



**STRATEGIC PLAN
&
FISCAL YEAR 2019-20
INITIATIVES**

LACERS BOARD OF ADMINISTRATION
Adopted on February 12, 2019

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LACERS STRATEGIC PLAN

MISSION

To protect and grow our trust fund and to ensure the sustainable delivery of ethical, reliable, and efficient retirement services to our Members

VISION

Trusted by our Members and partners for excellence, innovation, professionalism, and transparency

MOTTO

"Securing Your Tomorrows"

GUIDING PRINCIPLES

- Professionalism
- Innovation
- Respect
- Kindness and Caring
- Teamwork

GOAL AREAS

1. CUSTOMER SERVICE – To provide outstanding customer service
2. BENEFITS DELIVERY – To deliver accurate and timely Member benefits
3. HEALTH AND WELLNESS – Improve 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

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GOAL 1: CUSTOMER SERVICE

To provide outstanding customer service.

Customer service is everyone’s responsibility as LACERS strives to provide outstanding customer service to its Members through all points of contact; whether online, by phone, or in person. In order to improve on high customer satisfaction, it is important to continue to explore new ways to reach Members and provide information to help them plan for a successful retirement.

OBJECTIVE A

Identify and provide department-wide service standards that meet Members’ expectations.

INITIATIVES

- Establish a Member Services Bill of Rights codifying customer service delivery expectations.
- Ensure that the Member Service Center meets or exceeds established customer service benchmarks related to Member phone calls.
- Continue to survey and receive Member feedback at customer touch points.
- Benchmark benefits service delivery against peers.

MEASURES

- 1) Development of a Member Services Bill of Rights
Target: Completion FY 2019
- 2) Call wait time/time to answer
Target: 2.5 minutes

- 3) Percent of appropriately transferred calls (Audit to be performed every two years)
Target: 95% (2020)
- 4) Abandoned call rate
Target: 8%
- 5) Service Commitment (Responses within one business day)
Target: 100%
- 6) Customer Satisfaction Survey Results

Overall Customer Satisfaction Survey Results	
Period	% of Members Satisfied
Jul – Dec 2016	95.6%
Jan – Jun 2017	99.1%
Jul – Dec 2017	96.1%
Jan – Jun 2018	97.2%
Overall	96.8%

Target: 97%

- 7) Conduct benchmarking of benefits service delivery against peer agencies
Target: Complete by Fall 2019

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OBJECTIVE B

Make retirement information and planning resources more accessible to Members through various communication channels.

INITIATIVES

- Launch a new, more accessible LACERS' website.
- Increase enrollment in MyLACERS Member web portal.
- Increase outreach to educate Members about their benefits, retirement planning, and the wellness program.

MEASURES

- 1) Number of portal registrations

Target: Increase total number of registrations by 10% each year, over the next three years; currently, 11,923 of approximately 45,421 Members are registered.

- 2) Launch new LACERS' website

Target: Completion TBD

- 3) Outreach efforts

Target:

Outreach Targets for 2019		
Event	Number of Events	Overall Attendance
Open Enrollment	6	950
Medicare Workshops	2	175
Onsite PFR Seminars	25	1,000
Offsite PFR Seminars	20	1,000
Tabletops	10	400

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GOAL 2: BENEFITS DELIVERY

To deliver accurate and timely Member benefits.

LACERS strives to ensure quality of retirement benefits delivery by improving mechanisms which support service delivery, while also seeking efficiency of retirement benefits delivery through improvements in the usage of technology, information, and knowledge of staff.

OBJECTIVE A

Investment in and development of internal benefits delivery knowledge resources.

INITIATIVES

- Develop, review, and update comprehensive policies and procedures.
- Capture and systematize staff knowledge.
- Continuous up-to-date training across benefit delivery units.

MEASURES

- 1) Number of identified policies and procedures completed

Target: 100% by July 2020

- 2) Codification of institutional knowledge into a working manual/directory

Target: Two reference documents by Summer 2019

- Electronic tax reference folder
- Unit manuals

- 3) Number of training sessions completed by staff

Target: Five sessions by June 2019

OBJECTIVE B

Increase usage of technology to maximize efficiency.

INITIATIVES

- Maximize utilization of the new pension administration system and eliminate use of side systems.

MEASURES

- 1) Benefits calculations using side systems

Target: 0% by June 2020

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GOAL 3: HEALTH AND WELLNESS

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

As healthcare costs continue to rise, LACERS is challenged with maintaining reasonable premium costs and comprehensive benefits that serve the Members well. Through strategic and innovative approaches in managing its health and wellness program, LACERS strives to keep the average premium costs below expected industry trends.

OBJECTIVE A

Ensure affordable care benefits.

INITIATIVES

- Analyze health plan data to identify cost drivers that can be impacted and encourage Member utilization of services.

MEASURES

- 1) Increase utilization of the following health plan offerings:
 - Annual Physician Visits (Anthem)
 - Tele-Health (video visits)
 - Condition Management Programs (Anthem)

Target: 10% increases

OBJECTIVE B

- Encourage Members to adopt a lifestyle of wellness.

INITIATIVES

Engage Members in LACERS' wellness program to develop healthier behaviors and to become better healthcare consumers.

MEASURES

- 1) Increase participation in LACERS' wellness programs

Targets:

- Number of Champion activity leaders:
 - 25 (for 2019)
 - 28 (for 2020)
 - 30 (for 2021)
- Attendance at Champion-led events:
 - 800 (for 2019)
 - 850 (for 2020)
 - 925 (for 2021)
- Participation in campaign-related programming:
 - at least 600 each year (for 2019, includes Extravaganzas, workshops, Feel Like A Million, and Volunteer Picnic)

OBJECTIVE C

Provide health plan options that meet Members' needs.

INITIATIVES

- Evaluate how well LACERS' health plans are meeting Members' needs.

MEASURES

- 1) Completion of survey

Target: Survey to be conducted in summer of 2019, with a follow-up survey in 2021 to determine if earlier-identified issues were addressed and Member satisfaction increased.

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GOAL 4: INVESTMENT

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

This Goal strives to achieve the highest likelihood of attaining the assumed actuarial rate of return of 7.25% over a long investment time horizon. The LACERS investment program is designed to achieve this rate of return while minimizing risk through asset diversification, which helps protect overall fund value in order to pay promised retirement benefits.

LACERS' investment approach strives to create value through an optimal stable of active and passive investment managers. The investment staff and consultants will evaluate opportunities for passive investment management on an on-going basis. The investment program will be managed with an eye on cost effectiveness in-light-of risk-return profile of its investment managers and support vendors.

OBJECTIVE A

Outperform respective benchmarks and peer comparisons over periods of time.

INITIATIVES

- Evaluate investment managers' performance in achieving superior risk-adjusted returns in accordance with LACERS' policies and guidelines.

MEASURES

- 1) Evaluate quarterly performance of the Total Fund against its assigned policy benchmark and the Board-approved investment risk budget

Target: Outperform benchmarks on both three- and five-year basis,

and since inception; and achieve long-term performance objectives

OBJECTIVE B

Create value through an optimal stable of active and passive investment managers.

INITIATIVES

- Review the use of active versus passive investment strategies

MEASURES

- 1) Evaluate individual active and passive investment managers on a quarterly basis against their respective benchmarks over various long-term time periods, including (but not limited to) three- and five-year periods
- 2) Review active and passive public market investment mandates at least annually and adjust the mandates as appropriate; manage an investment manager stable that appropriately assigns active and passive mandates based on the market efficiency of a particular asset class and availability of passive mandates

Target: Outperform benchmarks on both three- and five-year basis, and since inception; utilize passive investment management where it is appropriate in-light-of long-term performance objectives

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OBJECTIVE C

Assess cost effectiveness.

INITIATIVES

- Conduct benchmarking to assess the cost-effectiveness of the investment program and to leverage for contract negotiation with investment managers.

MEASURES

- 1) Prudent use of active and passive management on a cost-effectiveness basis
- 2) Evaluate the effectiveness and performance of the stable of public market active investment managers

Target: Be deemed a cost-effective plan by independent benchmarking report; contract with investment managers where LACERS' fee structures are in the top half of peer investment managers within the same or similar mandate

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GOAL 5: GOVERNANCE

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

LACERS strives to engage in sound governance practices through continuing education and maintaining Board Administrative Policies, Board Governance Policies, and Investment Policies to show transparency, responsibility, and commitment.

OBJECTIVE A

Promote and guide a knowledgeable, engaged, independent-minded Board.

INITIATIVES

- Coordinate Board Member education.

MEASURES

- 1) Development of an Individual Board Member Education Plan
Target: Complete by March 2019
- 2) Create a Board Member Training/Conference Calendar to avoid scheduling conflicts with Board meetings, potentially affecting quorum
Target: Completed

OBJECTIVE B

Promote transparency and accountability to stakeholders and fellow Commissioners.

INITIATIVES

- Involve stakeholders in LACERS' governance practices through various media.

MEASURES

- 1) LACERS Pension Symposium
Target: To be held in Fall 2019
- 2) Conversion of LACERStat online static documents to accessible Open Data platform
Target: 100% of data converted
- 3) Live broadcast of Board and Committee meetings
Target: Completed

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GOAL 6: ORGANIZATION

To increase organizational effectiveness, efficiency, and resiliency.

LACERS' effectiveness as an organization is indicated by how well we meet our established goals, while LACERS' efficiency is indicated by how well we make use of our resources to advance our strategic plan and create value for our Members. LACERS' resiliency is its ability to withstand changes in its environment, overcome challenges, and return to the original, or better, organizational state.

OBJECTIVE A

Utilize a performance management system to identify, measure and monitor achievement of LACERS' strategic goals and initiatives.

INITIATIVES

- Promote the new strategic plan and align the business plan initiative program.
- Institutionalize the culture of performance management.

MEASURES

- 1) Employee survey on the strategic plan and business plan initiatives

Target: 100% awareness

- 2) Business plan initiative implementation

Target: 100%

OBJECTIVE B

Align organizational resources to LACERS' strategies.

INITIATIVES

- Systematize the use of performance budgeting and metrics in aligning resources to organizational strategies.

MEASURES

- 1) Meaningful metrics are developed for each business plan initiative

Target:

- 100% of BPIs have "SMART" metrics
- 100% of budget request enhancements have "SMART" metrics

OBJECTIVE C

Continue to mature an effective enterprise risk management program.

INITIATIVES

- Increase emergency preparedness and strengthen business continuity plans.
- Adopt a cybersecurity risk management framework and mature the controls.

MEASURES

- 1) Establish security risk assessment score benchmark

Target: TBD

- 2) Improvement in employee performance on penetration tests

Target: 90% pass rate

- 3) Establish cybersecurity risk assessment benchmark

Target: TBD

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OBJECTIVE D

Utilize technology for internal communications improvement and operational efficiency.

INITIATIVES

- Achieve greater technological efficiency in operational support services.
- Increase internal operational support transparency and communications.

MEASURES

- 1) Continue implementation of front-end scanning in the pension administration system

Target: TBD

- 2) Establish vision and develop project plan for improved internal communications, assignment tracking, and transparency

Target: TBD

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GOAL 7: WORKFORCE

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

LACERS strives to increase employee performance relative to goals and guiding principles; enhance knowledge and skill sets of staff; and increase leadership opportunities to develop future leaders.

OBJECTIVE A

Commit and promote dedicated training and educational resources.

INITIATIVES

- Promote the Tuition Reimbursement Program and provide training opportunities in multiple formats.

MEASURES

- 1) Number of staff participating in the Tuition Reimbursement Program

Target: TBD

- 2) Number of training classes

Target:

- 1 class per quarter (for all staff)
- 1 class per quarter (for supervisors)
- 4 hours of training (for all staff annually)

OBJECTIVE B

Maintain a safe and harassment-free workplace.

INITIATIVES

- Establish ongoing internal safety committee to evaluate and address workplace safety issues and concerns.

MEASURES

- 1) Meeting frequency

Target: Quarterly

OBJECTIVE C

Promote guiding principles throughout the organization.

INITIATIVES

- Continue to use the Guiding Principles in staff selection and recognition.

MEASURES

- 1) Use of Guiding Principles in staff selection and recognition

Target: Ongoing

OBJECTIVE D

Develop career paths and install classifications necessary for the nature of work conducted by the Department.

INITIATIVES

- Incorporate information on LACERS' careers to new Department website.
- Review position classifications utilized in other retirement systems for possible appropriateness to the needs of the Department.

MEASURES

- 1) Implementation of new LACERS' website

Target: Completion TBD

- 2) Identification and research of classifications

Target: Completion TBD