]

ISSUES / CHALLENGES

- Internal operational requirements compete for personnel resources
- Difficulty recruiting & retaining qualified IT staffing
- Gartner's recommendation for a project lead who can dedicate 25% of their time to this effort

MILESTONES / ACHIEVEMENTS

- Q1/FY19**
- ✓ Cyber Working Group Meeting #4 – Aug
 - ✓ Tech-Tips: Kicked off with "Email phishing"
- Q2/FY19**
- ✓ Formalize objectives; scope & deliverables
 - ✓ Identified knowledge resource - Gartner
 - ✓ Selected City's Insurance Broker
 - ✓ Tech-Tips Issued (USB charging, passwords)
 - ✓ CALAPRS, IT Round Table (USB & Email)
 - ✓ Finalize Member Notification Template, CA – Nov
 - ✓ Domain Infrastructure Migration – Nov
 - ✓ USB Lockdown – Nov
 - ✓ Gartner subscription – PO signed - November
 - ✓ Tech-Tips Issued (Software Updates) –Dec
 - ✓ Gartner Subscription & Roadmap Kick Off – Dec
 - ✓ Cybersecurity Ad-Hoc Committee Update – Dec
 - ✓ Commissioners Support FY20 Cyber Ins - Dec
- Q3/FY19**
- ✓ Email Reverse Proxy Migration - Jan
 - ✓ IT Network Staff, Fulfillment of Vacancy
 - ✓ Tech-Tips Issued (Wireless Access Points) – Jan
 - ✓ Tech-Tips Issued (Workstation Security) – Feb
 - ✓ Tech-Tips Issued (Physical Security) – Mar
 - ✓ Prelim Solicitation of Cyber Insurance – Feb
 - ✓ Intra-Firewall Upgrade – Mar
 - ✓ Review & Adopt CIS Framework - Mar
- Q4/FY19**
- ✓ Tech-Tips Issued (Spring Cleaning) – May
 - ✓ Tech-Tips Issued (Password Management) – May
 - ✓ Tech-Tips Issued (Mailbox Cleanup & Archiving) – Jun
 - ✓ Tech-Tips Issued (Think Before You Click) - Jun
 - ✓ Vulnerability Scan System - May
 - ✓ Email Phishing Test – May
 - ✓ Cyber Training – Jun
 - ✓ Cyber Charter & Policies - Jun
 - ✓ Workstation OS Upgrade – Jun

BUDGET

Appropriation:	\$221,000
Expense:	\$121,000
Unspent:	\$100,000

* \$100k - Cyber Liability insurance budgeted for FY20

KEY INDICATORS

CYBER CATEGORY	TOTAL SCORE
 PATCHING	100%
 TRAINING	98%
 E-MAIL PHISHING	89%
 CYBER POLICIES	60%
 INFRASTRUCTURE	60%

KEY DEPENDENCIES / ASSUMPTIONS

- Staffing resources
- Funding for Cyber Liability insurance
- Identification of risk assessment framework

- Information security policy to reference city-wide and departmental established cybersecurity policies
- Ten infrastructure layers are slated for enhancement

DELIVERABLES / TIMEFRAME

- FY20**
- Cyber infrastructure
 - Web security upgrade
 - Cyber Liability insurance, Board Presentation
 - Framework/self-assessment tool/timeline
 - Ransomware Response Plan
 - Cybersecurity tabletop exercise
 - Server OS upgrade

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EMERGENCY PREPAREDNESS

REPORTING MONTH: **JUNE 2019**
 STATUS: **OFF TARGET**

Strategic Goal: **ORGANIZATION**
 LEAD(S): **JOHN KOONTZ**
 DIVISION(S)/SECTION(S): **ADMINISTRATIVE SERVICES DIVISION**

INITIATIVE SUMMARY

Encompassing both Life Safety and Business Continuity concerns, this initiative drives LACERS' investment in emergency planning, disaster recovery, and staff's ongoing training and exercises of those plans.

Key activities include:

- Emergency Preparedness and Response Training
- Department Emergency Plan/Business Continuity Plan (BCP) Update
- Tabletop Exercise of the BCP
- Security Door Installation Project

ISSUES / CHALLENGES

- The Security Door Project has been put on hold pending the execution of a lease for additional space within the Onni Times Square complex. This new space would move the bulk of our "public" operations outside of the secured perimeter of our suite, thus achieving the same goal as this project. If we succeed in securing this additional space, the Security Door Project will be cancelled in its entirety.
- We are currently working with LADOT and GSD to identify City parking lots where we could potentially set up our mobile disaster recovery sites. Once determined, MOUs will be drafted to formalize our agreements.

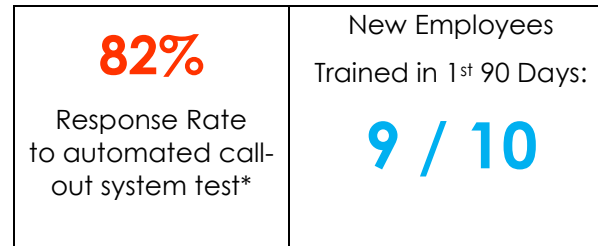
MILESTONES / ACHIEVEMENTS

- Q1/FY19**
- ✓ CPR/AED Training – Jul
 - ✓ Security Door Project: Design Approval – Sep
- Q2/FY19**
- ✓ Fire Evacuation Drill – Oct
 - ✓ Issue Emergency Tip: "Drop, Cover, Hold On" – Oct
 - ✓ Earthquake Drill – Oct
 - ✓ Walkie Talkie Testing/Training – Oct
- Q3/FY19**
- ✓ Submit annual update of Dept. Emergency Plan to Emergency Management Dept./Mayor – Jan
 - ✓ MIR3 Callout System Annual Test – Mar
- Q4/FY19**
- ✓ Entered into a disaster recovery MOU with LAFPP
 - ✓ Updated our disaster recovery MOU with SFERS

BUDGET

Appropriation:	\$49,885
Expense:	\$21,760
Unspent:	\$28,125

KEY INDICATORS



* Percent of individuals who successfully received and responded to the automated test notification sent during the 2019 exercise

DELIVERABLES / TIMEFRAME

FY20

- CERT (ERT Team) Training – Jul
- Officer-In-Charge Incident Mgmt. Training – Sept
- BCP Tabletop Exercise (Earthquake) – Sept
- Develop MOUs with LADOT and GSD for parking lot locations where we could potentially set up mobile disaster recovery sites.

KEY DEPENDENCIES / ASSUMPTIONS

- Staff assigned as the Emergency Response Team can be released to attend training

CORRECTIVE ACTIONS

Improvements in the employee response rates for the automated call-out test are needed as responses were received outside the established timeframe and multiple communication channels created confusion. Instructions and education of employees will precede the next call-out test.

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CONTRACTOR DISCLOSURE POLICY

Strategic Goal:

BOARD GOVERNANCE

LEAD(S):

RAHOOF OYEWOLE/ MELANI REJUSO

DIVISION(S)/SECTION(S):

INTERNAL AUDIT

REPORTING MONTH:

JUNE 2019

STATUS:

ON TRACK

INITIATIVE SUMMARY

Internal Audit proposes implementing a Contractor Disclosure Policy. The policy will require contractors to disclose any conflicts of interest- whether actual, potential, or perceived. It will also help prevent any forms of impropriety or the appearance of impropriety, provide transparency and confidence in LACERS' decision-making process, and ensure investment and procurement decisions are made solely on the merits of goods or services to be provided by contractors.

ISSUES / CHALLENGES

- Compliance issues – there is a risk that some contractors may fail to disclose or provide partial disclosure for fear of losing their contracts

MILESTONES / ACHIEVEMENTS

Q2/FY19

- ✓ Obtain concurrence from Committee & Board
- ✓ Draft disclosure policy
- ✓ Develop contractor disclosure reporting form

Q3-Q4/FY19

- ✓ Policy concept was presented to the Audit Committee on 3/26; Committee directed staff to move forward with drafting a contractor disclosure reporting policy
- ✓ Internal Audit drafted disclosure reporting policy
- ✓ Audit Committee approved draft policy on 5/14
- ✓ Staff revised draft policy based on Committee's feedback
- ✓ Internal Audit requests comments from Investment Divisions and LACERS' Consultants

BUDGET

Internal Audit section currently has one vacancy in FY 2019-20 budget that will need to be filled to get this project started.

Future budget request may be needed.

KEY INDICATORS

Baseline:

Number of contracts that will be subject to the Contractor Disclosure Policy & Reporting requirements:

PRIVATE EQUITY	215
REAL ESTATE	48
OTHER INVESTMENT	36
NON-INVESTMENT	32

TOTAL	331

DELIVERABLES / TIMEFRAME

Q1/FY20

- Drafted disclosure reporting policy anticipated to be scheduled for a future Board meeting.
- If adopted by the Board, develop reporting form & instructions

Q2/FY20

- Compile a database of all contractors that will be subject to the new disclosure policy
- Notify all affected contractors/consultants

Q3/FY20

- Send first requests for disclosures and certifications
- Track responses
- Evaluate responses and report findings to the Board

KEY DEPENDENCIES / ASSUMPTIONS

- Audit Committee & Board approval
- Staffing resources
- Timely notification of contractors and consultants

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RECRUITMENT & RETENTION – PHASE 1

REPORTING MONTH: **JUNE 2019**
 STATUS: **OFF TARGET**

Strategic Goal: **HIGH PERFORMANCE WORKFORCE**
 LEAD(S): **LIN LIN**
 DIVISION(S)/SECTION(S): **HUMAN RESOURCES**

INITIATIVE SUMMARY

Human Resources Unit is the lead for LACERS in the goal of recruiting, mentoring, empowering, and promoting a high performing workforce. Reporting will be focused on the following key priorities:

- Employee Evaluations
- Training
- Tuition Reimbursement
- Targeted Local Hire Program
- Creation of Benefits Analyst & Senior Benefits Analyst Classifications

BUDGET

Appropriation:	\$71,500
Expense:	\$12,448
Unspent:	\$59,102
Tuition Reimbursement \$35,000 6 participants – amount reimbursed	\$35,253
CALAPRS \$35,500 7 participants Mgmt Academy - 5 participants SCPMA - Time Management Training Cultural Competency	\$21,000 \$495 \$3,200 \$1,350

KEY DEPENDENCIES/ASSUMPTIONS

- Fund availability
- Staffing resources
- Board approval

ISSUES / CHALLENGES

- Timely return of evaluations
- Timely completion of mandatory training
- Class creation is dependent on approval from other City departments

KEY INDICATORS

	FISCAL YEAR 2018-19			
	Q1	Q2	Q3	Q4
New Employee mandatory training	100%	100%	100%	100%

- ✓ Provided on-going support and guidance to LACERS supervisors and management on Annual and Probationary evaluations.
- ✓ Achieved timely 100% submission rate for probationary evaluations.

CORRECTIVE ACTIONS

- Increased Executive mandate to complete evaluations on a timely basis
- Provision of regular status updates to Division Managers to manage progress

MILESTONES / ACHIEVEMENTS

	FISCAL YEAR 2018-19			
	Q1	Q2	Q3	Q4
Distribution of Annual Evaluations	14	19	28	22
Distribution of Probationary Evaluations	4	13	9	17

- ✓ In partnership with the Personnel Department and LAFPP, LACERS coordinated efforts to create the Benefits Analyst and Senior Benefits Analyst classifications. Both classes were approved by the Civil Service Commission September 27, 2018.

DELIVERABLES / TIMEFRAME

FY20

- ✓ Distribution and follow up on evaluations (monthly)
- ✓ Assign mandatory training for new employees (within 14 days of start date)
- ✓ New Employee Orientation (quarterly)
- ✓ Minimum 1 training class for all staff (quarterly)
- ✓ Minimum 1 training class for supervisors (quarterly)
- ✓ Minimum 4 hours of training for all staff (annually)
- ✓ Recommend Targeted Local Hire (TLH) for qualified positions (as vacancies occur)
- ✓ Follow up regarding progress of class creation (monthly)

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INITIATIVE SUMMARY

Provide Member support in making health plan decisions by implementing the ALEX software for LACERS Members:

- Review and signing of 3-year contract
- Ensure that benefits are accurately reflected
- Includes correct premiums, subsidies, and deductions
- Spanish version
- Communicate the launch
- Launch by Open Enrollment (Oct. 15, 2018)

BUDGET

Appropriation:	\$185,000
Expense:	\$185,000
Unspent:	\$0

KEY DEPENDENCIES / ASSUMPTIONS

- Timing of contract approval
- Staffing and staff availability

ISSUES / CHALLENGES

None

KEY INDICATORS

Survey Feedback

"How helpful was this medical section for you?"



Choice	Count	%
Extremely helpful	6	42.9%
Very helpful	3	21.4%
Somewhat helpful	3	21.4%
Not very helpful	1	7.1%
Not at all helpful	1	7.1%

"Do you feel like you have a better understanding of how your medical benefits work now?"



Choice	Count	%
Yes, definitely	7	29.2%
Yes, a little	9	37.5%
Maybe	2	8.3%
No, not really	4	16.7%
No, definitely not	2	8.3%

MILESTONES / ACHIEVEMENTS

Q1/FY19

- ✓ Contract approval by Board – Jul
- ✓ Contract executed – Aug
- ✓ First Release – Sep
- ✓ Feedback of First Release – Sep
- ✓ Feedback of Spanish Version – Sep
- ✓ Feedback for Second Release – Sep

Q2/FY19

- ✓ Feedback for Release 3 – Oct
- ✓ ALEX launched – Oct
- ✓ Promote ALEX in Open Enrollment packet (on envelope and in the Open Enrollment Overview and 2019 Health Benefits Guide)
- ✓ Promote ALEX in October paycheck flyer
- ✓ Send Mid-Open Enrollment via e-blast to retired Members
- ✓ Promote ALEX in retirement packets

Q3/FY19

- ✓ Prepare quarterly report on ALEX utilization
- ✓ Continue communications of ALEX
- ✓ Request FY20 budget for ALEX

Q4/FY19

- ✓ Prepare quarterly report on ALEX utilization
- ✓ Continue communications of ALEX
- ✓ Begin discussions with Jellyvision about updates for the new contract year

DELIVERABLES / TIMEFRAME

- ✓ Project Completed

LACERS WELL PURPOSE CAMPAIGN

Strategic Goal: **MINIMIZE HEALTH CARE COSTS**

REPORTING MONTH: **JUNE 2019**
STATUS: **COMPLETED**

LEAD(S): **ALEX RABRENOVICH**
DIVISION(S)/SECTION(S): **HEALTH BENEFITS ADMINISTRATION**

INITIATIVE SUMMARY

Create a campaign to promote our Members finding a sense of purpose in retirement as a motivator to stay healthy and seek preventive care:

- Available to all Members, near and far
- Measurable outcomes
- Includes written materials, workshops, and online programs
- Survey Members to identify Member needs/wants and those that would like assistance

BUDGET

Appropriation:	\$488,000
Expense:	\$166,069
Unspent:	\$321,931

* Calendar Year funding provided through health plan carriers

KEY DEPENDENCIES / ASSUMPTIONS

- Assistance from Member Outreach and Education
- Availability of venues/expert speakers
- Funding from carriers is easily accessible

ISSUES / CHALLENGES

None at this time

KEY INDICATORS

	2019 Participation (through July)
I. Wellness Initiatives	
Passport to Health (passports received)	743
Member Wellness Program Survey (responses)	1538
II. LACERS Well Signature Events	
Extravaganzas: Living Your Life to the Fullest (attended)	485
Purpose workshop series (Graduated, attended minimum of 4 sessions out of 5)	95
Technology workshops (attended)	118
Feel Like A Million online platform (registered and participated)	129
Volunteer Picnic (attended)	188
Facebook (additional enrollments this year)	81
III. Champion Program	
Champion-led events	115
Champion leads	20
Champion-led *touch points	657

- Extravaganza participation up 44% over the prior year

MILESTONES / ACHIEVEMENTS

Q1/FY19

- ✓ Meet with a Purpose speaker – Aug
- ✓ Meet with a Purpose expert – Sep
- ✓ Finalize the 2019 Plan

Q2/FY19

- ✓ Approval of 2019 Plan by BAC – Nov
- ✓ Confirm extravaganza locations and dates in three regions. Develop agenda, confirm key note speaker, finalize other presenters
- ✓ Design Wellness newsletter and prepare for printing (focus on Living Life to Fullest)
- ✓ Approval of LACERS Well Survey by GM
- ✓ Draft materials for campaign introductory packet, which will be mailed out in February
- ✓ 5-week workshops – confirm two of three locations, finalize instructors and discussions
- ✓ Schedule implementation calls for Feel Like a Million (FLAM)
- ✓ Champion Volunteer Picnic scheduled for 6/20 at Point Fermin Park in San Pedro.

Q4/FY19

- ✓ 5-Week Purpose Workshops in three locations concluded the week of April 28. Average attendance per session and location was 31. Surveys and pre/post-assessments indicated positive impact overall.
- ✓ Extravaganza videos and Audio Recordings of workshop presentations along with PowerPoints posted to LACERS Well Page
- ✓ LACERS Well survey results received and a report will be prepared to summarize the results
- ✓ FLAM was launched on 4/29; 241 registrations; 72 participants have reached Tier 1, 62 participants have reached Tier 2, and 55 participants have reached Tier 3 in reward incentives. 47 have earned 1 million virtual dollars!
- ✓ Volunteer Picnic on 6/20 had 184 in attendance
- ✓ Working with Employee Benefits for a joint Financial Planning event in Ontario on August 3; the event filled up (374 spaces reserved) in a matter of hours on the day the email went out. We have a waiting list of 141.
- ✓ Held carrier summit with representatives from each health plan to discuss results and next steps on June 21.

SEP
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN

LACERS ASSET ALLOCATION AND ACTIVE VS PASSIVE

Strategic Goal: **ACHIEVE PERFORMANCE/RISK OBJECTIVES**

REPORTING MONTH: **JUNE 2019**
STATUS: **ON TRACK**

LEAD(S): **BRYAN FUJITA/ROD JUNE**
DIVISION(S)/SECTION(S): **INVESTMENT DIVISION**

INITIATIVE SUMMARY

The Investment Division implements the Asset Allocation Policy approved by the Board. The Board seeks to achieve its return target of 7.25% over long periods of time by assuming prudent levels of risk as prescribed in the Risk Budget. The key priorities are:

- Launch appropriate investment manager searches
 - Issue RFPs and manage the selection process pursuant to Investment Policy
 - Negotiate contract terms and conditions
 - Hire fund managers and rebalance the portfolio
 - Monitor investment managers pursuant to Investment Policy
 - Report search and manager status to the Investment Committee and Board
- Active versus Passive
 - Provide Board education
 - Discuss active and passive exposures with in risk/return framework
 - Implement passive exposure changes as approved by the Board

ISSUES / CHALLENGES

- Implementation may change depending on Board and Investment Committee priorities
- Investment Division Staffing to complete manager searches according to proposed schedule
- Pending and approved Investment Policy changes could lead to modification of implementation schedule

MILESTONES / ACHIEVEMENTS

Q1/FY19

- ✓ Board authorization of RFPs – Oct

Q2/FY19

- ✓ Launch Private Credit RFP – Dec
- ✓ Provide Active versus Passive Education – Dec

Q3/FY19

- ✓ Launch U.S. Small Cap Equities RFP – Feb
- ✓ Launch High Yield/Bank Loans RFP – Feb

Q4/FY19

- ✓ Launch Emerging Markets Small Cap RFP – Jun
- ✓ Launch Emerging Market Debt RFP – Jun
- ✓ Implement Passive Exposure Changes – Jun

KEY INDICATORS

See Exhibits

- Exhibit A – Asset Class Exposure Actual versus Target
- Exhibit B – Asset Class Exposure Trend Past 12 Months
- Exhibit C – Active vs. Passive Trend Past 12 Months

DELIVERABLES / TIMEFRAME

FY20

- Complete Private Credit RFP – July
- Launch Core Fixed Income RFP – Aug
- Complete U.S. Small Cap Equities RFP – Sept
- Complete High Yield/Bank Loans RFP – Oct
- Complete Emerging Markets Small Cap RFP – Nov
- Complete Emerging Market Debt RFP – Nov
- Complete Core Fixed Income RFP – Jan

BUDGET

Appropriation:	\$39,200
Expense:	\$9,714
Unspent:	\$29,486

KEY DEPENDENCIES / ASSUMPTIONS

- Board and Investment Committee priorities
- Staffing and Consultant resources
- Qualified investment managers respond to RFPs
- Selection process pursuant to Manager Search and Selection Policy remains substantially unchanged

SEP

OCT

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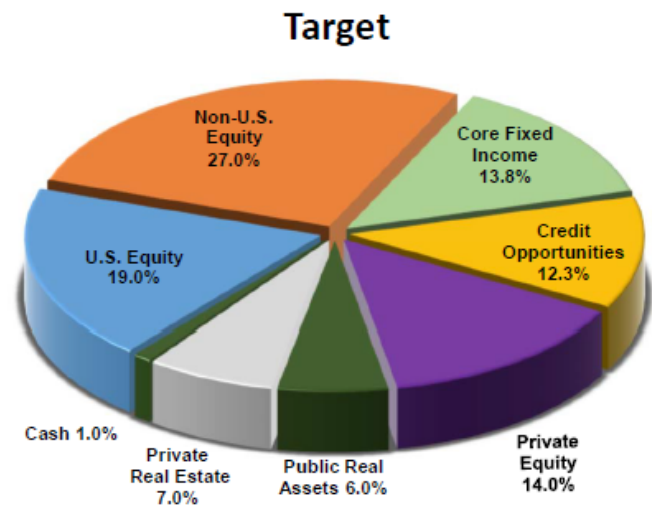
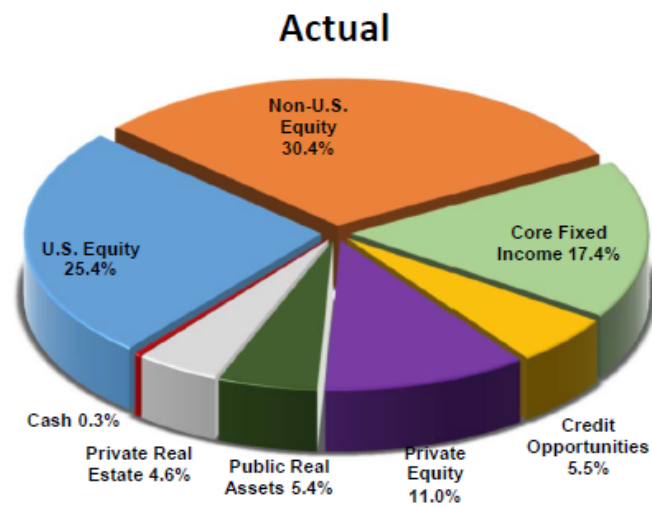
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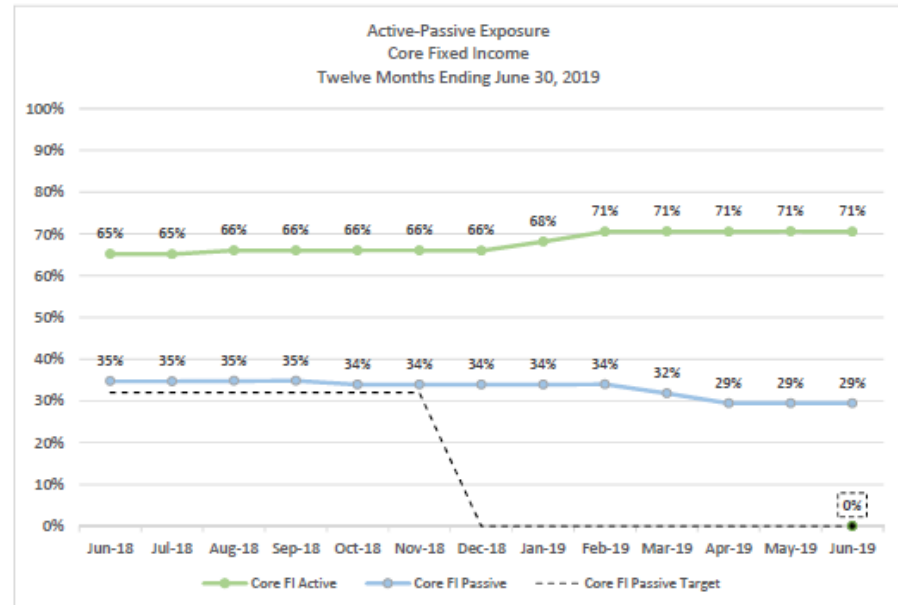
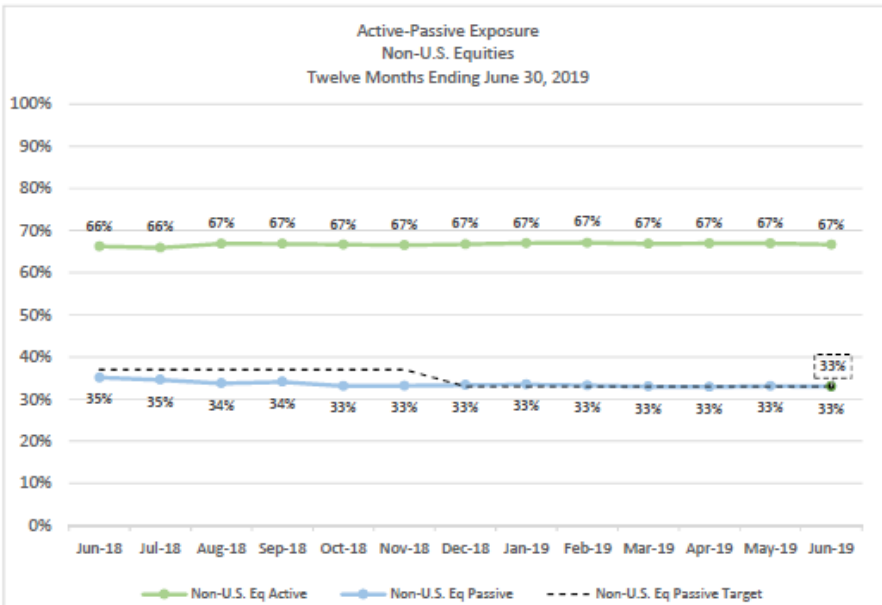
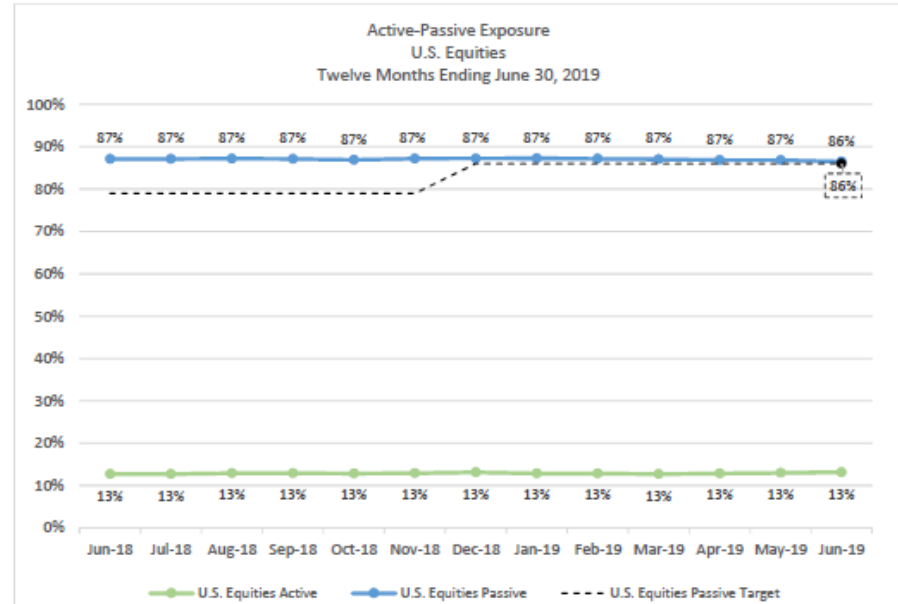
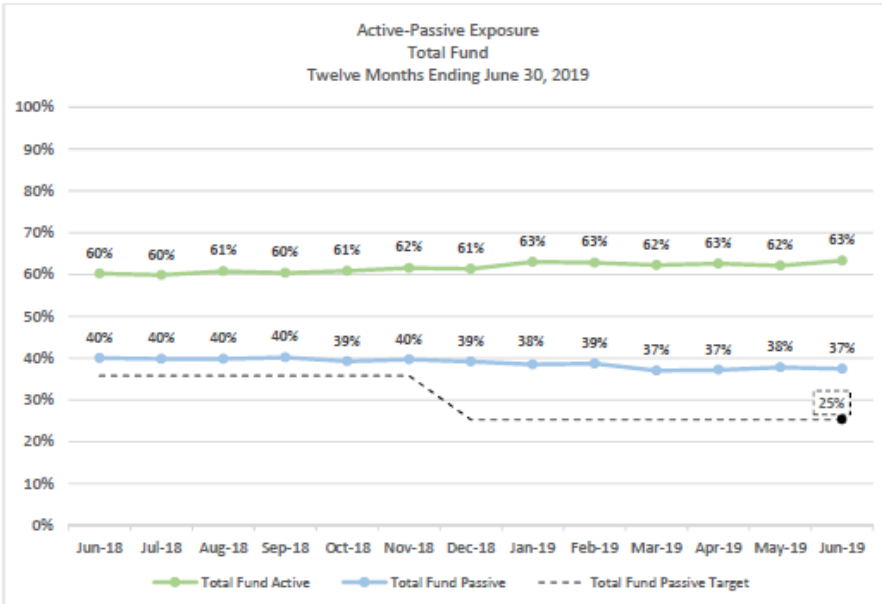
LACERS Investment Portfolio

ASSET CLASS BY MARKET VALUE & ALLOCATION						
Asset Class	as of ► June 30, 2019					
	Actual (\$ B)	Actual (%)	Target (%)	Actual-Target*	Min (%)	Max (%)
U.S. Equity	4.50	25.4%	19.0%	6.4%	12.0%	26.0%
Non-U.S. Equity	5.38	30.4%	27.0%	3.4%	18.0%	36.0%
Core Fixed Income	3.07	17.4%	13.8%	3.6%	10.8%	16.8%
Credit Opportunities	0.97	5.5%	12.3%	-6.8%	8.3%	16.3%
Private Equity	1.95	11.0%	14.0%	-3.0%	N/A	N/A
Public Real Assets	0.96	5.4%	6.0%	-0.6%	4.0%	8.0%
Private Real Estate	0.81	4.6%	7.0%	-2.4%	N/A	N/A
Cash	0.06	0.3%	1.0%	-0.7%	0.0%	2.0%
TOTAL FUND	17.69	100.0%	100.0%	0.0%	N/A	N/A

*Current asset allocation targets approved in April 2018. Transition to new targets in progress.







APPENDIX A. BUSINESS PLAN INITIATIVE TEMPLATE

Shade the cells according to status:

COMPLETED
ON TRACK
OFF TARGET
INTERVENTION NEEDED

[NAME OF BUSINESS PLAN INITIATIVE]		Strategic Goal: [ASSOCIATED STRATEGIC GOAL]
REPORTING MONTH: [REPORTING MONTH] [YEAR]		LEAD(S): [FIRST AND LAST NAME(S)]
STATUS: [ON TRACK] [OFF TARGET] [INTERVENTION NEEDED]		DIVISION(S)/SECTION(S): [DIV./SECTION NAME]

INITIATIVE SUMMARY

[Provide 1-2-line description of initiative. Bullet the major components.]

- [Component 1]
- [Component 2]
- [Component 3]

ISSUES / CHALLENGES

[Identify any current or future barriers to the achievement of deliverables. Keep it brief.]

MILESTONES / ACHIEVEMENTS

Q1/FY19

✓ [List key tasks/milestones in current or completed quarters. If complete, use check mark bullet.]

Q2/FY19

✓ [List key tasks/milestones in current or completed quarters. If complete, use check mark bullet.]

BUDGET

Appropriation: \$[whole dollars]

Expense: \$[whole dollars]

Unspent: \$[whole dollars]

[Add budget notes here]

[Budget should reflect expenses, excluding salaries, unless requesting new positions mid-year.]

KEY INDICATORS

[Provide quantitative measurements of successful implementation. Graphical representations are encouraged]

Survey Feedback

"How helpful was this medical sector for you?"

"Do you feel like you have a better understanding of how your medical benefits work now?"



KEY DEPENDENCIES / ASSUMPTIONS

- [Bullet assumptions of certain resources or prioritizations that are required for timely implementation of this initiative.]
- [For example: Funding availability, staffing availability, other resource availability, key cooperation.]

CORRECTIVE ACTIONS

[Box displayed for those BPI with Status of "OFF TARGET" or "INTERVENTION NEEDED." List strategies that will be taken to move BPI back on track.]

DELIVERABLES / TIMEFRAME

Q3/FY19

□ [List key upcoming deliverables/milestones in this quarter. Use the box bullet.]

Q4/FY19

□ [List key upcoming deliverables/milestones in this quarter. Use the box bullet.]

FY20

□ [List key upcoming deliverables/milestones in future fiscal year or add future quarters. If needed, use the box bullet.]

Side bar represents the status over the months in the FY. Change the color accordingly.

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