6. ORGANIZATIONAL

Goal: To maximize organizational effectiveness and efficiency.

An organization's **effectiveness** indicates how well it meets its established goals, while its **efficiency** indicates how well an organization makes use of its resources to maximum output.

An organization's **performance** is commonly assessed by its organizational efficiency and effectiveness.

DESIRED OUTCOMES

MAXIMIZE USE OF TECHNOLOGY

A PREPARED EMERGENCY RESPONSE

MEANINGFUL MEASUREMENTS OF ORGANIZATIONAL EFFECTIVENESS

WELL-STRUCTURED ADMINISTRATIVE STANDARDS, PROCESSES, AND TOOLS

INITIATIVES

TECHNOLOGY INITIATIVES

PENSION ADMINISTRATION SYSTEM (PAS) IMPLEMENTATION

- **The PAS V3 successfully went live on March 1, 2018.** January and February parallel processing in the old system and new system yielded satisfactory results and approval was given to Go-Live on March 1, 2018. During the month of March 2018, the first benefit payroll will be processed from the new system.

- **The project is within its $7 million budget**, with a cumulative expenditure of **$6,816,146.**

The graph below shows progress on the major phases of the PAS project. Consistent progress continues as this project remains one of the top priorities in the Department.

Project Execution Phase Completion
in Percent

Phase	Percent
Business Analysis	100
Infrastructure Development	99
Data Conversion	93
Deliverable 1 - Member	99
Deliverable 2 - Employer Reporting	99
Deliverable 3 - Calcs	99
Deliverable 4 - BP and Payroll	96
Deliverable 5 - Year End and MemberDirect	55
Parallel (3 months)	9

- **In-house Development of Ad Hoc Reports – Cost Savings $31,000**. LACERS has designed and developed over twenty-five (25) business reports using dataset from the new PAS software. The dynamic reports are inclusive of General Ledger, Benefit Payroll, Vendor Payroll, Direct Deposits, Subsidies, Deductions, and many others. These reports do require expertise working on the Pension software. As of current, the in-house development efforts have provided a savings of $31,000 (25 reports x 8 hours x $155/hour). For calendar year 2018, LACERS plans to develop an additional seventy (70) business reports for the new PAS software.

- **In-house Development of Correspondences – Cost Savings $37,000**. During the second half of year 2017, LACERS worked on over sixty (60) correspondences for the new PAS software. The efforts were inclusive of creating new documents, and enhancing the existing correspondence templates. Currently, LACERS utilizes existing dataset of the PAS software to create correspondences. As determined in later half of FY18-19, LACERS will have capabilities to create correspondences based on customized datasets. The in-house development efforts provide LACERS will an approximate savings of $37,200 (60 correspondences x 4 hours x $155/hour). For calendar year 2018, LACERS plans to assist with over one hundred fifty (150+) correspondences requiring updates.

- **Virtual Infrastructure Expansion – Cost Savings $40,000 & Operational Efficiency**. In prior years, LACERS deployed virtual environments inclusive of efforts to migrate physical machines to virtual servers. Virtual environments provide robust features for backup and recovery. While operational efficient, virtual servers are cost effective. For many of the migration efforts, LACERS utilizes a minimal ratio of four to one (4:1), in which each physical machine will host four virtual servers. The use of virtual provides a cost savings of $40,000 in FY18-19 for the planned migration of six physical machines.

CYBER SECURITY

- **Cyber-Protected Infrastructure – Protection from Ransom Software** - LACERS plans to implement a cyber-intrusion protected environment during FY18-19. The environment shall be safeguarded from external attacks of malicious contents from emails and websites. All enterprise systems and dataset will be backed up, recoverable, and accessible. The cyber-intrusion protected environment ensures timely recovery of data and mitigate operational downtime upon network disruptive attacks.

- **Cyber Monitoring Upgrade – Increase Performance 100%.** LACERS upgraded the cyber monitoring appliance, Albert Sensor, on January 2018. Primarily, the appliance logs cyber activities outside of LACERS computing environment while comparing and reporting anomalies. In preparation for the MyLACERS roll-out in June 2018, the security appliance is configured with twice the processing capacity.

- **Web Security Appliance Upgrade – Security Advancement, Increase Performance 100%.** LACERS intends to replace the web security appliance by December 2018. The current web security appliance protects users within the computing environment from malicious websites and downloads. The new equipment has doubled processing capacity for managing malicious contents, inclusive of new software for protection from ransom software vulnerabilities.

- **Public Website Security Enhancements – Website Security Expansion.** Determined for completion by December 2018, LACERS plans to implement "Geo-Blocking" functionalities. While firewall inhibits external access to the internal computing environment, "Geo-Blocking" will be utilized to prevent regions (as identified through security logs and reports) from accessing both www.lacers.org and mylacers.lacers.org websites.

- **Member Services Website Security – Strengthen Security, 5 Layers.** MyLACERS website is expected to launch in mid calendar year 2018. The new website provides capabilities for Members to access real-time account information. In preparation for the implementation, LACERS with PAS vendor has implemented many security measures inclusive of password policies, cyber intrusion monitoring, two-process authentication, and network ports lockdown. In addition, LACERS plans to implement a fraud alert notification system.

- **Data Warehouse Security Layers – Strengthen Security Layers, 3X.** Working with PAS vendor, LACERS coordinated and implemented additional security measures to further protect the data infrastructure. The safeguard measures are inclusive of encrypting all data, masking personally identifiable information, and limiting accessible network ports.

A PREPARED EMERGENCY RESPONSE

▶ **ENHANCED NETWORK REDUNDANCY INITIATIVE** (deferred from FY2017-18 to FY2018-19)

- Rescheduled for completion in FY2018-19, the network redundancy project will include security requirements of the new PAS software, security measures as reported in the recent **Cyber Resiliency Review**, and recommendations from Cyber tests. As part of the Mayor's effort, the Cyber review was established to assess department's current state and readiness to handle disruptions and cyber-attacks. LACERS completed the review in November 2016, and was provided the final report in early 2017. Overall, the initiative eliminates single point of failure of the computing environment, while maximizing the security.

- **Network Core Switch Replacement – Network Operational Effectiveness, 24/7**. During the month of November 2017, LACERS successfully migrated to the new network core switch. While the primary function of the core switch is to connect all the computing appliances within LACERS, the new switch provides redundant architecture. For a 24/7 operational uptime, the core switch has double capacity of power output, and twice the communication processing channels to handle network connections for all equipment within the computing environment.

▶ **SAFETY INITIATIVE**

- Various security enhancements to our offices will provide a safer work environment for our staff. Enhancements include greater controlled access to our work space with additional card key access doors and reinforcement of several glass doors.

- Staff training on **Dealing with Difficult People** and **Advance Crisis Counseling Techniques** to assist LACERS staff in managing high stress situations which sometimes arise when dealing with Members and their families.

- Proper ergonomics is a priority among staff and important for staff wellness and productivity. Therefore a program to allow staff to pilot certain basic ergonomic equipment and supplies, such as ergonomic chairs, keyboards, document holders, then order them if they find them useful, will become part of the pre-approved supply list.

WELL-STRUCTURED ADMINISTRATIVE STANDARDS, PROCESSES, AND TOOLS

▶ **FRONT-END SCANNING INITIATIVE**

- LACERS Staff surveyed retirement systems in California regarding their scanning processes. Site visits were conducted at all the systems within a two-hour radius of LACERS offices that employ some form of front-end scanning (a total of 4 systems). An internal Front-end Scanning Committee was established to discuss the various options and develop necessary policies and set direction. In January 2018, a pilot program was started to test the feasibility of providing an expedited scanning process, and to test the

feasibility of processing retirement documents using only the digital media. So far, the results seem promising.

CONTINUING/NEW INITIATIVES IN FY 2018-19

- **FRONT-END SCANNING IMPLEMENTATION -** Continuation of one substitute authority for one Management Assistant and one regular or new substitute authority for Benefits Specialist is needed for continuation of this initiative.