



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

MEETING: JULY 28, 2020
ITEM: IX – C

Neil M. Guglielmo

**SUBJECT: YEAR-END REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING
JUNE 30, 2020**

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report.

Executive Summary

The LACERS Strategic Plan approved by the Board in February 2019, establishes strategic goals and direction for the organization for three to five years into the future. Progress toward meeting the strategic goals are achieved through initiatives, which receive funding through the annual budget in May. The highest priority initiatives for the year are included in the Annual Business Plan and undergo regular performance management reviews. The attached year-end report of the 2019-20 Business Plan highlights the six high priority initiatives. Based on plans, one Business Plan Initiative (BPI) is completed, one moves into on-going operations, and four continue as BPIs into Fiscal Year 2020-21. Two new BPIs are added to the 2020-21 work plan: the Separation Incentive Programs and the Mobile Workforce Initiatives. These initiatives are discussed in the body of the report.

Strategic Plan Goals (Five of seven reflected)	Business Plan Initiatives	
	2019-20	2020-21
Outstanding Customer Service	<ul style="list-style-type: none"> Multi-Channel Outreach – <i>continuing as Member Experience</i> Website Redesign - <i>completed</i> 	<ul style="list-style-type: none"> Member Experience
Timely & Accurate Benefit Delivery		<ul style="list-style-type: none"> Separation Incentive Program
Investments	<ul style="list-style-type: none"> Asset Allocation – <i>continuing</i> 	<ul style="list-style-type: none"> Asset Allocation
Organizational Efficiency, Effectiveness, Resiliency	<ul style="list-style-type: none"> Headquarters Move - <i>continuing</i> Emergency Preparedness - <i>on-going</i> 	<ul style="list-style-type: none"> Mobile Workforce Headquarters Move
High Performing Workforce	<ul style="list-style-type: none"> Recruitment and Retention - <i>continuing</i> 	<ul style="list-style-type: none"> Recruitment and Retention

Discussion

The Business Plan Initiatives represent LACERS' highest priority initiatives for the year. The attached year-end report details the progress made on the BPIs. A number of achievements by the Board and staff have contributed to furthering strategic plan goals. Of particular note is the purchase of LACERS Headquarters Building and a number of business continuity solutions implemented in the last quarter of Fiscal Year 2019-20. The pandemic hastened LACERS need to restructure many facets of operations from Information Technology (IT) infrastructure to adding additional channels of communications to establishing new ways to serve Members. The global health crisis provided a unique circumstance which completely changed LACERS' IT model. In a few short weeks, LACERS went from a wholly on-premises computing environment to virtual environment, enabling all full-time employees the ability to securely access critical systems from home. Emergency procedures were implemented and the Business Continuity Plan was activated, resulting in successful execution of mission critical function to pay Retirees on time. While in-person services are still on hold, LACERS continues to add ways of reaching out to Members. For example, LACERS has launched a new modern and user friendly website and has just launched a new cloud based call center system allowing Member Services staff to take Member calls remotely. For employees that must report to the office, LACERS promotes a high standard of workplace health and safety, limiting the on-site workforce through telecommuting and staggering work shifts. Despite the numerous challenges, LACERS has been highly successful in delivering on the 2019-20 BPIs along with other accomplishments.

BUSINESS PLAN INITIATIVES AND ACHIEVEMENTS FOR FISCAL YEAR 2019-20

Highlights of 2019-20 Achievements toward LACERS Strategic Goals:

Accurate and Timely Delivery of Benefits

- ✓ Retired 983 Members in Fiscal Year 2019-20
- ✓ Launched a collaborative effort with Los Angeles World Airports (LAWA) to retire 330 LAWA employees through a post-COVID Separation Incentive Program

Outstanding Customer Service

- ✓ Realized a number of Member Experience improvements including Planning for Retirement Seminar On-Demand and a new YouTube channel
- ✓ Launched a new cloud based call center system with enhanced capabilities and remote operation
- ✓ Launched a new, modern redesigned website

Value Health and Wellness Benefits

- ✓ Health Plan renewal costs decreased by 0.10% versus the Medical trend rate of 7.00%
- ✓ Launched the multi-year campaign of Purposeful Living
- ✓ Conducted online three-week Financial Resilience Workshop for Retirees

Superior Investments

- ✓ The Board approved temporary measures to address volatile market conditions associated with COVID-19 including increased cash holdings, as-needed deferment of total fund portfolio rebalancing, and de-risking of the Securities Lending Program.

Good Governance

- ✓ Secured LACERS' permanent headquarters facility and a long-term strategic asset of the Plan having purchased a five-story office building
- ✓ Benchmarked LACERS' Investment Management Fees and Administrative Costs against other peer public pension systems
- ✓ Published our first Popular Annual Financial Report as a companion to our Comprehensive Annual Financial Report
- ✓ Conducted an independent actuarial audit of our Actuarial Valuations and Experience Study
- ✓ Conducted an Actuarial Experience Study with the LACERS Board adopting new Actuarial Assumptions of 7% Investment Return and 2.75% inflation
- ✓ Conducted LACERS first Actuarial Risk Assessment Report
- ✓ Completed a comprehensive review and update of all Board Governance Policies
- ✓ Instituted Board Meetings in a virtual environment and ensuring public access

Organizational Effectiveness, Efficiency, and Resiliency

- ✓ Moved 25 staff members to the new building, with the balance of staff set to move in 2021
- ✓ Launched a virtual IT environment for 100% of the full-time staff, from a completely on-premises IT infrastructure, to enable remote work for the vast majority of work functions
- ✓ Instituted the use of collaborative software applications including Box.com, Monday.com, Microsoft Teams, Business Intelligence, and Zoom Meetings
- ✓ Completed an all-day earthquake simulation drill with departmental primary and secondary responders

High-Performing Workforce

- ✓ Continued organizational realignment, with formation of a Member Stewardship Unit to advocate LACERS' needs in the Citywide HRP Project and to strengthen our payroll functions and protection of Member benefits
- ✓ Established a new Benefits Analyst and Senior Benefits Analyst classification effective July 1, 2020
- ✓ Hired five employees from the Targeted Local Hire Program this year for a total of 14 since program inception

Delivery of several BPIs, particularly Asset Allocation and the Workforce Initiative, were disrupted by the unexpected pandemic crisis followed by preparations for the Separation Incentive Programs. Manager searches and due diligence reviews were halted as Safer-At-Home directives and safety concerns took priority over travel. Additionally staffing resources were diverted from the Workforce Initiatives toward crisis response priorities.

2019-20 Business Plan Initiatives are further detailed in the attached BPI Dashboards.

BUSINESS PLAN INITIATIVES FOR FISCAL YEAR 2020-21

Six major initiatives have been funded by the Board for Fiscal Year 2020-21 and work has started on all initiatives.

Separation Incentive Programs Los Angeles World Airports and the City

The priority for the fiscal year, and majority of resources will go toward implementation and completion of the retirements under the Separation Incentive Programs (SIP). Retirement processing will be based on estimated calculations. Temporary staff may be retained for the entire year to assist with auditing, reconciling, and clearing of backlogs created or complicated by SIP.

- **Augment Staffing** - Aggressive hiring efforts are underway to increase temporary staffing for LACERS for the City Separation Incentive Program inclusive of both vacant and new positions. Part of the hiring strategy includes use of the Mayor's transfer authority to bring back former LACERS employees now at other departments, use of 120-day employment to bring back retired LACERS employees, hiring of part-time staff, filling vacancies, activating substitute authority positions, and recruiting Targeted Local Hire (TLH) participants for clerical positions.
- **Preparation of Office Space** –Continue work from home status to make additional office space available for new hires. Implement the highest standard of health and safety protocols within available resources. Continue the employee education campaign on health and safety protocols, including mandatory short training videos.
- **Preparation of Computing Environment** – Procure necessary equipment for staff to be productive both in the office and while working remotely.

Member Experience Improvements

LACERS strives to improve the Member experience by broadening communications through expanded channels. This initiative will develop a comprehensive content management structure to efficiently manage information for newsletters, the website, and other communication avenues such as LACERS' wiki page and open data platforms. Self-service options for Members will be developed to include retirement seminars via webinars, the ability to video conference with retirement counselors, the ability to utilize on-line benefit calculators from their mobile devices, and the option to complete forms and submit documents electronically.

Improvements will also be made to the contact center system. As part of the migration to the new Headquarters building, a new contact center system will be built with expanded service tools and new administrative features. The new system will also incur lower operational costs.

Mobile Workforce Initiative

The recent State and local orders to stay-at-home propelled the implementation of remote work solutions on an expedited timeline. Originally planned concurrent to our move to the new headquarters building, access to necessary enterprise applications and mobile phones have been deployed to staff who perform mission essential functions. This will be expanded so that every staff member is equipped with a laptop and docking station in-lieu of a desktop computer, and mobile phones in lieu of desk phones. Software to facilitate remote work such as Office 365 and tools such as Zoom.com for virtual meetings will be deployed, as well as software and hardware to enhance IT security.

Headquarters Project

LACERS acquired an office building in October 2019 and hired an Asset Manager to assist with managing operations and developing a capital improvement plan for the building, inclusive of seismic reinforcements, a new roof, implementing LEED, and incorporating the WELL building standard. The building work plan schedule may be impacted pending confirmation of whether staff occupancy in this space is needed to accommodate CSIP implementation or whether CSIP impacts staff resources, materials and supplies, and construction necessary to progress the Headquarters Work Plan. Prior to COVID and CSIP, the Headquarters Project was LACERS top priority for Fiscal Year 2019-20.

Asset Allocation

There are three remaining searches: Emerging Markets Small Cap Equities, Emerging Markets Debt Blended Currency, and Core Fixed Income. These searches are in various stages of the competitive bidding process and will continue having been delayed by several months due to the COVID-19 pandemic.

Recruitment and Retention Initiative

For Fiscal Year 2020-21, a compensation study for Investment staff will be completed. The consultant has been identified. Salary surveys in 12 or more labor markets will be conducted in July, with an analysis and report to follow.

Staff will return to the Board in January/February 2021 with a semi-annual report on the progress of these BPIs.

Strategic Plan Impact Statement

The purpose of the Business Plan Initiative Program is to meet Strategic Plan Goals by designating the highest priority projects for the fiscal year as initiatives under the program. The department leadership actively engages in collaborative efforts toward successful outcomes for this initiative.

Prepared By: Dale Wong-Nguyen, Chief Benefits Analyst, Administration Division

NMG/TB/DWN

Attachment: Business Plan Initiatives Fiscal Year 2019-2020 Dashboards for the Reporting Period Ending June 2020



LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

Reporting Period Ending June 2020

A dark blue background with a white network of interconnected nodes and lines, resembling a digital or organizational structure.

BUSINESS PLAN INITIATIVES

FISCAL YEAR 2019-2020

Prepared for

LACERS BOARD OF ADMINISTRATION

JULY 28, 2020

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LACERS GOALS

1

CUSTOMER SERVICE

To provide outstanding customer service.

2

BENEFITS DELIVERY

To deliver accurate and timely Member benefits.

3

HEALTH AND WELLNESS

To improve the value and minimize costs of Members' health and wellness benefits.

4

INVESTMENT

To optimize long-term risk adjusted returns through superior investments.

5

GOVERNANCE

To uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

6

ORGANIZATION

To increase organizational effectiveness, efficiency, and resiliency.







7

WORKFORCE

To recruit, retain, mentor, empower, and promote a high-performing workforce.

EXECUTIVE SUMMARY DASHBOARD

COMPLETED
ON TRACK
OFF TRACK
NEEDS INTERVENTION

INITIATIVES, GOALS & EXECUTIVE SPONSORS	JUNE STATUS	INITIATIVE LEADS
<p>1 ASSET ALLOCATION ACHIEVE INVESTMENT PERFORMANCE/RISK OBJECTIVES Executive Sponsor: Rod June</p>		Lead: Bryan Fujita
<p>2 WEB REDESIGN OUTSTANDING CUSTOMER SERVICE Executive Sponsor: Lita Payne</p>		Lead: Taneda Larios & Thomas Ma
<p>3 EMERGENCY PREPAREDNESS & BCP ORGANIZATION RESILIENCY Executive Sponsor: Todd Bouey</p>		Lead: Isaias Cantú, John Koontz & Dan Goto
<p>4 MULTI-CHANNEL OUTREACH EXPANSION OUTSTANDING CUSTOMER SERVICE/ TIMELY & ACCURATE BENEFITS Executive Sponsor: Lita Payne</p>		Lead: Gabriel Perez & Nathan Herkelrath Tenah Johnson-Taylor & Delia Hernandez
<p>5 RECRUITMENT & RETENTION HIGH PERFORMING WORKFORCE Executive Sponsor: Neil Guglielmo</p>		Lead: Lin Lin
<p>6 HEADQUARTERS MOVE WORKFORCE & ORGANIZATION Executive Sponsor: Todd Bouey</p>		Lead: Isaias Cantú, Horacio Arroyo & Thomas Ma

INITIATIVE SUMMARY

The Investment Division implements the Asset Allocation Policy approved by the Board. The Board seeks to achieve its return target of 7.00% over long periods of time by assuming prudent levels of risk as prescribed in the Risk Budget. The key priorities are:

- Conduct appropriate investment manager searches
 - Issue RFPs and manage the selection process pursuant to Investment Policy
 - Negotiate contract terms and conditions
 - Fund managers and rebalance the portfolio
 - Monitor investment managers pursuant to Investment Policy
 - Report search and manager status to the Investment Committee and Board
- Evaluate and monitor active versus passive exposure

BUDGET

Appropriation:	\$62,200
Expense:	(\$18,169)
Unspent:	\$44,031

KEY DEPENDENCIES/ASSUMPTIONS

- Board and Investment Committee priorities
- Sufficiency of staffing and consultant resources
- Qualified investment managers respond to RFPs
- Selection process pursuant to Manager Search and Selection Policy remains substantially unchanged

MILESTONES / DELIVERABLES

Q1/FY20

- ✓ Complete Private Credit RFP – Jul
- ✓ Complete transition of Active Large Cap Value Equities to Passive Large Cap Equities – Jul
- ✓ Launch Core Fixed Income RFP – Aug

Q2/FY20

- Complete U.S. Small Cap Equities RFP – Deferred

Q3/FY20

- ✓ Complete U.S. Small Cap Equities RFP – Jan
- Execute Private Credit Contracts – ~~Jan~~ Deferred
- Fund Private Credit – ~~Feb~~ Deferred
- ✓ Complete High Yield/Bank Loans RFP – Feb
- Complete Emerging Mkt Small Cap RFP – ~~Mar~~ Deferred

Q4/FY20

All items anticipated to be completed were deferred to Q1, Q2, and Q3 of FY21 in light of COVID-19 pandemic

Q1/FY21

- Execute Private Credit Contracts – ~~Jan~~ Jul
- Execute U.S. Small Cap Equities Contracts – ~~Apr~~ Jul
- Execute High Yield/Bank Loans Contracts – ~~May~~ Jul
- Complete Emerging Mkt Small Cap RFP – ~~Mar~~ Jul
- Fund Private Credit – ~~Feb~~ Aug
- Fund U.S. Small Cap Equities – ~~May~~ Aug
- Fund High Yield/Bank Loans – ~~Jun~~ Aug
- Complete Emerging Mkt Debt RFP – ~~Apr~~ Aug

Q2/FY21

- Execute Emerging Mkt Small Cap Contracts – ~~Jun~~ Oct
- Complete Core Fixed Income RFP – ~~May~~ Oct
- Fund Emerging Mkt Small Cap Equities – ~~Jul~~ Nov
- Execute Emerging Mkt Debt Contracts – ~~Jul~~ Nov
- Fund Emerging Market Debt – ~~Aug~~ Dec

Note: Strikethrough of month indicates previously anticipated completion date. Month in red font indicates currently anticipated completion date.

Q3/FY21

- Execute Core Fixed Income Contracts – ~~Aug~~ Jan
- Fund Core Fixed Income – ~~Sep~~ Feb

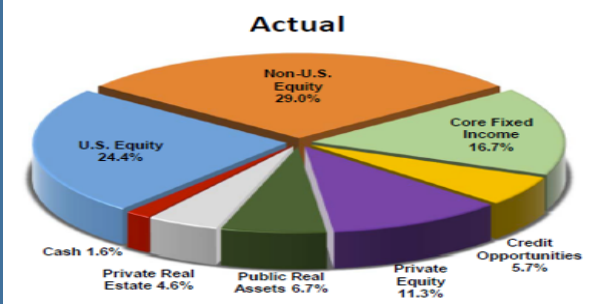
KEY INDICATORS

Refer to attached exhibits:

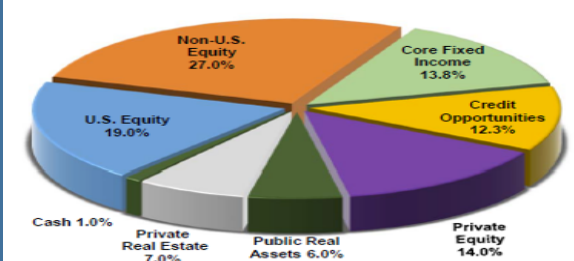
- Exhibit A – Investment Manager Search Schedule
- Exhibit B - Asset Class Exposure Actual versus Target
- Exhibit C - Asset Class Exposure Trend Past 12 Months
- Exhibit D - Active vs. Passive Trend Past 12 Months

LACERS Asset Class by Market Value & Allocation

June 30, 2020



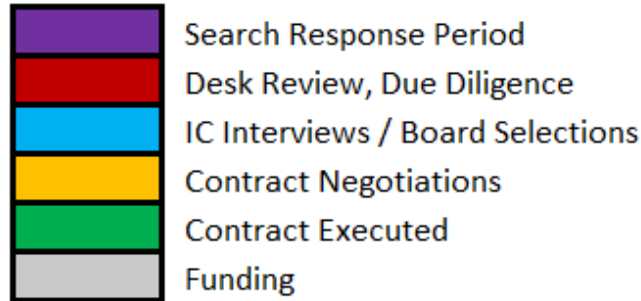
Target



BUSINESS PLAN INITIATIVE FY 2019-20 - DASHBOARD

Investment Manager Search Schedule
LACERS
June 30, 2020

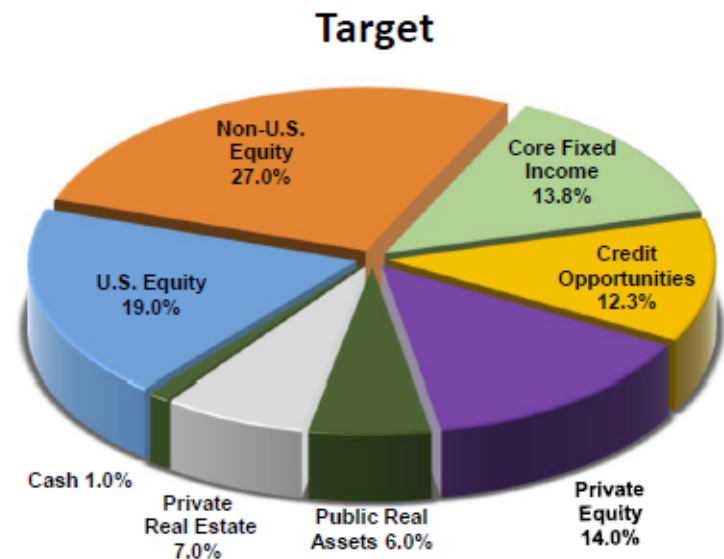
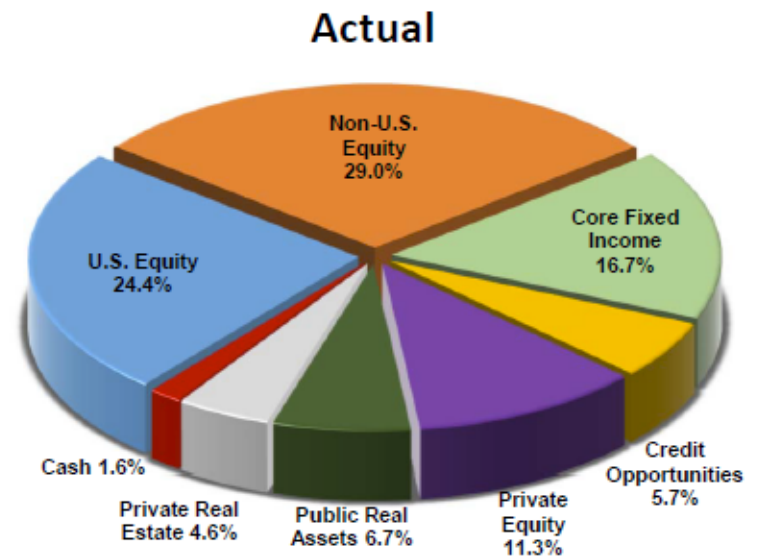
EXHIBIT A



	Q4 FYE 20	Q1 FY 20-21			Q2 FY 20-21			Q3 FY 20-21	
Search	2020 JUN	2020 JUL	2020 AUG	2020 SEP	2020 OCT	2020 NOV	2020 DEC	2021 JAN	2021 FEB
Private Credit	Yellow	Green	Grey						
U.S. Small Cap Equities	Yellow	Green	Grey						
High Yield/Bank Loans	Yellow	Green	Grey						
Emerging Markets Small Cap Equities	Red	Blue	Yellow	Yellow	Green	Grey			
Emerging Market Debt	Red	Red	Blue	Yellow	Yellow	Green	Grey		
Core Fixed Income	Red	Red	Red	Red	Blue	Yellow	Yellow	Green	Grey

LACERS Investment Portfolio

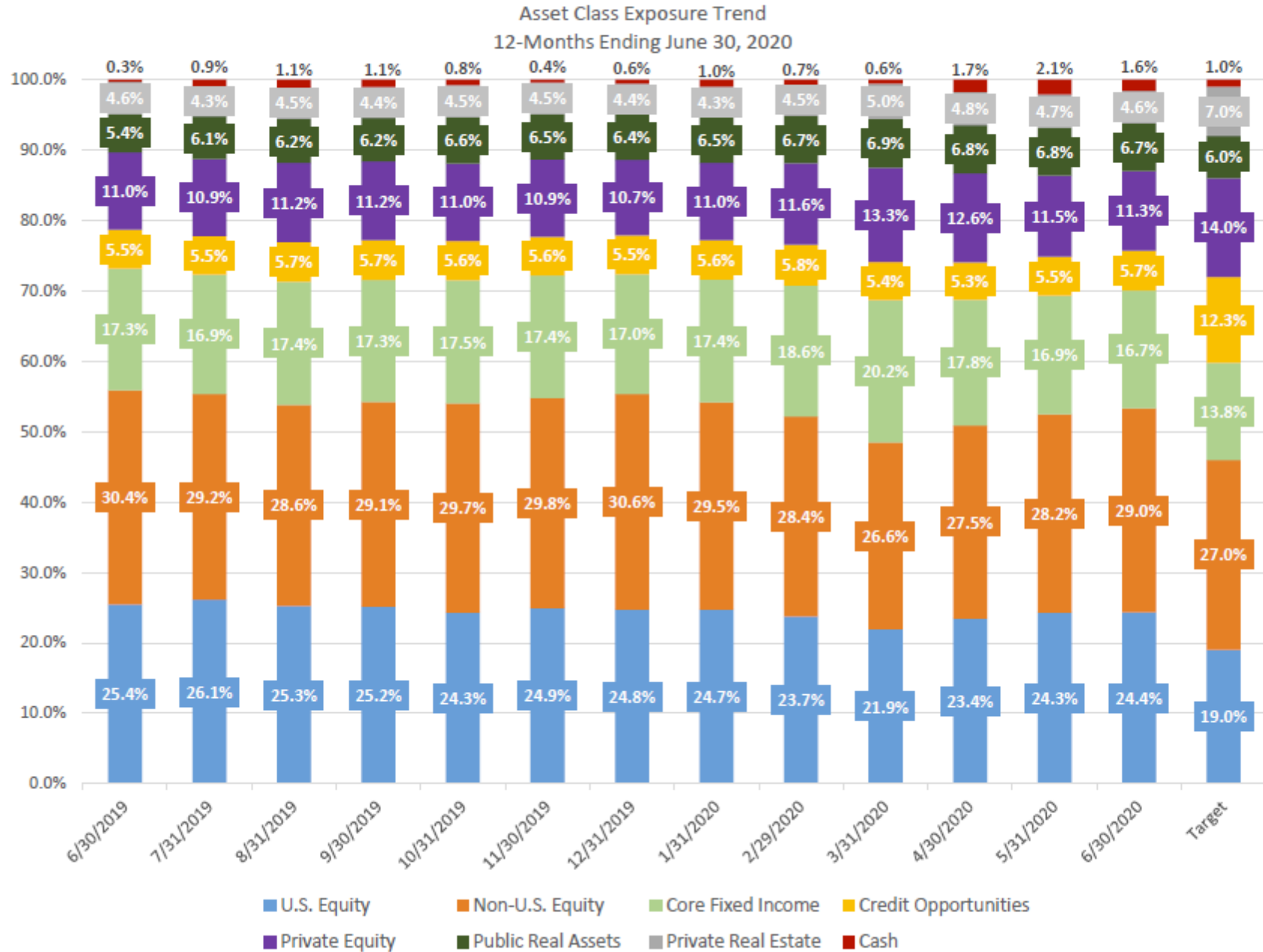
ASSET CLASS BY MARKET VALUE & ALLOCATION						
Asset Class	as of ► June 30, 2020					
	Actual (\$ B)	Actual (%)	Target (%)	Actual-Target*	Min (%)	Max (%)
U.S. Equity	4.32	24.4%	19.0%	5.4%	12.0%	26.0%
Non-U.S. Equity	5.13	29.0%	27.0%	2.0%	18.0%	36.0%
Core Fixed Income	2.96	16.7%	13.8%	3.0%	10.8%	16.8%
Credit Opportunities	1.00	5.7%	12.3%	-6.6%	8.3%	16.3%
Private Equity	1.99	11.3%	14.0%	-2.7%	N/A	N/A
Public Real Assets	1.20	6.7%	6.0%	0.7%	4.0%	8.0%
Private Real Estate	0.82	4.6%	7.0%	-2.4%	N/A	N/A
Cash	0.28	1.6%	1.0%	0.6%	0.0%	2.0%
TOTAL FUND	17.70	100.0%	100.0%	-0.1%	N/A	N/A



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

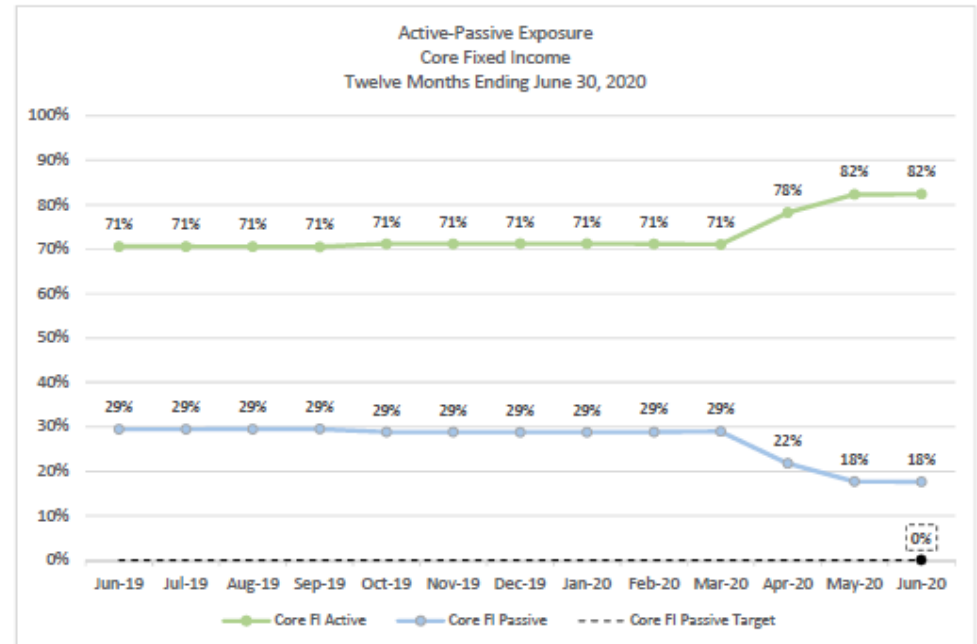
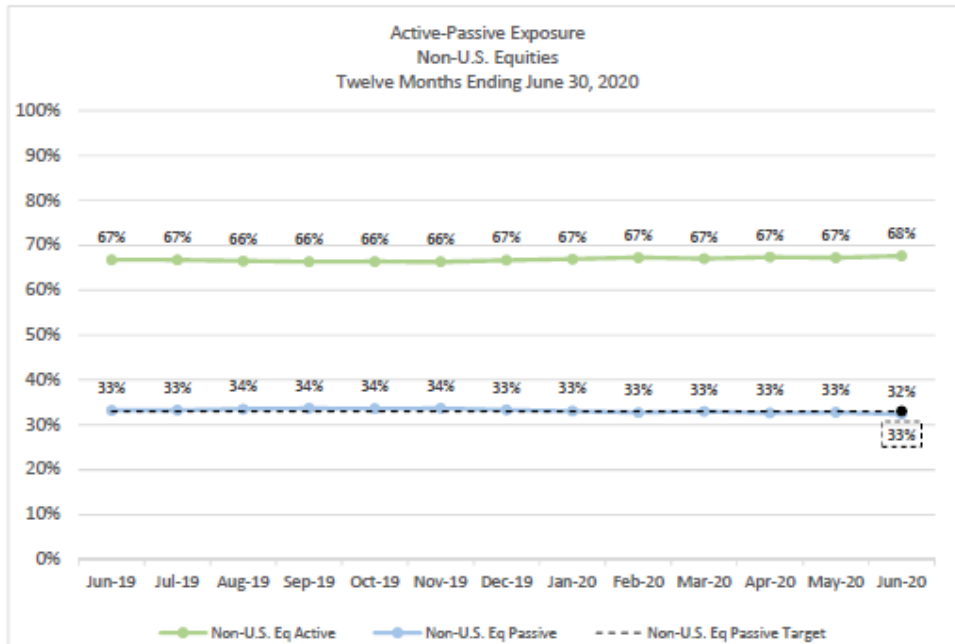
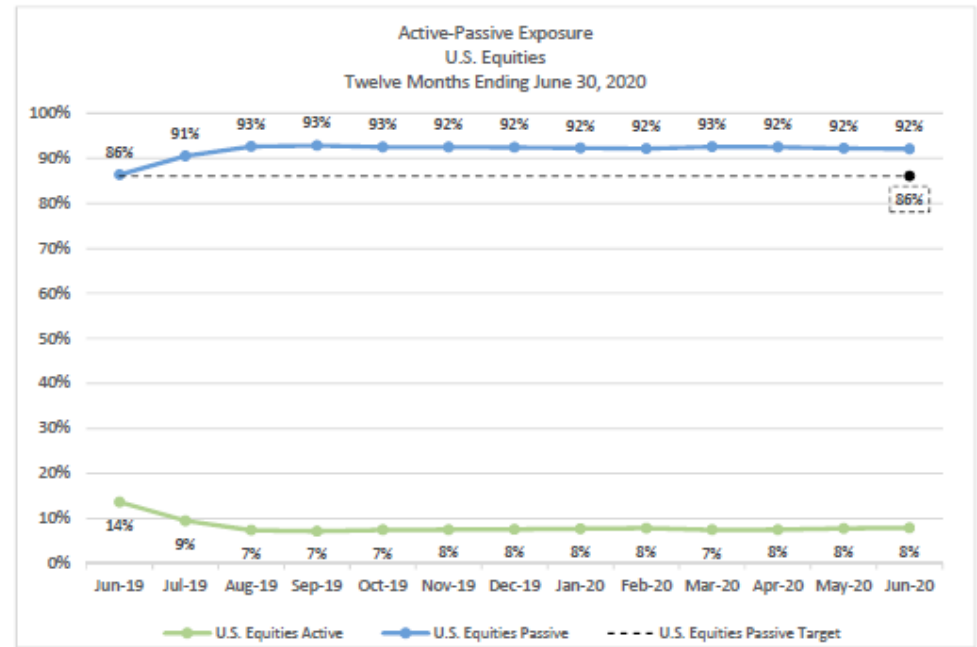
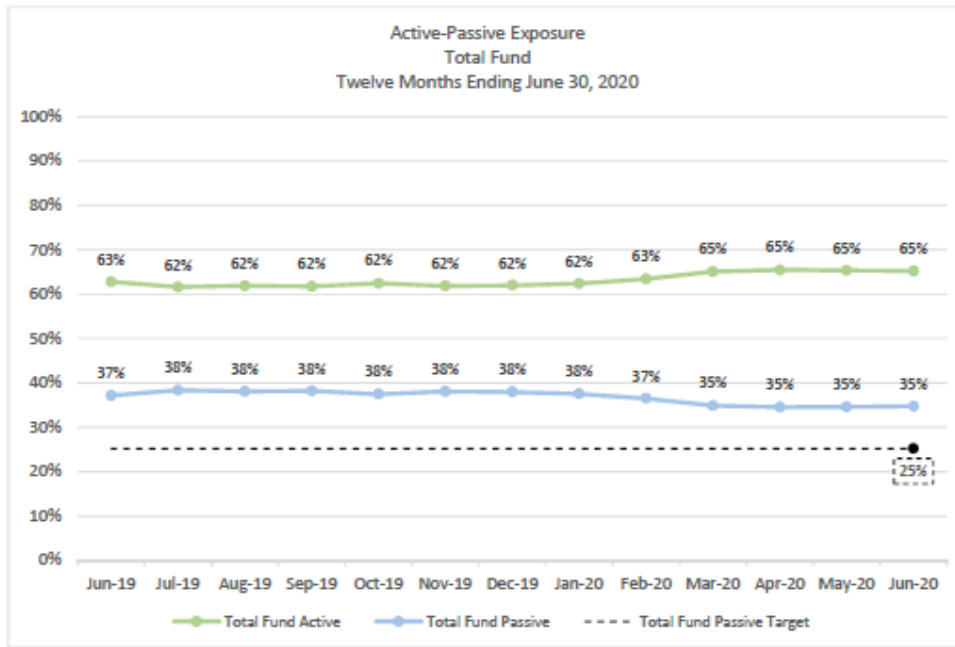
BUSINESS PLAN INITIATIVE FY 2019-20 - DASHBOARD

EXHIBIT C



BUSINESS PLAN INITIATIVE FY 2019-20 - DASHBOARD

EXHIBIT D



FISCAL YEAR END SUMMARY 2019-2020

ASSET ALLOCATION

Accomplishments

During Fiscal Year 2019-20, six investment manager searches were launched to implement the Asset Allocation Policy. Three searches were completed: Private Credit, Small Cap Equities, and High Yield and Hybrid High Yield/Bank Loans. These searches resulted in the award of contracts to 11 firms. There are three remaining searches: Emerging Markets Small Cap Equities, Emerging Markets Debt Blended Currency, and Core Fixed Income. These searches are in various stages of the competitive bidding process and have been delayed by several months due to the COVID-19 pandemic.

Pandemic Challenges & Opportunities

During the early weeks of the Mayor's Stay-at-Home Order and telecommuting, efforts were refocused from conducting searches to performing mission critical investment functions, protecting the liquidity of the investment portfolio, and identifying opportunistic investments in a volatile market. Such efforts resulted in Board approval of temporary modifications to the Investment Policy, including an increased limit on cash holdings, deferment of total fund portfolio rebalancing, and de-risking of the Securities Lending Program. The Board also approved a commitment to a Term Asset-Backed Securities Loan Facility (TALF) fund to capitalize on a temporarily dislocated asset-backed securities market.

Additionally, travel restrictions and health precautions prevented staff from conducting planned on-site due diligence meetings with semi-finalists candidates of the emerging markets equities and emerging markets debt searches. This required reconsideration of the on-site due diligence process, resulting in the implementation of video conferencing as a necessary substitute. The challenges arising from the COVID-19 pandemic have ultimately delayed completion of the Asset Allocation initiative to Fiscal Year 2020-21.

Next Steps

In light of LACERS long-term investment horizon, the delay in completion of the asset allocation is expected to have minimal impact on the total fund portfolio and the Investment Goal of optimizing the long-term expected rate of return of the Plan. Further, as required by the Board's Investment Policy, a routine asset allocation study is planned for mid-Fiscal Year 2020-21 to reassess and optimize the total fund portfolio under more recent capital market assumptions and risk-return expectations.

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:	\$221,000
Expense:	(\$166,700)
Unspent:	\$54,300

KEY DEPENDENCIES/ASSUMPTIONS

- Fund availability
- Staffing resources
- Leverage existing agreement

MILESTONES / DELIVERABLES

Q1/FY20

- ✓ Design Prototype – Jul 18
- ✓ Board Presentation – Jul 23
- ✓ Design Selection – Aug 8
- ✓ Mobile & Interior Page Development – Aug 15
- ✓ Content Planning – Aug 22
- ✓ Sitemap & Information Architecture – Aug 30

Q2/FY20

- ✓ Video Sharing Interface – Sep 1
- ✓ Marketing Platform Interface – Oct 3
- ✓ Content Review & Prioritization – Nov 25
- ✓ Content Migration & Data Conversion – Dec 31

Q3/FY20

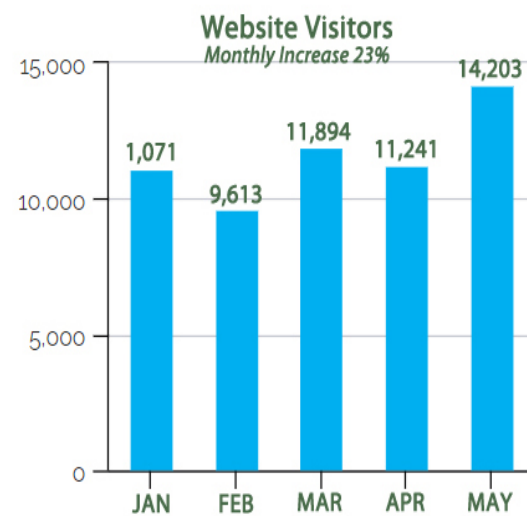
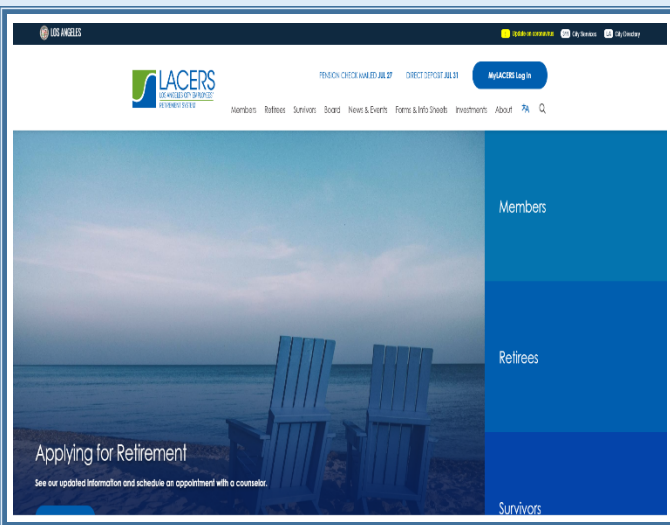
- ✓ Train Internal Staff on New Site – Jan 8
- ✓ Sandbox Site – Jan 9
- ✓ Soft Launch – Feb 12
- ✓ User and Member Testing – Feb 12
- ✓ Surveys & Fine Tuning – Feb 19
- ✓ Penetration Testing – Feb 27
- ✓ Go Live of New Internet Site – Mar 13

Q4/FY20 – Enhanced Internet Site

- ✓ Homepage Carousel – May 1
- ✓ Content Retention & Archive – Jun 30

KEY INDICATORS

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



SEP
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN

FISCAL YEAR END SUMMARY

2019-2020

WEBSITE REDESIGN

Accomplishments

Fiscal Year 2019-20 was a year of major milestone achievements leading to the successful launch of the much-anticipated website redesign on March 13, 2020. A team of ten subject matter experts collaborated with our website vendor to take the project from prototype to production. These milestones include delivery of the design, information architecture, video streaming interface, and content publishing technology.

As part of the Strategic Goal, Customer Service, the new website provides an effective communication tool for our members. The new modernized platform improves outreach to all members agnostic of devices utilized, combined with efficiency in publishing content. Since the launch on March 13, 2020, the new website has shown an average increase of 2,380 visits per month or 23% as compared to pre-launch. Additionally, the administrative tasks have improved greatly by eliminating the manual process needed for coding and archiving web content.

The website project was well planned and took into account many of the possible issues and concerns. Primarily, there were two main challenges the project faced. The first is the

considerable efforts required to convert over five hundred (500) content pages during the busy cyclical period of the year-end and open enrollment. The second involves competing project deadlines in which members of the working teams participated in. These projects were inclusive of the initial headquarter migration, mobile deployment, cloud-based content implementation, member outreach, and cybersecurity initiatives. To overcome these challenges, staff worked diligently and initiated the content review early to minimize impact to the website project.

Overall, the new website met all key objectives and exceeded expectations from the working team. This new modernized content website has greatly increased member usage providing accessibility to all computing devices in a timely fashion considering the pandemic and the greater need for electronic information. The great partnership with the website vendor was essential toward the long-term support and enhancements of the website.

Pandemic Challenges & Opportunities

The new website was launched ahead of schedule, steering clear of any impacts from the COVID-19 pandemic. As related to the Mayor of Los Angeles City “Safer At Home” public order announced mid-March 2020, the website launch provided many benefits during

this unprecedented circumstance. With modern cloud-based technology, our web team can remotely publish content efficiently and effectively providing timely communication to members during this crisis.

Next Steps

In Fiscal Year 2020-21, LACERS shall continue to advance the website with online communication tools for our Members. These features to be explored include live webinars, virtual assistants, and SMS messaging interfaces.

Additionally, LACERS plans to deploy online calculators for benefit, health, and service buyback.

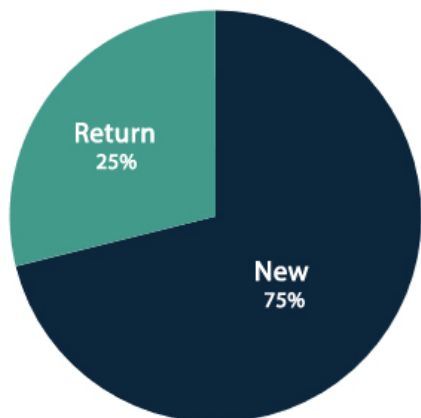
BUSINESS PLAN INITIATIVE FY 2019-20

Exhibit A

June 2020 Website Metrics

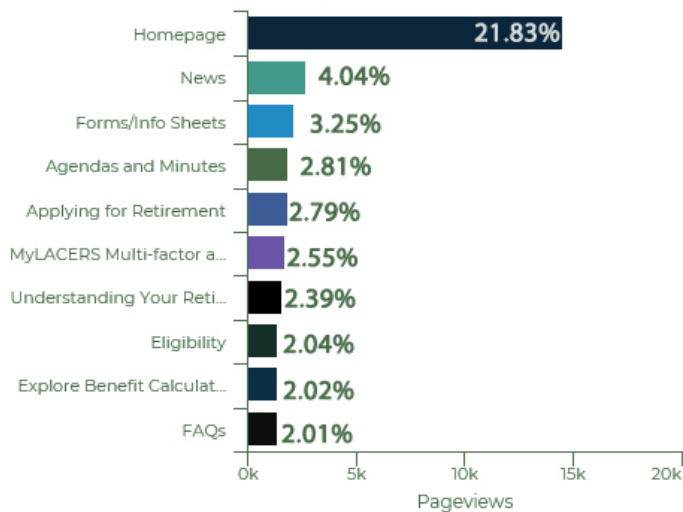
WEBSITE USERS

Total Visitors: 14,937



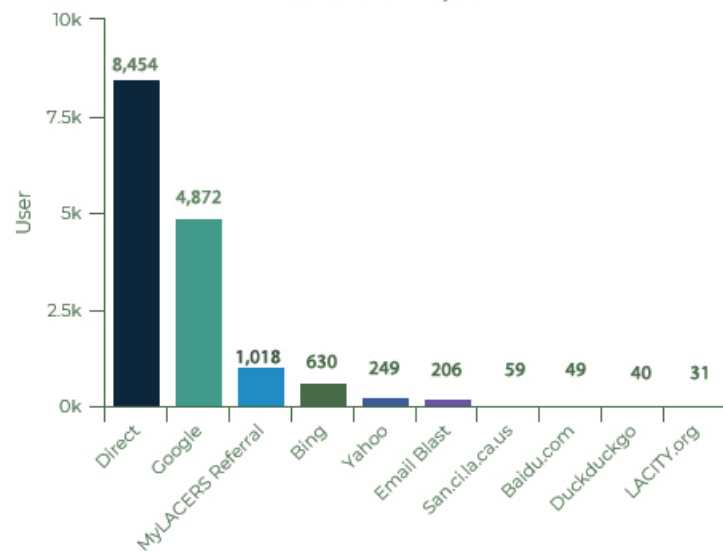
TOP ACCESS PAGES

Total Pageviews: 66,822



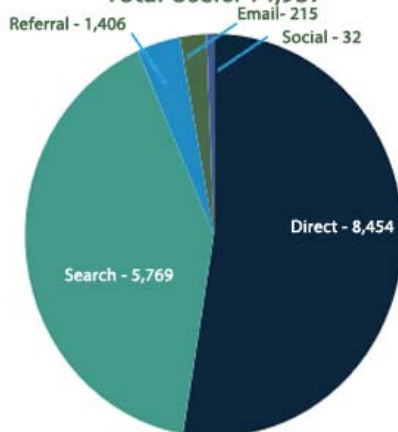
TRAFFIC SOURCE

Total Users: 14,937



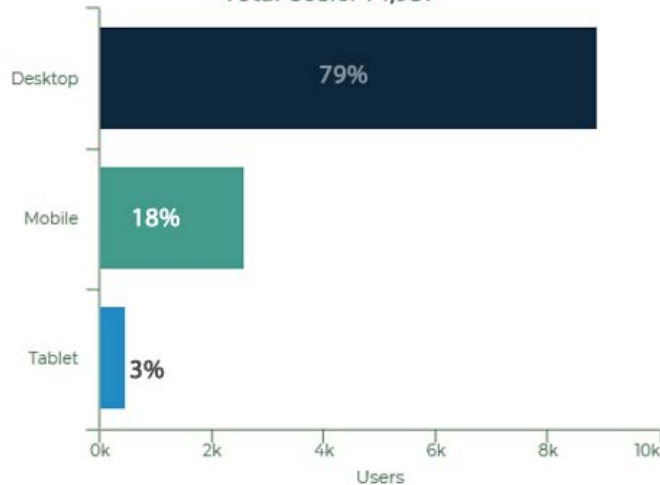
CHANNELS

Total Users: 14,937



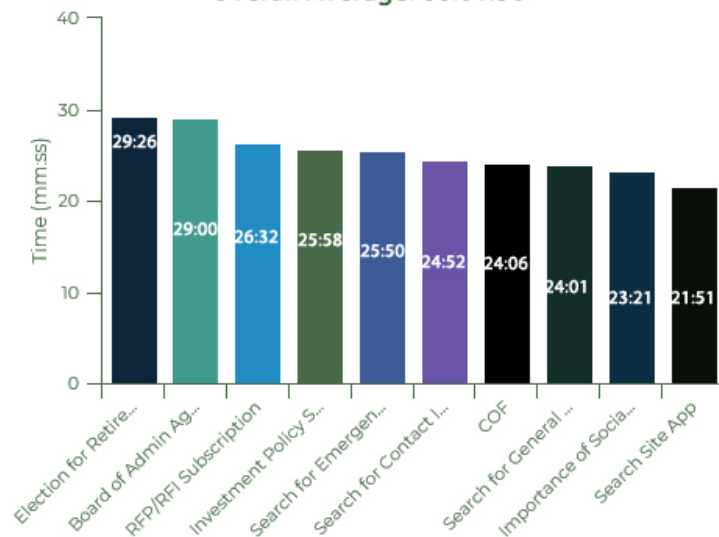
DEVICES

Total Users: 14,937



AVERAGE TIME ON PAGE

Overall Average: 00:01:36



INITIATIVE SUMMARY

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

BUDGET

Appropriation:	\$67,500
Expense:	(\$21,021)
Unspent:	\$46,479

KEY DEPENDENCIES/ASSUMPTIONS

- Identification of sufficient staff hours in light of the demands associated with the HQ buildout and relocation project
- Staff participants availability to attend training

MILESTONES / DELIVERABLES

Q1/FY20

- ✓ Staff Emergency Response Team CERT certification training – July
- ✓ Coop Agreement w/SFERS for server hosting – July
- ✓ Fire Evacuation Drill – Aug
- ✓ Coop Agreement w/LAFPP for alt. facilities – Aug
- ✓ Earthquake Tabletop Exercise – Sep
- ✓ Emergency payroll procedures - annual review w/Custodian bank- Sep

Q2/FY20

- ✓ Annual Earthquake Drill – Oct
- ✓ Established priority wireless cell service for key staff through Govt GETS/WPS program – Oct
- ✓ Monthly Emergency Management Team Meetings – Oct, Nov, Dec

Q3/FY20 and Q4/FY20

- ✓ Annual Submittal of Emergency Preparedness Plan to Emergency Management Dept – Jan
- ✓ MOU with Transportation and Sanitation Depts for services to Contingency Trailer site – Jan
- ✓ Performed Threat Assessment of 977 with LAPD - May

Activated the Business Continuity Plan for Pandemic Response - Mar

- ✓ Board meetings - enabled virtual meeting platform and alternate space at 977 for presenters
- ✓ Enabled Work-from-Home through implementation of major technology infrastructure & business tools
- ✓ Activated the Emergency Credit Card - Mar
- ✓ Weekly COVID-19 COOP Report to EOC
- ✓ Bi-Weekly COVID Expenditure Reports to CAO
- ✓ Prepared and submitted COVID-19 Reconstitution Plan to EMD – May & June
- ✓ Procured and deployed supplies needed for staff to work due to COVID-19
 - 800 PPEs
 - 137 Cellphones
 - 68 Laptops
 - 15 Desktops
- ✓ Sent out 15 MIR3 messages to personnel
- ✓ COVID-19 staff education – 10 instructional flyers

KEY INDICATORS

1) Evacuate all LACERS employees from Suite 500 within 4 minutes

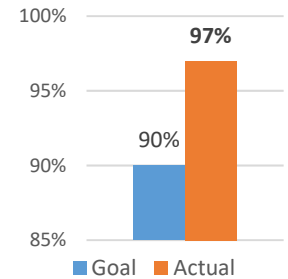
TRACKING.
 Staff was evacuated from the building in **4:09 minutes.**



2) Attendance of 2 hours of Emergency Preparedness (EP) Training by 90% of LACERS staff

ACHIEVED!

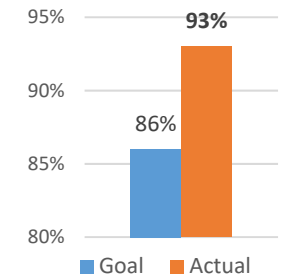
97% of staff met goal as of 6/30/20



3) Response to annual MIR3 notification test by 86% of LACERS staff

ACHIEVED!

93% of staff responded to June 2020 notice



4) Quarterly Issuance of Emergency Preparedness Tips to Staff

ACHIEVED!

ASO has distributed Tips in all 4 Quarters
 Q1: Evacuations
 Q2: Earthquakes
 Q3: LACERS Emergency Procedures
 Q4: 8 Steps to Cleaning Your Office Space

FISCAL YEAR END SUMMARY

2019-2020

EMERGENCY PREPAREDNESS

Accomplishments

Major accomplishments in FY20 include advancement of the Alternate Facilities plan with the establishment of disaster recovery agreements with Los Angeles Fire and Police Pensions (LAFPP), San Francisco Employees' Retirement System (SFERS), Los Angeles Department of Transportation (LADOT), and Los Angeles Sanitation (LASan). These agencies play a vital role in our recovery should LACERS ever be physically displaced from its brick and mortar facilities. Our mobile recovery site capabilities were expanded from one trailer with 48 workstations to two trailers with a total of 88 workstations.

In addition, LACERS developed an Emergency Plan for the building at 977 N. Broadway Building (977) purchased in October 2019. Twenty-five LACERS employee occupants received the plan inclusive of the evacuation protocol, how to respond to potential emergencies in the building, and contact information for key staff, first responders, and vendors providing services to the building.

A security assessment of 977 with Los Angeles Police Department occurred on May 20, 2020.

Ways to enhance safety at the building will be incorporated in the architectural design of the work space. A second security assessment will be performed as the construction to the building is finalized.

Pandemic Challenges & Opportunities

The importance of emergency preparedness and business continuity has been magnified in light of the COVID-19 pandemic and proven itself to be vital both to our strategic goals and to our Members who rely on our services. Planned milestones established for this initiative were replaced by urgent priorities implemented on an expedited timeline out of necessity.

New focus on the criticality of communications during an emergency motivated staff to fully engage with emergency communication protocols by actively supplying and updating their personal contact information. Further, new software and applications were introduced to help staff collaborate on-line and keep all teams informed of plans in progress while the Safer-At-Home order was in place. Department-issued cell phones were issued to all staff to facilitate communications with Members and allow for access to work emails.

Within a few weeks, remote access was made available to staff to enable the use of the pension administration system, various other enterprise applications, and documents contained in network folders.

Additional challenges due to the breadth of the crisis caused supply chain disruptions, backorders of laptops, personal protective equipment, and disinfecting supplies; time-consuming requirements to prepare reports to the Mayor, Emergency Management Department, and the City Administrative Officer.

Next Steps

While we remain in the Pandemic Crisis, health safety and social distancing will continue as the priority. Other emergency preparedness high priority activities for FY21: 1) further development of an Emergency Preparedness Plan for 977 in preparation for full staff occupancy of the new headquarters and 2) based on our pandemic experience, condensing LACERS business continuity plan into a more usable roadmap should another significant disruption to our business processes come our way.

INITIATIVE: **Multi-Channel Outreach Expansion**
 DIVISION(S)/SECTIONS: **Member Engagement, Member Service Center, Retirement Services and Health Divisions**
 STRATEGIC GOAL(S): **Customer Service and Benefits Delivery**

STATUS: **On Track**
 REPORT MONTH: **June 2020**
 LEAD(S): **Gabriel Perez/Nathan Herkelrath
 Tenah Johnson-Taylor/Delia Hernandez**

INITIATIVE SUMMARY

Expand the channels that LACERS utilizes to educate and counsel Members about their retirement and benefits by:

- Multi-Channel Outreach
Leads: Perez/Herkelrath
 - Webinars
 - Videos
 - Podcasts
- Web Based Counseling
Leads: Johnson-Taylor/Hernandez
 - Additional Path of Communication in real life
 - Option for Members with Mobility Challenges
 - Available to Members in Remote Locations

BUDGET

Appropriation:	\$6,030
Expense:	(\$6,030)
Unspent:	\$0

KEY DEPENDENCIES/ASSUMPTIONS

Multi-Channel Outreach

- Staff & time resources to lead this effort
- Divisions meet timelines
- Access to Director of Innovation

Web Based Counseling

- Staff & time resources to lead this effort
- Members' use of Service
- Software Procurement

MILESTONES / DELIVERABLES

Q1/FY20 and Q2/FY20

Multi-Channel Outreach

- ✓ Kickoff Meeting with Team Members
- ✓ Team Member Survey
- ✓ Review Potential Channels and Costs

Web Based Counseling

- ✓ Assemble Team - Sep
- ✓ Core Team Meetings
- ✓ Subject Matter Expert Team Meeting – Initial
- ✓ Test Various Web Based Meeting Software
- ✓ Subject Matter Expert Team Meeting – Follow-up
- ✓ Select Software Vendor

Q3/FY20 and Q4/FY20

Multi-Channel Outreach

- ✓ Selection of Channels to Utilize
 - Webinars, Videos, Podcasts
- ✓ Prioritization of Content and Channels to Utilize

Web Based Counseling

- ✓ Core Team Meetings
- ✓ Acquiring Web Based Meeting Software – Zoom Webinar Software

Q1/FY21

Multi-Channel Outreach

- ✓ 1st Creation of Content Posted
- ✓ Post Mortem Review with Team Members

Web Based Counseling

- Core and Subject Matter Expert Team Meetings
- Develop Business Processes and Survey Mechanism
- Staff Training
- Soft Launch Campaign
- Soft Launch

Q2/FY21

Web Based Counseling

- Go Live Campaign
- Go Live

KEY INDICATORS -TBD

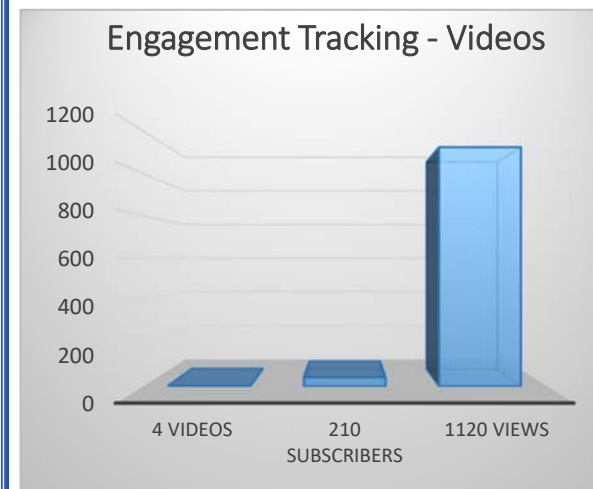
Multi-Channel Outreach

- Media produced for each unit within LACERS
- Engagement tracking and goals
- Ongoing surveys and improvement
- Reduction in time and cost to produce

Web Based Counseling

- Response to Surveys
- Counseling Sessions by Unit
- Appointments Scheduled
- Number of Participants
- Length of the Sessions

**Multi-Channel Outreach
 LACERS YouTube Launched Q4/FY20**



FISCAL YEAR END SUMMARY 2019-2020

MULTI-CHANNEL OUTREACH EXPANSION

Accomplishments

Key Fiscal Year 2019-20 milestones of our BPI were reached and even accelerated forward by the COVID-19 pandemic. After selection of the ZOOM webinar software, creation of content was made available quicker than originally anticipated. Today, Members have access to both Medicare and Planning for Retirement seminars 24/7 at www.lacers.org.

Pandemic Challenges & Opportunities

Our team also adapted to the new normal brought about by COVID-19 to allow for a group webinar format which should prove useful with the Separation Incentive Program being offered by the City alongside the need for social distancing. Implementing ZOOM health and retirement counseling is a near term deliverable with practice sessions coming soon. Individual ZOOM counseling has been moved to Fiscal Year 2020-21 to place more focus on reaching larger amounts of members.

Next Steps

In alignment with the strategic plan of enhancing service to Members, we have brought additional means of communication to reality. Members have more options than ever before to learn about LACERS. As we move forward to Fiscal Year 2020-21, we will continue to bring new channels into production and provide more videos on more topics. As we continue to evolve, we may require more ZOOM accounts depending on demand for remote counseling, recording of topics, and other uses by LACERS.

INITIATIVE SUMMARY

Recruit, Retain, Mentor, Empower, and Promote a High Performing Workforce by:

- Career Path
- Recruitment Web Page
- LACERS Training Vision
- Compensation Study RFP

BUDGET

Appropriation:	\$50,000
Expense:	(\$19,999)
Unspent:	\$30,001

KEY DEPENDENCIES/ASSUMPTIONS

- Staff & time resources to lead this effort
- Divisions meet timelines

MILESTONES / DELIVERABLES

Q1/FY20 and Q2/FY20

Career Path

- ✓ Work with Personnel Department
- ✓ Benefits Specialist Bulletin change – Oct
 - Added college units and work experience
 - Changed to continuous exam, 6 month interval on trial basis
- ✓ Benefits Analyst & Senior Benefits Analyst
 - Office of the City Administrative Officer approved salary correction

LACERS Training Vision

- ✓ Revised New Employee Orientation (NEO) Kick off meeting – Nov
 - 11/25/19
 - 12/9/19
 - 12/23/19

Q3/FY20

Career Path

- ✓ Benefits Specialist exam
 - Advisory essay – Jan
 - Interview – Feb

Recruitment Web Page

- Target web content – Feb

LACERS Training Vision

- ✓ Feedback re: New NEO – Jan
- ✓ Review and update Tuition Reimbursement

Compensation Study RFP

- ✓ Develop contract for Investment staff on salary surveys in Labor Markets – Mar

Q4/FY20

Career Path

- ✓ Benefits Specialist assessment – Apr
 - 10 appointments in June/July 2020
- ✓ Benefits Analyst & Senior Benefits Analyst – Jun
 - Civil Service Commission approved the new classifications
 - Successfully transitioned 15 Management Analysts, 10 Sr. Management Analysts, and 1 Sr. Personnel Analyst II to the new classification

Recruitment Web Page

- Launch web content – May
 - Pending due to COVID & City Separation Incentive Program (CSIP)

LACERS Training Vision

- ✓ Assess changes to NEO – Apr

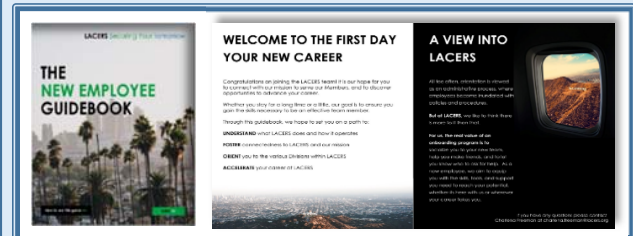
Compensation Study RFP

- ✓ Complete Study – May/June 2020
 - 12 Labor Markets identified
 - Will complete in FY 20-21

KEY INDICATORS

- Quality candidates from Benefits Specialist bulletin change resulted in 10 appointments
- New Employee Orientation (NEO): December 19, 2019 to January 9, 2020 meeting feedback results received excellent ratings
- Five out of Nine employees completed all division meetings via new NEO format 1/9/2020

	PRIOR NEO		NEW NEO		
	Q1 Day 1	Q1 Day 2	Q2	Q3	Q4
Scheduled	10	10	9	7	2
Attended	8	7	9	7	2
%	80%	70%	100%	100%	100%



FISCAL YEAR END SUMMARY

2019-2020

RECRUITMENT & RETENTION

Accomplishments

On June 25, 2020 the Civil Service Commission approved the Benefits Analyst and Senior Benefits Analyst positions for reallocation, representing the complete implementation of an effort begun in 2015 to create a special Benefits series to recruit and retain the special skillsets required for LACERS.

In addition, a career path for part-time LACERS staff into the entry-level Benefit Specialist classification was developed in collaboration with the Personnel Department. LACERS successfully added a new bulletin requirement to allow a combination of work hours and education to qualify for the Benefits Specialist exam. This change will afford as-needed employees an opportunity to compete and possibly transition into a Civil Service position once they met the minimum work hours requirement.

A candidate pool for Benefits Specialist was established in April 2020 with the certification of a new eligible list of Benefit Specialists. LACERS completed interviews in June 2020. LACERS will continue to communicate with the Personnel Department to ensure an on-going eligible list. This initiative will have a positive impact to the recruitment goal because we will be able to establish a candidate pool with specific LACERS knowledge for future Benefits Specialist exams.

Another accomplishment in Fiscal Year 2020-21, is enhancement of the New Employee Orientation (NEO) training program. The two half-day presentation was condensed to informal small group discussions with each Division accompanied by a user friendly electronic guidebook for self-study. Initial feedback indicates the new format increases participant interest and engagement, and meets the goals of socialization of new staff particularly to the culture of the organization and emphasis on the LACERS Guiding Principles.

Pandemic Challenges & Opportunities

In spite of COVID, LACERS made 10 job offers in June/July by conducting interviews via Zoom video conferencing, revamping rating sheets into electronic workbooks and utilizing a cloud-based document storage for sharing interview materials. The candidate pool came from the initial batch of applicants collected in November 2019, and established on the eligible list in April 2020. This delay was due to the pandemic. The next batch of applicants from April will most likely experience a delay in their test administration due to COVID.

The COVID pandemic placed a halt on in-person meetings. This has created challenges for coordinating group NEO. Moving forward, meetings will be conducted via Zoom. However, LACERS' role in implementing the City-wide Separation Incentive Program (CSIP) may limit staff availability to complete the NEO.

LACERS expected to launch a new Recruitment Web Page to highlight the benefits of working with the Department. The CSIP implementation will also cause a delay of this project and will be implemented in Fiscal Year 2020-21 instead.

Next Steps

For Fiscal Year 2020-21, a compensation study for Investment staff will be completed. The consultant has been identified. Salary surveys in 12 or more labor markets will be conducted in July, with an analysis and report to follow.

While the budget for training was reduced in light of the evolution of training opportunities due to the pandemic, LACERS continues to fund the Tuition Reimbursement Program.

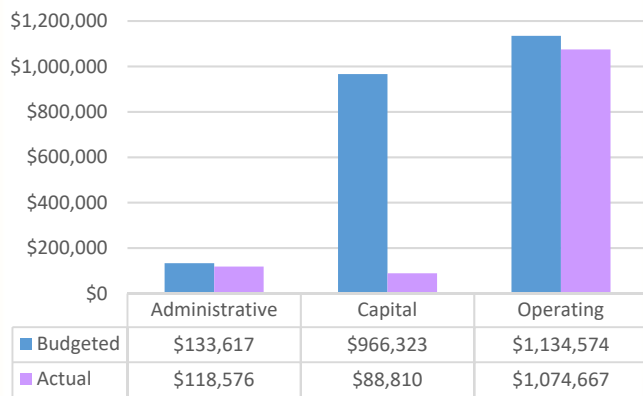
INITIATIVE SUMMARY

On October 23, 2019, 977 N. Broadway was acquired to serve as LACERS' permanent headquarters. This initiative tracks the development and implementation of the building Capital, Operating, and Occupancy Plans to remain within budget and schedule:

- Phase I – Move-in of 25 staff by 3/31/2020
- Phase II – Move-in of remaining staff

BUDGET

HQ Expenses - FY 2019-20



KEY DEPENDENCIES/ASSUMPTIONS

- Reliance on Advisors and consultants for their expertise to establish a reasonable budget and timeline
- Staffing resources & funding availability
- Board delegates budget authority to GM

MILESTONES / DELIVERABLES

Q3/FY20

Phase I Move

- ✓ Space & technology plan preparedness, specifications, procurement, installation, and policies
- ✓ Connectivity of network for necessary services
- ✓ Data migration to Box.com
- ✓ Deployment of mobile equipment
- ✓ Approval of 2nd floor design plans
- ✓ Complete Furniture procurement and set-up – Mar
- ✓ Invesco & LACERS Asset management contract – Feb
- ✓ Establishment of Parking Policy
- ✓ Move coordination and execution
- ✓ Investments & Member Engagement (ME) Divisions complete relocation – Mar 16
- ✓ Board Approval of the stub budget for expenditures through June 30, 2020 – Mar 10
- ✓ Invesco & LACERS FY20, 3rd Quarter Report – Apr 28

Q4/FY20

- ✓ Board approval of FY 2020-21 Admin, Operating, and Capital budget – Jun 9
- ✓ Begin Phase Two Planning and timeline
- ✓ Contract a building architect
- ✓ Preliminary LAPD Security Assessment
- ✓ Reconfiguration of the Loading Zone to increase loading area for vendors

KEY INDICATORS



- ✓ Complete by March 31, 2020, Phase 1 of the HQ Move to transition Investment & Member Engagement Divisions to the building
- ✓ Secure delegated authority for the GM to administer Capital and Operating budgets
- ✓ FY 2020-21 Admin, Operating, and Capital Budget approved



FISCAL YEAR END SUMMARY

2019-2020

HEADQUARTERS MOVE

Accomplishments

Since the purchase of 977 N. Broadway (977), preparations for LACERS' full occupancy have been underway beginning with installation of the information technology infrastructure and network equipment.

Phase I of the move transitioned 25 staff from the Investment and Member Engagement Divisions to 977. Efforts consisted of procurement of the equipment and supplies for the network build out, purchase of laptops and cell phones, designing furniture layouts, and leasing of furniture.

Staff transitioned to 977 on March 23, 2020, without significant interruptions to their work and the transition was on schedule and under budget. Employees experienced seamless integration with the network environment at the LACERS Times Building offices. Feedback from Investments and Member Engagement on their occupancy experience will contribute to improvements for the remainder of the staff.

Phase II of the move consists of completing various improvements under the Building Capital, Operational, and Occupancy Plans prior to occupancy by all LACERS staff. Asset

Management Advisor, Invesco, presented a Fiscal Year 2020-21 Budget to the Board in May 2020. Approval by the Board also authorized Invesco to move forward on the Building Plans. A request for proposal was conducted to select an architectural firm. Interior design will be followed by construction work to the building in FY21.

Pandemic Challenges & Opportunities

COVID-19 has also affected the project's momentum. During the initial quarantine period, supply chains were interrupted, causing equipment we ordered to take longer to receive, thereby delaying the completion of several projects at the building. Moreover, the quarantine also affected contractors' ability to find personnel to perform the work.

Moving forward, COVID-19 preventative measures have inserted itself into the design of the work space. Discussions with the team of consultants and experts aim to create a workspace that is COVID-19 resilient.

Next Steps

Phase I provided an opportunity for LACERS to gain experience in the management of various property, construction, and real estate vendors. Experience with large office space buildout is atypical to the knowledge needed at LACERS, however, after the success of Phase I, the next phase in the 977 buildout can be approached with confidence.

The coming fiscal year will be critical for this initiative as there are a great number of tasks to accomplish in order for staff to move over to 977. FY21 shall comprise of extensive architectural design efforts, inclusive of major technological activities. LACERS intends to build-out the computing infrastructure, electrical cabling, datacenter, and network environment.

APPENDIX A – BUSINESS PLAN INITIATIVE TEMPLATE

INITIATIVE: **Name of Business Plan Initiative**
 DIVISION(S)/SECTIONS: **[Division/Section Name]**
 STRATEGIC GOAL(S): **[Associated Strategic Goal Area]**

Shade the cells according to status:

- Completed
- On Track
- Off Track
- Intervention Needed

STATUS: **[On Track] [Off Track]**
 REPORT MONTH: **[Reporting Month][Year]**
 LEAD(S): **[First and Last Names]**

INITIATIVE SUMMARY

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

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

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 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.]

MILESTONES / DELIVERABLES

Q1/FY20

- ✓ [List key completed items/milestones this quarter. Use check mark bullet.]
- [List key upcoming items/deliverables this quarter. Use the box bullet.]

Q2/FY20

- ✓ [List key completed items/milestones this quarter. Use check mark bullet.]
- [List key upcoming items/deliverables this quarter. Use the box bullet.]

Q3/FY20

- ✓ [List key completed items/milestones this quarter. Use check mark bullet.]
- [List key upcoming items/deliverables this quarter. Use the box bullet.]

Q4/FY20

- ✓ [List key completed items/milestones this quarter. Use check mark bullet.]
- [List key upcoming items/deliverables this quarter. Use the box bullet.]

ISSUES/CHALLENGES

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

KEY INDICATORS

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

Survey Feedback

"How helpful was this medical section for you?"

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



Choice	Count	%	Choice	Count	%
Extremely helpful	6	42.9%	Yes, definitely	7	29.2%
Very helpful	3	21.4%	Yes, a little	9	37.5%
Somewhat helpful	3	21.4%	Maybe	2	8.3%
Not very helpful	1	7.1%	No, not really	4	16.7%
Not at all helpful	1	7.1%	No, definitely not	2	8.3%

EXECUTIVE ACTION ITEMS

- Sitemap review and approval
- Content administration roles & responsibilities

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

- SEP
- OCT
- NOV
- DEC
- JAN
- FEB
- MAR
- APR
- MAY
- JUN