

LIVE VIRTUAL BOARD MEETING



TO VIEW VIA WEB



TO LISTEN BY TELEPHONE

Access Code:

Enter the access code when prompted.



TO PROVIDE PUBLIC COMMENT

You may submit a request to speak during Public Comment or provide a written comment by emailing PublicComment@lacera.com. If you are requesting to speak, please include your contact information, agenda item, and meeting date in your request.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

Attention: Public comment requests must be submitted via email to PublicComment@lacera.com no later than 5:00 p.m. the day before the scheduled meeting.

AGENDA

A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT

AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, JUNE 24, 2020

This meeting will be conducted by the Board of Retirement and Board of Investments by teleconference under the Governor's Executive Order No. N-29-20.

Any person may listen by telephone to the meeting by dialing (877) 309-2074, Access Code 490-834-820 or view the meeting online at <https://attendeegotowebinar.com/register/1362654853740297999>

The Boards may take action on any item on the agenda, and agenda items may be taken out of order.

I. CALL TO ORDER

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of May 20, 2020

B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of May 20, 2020

III. PUBLIC COMMENT

*(*You may submit written public comments by email to PublicComment@lacera.com. Please include the agenda number and meeting date in your correspondence. Correspondence will be made part of the official record of the meeting. Please submit your written public comments or documentation as soon as possible and up to the close of the meeting.*

You may also request to address the Boards. A request to speak must be submitted via email to PublicComment@lacera.com no later than 5:00 p.m. the day before the scheduled meeting. Please include your contact information, agenda item, and meeting date so that we may contact you with information and instructions as to how to access the Board meeting as a speaker.)

IV. CONSENT ITEMS

- A. Recommendation as submitted by Gina Sanchez, Chair, Audit Committee: That the Boards approve and adopt the revised Audit Committee Charter. (Memo dated June 15, 2020)

- B. Recommendation as submitted by Gina Sanchez, Chair, Audit Committee: That the Boards 1) Approve the establishment of an Audit Reserve Fund in the amount of \$500,000 against contingency funds, and 2) Delegate authority to the Audit Committee to access such reserve funds at their sole discretion based on a preliminary finding from existing audit activities that merit further investigation. (Memo dated June 16, 2020)

V. NON-CONSENT ITEMS

- A. Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Boards approve the FY 2020-2021 Administrative, Retiree Healthcare Benefits, and Other Post-Employment Benefit Budgets. (Memo dated June 16, 2020)

- B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Boards approve an amendment to the Chief Executive Officer's Employment Agreement to provide that, due to the unavailability in the present market of life insurance as required by the agreement, LACERA will, until such time as insurance can be obtained, pay \$200,000 to the CEO's beneficiaries upon his death while employed by LACERA and for the rest of his life if employed at least three years after his original start date. (Memo dated June 16, 2020)

VI. REPORTS

- A. For Information Only as submitted by JJ Popowich, Assistant Executive Officer and Roberta Van Nortrick, Training Coordinator, regarding the LACERA Employee Connection Survey Results. (Memo dated June 15, 2020)

- B. For Information Only as submitted by JJ Popowich, Assistant Executive Officer, Roberta Van Nortrick, Training Coordinator, James Beasley, Supervising Administrative Assistant and Lilit Bagdzhyan, Administrative Services Analyst, regarding the Phased Transition Plan for Staff Members to Return to LACERA. (Memo dated June 15, 2020)

June 24, 2020

Page 3

VII. ITEMS FOR STAFF REVIEW

VIII. GOOD OF THE ORDER

IX. EXECUTIVE SESSION

- A. Public Employment
(Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

Title: Chief Executive Officer

- B. Public Employee Performance Evaluation
(Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

Title: Chief Executive Officer

X. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement and Board of Investments that are distributed to members of the Boards less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board Members at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.

****Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.***

MINUTES OF THE BOARD OF RETIREMENT FROM
A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT
AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, MAY 20, 2020

This meeting was conducted by the Board of Retirement and Board of Investments
by teleconference under the Governor's Executive Order No. N-29-20.

PRESENT: Herman B. Santos, Chair

Vivian Gray, Vice Chair

JP Harris, Alternate Retiree Member

Shawn Kehoe

Keith Knox

Wayne Moore

Les Robbins

Ronald Okum

Thomas Walsh

William Pryor, Alternate Safety Member

ABSENT: Gina Zapanta, Secretary

May 20, 2020

Page 2

BOARD OF INVESTMENTS

PRESENT: David Green, Chair

Herman B. Santos, Vice Chair

Wayne Moore, Secretary

Alan Bernstein

Elizabeth Greenwood

Shawn Kehoe

Keith Knox

David Muir

Gina Sanchez

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Jon Grabel, Chief Investments Officer

Steven P. Rice, Chief Counsel

JJ Popowich, Assistant Executive Officer

Kimberly D. Hines, Division Manager, Administrative Services

Richard Bendall, Chief Audit Executive

Leisha Collins, Principal Internal Auditor

Christina Logan, Sr. Internal Auditor

James Brekk, Information Systems Manager

Annette Cleary, Interim Human Resources Director

STAFF ADVISORS AND PARTICIPANTS

Cassandra Smith, Retiree Healthcare Manager

Kaelyn Ung, Administrative Analyst II

I. CALL TO ORDER

The meeting was called to order by Mr. Santos at 9:00 a.m., in the Board Room of Gateway Plaza.

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of February 5, 2020

Ms. Gray made a motion, Mr. Kehoe seconded, to approve the minutes of the special meeting of February 5, 2020. The motion passed (roll call) with Messrs. Kehoe, Knox, Moore, Robbins, Walsh, Santos, and Ms. Gray voting yes.

B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of February 5, 2020

No action was taken on this item by the Board of Retirement.

III. REPORT ON CLOSED SESSION ITEMS

Steven Rice, Chief Counsel, reported that:

At the joint meeting on February 5, 2020, the Boards met in closed session to discuss anticipated litigation related to the claim concerning the termination of former Chief Executive Officer Lou Lazatin. In the closed session, the Board of Retirement voted, on a motion by Mr. Moore, seconded by Mr. Okum, and the Board of Investments voted, on a motion by Mr. Moore, seconded by Mr. Santos, to accept a proposal to resolve Ms. Lazatin's claim. All trustees were present. The

May 20, 2020

Page 4

III. REPORT ON CLOSED SESSION ITEMS (Continued)

Board of Retirement vote was 8-1 with Mr. Kehoe voting no; the Board of Investments vote was 8-1 with Mr. Kehoe voting no. Staff thereafter completed resolution of the matter.

IV. PUBLIC COMMENT

Messrs. Goodmon, Farrell, McBroom, and Ms. Williams addressed the Board regarding an investment transaction at the Baldwin Hills Crenshaw Plaza.

V. REPORTS

- A. For Information Only as submitted by Kimberly D. Hines, Division Manager, Administrative Services and JJ Popowich, Assistant Executive Officer, regarding the FY 2020-2021 Administrative, Retiree Healthcare Benefits, and Other Post-Employment Benefit Budgets. (Memo dated May 15, 2020)

For Information Only as submitted by Gina Sanchez, Chair, Audit Committee, regarding the Audit Committee Budget Recommendations. (Memo dated May 14, 2020)

Messrs. Kreimann, Popowich and Ms. Hines provided a presentation and answered questions from the Boards.

- B. For Information Only as submitted by Santos H. Kreimann, Chief Executive Officer, regarding the Progress Report on the LA County Audit Recommendations. (Memo dated May 13, 2020)

Mr. Kreimann and Rice were present and answered questions from the Boards.

- C. For Information Only as submitted Santos H. Kreimann, Chief Executive Officer, regarding the 100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments. (Memo dated May 15, 2020)

Mr. Kreimann provided a presentation and answered questions from the Boards.

May 20, 2020

Page 5

IV. ITEMS FOR STAFF REVIEW

The Board requested that staff provide the actual expenses for the current fiscal year in the budget information that will be provided in June 2020.

The Board requested that the process for external audits be addressed.

V. GOOD OF THE ORDER

Mr. Bernstein requested for staff to provide clarification regarding the comments made in Public Comment.

VI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:05 p.m.

GINA ZAPANTA, SECRETARY

HERMAN SANTOS, CHAIR

MINUTES OF THE BOARD OF INVESTMENTS FROM
A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT
AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, MAY 20, 2020

This meeting was conducted by the Board of Retirement and Board of Investments
by teleconference under the Governor's Executive Order No. N-29-20.

PRESENT: David Green, Chair

Herman B. Santos, Vice Chair

Wayne Moore, Secretary

Alan Bernstein

Elizabeth Greenwood

Shawn Kehoe

Keith Knox

David Muir

Gina Sanchez

BOARD OF RETIREMENT

PRESENT: Herman B. Santos, Chair

Vivian Gray, Vice Chair

JP Harris, Alternate Retiree Member

BOARD OF RETIREMENT (Continued)

Shawn Kehoe

Keith Knox

Wayne Moore

Les Robbins

Ronald Okum

Thomas Walsh

William Pryor, Alternate Safety Member

ABSENT: Gina Zapanta, Secretary

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Jon Grabel, Chief Investments Officer

Steven P. Rice, Chief Counsel

JJ Popowich, Assistant Executive Officer

Kimberly D. Hines, Division Manager, Administrative Services

Richard Bendall, Chief Audit Executive

Leisha Collins, Principal Internal Auditor

Christina Logan, Sr. Internal Auditor

James Brekk, Information Systems Manager

Annette Cleary, Interim Human Resources Director

Cassandra Smith, Retiree Healthcare Manager

STAFF ADVISORS AND PARTICIPANTS

Kaelyn Ung, Administrative Analyst II

I. CALL TO ORDER

The meeting was called to order by Mr. Santos at 9:00 a.m., in the Board Room of Gateway Plaza.

II. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Special Joint Meeting of the Board of Retirement of February 5, 2020

No action was taken on this item by the Board of Investments.

- B. Approval of the Minutes of the Special Joint Meeting of the Board of Investments of February 5, 2020

Mr. Green made a motion, Mr. Bernstein seconded, to approve the minutes of the special meeting of February 5, 2020. The motion passed (roll call) with Messrs. Bernstein, Green, Kehoe, Knox, Moore, Muir, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

III. REPORT ON CLOSED SESSION ITEMS

Steven Rice, Chief Counsel, reported that:

At the joint meeting on February 5, 2020, the Boards met in closed session to discuss anticipated litigation related to the claim concerning the termination of former Chief Executive Officer Lou Lazatin. In the closed session, the Board of Retirement voted, on a motion by Mr. Moore, seconded by Mr. Okum, and the Board of Investments voted, on a motion by Mr. Moore, seconded by Mr. Santos, to

III. REPORT ON CLOSED SESSION ITEMS (Continued)

accept a proposal to resolve Ms. Lazatin's claim. All trustees were present. The Board of Retirement vote was 8-1 with Mr. Kehoe voting no; the Board of Investments vote was 8-1 with Mr. Kehoe voting no. Staff thereafter completed resolution of the matter.

IV. PUBLIC COMMENT

Messrs. Goodmon, Farrell, McBroom, and Ms. Williams addressed the Board regarding an investment transaction at the Baldwin Hills Crenshaw Plaza.

V. REPORTS

- A. For Information Only as submitted by Kimberly D. Hines, Division Manager, Administrative Services and JJ Popowich, Assistant Executive Officer, regarding the FY 2020-2021 Administrative, Retiree Healthcare Benefits, and Other Post-Employment Benefit Budgets. (Memo dated May 15, 2020)

For Information Only as submitted by Gina Sanchez, Chair, Audit Committee, regarding the Audit Committee Budget Recommendations. (Memo dated May 14, 2020)

Messrs. Kreimann, Popowich and Ms. Hines provided a presentation and answered questions from the Boards.

- B. For Information Only as submitted by Santos H. Kreimann, Chief Executive Officer, regarding the Progress Report on the LA County Audit Recommendations. (Memo dated May 13, 2020)

Mr. Kreimann and Rice were present and answered questions from the Boards.

- C. For Information Only as submitted Santos H. Kreimann, Chief Executive Officer, regarding the 100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments. (Memo dated May 15, 2020)

May 20, 2020

Page 5

V. REPORTS (Continued)

Mr. Kreimann provided a presentation and answered questions from the Boards.

IV. ITEMS FOR STAFF REVIEW

The Board requested that staff provide the actual expenses for the current fiscal year in the budget information that will be provided in June 2020.

The Board requested that the process for external audits be addressed.

V. GOOD OF THE ORDER

Mr. Bernstein requested for staff to provide clarification regarding the comments made in Public Comment.

VI. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:05 p.m.

WAYNE MOORE, SECRETARY

DAVID GREEN, CHAIR

June 15, 2020

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Audit Committee
Gina Sanchez, Chair
Keith Knox, Vice Chair
Herman B. Santos, Secretary
Vivian H. Gray
David Green

FOR: June 24, 2020 Joint Board of Retirement & Board of Investments Meeting

SUBJECT: Approval of the Revised Audit Committee Charter

RECOMMENDATION

That the Board of Retirement and the Board of Investments approve and adopt the revised Audit Committee Charter.

BACKGROUND

The Institute of Internal Auditors (IIA) recommends that an audit committee formally define its purpose, authority, and responsibilities in a charter. In addition, the IIA recommends periodic reviews of the charter to ensure the charter is aligned with industry best practices and organizational changes. LACERA's Audit Committee Charter (Charter) was established in 2004, and has been updated throughout the years, most recently in March 2018.

At the May 8, 2020 Audit Committee meeting, Internal Audit proposed and the Audit Committee approved revisions to better align the Charter with the model charter, to formalize the principles that should guide the Audit Committee, and to expand and add clarity to the Audit Committee's responsibilities. Attachment A is the red-line version of the revised Charter and Attachment B is a clean version of the revised Charter. The IIA's current model charter is also provided for your reference (Attachment C).

The significant revisions which expand the Committee's responsibilities can be found in the red-line version of the Charter:

- **Appointment and compensation of the financial auditor and other professional service providers** (page 3 under the Authority section & page 9 under the Responsibilities – Professional Service Providers) In the previous Charter, the Committee would recommend the appointment and compensation of these firms to the Boards for their approval. However, we found from our review of the IIA model and peer charters that audit committees are assigned this responsibility. We believe this additional responsibility aligns better with the Committee's independence and responsibilities for overseeing the financial reporting process and Internal Audit's work.

Subsequent to the Boards approval of the revised Audit Committee Charter, the Board of Retirement's Charter (Attachment D) will need to be revised to reflect it will no longer select LACERA's financial auditor. Additionally, because of this change, control of the financial auditor and special audit contracts will now lie with the Committee for procurement purposes.

- **Recommend a budget to the Boards** (page 6 under Responsibilities – Internal Audit Activity) In the previous Charter, the Committee did not have the responsibility of approving the Internal Audit Operational Budget and the budget was not directly aligned with Internal Audit's Annual Plan. However, we found from our review of the IIA model charter, that audit committees are assigned this responsibility and this additional responsibility will provide the Audit Committee with additional independence and enhance Internal Audit's budgeting process.
- **Risk Management** (page 10 under Responsibilities – Organizational Governance) The previous Charter, did not include risk management. However, we found from our review of the IIA model and peer charters that audit committees are assigned this responsibility. We believe by adding this responsibility, the Audit Committee will be better informed to provide their review and advice on the governance process Management established and the procedures in place to ensure they are operating as intended, and address future risks.

DISCUSSION

During the May 2020 Audit Committee meeting, Committee members discussed:

- Concerns about the independence principle (page 3 under Principles) due to the structure of the Committee (page 5 under Audit Committee Composition and Consultant). The consensus was while the Committee currently is not structured

independently from the Boards, the principle of acting independently of the Boards is still applicable.

- Concerns about the language related to resolve disagreements being too broad (page 4 under Authority). Although this language was used in the IIA model charter and peer charters, Internal Audit clarified the statement. The additional language is now highlighted in yellow in the red-lined Charter.
- Recommendation that the term “audit consultant” be changed to “Audit Committee Consultant” (page 5 under Audit Committee Structure and Consultant). The additional language is now highlighted in yellow in the red-lined Charter.

IT IS THEREFORE RECOMMENDED THAT THE BOARDS approve and adopt the revised Audit Committee Charter.

RB/cl

Attachments:

A: Red-line Version of Revised Audit Committee Charter

B: Clean Version of Revised Audit Committee Charter

C: March 2017 IIA Model Audit Committee Charter

D: Board of Retirement Charter

Attachment A

L//CERA
Los Angeles County Employees Retirement Association

Audit Committee Charter

May 2020



2020



AUDIT COMMITTEE CHARTER

I. PURPOSE.....	2
II. AUTHORITY.....	2
III. AUDIT COMMITTEE COMPOSITION AND CONSULTANT	53
IV. AUDIT COMMITTEE MEETINGS	53
V. RESPONSIBILITIES	64
A. INTERNAL AUDIT	64
B. CHIEF AUDIT EXECUTIVE	<u>ERROR! BOOKMARK NOT DEFINED.5</u>
C. EXTERNAL AUDIT.....	95
D. FINANCIAL REPORTING PROCESS	95
E. SYSTEMS OF INTERNAL CONTROLS	96
F. MONITORING COMPLIANCE WITH LAWS AND REGULATIONS	<u>ERROR! BOOKMARK NOT DEFINED.6</u>
G. OTHER RESPONSIBILITIES	116
VI. APPROVAL	117



AUDIT COMMITTEE CHARTER

I. CHARTER

This Charter establishes the authority and responsibilities of the Audit Committee, as assigned by Los Angeles County Employees Retirement Association’s (LACERA) Board of Retirement and Board of Investments (Boards). ~~The Audit Committee Charter is a living document and should be reviewed at least every three years, and may be amended for procedural and administrative matters upon majority vote of the Audit Committee.~~

Commented [CL1]: This concept is consistent with our 2018 Charter.

Commented [CL2]: Strike wording for procedural and administrative; changes should be approved by the Boards.

II. PURPOSE AND ASSIGNED FIDUCIARY OVERSIGHT DUTIES

In November 2003, LACERA’s Boards the Los Angeles County Employees Retirement Association’s Board of Retirement and Board of Investments established the LACERA Audit Committee.

The purpose of the Audit Committee is to assist the Boards in fulfilling their fiduciary oversight duties for the:

- A. Internal Audit Activity
- B. Professional Service Provider Activity
- C. Financial Reporting Process
- D. Values and Ethics, and
- E. Organizational Governance

~~is “Audit Committee Charter” is to govern the Audit Committee that assists the Boards of Retirement and Investments (Boards) in fulfilling their fiduciary oversight responsibilities for the financial reporting process, the system of internal controls, the audit processes, and the organization’s method for monitoring compliance with laws and regulations. The Audit Committee Charter is a living document and may be amended for procedural and administrative matters upon majority vote of the Audit Committee.~~

Commented [CL3]: This concept is consistent with our 2018 charter but adds more clarity, from Model Charter.

III. PRINCIPLES OF THE AUDIT COMMITTEE

The Audit Committee will conduct itself in accordance with LACERA’s Code of Ethical Conduct and the following core principles from the Institute of Internal Auditors’ (IIA) Code of Ethics. The Audit Committee expects the Boards, Management, and staff will also, adhere to these requirements.

Commented [CL4]: This section is new...the concept of a defining principles is consistent with the Model Charter and LACERA’s updated Board Charters.

Integrity – The Audit Committee Members will perform their work with honesty, diligence, and responsibility. The Audit Committee expects and will encourage transparency when fulfilling its duties. Communications between Committee Members, Management, staff, and/or Professional Service Providers will be open, direct, and complete. Subject to applicable laws and organizational limitations, Internal Audit will regularly provide the Audit Committee with updates on audit and consulting projects completed and related findings and follow-up.



Independence & Objectivity - The Audit Committee will perform its responsibilities in an independent manner and in compliance with fiduciary duty without exception. Audit Committee Members will disclose any conflicts of interest (actual or perceived) to the Committee.

Confidentiality – The Audit Committee Members will be prudent in the use and protection of information acquired during the course of its duties.

Competency - Audit Committee Members will receive formal orientation training on the purpose and mandate of the Committee and LACERA’s objectives. Audit Committee members are obligated to prepare for and participate in Committee meetings.

Professional Standards - The Audit Committee will ensure all related work will be handled with the highest professional standards consistent with auditing standards of practice and industry guidelines.

IV. AUTHORITY

The Audit Committee will have unrestricted access to Management and staff, and any relevant information it considers necessary to discharge its duties. All employees are directed to cooperate with the Committee and its requests. If access to requested information is denied due to legal or confidentiality reasons, the Audit Committee and/or CAE will follow a prescribed, Board approved mechanism for resolution of the matter.

Commented [CL5]: We had similar points, but this wording is summarized from Model Charter.

The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of duties, including engaging independent counsel and/or other advisors it deems necessary. ~~of responsibility.~~

Commented [CL6]: From the Model Charter.

The Audit Committee is empowered to:

Commented [CL7]: Revised to be consistent with Model Charter and templates reviewed.

1. Approve the appointment, compensation, and work of the Financial Auditor hired to audit LACERA’s financial statements.
2. Approve the appointment, compensation, and work of other Professional Service Providers to perform non-financial statement audits, reviews, or investigations,



subject to limitations due to confidentiality, legal standards, and/or where approval will clearly impair the purpose or methods of the audit.

- 3. Resolve any significant disagreements regarding risks, findings, and payment between Management and the Financial and/or Other Service Providers.

It shall have the following authorities:

- D. Meet with LACERA's officers, Internal Auditors, External Auditors, or consultants as necessary.
- E. Seek any information it requires from employees, all of whom are directed to cooperate with the Committee's requests, or consultants, as necessary.
- F. Resolve any disagreements or coordinate between Management, Internal Audit, and/or External Audit.
- G. Oversee the work of Internal and External Audit, and any other consultants hired to assist the Audit Committee in fulfilling its fiduciary duties.
- H. Make recommendations to the Boards regarding:
 - 9. The appointment, compensation, and work of the External Auditor employed to audit LACERA's financial statements.
 - 10. The appointment, compensation, and work of accountants or other consultants to perform audits, reviews, or investigations related to financial or operational matters (when the cost is expected to exceed the Chief Executive Officer's discretionary allowance for such contracts).
 - 11. Such other matters as the Committee encounters in its work.

Commented [CL8]: Now in first paragraph of Authority.

Commented [CL9]: See third paragraph of Authority

Commented [CL10]: See Responsibilities Internal Audit Activity



XII.V. AUDIT COMMITTEE COMPOSITION AND CONSULTANT

The Audit Committee will consist of the chair and vice-chair of the Boards of Retirement and Investments, plus one additional Board member elected annually by each Board, for a total of four to six members¹. Board chairs and vice-chairs that leave Board service will be replaced automatically on the Audit Committee, when the Board replaces its missing officer while other Committee membership remains intact. If any elected Audit Committee member leaves Board service or resigns from the Audit Committee prior to the completion of their term, the Board of the departing member, will elect a new Audit Committee member at the next regularly scheduled Board meeting. If Audit Committee voting results in a tie, the Committee will forward the recommendation to the appropriate Board for consideration and final decision.

The Committee shall have the authority to approve the hiring of the Audit Committee Consultant as an advisor through a Request for Proposal process. The Audit Committee Consultant will be designated as the audit technical and financial expert, to advise the Committee on audit and financial matters. The Audit Committee Consultant's contract will be for three years with the option for the Audit Committee to choose to extend the contract for an additional two-year period.

At the first Committee meeting of each calendar year, the Committee shall elect a Chairman, Vice Chair and Secretary, each to serve for a term of one year or until his or her successor is duly elected and qualified, whichever is less. In the event of a vacancy in the office of chair, the vice chair shall immediately assume the office of chair for the remainder of the term. In the event of a vacancy in the office of vice chair or secretary, the Committee shall elect one of its members to fill such vacancy for the remainder of the term, at its next regular meeting.

XIII.VI. AUDIT COMMITTEE MEETINGS

The Audit Committee will conduct regular meetings at least four ~~three~~ times per year, with authority to convene additional meetings, as circumstances require. The time frame between Audit Committee meetings should not exceed four months.

All Committee members are expected to attend each meeting.

Regular meeting notices and agendas will be posted at least 72 hours in advance of the regular meetings, and will be made available to the public in accordance with the Ralph M. Brown Act (Government Code Sections 54950, et seq.). Public documents referred to in the agenda will be made available for review at the office of the staff secretary to the Committee. The Committee will invite members of Management, Internal Auditors,

Commented [CL11]: Consistent with Model and provides more flexibility

¹ The number of Committee members is dependent upon the designated Chair and Vice Chair appointments to the Boards of Retirement and Investments. If both Boards were to elect the same individuals to the positions of Chair and/or Vice Chair, the Audit Committee would be comprised of four or five Board Members.



Financial Auditors, all other Professional Service Providers, External Auditors, and/or others to attend meetings and provide pertinent information, as necessary.

Special meetings of the Committee may be called in the manner provided by Government Code Section 54956(a). The Committee will have such other powers as provided in the Brown Act.

Robert’s Rules of Order, except as otherwise provided herein, shall guide the Committee in its proceedings; however, the chair of the Committee shall have the same rights to vote and participate in discussions as any other member of the Committee without relinquishing the chair. The order of business shall be as determined by formal action of the Committee. Four members of a six-member Audit Committee or three members of a four or five-member Audit Committee, excluding the audit consultant, constitute a quorum.

The secretary of the Committee shall cause to be recorded in the minutes the time and place of each meeting of the Committee, the names of the members present, all official acts of the Committee, the votes given by members except when the action is unanimous, and when requested by a member, that member’s dissent or approval with his or her reasons, and shall cause the minutes to be written forthwith and presented for approval at the next regular meeting.

XIV.VII. RESPONSIBILITIES

The Audit Committee will carry out the following responsibilities to fulfill ~~its~~ their fiduciary oversight ~~duties~~ responsibilities:

A. Internal Audit Activity

1. Internal Audit Strategy and Annual Plan

- a. Review and provide input on Internal Audit’s annual risk assessment
- b. Review and approve Internal Audit’s Annual Audit Plan (Plan) and resource plan, make recommendations concerning audit projects.
- c. Recommend to the Boards a budget to achieve the Plan plus a contingent budget for additional work related to audit findings or other unplanned work.
- a.d. Review and monitor Internal Audit’s activity relative to its Plan. Review and approve all major changes to the Plan.

Commented [CL12]: Consistent with our 2018 Charter but broken out for more clarity.

Commented [CL13]: Consistent with Model Charter

Commented [CL14]: Consistent with our 2018 Charter but broken out for more clarity.

2. Internal Audit Engagement & Follow-Up

- a. Review and discuss engagement reports to take the following action(s):
 - i. accept and file report ~~and/or,~~
 - ii. instruct staff to forward report to Boards or Committees and/or,
 - ~~—~~ make recommendations to the Boards or Committees regarding actions as may be required based on audit findings and/or,
 - ~~—~~ provide further instruction to staff.



- b. Monitor Internal Audit’s recommendations to ensure Management has adequately and timely addressed the risk(s) identified, either through implementing a new policy, procedure, or process, or accepting the associated risk.
- c. Inquire whether any evidence of fraud has been identified during internal or external audit engagements, and evaluate what additional actions, if any, should be taken.
- d. Inquire whether any audit or non-audit engagements have been completed but not reported to the Audit Committee; if so, inquire whether any matters of significance arose from such work.
- Review and advise Management and the Boards on the results of any special investigations.

Commented [CL15]: From Model Charter

3. Standards Conformance

- ~~e.~~a. Approve the Internal Audit Charter.
- b. Ensure the Internal Audit Division conforms with the IIA’s International Standards for the Professional Practice of Internal Audit, particularly the independence of Internal Audit and its organizational structure.
- c. Ensure the Internal Audit Division has a quality assurance and improvement program (QAIP), and that the results of these periodic assessments are presented to the Audit Committee.
- d. Ensure the Internal Audit Division has an external quality assurance review every five years. Review the results of the external quality assurance review and monitor the implementation of related recommendations.
- ~~e.~~ Advise the Boards about any recommendations for the continuous improvement of the internal audit activity.

Commented [CL16]: From Model Charter

2.4. Chief Audit Executive (CAE)

Since the CAE reports to the Chief Executive Officer (CEO) for administrative purposes, but to the Audit Committee for functional purposes, the Audit Committee will be responsible for the following:

- a. Make recommendations to both Boards regarding the appointment, discipline, dismissal, and/or removal of the CAE, which will be addressed by the Boards in a joint meeting. Both Boards will make the final decisions as to the appointment, discipline, dismissal, and/or removal of the CAE. The CEO has authority to administer minor discipline, which is limited to counseling memos and written warnings, with notice of such discipline to be provided to the Committee and the Boards at their next meetings. Consideration by the Boards and the Committee



- concerning the appointment, discipline, dismissal, and/ or removal of the CAE will be made in executive session under Government Code Section 54957(b).
- b. Perform the CAE’s annual assessment with qualitative input from the CAE and CEO. The Committee’s discussion regarding the CAE’s annual performance evaluation will be made in executive session under Government Code Section 54957(b).
 - c. Administer the CAE’s annual salary adjustment using the Boards’ established compensation structure.

~~Review, with the Chief Audit Executive (CAE), Internal Audit’s resource plan, activities, and organizational structure.~~

Commented [CL17]: Addressed under Internal Audit Strategy and Audit Plan



B. Professional Service Provider Activity External Audit

The Audit Committee is responsible for the oversight of all work performed by professional service providers (Service Providers) for audits, reviews, or investigations, including the audit of LACERA's financial statements.

1. Approve the ~~Make recommendations to the Board of Retirement regarding the appointment and compensation, and the work~~ of the External Financial Auditor, hired to perform an independent audit of LACERA's financial statements. Oversee the work of the Financial External Auditor, including review of the Financial External Auditor's proposed audit scope and approach, as well as coordination with Internal Audit and Management.
2. Approve the appointment and compensation of other Professional Service Providers, hired to perform non-financial statement audits, reviews or consulting, subject to limitations due to confidentiality, legal standards, and/or where approval will clearly impair the purpose or methods of the audit.
3. Review the Professional Service Providers, including the Financial Auditor, and Management the results of the work performed, any findings and recommendations of the External Auditor, findings and recommendations of the External Auditor, Management's responses, and actions taken to implement the audit recommendations.
- ~~3. Approve all non-compliance work.~~

C. Monitoring the Financial Reporting Process

The Audit Committee is responsible for the oversight of the independent audit of LACERA's financial statement, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory compliance, and ethics.

1. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, recent professional and regulatory pronouncements, and understand their impact on the financial statements.
2. Review with Management and the Financial External Auditors the results of the audit, including any difficulties encountered.
3. Review the annual financial statements, consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
4. Review with Management and the Financial External Auditors all matters required to be communicated to the Committee under *Generally Accepted Auditing Standards*.

D. Values and Ethics

Commented [CL18]: From Model



1. Review and assess LACERA's Code of Ethical Conduct established by the Boards and Management.
2. Annually, review Management's process for communicating LACERA's Code of Ethical Conduct to Trustees, Management, and staff, ~~s to company personnel~~, and for monitoring compliance therewith.
- ~~1.3.~~ Review reports received relating to conflicts of interest and ethics issues, and if appropriate, make a recommendation to the Boards.

E. Organizational Governance

To obtain reasonable assurance with respect to LACERA's governance process, the Audit Committee will review and provide advice on the governance process established and maintained, and the procedures in place to ensure they are operating as intended.

1. Risk Management

- a. Annually review LACERA's risk profile.
- b. Obtain from the CAE an annual report on Management's implementation and maintenance of an appropriate enterprise wide risk management process. Provide advice on the risk management processes established and maintained, and the procedures in place to ensure that they are operating as intended.
- c. Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by Management and the Boards.

2. Fraud

- a. Oversee Management's arrangements for the prevention and detection of fraud, including ensuring adequate time is spent discussing and raising awareness about fraud and the Hotline.
~~Review a summary of Helpline reports received, and if relating to conflict of interest and ethics issues, and if appropriate, make a recommendation to the Boards.~~

~~1.3.~~ Monitoring Management's System of Internal Controls

- a. Consider the effectiveness of LACERA's internal control system, including information technology security and control, as well as all other aspects of LACERA's operations.
- b. Understand the scope of Internal and External Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with Management's responses.



~~a-c. Review and provide advice on control of LACERA as a whole and its individual divisions.~~

Commented [CL19]: From Model Charter

4. Monitoring Management's System of Compliance

- a. Annually, review the effectiveness of Management's system of compliance with laws, regulations, policies, and procedures that are business critical.
- b. As needed, review the observations and findings of any examinations by regulatory agencies, ~~and any auditor observations.~~
- c. Annually, review Management's process for communicating LACERA's Code of Ethics to company personnel, and for monitoring compliance therewith.
- d. Obtain regular updates from Management and LACERA's Legal Office regarding compliance matters.
- ~~e. At least annually, review reported activity to ensure issues of fraud, noncompliance, and/or inappropriate activities are being addressed.~~

Commented [CL20]: Addressed in Professional Service Provider Activity

Commented [CL21]: Addressed under Values & Ethics

B. Conflicts and Ethics

~~Audit Committee members must comply with the BOR, BOI, and LACERA's Code of Ethics. Specific to the Audit Committee:~~

~~4. Avoid actual or potential conflict of interest or ethics issues. Members will notify the Audit Committee Chair and Vice Chair, the CEO, and Legal Counsel of such issues concerning themselves and other Audit Committee members related to the business of the Audit Committee.~~

Commented [CL22]: Moved under Principles

~~5.1. Review reports received relating to conflict of interest and ethics issues, and if appropriate, make a recommendation to the Boards.~~

Commented [CL23]: Moved under Fraud

G.F. Other Responsibilities

- 1. Report to the Boards as needed about the Audit Committee's activities, issues, and related recommendations.
- 2. Provide an open avenue of communication between Internal Audit, all Professional Service Providers, including the Financial Auditor, the External Auditors, Management, and the Boards.
- 3. Perform other activities related to this Charter as requested by the Boards
- 4. Review and assess the adequacy of the Committee's Charter at least every three years annually, requesting the Boards' approval for proposed changes, ~~and ensure appropriate disclosure as may be required by law or regulation.~~
- ~~15. Communicates public disclosures related to the purpose, authority, function, and responsibility of the Audit Committee.~~

XVI.VIII. APPROVAL OF PROCEDURAL AND ADMINISTRATIVE UPDATES



This Audit Committee Charter (“AC Charter”) was updated for procedural and administrative matters, and approved by the Audit Committee on March 21, 2018. This updated AC Charter is thereby effective this day and is hereby signed by the Audit Committee Chair. This Charter was reviewed by the Audit Committee on May XX, 2020, and approved by the Board of Investments and Board of Retirement on May XX, 2020 and May XX, 2020, respectively. This Charter is thereby effective May XX, 2020 and is hereby signed by the following persons who have authority and responsibilities under this Charter.

Commented [CL24]: Must be reviewed by AC and approved by Boards.

Gina Sanchez
Chair, Audit Committee

Date

David Green
Chair, Board of Investments

Date

Herman Santos
Chair, Board of Retirement

Date

XVII. APPROVAL OF AUDIT COMMITTEE CHARTER



This Audit Committee Charter ("AC Charter") was reviewed by the Audit Committee on December 14, 2016, and approved by the Board of Retirement and Board of Investments on January 11, 2017 and January 12, 2017, respectively. This AC Charter is thereby effective January 12, 2017 and is hereby signed by the following persons who have authority and responsibilities under this Charter.

Shawn R. Kehoe
Chair, Board of Retirement

January 24, 2017
Date

David Green
Chair, Board of Investments

January 24, 2017
Date

Commented [CL25]: Remove

Audit Committee Charter

June 2020



2020



AUDIT COMMITTEE CHARTER

Table of Contents

- I. CHARTER2**
- II. PURPOSE AND ASSIGNED FIDUCIARY OVERSIGHT DUTIES2**
- III. PRINCIPLES OF THE AUDIT COMMITTEE.....2**
- IV. AUTHORITY3**
- V. AUDIT COMMITTEE COMPOSITION AND CONSULTANT3**
- VI. AUDIT COMMITTEE MEETINGS4**
- VII. RESPONSIBILITIES5**
- VIII. APPROVAL.....9**



AUDIT COMMITTEE CHARTER

I. CHARTER

This Charter establishes the authority and responsibilities of the Audit Committee, as assigned by Los Angeles County Employees Retirement Association's (LACERA) Board of Retirement and Board of Investments (Boards). The Audit Committee Charter is a living document and should be reviewed at least every three years.

II. PURPOSE AND ASSIGNED FIDUCIARY OVERSIGHT DUTIES

In November 2003, LACERA's Boards established the LACERA Audit Committee.

The purpose of the Audit Committee is to assist the Boards in fulfilling their fiduciary oversight duties for the:

- A.** Internal Audit Activity
- B.** Professional Service Provider Activity
- C.** Financial Reporting Process
- D.** Values and Ethics, and
- E.** Organizational Governance

III. PRINCIPLES OF THE AUDIT COMMITTEE

The Audit Committee will conduct itself in accordance with LACERA's Code of Ethical Conduct and the following core principles from the Institute of Internal Auditors' (IIA) Code of Ethics. The Audit Committee expects the Boards, Management, and staff will also adhere to these requirements.

Integrity – The Audit Committee Members will perform their work with honesty, diligence, and responsibility. The Audit Committee expects and will encourage transparency when fulfilling its duties. Communications between Committee Members, Management, staff, and/or Professional Service Providers will be open, direct, and complete. Subject to applicable laws and organizational limitations, Internal Audit will regularly provide the Audit Committee with updates on audit and consulting projects completed and related findings and follow-up.

Independence & Objectivity - The Audit Committee will perform its responsibilities in an independent manner and in compliance with fiduciary duty without exception. Audit Committee Members will disclose any conflicts of interest (actual or perceived) to the Committee.

Confidentiality – The Audit Committee Members will be prudent in the use and protection of information acquired during the course of its duties.



Competency - Audit Committee Members will receive formal orientation training on the purpose and mandate of the Committee and LACERA's objectives. Audit Committee Members are obligated to prepare for and participate in Committee meetings.

Professional Standards - The Audit Committee will ensure all related work will be handled with the highest professional standards consistent with auditing standards of practice and industry guidelines.

IV. AUTHORITY

The Audit Committee will have unrestricted access to Management and staff, and any relevant information it considers necessary to discharge its duties. All employees are directed to cooperate with the Committee and its requests. If access to requested information is denied due to legal or confidentiality reasons, the Audit Committee and/or CAE will follow a prescribed, Board approved mechanism for resolution of the matter.

The Audit Committee has the authority to conduct or authorize investigations into any matters within its scope of duties, including engaging independent counsel and/or other advisors it deems necessary.

The Audit Committee is empowered to:

1. Approve the appointment, compensation, and work of the Financial Auditor hired to audit LACERA's financial statements.
2. Approve the appointment, compensation, and work of other Professional Service Providers to perform non-financial statement audits, reviews, or investigations, subject to limitations due to confidentiality, legal standards, and/or where approval will clearly impair the purpose or methods of the audit.
3. Resolve any significant disagreements regarding risks, findings, and/or payment between Management and the Financial and/or Other Service Providers.

V. AUDIT COMMITTEE COMPOSITION AND CONSULTANT

The Audit Committee will consist of the chair and vice-chair of the Boards of Retirement and Investments, plus one additional Board member elected annually by each Board, for a total of four to six members¹. Board chairs and vice-chairs that leave Board service will be replaced automatically on the Audit Committee when the Board replaces its missing officer while other Committee membership remains intact. If any elected Audit Committee member leaves Board service or resigns from the Audit Committee prior to the completion of their term, the Board of the departing member, will elect a new Audit Committee member at the next

¹The number of Committee members is dependent upon the designated Chair and Vice Chair appointments to the Boards of Retirement and Investments. If both Boards were to elect the same individuals to the positions of Chair and/or Vice Chair, the Audit Committee would be comprised of four or five Board Members.



regularly scheduled Board meeting. If Audit Committee voting results in a tie, the Committee will forward the recommendation to the appropriate Board for consideration and final decision.

The Committee shall have the authority to approve the hiring of the Audit Committee Consultant as an advisor through a Request for Proposal process. The Audit Committee Consultant will be designated as the audit technical and financial expert, to advise the Committee on audit and financial matters. The Audit Committee Consultant's contract will be for three years.

At the first Committee meeting of each calendar year, the Committee shall elect a Chairman, Vice Chair and Secretary, each to serve for a term of one year or until his or her successor is duly elected and qualified, whichever is less. In the event of a vacancy in the office of chair, the vice chair shall immediately assume the office of chair for the remainder of the term. In the event of a vacancy in the office of vice chair or secretary, the Committee shall elect one of its members to fill such vacancy for the remainder of the term, at its next regular meeting.

VI. AUDIT COMMITTEE MEETINGS

The Audit Committee will conduct regular meetings at least four times per year, with authority to convene additional meetings, as circumstances require. The time frame between Audit Committee meetings should not exceed four months.

All Committee Members are expected to attend each meeting.

Regular meeting notices and agendas will be posted at least 72 hours in advance of the regular meetings and will be made available to the public in accordance with the Ralph M. Brown Act (Government Code Sections 54950, et seq.). Public documents referred to in the agenda will be made available for review at the office of the staff secretary to the Committee. The Committee will invite members of Management, Internal Auditors, Financial Auditors, all other Professional Service Providers, and/or others to attend meetings and provide pertinent information, as necessary.

Special meetings of the Committee may be called in the manner provided by Government Code Section 54956(a). The Committee will have such other powers as provided in the Brown Act.

Robert's Rules of Order, except as otherwise provided herein, shall guide the Committee in its proceedings; however, the chair of the Committee shall have the same rights to vote and participate in discussions as any other member of the Committee without relinquishing the chair. The order of business shall be as determined by formal action of the Committee. Four members of a six-member Audit Committee or three members of a four or five-member Audit Committee, excluding the audit consultant, constitute a quorum.



The secretary of the Committee shall cause to be recorded in the minutes the time and place of each meeting of the Committee, the names of the members present, all official acts of the Committee, the votes given by members except when the action is unanimous, and when requested by a member, that member's dissent or approval with his or her reasons, and shall cause the minutes to be written forthwith and presented for approval at the next regular meeting.

VII. RESPONSIBILITIES

A. Internal Audit Activity

1. Internal Audit Strategy and Annual Plan
 - a. Review and provide input on Internal Audit's annual risk assessment
 - b. Review and approve Internal Audit's Annual Audit Plan (Plan) and resource plan, make recommendations concerning audit projects.
 - c. Recommend to the Boards a budget to achieve the Plan plus a contingent budget for additional work related to audit findings or other unplanned work.
 - d. Review and monitor Internal Audit's activity relative to its Plan. Review and approve all major changes to the Plan.
2. Internal Audit Engagement & Follow-Up
 - a. Review and discuss engagement reports to take the following action(s):
 - i. accept and file report,
 - ii. instruct staff to forward report to Boards or Committees,
 - iii. make recommendations to the Boards or Committees regarding actions as may be required based on audit findings and/or,
 - iv. provide further instruction to staff.
 - b. Monitor Internal Audit's recommendations to ensure Management has adequately and timely addressed the risk(s) identified, either through implementing a new policy, procedure, or process, or accepting the associated risk.
 - c. Inquire whether any evidence of fraud has been identified during internal or external audit engagements, and evaluate what additional actions, if any, should be taken.
 - d. Inquire whether any audit or non-audit engagements have been completed but not reported to the Audit Committee; if so, inquire whether any matters of significance arose from such work.
 - e. Review and advise Management and the Boards on the results of any special investigations.



3. Standards Conformance
 - a. Approve the Internal Audit Charter.
 - b. Ensure the Internal Audit Division conforms with the IIA's International Standards for the Professional Practice of Internal Audit, particularly the independence of Internal Audit and its organizational structure.
 - c. Ensure the Internal Audit Division has a quality assurance and improvement program (QAIP), and that the results of these periodic assessments are presented to the Audit Committee.
 - d. Ensure the Internal Audit Division has an external quality assurance review every five years. Review the results of the external quality assurance review and monitor the implementation of related recommendations.

Advise the Boards about any recommendations for the continuous improvement of the internal audit activity.

4. Chief Audit Executive (CAE)

Since the CAE reports to the Chief Executive Officer (CEO) for administrative purposes, but to the Audit Committee for functional purposes, the Audit Committee will be responsible for the following:

- a. Make recommendations to both Boards regarding the appointment, discipline, dismissal, and/or removal of the CAE, which will be addressed by the Boards in a joint meeting. Both Boards will make the final decisions as to the appointment, discipline, dismissal, and/or removal of the CAE. The CEO has authority to administer minor discipline, which is limited to counseling memos and written warnings, with notice of such discipline to be provided to the Committee and the Boards at their next meetings. Consideration by the Boards and the Committee concerning the appointment, discipline, dismissal, and/or removal of the CAE will be made in executive session under Government Code Section 54957(b).
- b. Perform the CAE's annual assessment with qualitative input from the CAE and CEO. The Committee's discussion regarding the CAE's annual performance evaluation will be made in executive session under Government Code Section 54957(b).
- c. Administer the CAE's annual salary adjustment using the Boards' established compensation structure.

B. Professional Service Provider Activity

The Audit Committee is responsible for the oversight of all work performed by professional service providers (Service Providers) for audits, reviews, or investigations, including the audit of LACERA's financial statements.



1. Approve the appointment and compensation of the External Financial Auditor, hired to perform an independent audit of LACERA's financial statements. Oversee the work of the Financial Auditor, including review of the Financial Auditor's proposed audit scope and approach, as well as coordination with Internal Audit and Management.
2. Approve the appointment and compensation of other Professional Service Providers, hired to perform non-financial statement audits, reviews or consulting, subject to limitations due to confidentiality, legal standards, and/or where approval will clearly impair the purpose or methods of the audit.
3. Review the Professional Service Providers, including the Financial Auditor, and Management the results of the work performed, any findings and recommendations, Management's responses, and actions taken to implement the audit recommendations.

C. Financial Reporting Process

The Audit Committee is responsible for the oversight of the independent audit of LACERA's financial statement, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory compliance, and ethics.

1. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, recent professional and regulatory pronouncements, and understand their impact on the financial statements.
2. Review with Management and the Financial Auditors the results of the audit, including any difficulties encountered.
3. Review the annual financial statements, consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles.
4. Review with Management and the Financial Auditors all matters required to be communicated to the Committee under *Generally Accepted Auditing Standards*.

D. Values and Ethics

1. Review and assess LACERA's Code of Ethical Conduct established by the Boards and Management.
2. Annually, review Management's process for communicating LACERA's Code of Ethical Conduct to Trustees, Management, and staff, and for monitoring compliance therewith.



3. Review reports received relating to conflicts of interest and ethics issues, and if appropriate, make a recommendation to the Boards.

E. Organizational Governance

To obtain reasonable assurance with respect to LACERA's governance process, the Audit Committee will review and provide advice on the governance process established and maintained, and the procedures in place to ensure they are operating as intended.

1. Risk Management

- a. Annually review LACERA's risk profile.
- b. Obtain from the CAE an annual report on Management's implementation and maintenance of an appropriate enterprise wide risk management process. Provide advice on the risk management processes established and maintained, and the procedures in place to ensure that they are operating as intended.
- c. Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by Management and the Boards.

2. Fraud

- a. Oversee Management's arrangements for the prevention and detection of fraud, including ensuring adequate time is spent discussing and raising awareness about fraud and the Hotline.
- b. Review a summary of Hotline reports, and if appropriate make a recommendation to the Boards.

3. System of Internal Controls

- a. Consider the effectiveness of LACERA's internal control system, including information technology security and control, as well as all other aspects of LACERA's operations.
- b. Understand the scope of Internal and External Auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with Management's responses.
- c. Review and provide advice on control of LACERA as a whole and its individual divisions.

4. System of Compliance

- a. Annually, review the effectiveness of Management's system of compliance with laws, regulations, policies, and procedures that are business critical.



- b. As needed, review the observations and findings of any examinations by regulatory agencies.
- c. Obtain regular updates from Management and LACERA's Legal Office regarding compliance matters.
- d. At least annually, review reported activity to ensure issues of fraud, noncompliance, and/or inappropriate activities are being addressed.

F. Other Responsibilities

- 1. Report to the Boards as needed about the Audit Committee's activities, issues, and related recommendations.
- 2. Provide an open avenue of communication between Internal Audit, all Professional Service Providers, including the Financial Auditor, Management, and the Boards.
- 3. Perform other activities related to this Charter as requested by the Boards.
- 4. Review and assess the adequacy of the Committee's Charter at least every three years, requesting the Boards' approval for proposed changes.

VIII. APPROVAL

This Charter was reviewed by the Audit Committee on May 8, 2020 and approved by the Board of Investments and Board of Retirement on June 24, 2020. This Charter is thereby effective June 24, 2020 and is hereby signed by the following persons who have authority and responsibilities under this Charter.

Gina Sanchez
Chair, Audit Committee

Date

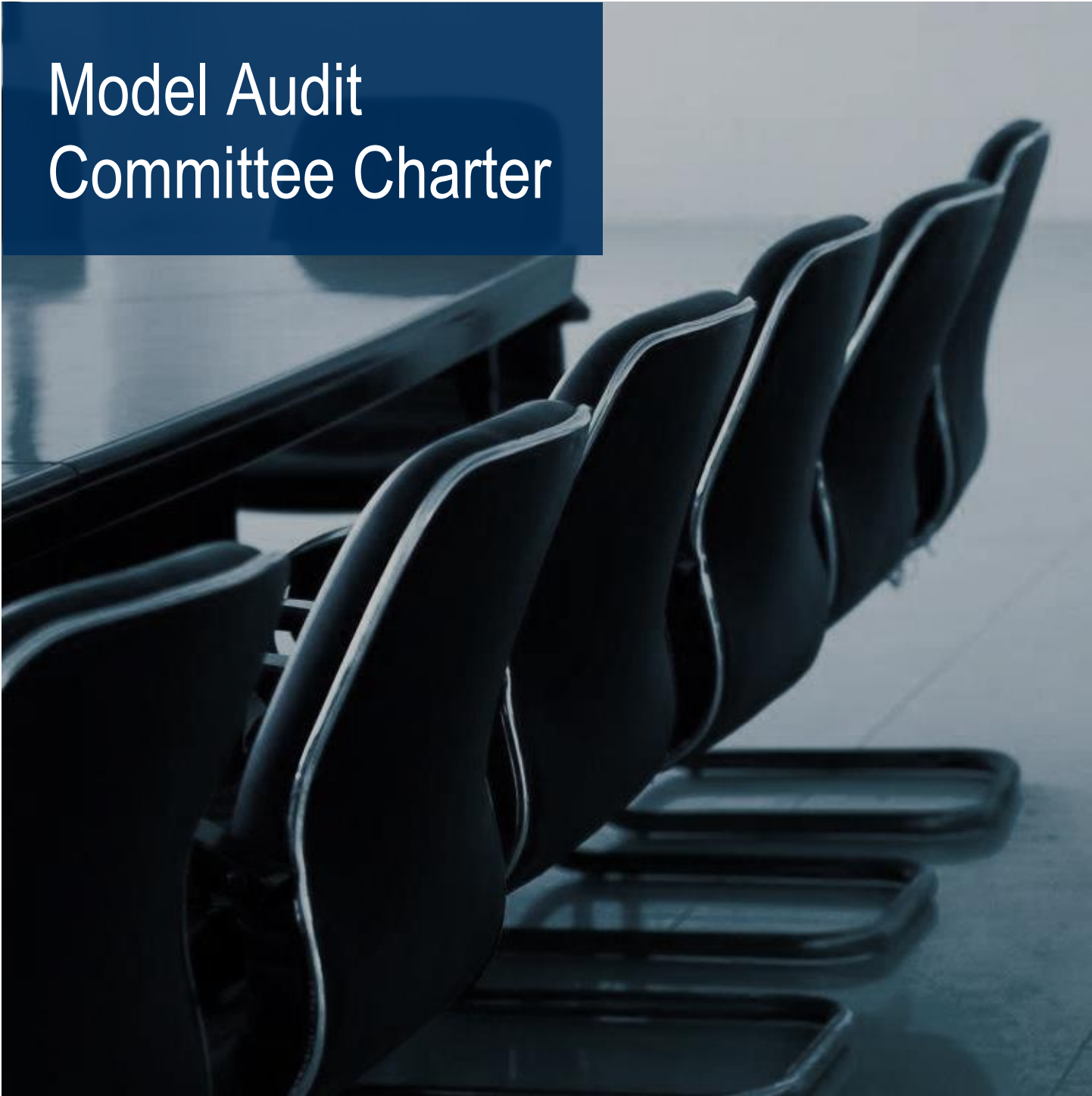
David Green
Chair, Board of Investments

Date

Herman Santos
Chair, Board of Retirement

Date

Model Audit Committee Charter



Revised: March 2017

Contents

Preface	2	Operational Procedures.....	6
Organizational Principles	3	Meetings	
Introduction [Optional]		Minutes	
Background [Optional]		Required Attendance	
Purpose		Secretariat Services	
Mandate [Optional]		Remuneration of Committee Members	
Authority		Responsibilities	
Composition of the Audit Committee		Values and Ethics	
The Chair of the Audit Committee		Organizational Governance	
Terms of Office		Risk Management	
Quorum		Fraud	
Operational Principles	5	Control	
Audit Committee Values		Compliance	
Communications		Oversight of the Internal Audit Activity	9
Work Plan		Internal Audit Activity	
Meeting Agenda		External Auditors	
Information Requirements		Financial Statements and Public	
Executive Sessions		Accountability Reporting	
Preparation and Attendance		Other Responsibilities	
Conflict(s) of Interest		Reporting on Audit Committee Performance	
Orientation and Training		Approval/Signatures	

Preface

The Model Audit Committee Charter is designed to illustrate common or leading practices typically set out in an audit committee charter. The generic nature of this draft is intended to encourage customization.

The document may not reflect all legal or regulatory requirements that exist in the every jurisdiction. Additionally, stakeholder expectations may influence the inclusion or deletion of certain practices.

In drafting an audit committee charter, care should be exercised to customize the charter, including replacing bracketed, blue text with language that accurately reflects the user's situation.

Organizational Principles

Introduction [Optional]

The audit committee plays an important role in providing oversight of the organization's governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The audit committee performs its role by providing independent oversight to the governing body e.g. board.

Background [Optional]

The audit committee was established on [date]. At that time, the charter for the committee was established. The charter, which governs the work of the committee, was reviewed and updated on [date].

Purpose

The purpose of the audit committee is to provide a structured, systematic oversight of the organization's governance, risk management, and internal control practices. The committee assists the board and management by providing advice and guidance on the adequacy of the organization's initiatives for:

- Values and ethics.
- Governance structure.
- Risk management.
- Internal control framework.
- Oversight of the internal audit activity, external auditors, and other providers of assurance.
- Financial statements and public accountability reporting.

In broad terms, the audit committee reviews each of the items noted above and provides the board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvements to those practices.

Mandate [Optional]

The mandate for the establishment of the audit committee was derived from [Insert text; the exact source of the mandate will vary among jurisdictions and depend on the location, government structure, type of public sector services, and relationship to other government entities. This section is typical for public sector organizations and may come in the form of laws, regulations, policies and procedures, or bylaws.].

Authority

The audit committee charter sets out the authority of the audit committee to carry out the responsibilities established for it by the board as articulated within the Audit Committee Charter.

In discharging its responsibilities, the audit committee will have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The committee also will have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Audit Committee and/or CAE will follow a prescribed, board approved mechanism for resolution of the matter.

The audit committee is entitled to receive any explanatory information that it deems necessary to discharge its responsibilities. The organization's management and staff should cooperate with audit committee requests.

The audit committee may engage independent counsel and/or other advisors it deems necessary to carry out its duties.

The audit committee is empowered to:

- Appoint, compensate, and oversee all audit and non-audit services performed by auditors, including the work of any registered public accounting firm employed by the organization. **[Note: This requirement may not be applicable in the public sector if the external auditor is established by legislation; for example, an Auditor General.]**
- Resolve any disagreements between management and the external auditor regarding financial reporting and other matters.
- Preapprove all auditing and non-audit services performed by auditors.

Composition of the Audit Committee

The audit committee will consist of **[Insert number; at least three]** members that are independent of the organization. The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, IT, law, governance, risk, and control. Because the responsibilities of the audit committee evolve in response to regulatory, economic, and reporting developments, it is important to periodically re-evaluate members' competencies and the overall balance of skills on the committee in response to emerging needs.

The Chair of the Audit Committee

The board will designate the chair of the audit committee and appointment committee members.

Terms of Office

The term of office for an audit committee member is **[Insert number; typically three to four]** years. Continuance of audit committee members will be reviewed annually. To ensure continuity

within the audit committee, the appointment of members should be staggered. [Note: In some jurisdictions there are limits to the number of terms which independent members of the committee may serve, if this is the case such limits may be reflected in the charter.]

Quorum

The quorum for the audit committee will be a majority of the members.

Operational Principles

Audit Committee Values

The audit committee will conduct itself in accordance with the code of values and ethics of the organization and [Add reference to additional pertinent legislation/regulations/policies]. The audit committee expects that management and staff of the organization will adhere to these requirements.

Communications

The audit committee expects that all communication with management and staff of the organization as well as with any external assurance providers will be direct, open, and complete.

Work Plan

The audit committee chair will collaborate with senior management and the chief audit executive (CAE) to establish a work plan to ensure that the responsibilities of the audit committee are scheduled and will be carried out.

Meeting Agenda

The chair will establish agendas for audit committee meetings in consultation with audit committee members, senior management, and the CAE.

Information Requirements

The audit committee will establish and communicate its requirements for information, which will include the nature, extent, and timing of information. Information will be provided to the audit committee at least one week prior to each audit committee meeting.

Executive Sessions

The audit committee will schedule, and hold if necessary, a private session with the chief executive officer (CEO), the chief financial officer (CFO), the CAE, external assurance providers, and with any other officials that the audit committee may deem appropriate at each of its meetings.

Preparation and Attendance

Audit committee members are obligated to prepare for and participate in committee meetings.

Conflict(s) of Interest

Audit committee members should adhere to the organizations code of conduct and any values and ethics established by the organization. It is the responsibility of audit committee members to disclose any conflict of interest or appearance of a conflict of interest to the committee. If there is any question as to whether audit committee member(s) should recuse themselves from a vote, the committee should vote to determine whether the member should recuse himself or herself.

Orientation and Training

Audit committee members will receive formal orientation training on the purpose and mandate of the committee and on the organization's objectives. A process of continuing education will be established.

Operational Procedures

Meetings

The audit committee will meet at least **[Insert number; at least four is generally recommended]** times annually or more frequently as the committee deems necessary. The time frame between audit committee meetings should not exceed four months.

Minutes

Minutes will be prepared in accordance with applicable law, regulation, bylaw, policy, procedure, and/or other applicable requirements. Meeting minutes will be provided in draft format at least two weeks after the audit committee meeting.

Required Attendance

The CAE and **[Insert text; include the title of the person to whom the CAE reports and the title of the person responsible for managing the external audit relationship]** are required to attend all audit committee meetings.

Secretariat Services

The CAE (or another appropriate designee) will facilitate and coordinate meetings as well as provide ancillary support to the committee, as time and resources permit.

Remuneration of Committee Members

Committee members may be reimbursed for travel and committee-related expenses. **[If applicable, a policy should be established and outlined in the legal basis and/or a formal travel policy that applies to all committee members.]**

Payment rates and allowances for committee members' time and/or services are established formally in **[Insert text regarding laws, regulations, or in written policy and procedures by the governing body]**.

Professional Indemnity Insurance: **[Professional indemnity insurance arrangements that are suitable to both the member and the organization should be established. Insert text regarding agreed-upon arrangements]**.

Responsibilities

It is the responsibility of the audit committee to provide the board with independent, objective advice on the adequacy of management's arrangements with respect to the following aspects of the management of the organization:

Values and Ethics

To obtain reasonable assurance with respect to the organization's values and ethics practices, the audit committee will:

- Review and assess the policies, procedures, and practices established by the governing body to monitor conformance with its code of conduct and ethical policies by all managers and staff of the organization.
- Provide oversight of the mechanisms established by management to establish and maintain high ethical standards for all of the managers and staff of the organization.
- Review and provide advice on the systems and practices established by management to monitor compliance with laws, regulations, policies, and standards of ethical conduct and identify and deal with any legal or ethical violations.

Organizational Governance

To obtain reasonable assurance with respect to the organization's governance process, the audit committee will review and provide advice on the governance process established and maintained within the organization and the procedures in place to ensure that they are operating as intended.

Risk Management

To obtain reasonable assurance with respect to the organization's risk management practices, the audit committee will:

- Annually review the organization's risk profile.
- Obtain from the CAE an annual report on management's implementation and maintenance of an appropriate enterprise wide risk management process.

- Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.
- Provide oversight of the adequacy of the combined assurance being provided.
- Review and provide advice on the risk management processes established and maintained by management and the procedures in place to ensure that they are operating as intended.

Fraud

To obtain reasonable assurance with respect to the organization's procedures for the prevention and detection of fraud, the audit committee will:

- Oversee management's arrangements for the prevention and deterrence of fraud.
- Ensure that appropriate action is taken against known perpetrators of fraud.
- Challenge management and internal and external auditors to ensure that the entity has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.

Control

To obtain reasonable assurance with respect to the adequacy and effectiveness of the organization's controls in responding to risks within the organization's governance, operations and information systems, the audit committee will:

- Consider the effectiveness of the organization's control framework, including information technology security and control.
- Review and provide advice on the control of the organization as a whole and its individual units.
- Receive reports on all matters of significance arising from work performed by other providers of financial and internal control assurance to senior management and the board.

Compliance

The audit committee will:

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the observations and conclusions of internal and external auditors and the findings of any regulatory agencies.

- Review the process for communicating the code of conduct to the organization's personnel and for monitoring compliance.
- Obtain regular updates from management and the organization's legal counsel regarding compliance matters.

Oversight of the Internal Audit Activity and Other Assurance Providers

Internal Audit Activity

To obtain reasonable assurance with respect to work of the internal audit activity, the audit committee will provide oversight related to:

Internal Audit Charter and Resources

- Review and approve the internal audit charter at least annually. The charter should be reviewed to ensure that it accurately reflects the internal audit activity's purpose, authority, and responsibility, consistent with the mandatory guidance of The IIA's International Professional Practices Framework and the scope and nature of assurance and consulting services, as well as changes in the financial, risk management, and governance processes of the organization and reflects developments in the professional practice of internal auditing.
- Advise the board about increases and decreases to the requested resources to achieve the internal audit plan. Evaluate whether any additional resources are needed permanently or should be provided through outsourcing.

CAE Performance

- Advise the board regarding the qualifications and recruitment, appointment, and removal of the CAE.
- Provide input to management related to evaluating the performance of the CAE.
- Recommend to management or the governing body the appropriate compensation of the CAE.

Internal Audit Strategy and Plan

- Review and provide input on the internal audit activity's strategic plan, objectives, performance measures, and outcomes.
- Review and approve proposed risk-based internal audit plan and make recommendations concerning internal audit projects.
- Review and approve the internal audit plan and engagement work program, including reviewing internal audit resources necessary to achieve the plan.
- Review the internal audit activity's performance relative to its audit plan.

Internal Audit Engagement and Follow Up

- Review internal audit reports and other communications to management.
- Review and track management's action plans to address the results of internal audit engagements.
- Review and advise management on the results of any special investigations.
- Inquire of the CAE whether any internal audit engagements or non-audit engagements have been completed but not reported to the committee; if so, inquire whether any matters of significance arose from such work.
- Inquire of the CAE whether any evidence of fraud has been identified during internal audit engagements and evaluate what additional actions, if any, should be taken.

Standards Conformance

- Inquire of the CAE about steps taken to ensure that the internal audit activity conforms with The IIA's *International Standards for the Professional Practice of Internal Auditing (Standards)*.
- Ensure that the internal audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the audit committee.
- Ensure that the internal audit activity has an external quality assurance review every five years.
- Review the results of the independent external quality assurance review and monitor the implementation of the internal audit activity's action plans to address any recommendations.
- Advise the board about any recommendations for the continuous improvement of the internal audit activity.

External Auditors

To obtain reasonable assurance with respect to work of the external assurance providers, the audit committee will meet with the external assurance providers during the planning phase of the engagement, the presentation of the audited financial statements, and the discussion of the results of engagements and recommendations for management.

The audit committee will:

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with the internal audit activity. **[Note: This may not be applicable in a public sector setting.]**
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. **[Note: This may not be applicable in a public sector setting.]**

- Obtain statements from the external auditors about their relationships with the organization, including non-audit services performed in the past, and discuss the information with the external auditors to review and confirm their independence.
- Have regularly scheduled exclusive meetings with external auditors to discuss any sensitive matters.
- Monitor management's progress on action plans.

To obtain reasonable assurance that management has acted on the results and recommendations of internal and external audit engagements, the audit committee will regularly review reports on the progress of implementing approved management action plans and audit recommendations resulting from completed audit engagements.

Financial Statements and Public Accountability Reporting

The audit committee is responsible for oversight of the independent audit of the government entity's financial statements, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory compliance, and ethics.

The audit committee will:

- Review with management and the external auditors the results of audit engagements, including any difficulties encountered.
- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report and related regulatory filings and consider the accuracy and completeness of the information before it is released.
- Review with management and the external auditors all matters required to be communicated to the audit committee under generally accepted external auditing standards.
- Understand strategies, assumptions and estimates that management has made in preparing financial statements, budgets, and investment plans.
- Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement in the process.
- Review interim financial reports with management and external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.

Other Responsibilities

In addition, the audit committee will:

- Perform other activities related to this charter as requested by the governing body.
- Institute and oversee special investigations as needed.
- Regularly evaluate its performance and that of its individual members. **[Note: Annual assessments are recommended.]**

Reporting on Audit Committee Performance

The audit committee will report to the board annually, summarizing the committee's activities and recommendations. The report may be delivered during an audit committee meeting attended by the board or during a regularly scheduled meeting of the board.

The report should include:

- A summary of the work the audit committee performed to fully discharge its responsibilities during the preceding year.
- A summary of management's progress in addressing the results of internal and external audit engagement reports.
- An overall assessment of management's risk, control, and compliance processes, including details of any significant emerging risks or legislative changes impacting the governing organization.
- Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended.
- Provide information required, if any, by new or emerging corporate governance developments.
- The committee may report to the governing body at any time regarding any other matter it deems of sufficient importance.

Approval/Signatures

Chief Executive Officer _____ Date _____

Audit Committee Chair _____ Date _____

Chairman of the Board _____ Date _____

ABOUT THE IIA

The Institute of Internal Auditors (IIA) is the internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications. Established in 1941, The IIA today serves more than 190,000 members from more than 170 countries and territories. The association's global headquarters are in Lake Mary, Fla., USA. For more information, visit www.globaliia.org.

DISCLAIMER

The IIA publishes this document for informational and educational purposes and, as such, is only intended to be used as a guide. This guidance material is not intended to provide definitive answers to specific individual circumstances. The IIA recommends that you always seek independent expert advice relating directly to any specific situation. The IIA accepts no responsibility for anyone placing sole reliance on this guidance.

COPYRIGHT

Copyright© 2017 The Institute of Internal Auditors, Inc. All rights reserved. For permission to reproduce, please contact guidance@theiia.org.



**The Institute of
Internal Auditors**

Global

Global Headquarters
The Institute of Internal Auditors
1035 Greenwood Blvd., Suite 401
Lake Mary, FL 32746, USA
Phone: +1-407-937-1111
Fax: +1-407-937-1101
www.theiia.org



**LOS ANGELES COUNTY
EMPLOYEES RETIREMENT
ASSOCIATION
LACERA**

**Board of Retirement Charter
Role of Chair/Vice-Chair/Secretary**

Adopted by the Board of Retirement on April 13, 2017
Revised by the Board of Retirement on May 7, 2020

**LACERA
Board of Retirement Charter**

Contents

1. Overview of the LACERA Board of Retirement	2
2. Fiduciary and Co-Fiduciary Duties of the BOR	3
3. Expectations of Trustees	4
4. The Role of the Chair and Vice-Chair	5
1. Facilitate and preside over BOR meetings.....	7
2. Coordinate the setting of agendas.....	8
3. Liaise with Staff through the CEO	8
4. Facilitate the establishment of the BOR’s major policy goals and objectives	8
5. Coordinate the CEO’s annual performance review.....	8
6. Coordinate the sharing of leading practices	9
7. Make appointments to Committees.....	9
8. Oversee the effectiveness of stakeholder relations.....	9
9. Coordinate with the Chair of the BOI concerning matters of common interest	9
5. The Role of the Secretary	10
6. Duties and Responsibilities of the BOR	10
1. Governance and Strategy	10
2. Reassurance, Risk and Compliance	10
6.3 Administration	11
6.4 Conflicts and Ethics	11
7. Expectations of Committees	14
8. Charter Review	14

1. Overview of the LACERA Board of Retirement

In 1937, Los Angeles County (County) established a pension trust fund (Fund) to provide defined retirement and death benefits to eligible County employees to be governed by the County Employees Retirement Law of 1937. In 1938, the Los Angeles County Employees Retirement Association (LACERA) was introduced to administer it. Since 1971, LACERA has also administered the Retiree Healthcare Benefits Program, on behalf of and through contractual agreement with the County.

LACERA is an independent governmental entity, separate and distinct from the County, which administers and manages the Retiree Healthcare Benefits Program for the County and outside districts. LACERA is one of the largest county retirement systems in America. LACERA is funded by the County, participating employers, employees, and investment earnings.

LACERA is governed by two Boards. Both Boards include a mix of trustees which are appointed and elected members and an ex-officio member, the sitting County Treasurer and Tax Collector. The Board of Retirement (BOR) is responsible for the overall management of the retirement system and the LACERA-administered Retiree Healthcare Benefits Program. The Board of Investments (BOI) is responsible for determining LACERA's investment objectives, strategies, and policies as well as exercising authority and control over the investment management of the Fund. The BOI also invests and manages the Other Postemployment Benefits Program (OPEB) trust assets for participating employers.

LACERA is a public pension system created in accordance with the County Employees Retirement Law of 1937 (the '37 Act or CERL) and administered pursuant to the '37 Act and the California Public Employees' Pension Reform Act of 2013 (PEPRA). CERL Section 31520.2 provides that "Except as otherwise delegated to the board of investment and except for the statutory duties of the county treasurer, the management of the retirement system is vested in the board of retirement." The BOR has joint authority with the BOI over shared responsibilities, including, for example: the appointment and evaluation of the Chief Executive Officer (CEO); classification and compensation of personnel; and, adoption of LACERA's administrative budget.

2. Fiduciary and Co-Fiduciary Duties of the BOR

The members of the BOR recognize that they serve as fiduciaries for the administration of the retirement system, with fiduciary duties as defined in the California Constitution and CERL. The trustees have fiduciary duties both individually and collectively as a BOR.

In the exercise of their individual and collective fiduciary duties, the trustees and the BOR may, under the California Constitution and CERL, prudently delegate to staff, outside consultants and vendors, and other fiduciaries, while recognizing that the ultimate fiduciary responsibility of the BOR and its individual trustees for the retirement program is non-delegable. The BOR and the trustees exercise their fiduciary duties with respect to prudently delegated matters by having adequate processes in place to oversee their delegates, which processes should include reporting by and active monitoring and questioning of delegates.

The BOR must discharge its duties solely in the interest of members and their beneficiaries, and for the exclusive purposes of providing benefits to participants and their beneficiaries. In addition, the BOR is required to exercise the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

The BOR also has a fiduciary duty of undivided loyalty, and must be impartial in the exercise of such duty in regards to any divergent interests of various groups of members of the retirement system. The BOR must strive to minimize employer contributions and defray reasonable expenses of administering the system.

In the exercise of his or her individual fiduciary responsibilities, a trustee cannot knowingly participate in, or act to conceal, a breach of fiduciary duties by another trustee, enable another trustee to breach their fiduciary duties by failing to exercise reasonable care and prudence, or fail to take reasonable steps to report or remedy a breach of duty by another trustee when it is known or should have been known or suspected under the circumstances.

Further, the BOR and its members must observe laws applicable to the retirement program and to their conduct as trustees. They may not engage in any related party transactions with the retirement program or plan sponsor that are prohibited by California Constitution, CERL, and other applicable laws.

Trustees are also bound to observe applicable standards of conduct and limitations on conflicts of interest that are prohibited by the Political Reform Act of 1974 and other

applicable laws. BOR members or anyone acting on their behalf must comply with these provisions.

3. Expectations of Trustees

To be effective as a BOR and as individual trustees, and in recognition of their fiduciary and co-fiduciary duties, trustees should:

- 3.1. Appropriately prepare for and attend the entirety of each BOR meeting and of each Committee meeting of which they are a member;
- 3.2. Provide proactive input to the BOR and Committees to aid their deliberations;
- 3.3. Be respectful of their fellow members and of staff while giving firm and clear direction;
- 3.4. Be respectful of majority decisions, without compromising their ability to properly advocate for the things they believe are in the organization's interests;
- 3.5. Be respectful of the roles of the Chair/ Vice-Chair/ Secretary in their efforts to facilitate the effectiveness of the BOR in achieving its objectives;
- 3.6. Maintain a sense of professional, personal decorum and collegiality amongst the trustees; and,
- 3.7. Diligently avoid conflicts of interest and adhere to the Conflict of Interest Code and Code of Ethical Conduct.

4. The Role of the Chair and Vice-Chair

See BOR Regulations for the:

- A. Election of Chair;
- B. Election of Vice Chair;
- C. Election of Secretary;
- D. Election of Audit Committee Member; and,
- E. Filling of Vacancy in Office.

Overall, the Chair (and in the absence of the Chair, the Vice-Chair), should facilitate the BOR deliberations and preside over its meetings, coordinate the setting of its agenda, and ensure the BOR is an effective working group in making progress on the BOR's duties and objectives. The Chair should promote a culture of openness, respect and debate, and ensure there is effective, open communication. The Chair should ensure that all BOR members receive accurate, timely and clear information.

Activities of the Chair (Vice-Chair) include the following:

1. Facilitate and preside over BOR meetings;
2. Coordinate the setting of agendas;
3. Liaise with staff through the CEO;
4. Facilitate the establishment of the BOR's major policy goals and objectives;
5. Coordinate the CEO's annual performance review;
6. Coordinate sharing of leading practices;
7. Make appointments to Committees;
8. Oversee the effectiveness of stakeholder relations; and,
9. Coordinate with the Chair of the BOI concerning matters of common interest.

Frequently Used Terms

- Facilitate means to make (an action or process) easy or easier.
- Coordinate means to bring different elements (of a complex activity or organization) into a relationship that will ensure efficiency or harmony.
- Liaise means to establish a working relationship, typically to cooperate on a matter of mutual concern.

- Ensure means make certain that (something) shall occur or be the case.

1. Facilitate and preside over BOR meetings

1. In consultation with the BOR and the CEO, schedule dates, times and location for BOR meetings.
2. Facilitate and preside over BOR meetings to enable effective and efficient functioning of such meetings, including:
 - 2.1. Ensure that discussion on agenda items is on topic, productive and professional;
 - 2.2. Ensure there is sufficient time during the meeting to fully discuss agenda items; and,
 - 2.3. Ensure that all meetings are conducted in a manner consistent with the Brown Act and Robert's Rules of Order.
3. Ensure meetings are called and held in accordance with LACERA's BOR Regulations, except that the Chair, in consultation with the Vice Chair and the Chief Executive Officer, may cancel or postpone Board meetings and, in further consultation with the committee chair, committee meetings when LACERA may not safely conduct regular operations because there is a declared national, state, County of Los Angeles, or City of Pasadena state of emergency or other governmental directive or when there is a natural disaster or other extraordinary circumstances. The Chair will schedule a Board meeting for the earliest available date to address with the Board the circumstances and the schedule for Board and committee meetings. In such circumstances, the Chair will be responsible for facilitating the normal operations of the Board to the extent possible.
4. Ensure the meeting agenda and relevant documents are circulated to the members of the BOR in advance of the BOR meeting and in compliance with the Brown Act to ensure sufficient preparation time.
5. Chair and facilitate the BOR meetings ensuring respectful debate such that all voices and opinions are heard.
6. Ensure meetings are run and votes are taken in accordance with agreed upon rules of order / procedure.
7. Call special meetings of the BOR when warranted.

2. Coordinate the setting of agendas

1. Facilitate the BOR in setting the strategy and policy of the BOR.
2. In consultation with the Vice Chair and CEO, coordinate and confirm an agenda for each BOR meeting (refer to the BOR Regulations for rules regarding placing an item on the agenda).
3. Plan agendas that facilitate the flow of work and the effectiveness of the achievement of the BOR's goals and objectives.
4. Maintain an annual calendar of BOR decisions to be made and communicate to Committee Chairs to facilitate appropriate timing of Committee recommendations to the BOR.
5. Communicate with Committee Chairs in setting the Committee agendas and integrating the activities of the Committees with the objectives of the BOR as a whole.

3. Liaise with Staff through the CEO

1. Liaise with staff through the CEO to keep an overview of the system's affairs and to provide BOR support as appropriate.
2. Monitor that BOR requests are implemented by staff, and reported back and confirmed to the BOR.

4. Facilitate the establishment of the BOR's major policy goals and objectives

1. Ensure the BOR identifies policy goals and objectives for the year.
2. Oversee that these goals and objectives link to the retirement program's strategic plan and are measurable.
3. Coordinate with the BOI to ensure the BOI's goals and objectives link to LACERA's overall strategic plan.

5. Coordinate the CEO's annual performance review

-
- | | |
|----|--|
| 18 | Coordinate the annual performance review of the CEO with the BOI and any other BOR direct reports and/or ensure there is a capable process to do so. |
|----|--|

2. Coordinate with the BOI to establish annual goals for the CEO and other BOR direct reports.
3. Ensure the CEO's performance goals are linked to the strategic plan.

6. Coordinate the sharing of leading practices

1. Coordinate the sharing and timely advice on leading and prevailing practices regarding retirement program activities.
2. Oversee the CEO's coordination of the BOR training with staff and consultants.

7. Make appointments to Committees

1. Appoint Committee Chairs and Vice-Chairs (Standing and Ad Hoc, in accordance with BOR Regulations).
2. Appoint members to Committees as detailed in the BOR Regulations and Standing Committee Charter.
3. Coordinate Committee Chair reporting to the BOR on Committee actions and agendas.
4. Provide leadership and ensure Committee members are aware of their obligations and comply with their responsibilities.

8. Oversee the effectiveness of stakeholder relations

1. Ensure the BOR, staff and consultants develop and manage key stakeholder relationships.
2. Be the BOR spokesperson for matters agreed upon by the BOR.
3. Act as an ambassador for the organization as agreed upon by the BOR.

9. Coordinate with the Chair of the BOI concerning matters of common interest

- ~~1. Ensure the two Boards openly communicate, have consensus on their~~
9 | respective separate jurisdictions as well as joint jurisdictions, and otherwise work well together in furtherance of LACERA's mission.

5. The Role of the Secretary

1. The Secretary is responsible for ensuring accurate and sufficient documentation exists to meet legal requirements, and to enable the public to determine when, how, and by whom the BOR's business was conducted.
2. Upon the BOR approving the BOR meeting minutes, the Secretary will join the BOR Chair in signing the minutes as evidence of their authenticity and completeness.
3. In the absence of the Chair and Vice-Chair, the Secretary will call the meeting to order, presiding until the Chair or Vice-Chair is present.
4. The Secretary will conduct the Officer elections as detailed in the BOR Regulations.

6. Duties and Responsibilities of the BOR

1. Governance and Strategy

- 1.1. Approve BOR Charter.
- 1.2. Approve BOR Committee structure, roles and charters.
- 1.3. Approve BOR delegations to staff.
- 1.4. Approve BOR development policy and educational programs.
- 1.5. Approve BOR governance principles and policies.
- 1.6. Approve Organizational Policies as proposed by Committees and Staff, and act upon other Committee and Staff reports and recommendations, as appropriate.
- 1.7. Oversee the Strategic Planning Process.
- 1.8. Oversee the effectiveness of the of the BOR strategic plans.
- 1.9. Oversee the BOR stakeholder engagement program.
- 1.10. Oversee the BOR business planning process and business plans.

2. Reassurance, Risk and Compliance

-
10. Oversee Internal Audit reports referred by the Audit Committee or BOR Standing Committee.

2. Oversee retirement and retiree healthcare-related risk framework and management.
3. Select LACERA's External Financial Auditor.
4. Oversee retirement benefit and healthcare benefit controls and compliance.

6.3 Administration

1. Approve staff classification and compensation
2. Approve litigation and settlements related to retirement and retiree healthcare benefits.
3. Approve budget process and budgets.
4. Oversee the Privacy of Member Information.
5. Conduct hiring, evaluation, compensation and firing of the CEO.
6. Oversee human resource policies for retirement and retiree healthcare operations.
7. Oversee accounting policies for non-investment activities.
8. Oversee the CEO's effectiveness in hiring/firing and management of the performance for senior executives.
9. Oversee business continuity plans.

6.4 Conflicts and Ethics

In addition to the BOR's other responsibilities, the BOR will have authority and responsibility to oversee actual and potential conflict of interest and ethics issues concerning the BOR's areas of responsibility as follows:

1. General Compliance. Oversee compliance with the Conflict of Interest Code, Code of Ethical Conduct, and conflict of interest and ethics laws, and take action with respect to such matters, as appropriate.
2. Matters Referred by Standing Committees. Review and take such action, as appropriate, with respect to reports and recommendations received from the Board of Retirement Standing Committees relating to conflict of interest and ethics issues in each Committee's areas of responsibility as defined in the Committee Charter.

3. BOR Members. BOR members will avoid actual or potential conflict of interest or ethics issues. BOR members will notify the BOR Chair and Vice Chair, the CEO, and Legal Counsel of such issues concerning themselves and other BOR members related to the business of the BOR. The BOR will take such action as is lawful and appropriate with respect to such issues, including procedures provided in the BOR Regulations.
4. Third-Parties. BOR members and staff will exercise diligence in identifying, and informing the BOR about, all actual and potential conflict of interest issues concerning persons and entities who have business before the BOR, such as vendors, consultants, and all other third-parties (Third-Parties). The BOR will take appropriate action with regard to such issues, including:
 1. Disclosure of actual or potential conflict of interest and ethics issues;
 2. Waiver of any disclosed conflict of interest and ethics issues;
 3. Other measures to eliminate or mitigate conflict of interest or ethics issues, including the costs of such measures;
 4. The prudence of contracting, doing business, or taking other action on behalf of LACERA with any Third-Party with conflict or interest or ethics issues;
 5. Contract provisions and other means of ensuring against, monitoring, and addressing future conflict of interest and ethics issues of Third-Parties;
 6. Violations by any Third-Party of LACERA's Conflict of Interest Code and Code of Ethical Conduct; and,
 7. Such other conflict of interest and ethics issues as may arise relating to Third-Parties.
5. LACERA Staff
 - 5.1. LACERA Staff Other Than the CEO. In that conflict of interest and ethics issues relating to staff other than the CEO may implicate Civil Services Rules, rights of privacy, and other employee rights, staff conflict of interest and ethics issues will be addressed by the BOR on an individual basis based upon consultation with the CEO, Human Resources, and Legal Counsel. The BOR will make recommendations concerning staff

training on conflict of interest and ethics issues relating to the BOR's areas of responsibility.

- 5.2. CEO. Oversee conflict of interest and ethics issues with regard to the CEO. The BOR's discussion will take place in executive session to the extent permitted under the Brown Act given the circumstances of each individual issue. The Chair of the BOR will inform the Chair of the BOI of such issues and coordinate with the BOI as appropriate under the circumstances.

7. Expectations of Committees

To be effective as a Committee, Committees should:

1. Develop and pursue agendas to make timely and substantive progress on issues within the Committee's area of responsibility, as described in their charters, with the goal of providing effective assistance to the full BOR in pursuing its work;
2. Provide ample opportunity for input by all trustees both verbally and in writing (even if they are not members of the Committee) during the course of its deliberations;
3. Once a decision has been made and recommended by the Committee, the Committee chair shall oversee staff in the preparation of executive summaries to the full BOR of issues considered by the Committee. Such summaries should include a high-level description of:
 - The issue(s) being addressed;
 - A brief background;
 - The due diligence process used to arrive at the Committee's recommendation;
 - The options available to the BOR (the least it could do to the most it could do);
 - The pros and cons of the main options, including sharing dissenting opinions when making recommendations to the BOR;
 - The risks of action and inaction; and,
 - Its recommendations to the BOR.

8. Charter Review

1. BOR shall review and update this charter at least once every three years.
2. This Charter was adopted by the Board of Retirement on April 13, 2017, and revised on May 7, 2020.

June 16, 2020

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Audit Committee
Gina Sanchez, Chair
Keith Knox, Vice Chair
Herman B. Santos, Secretary
Vivian H. Gray
David Green

FOR: June 24, 2020 Joint Board of Retirement & Board of Investments Meeting

SUBJECT: Establishment of an Audit Reserve Fund and Delegated Authority for Audit Committee to Access Reserve Funds

RECOMMENDATIONS:

The Audit Committee recommends that the Boards:

1. Establish an Audit Reserve Fund of \$500,000 against contingency funds,
2. Delegate authority to the Audit Committee to access such reserve at their sole discretion based on a preliminary finding from existing audit activities that merit further investigation.

BACKGROUND

The Chief Audit Executive prepares and submits the Internal Audit (IA) Budget Request each fiscal year to the Chief Executive Officer. In the past, the Audit Committee (AC) has provided input to IA on staffing and the proposed audit plan relating to contracts with external consultants. However, the AC has not been formally included in the annual budget development process. Based on a current review of the AC Charter (Charter) and fiduciary responsibilities, it was determined that the best practice is for the AC to establish its own independent funding allocation.

At the May 8, 2020 AC meeting, the Committee approved proposed changes to its Charter. A request for each Board to approve the revised AC Charter is included in the June 24, 2020 Joint Board Meeting agenda.

Associated with these Charter changes, the Committee voted unanimously to move to the Boards as part of the budget process a recommendation for the establishment of an Audit Reserve Fund of \$500,000 against available contingency funds; and to secure delegated authority to allow the AC to access such funds at its sole discretion to conduct further audit work when a preliminary finding from existing audit activities overseen by IA merits additional investigation.

DISCUSSION

The Committee had meaningful discussion regarding the need for the Audit Reserve Fund and the adequacy of the requested amount of \$500,000. The sentiment among the Committee was that given the need for the AC to retain their independence and ability to expedite confidential matters, it is reasonable for the Committee to have access to a reserve fund that is beyond the IA Operational Budget.

This structure provides the independence and means to initiate and fund additional audit work without the need to return to the Board(s) for approval. Furthermore, the AC decided that the amount of \$500,000 is a reasonable amount based on past experience of fees associated with these types of engagements.

IT IS THEREFORE RECOMMENDED THAT THE BOARDS:

Establish an Audit Reserve Fund of \$500,000 against contingency funds, and delegate authority to the Audit Committee to access such reserve at their sole discretion based on a preliminary finding from existing audit activities that merit further investigation.

RB:lc



June 16, 2020

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Santos H. Kreimann *SHK*
Chief Executive Officer

FOR: June 24, 2020 Joint Board of Retirement and Board of Investments Meeting

SUBJECT: **FISCAL YEAR 2020-2021 ADMINISTRATIVE, RETIREE HEALTHCARE
BENEFITS PROGRAM AND OTHER POST-EMPLOYMENT BENEFITS
TRUST BUDGETS**

RECOMMENDATION

Adopt the LACERA Fiscal Year (FY) 2020-2021 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets.

INTRODUCTION

We are pleased to present the proposed FY 2020-2021 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets for your approval.

The FY 2020-2021 budget request is the financial representation of the Strategic Plans approved by the Boards and represents LACERA's continued dedication to fulfill the mission to Produce, Protect, and Provide the Promised Benefits to our members.

DISCUSSION

Our approach in preparing the FY 2020-2021 budget was to develop a status quo budget with minimal changes from the prior year. At mid-year, we plan to return for approval of any additional budgetary resources once metrics are developed to more fully address operational needs. We believe this staggered budget development approach will enable the executive leadership team with input from the Trustees and Division Managers time to develop the strategic direction needed to realign resources to address emergent and/or unanticipated operational issues that may transpire during the upcoming fiscal year.

Preliminary Administrative Budget

The FY 2020-2021 Preliminary Administrative Budget was originally transmitted to the Joint Organizational Governance Committee (JOGC) for its consideration at the meeting scheduled for March. Unfortunately, that meeting was cancelled due to the rapidly moving and ever-evolving COVID-19 pandemic and the need for the Executive Team to devote its full attention to protecting the safety and health of our employees.

At the April 29, 2020 JOGC meeting, we presented a revised Preliminary Budget that included additional budgetary adjustments to address the “new normal” and to support the rapid transition to a secure remote work environment in response to the pandemic. The total budget request for the revised Preliminary Budget was \$95.4 million and included the following recommendations:

Salary and Employees Benefits (S&S)

- A net increase of three new positions
 - Public Information Officer (1)
 - Procurement and Supply Clerk (2)
- Realignment of three lower classifications to higher level ones
- Funding for step increases, salary raises and fringe benefit upgrades
- 457(b) and 401(k) matching fund contribution suspension
- Temporary and overtime reduction

Services and Supplies (S&S)

- Deferred vehicle replacements
- Postponement of major renovation projects
- Reduction of transportation, travel and educational expenses
- Additional funding to establish a remote call center
- Additional funding to migrate server operations to the cloud
- Additional funding for computing equipment for remote working employees

The JOGC supported the Preliminary Budget recommendations except for the 457(b) and 401(k) matching fund suspension. It was felt that it was premature to include this in the budget until negotiations with the union had been completed.

Proposed Administrative Budget

At the May 20, 2020 Joint Board of Retirement & Board of Investments meeting, we presented the Proposed Administrative Budget in the amount of \$97.7 million with adjustments as directed by the JOGC.

Discussions at the Joint meeting resulted in no material changes. Following are questions, requests, and comments for additional information or changes to the Proposed Budget.

- Trustee Bernstein asked what the actual expenditures were for the 2019-20 fiscal year and requested that a budget to actual report be presented for the June meeting. Please see attached LACERA Administrative Budget to Actual Report as of May 31, 2020 (Attachment A).

At first glance, the significant under-expenditure of \$21 million in S&EB is alarming. However, please note that LACERA's payroll posting is behind. The S&EB expenditures as of May 31, 2020 represent amounts paid for the period ending April 15, 2020. We estimate the 5 remaining payroll postings to total \$13 million. Resulting in a projected S&EB under expenditure of \$8 million. This is in alignment with the 65 vacancies reported on May 31, 2020.

The \$6 million S&S under expenditure reported, include expenditures currently in the pipeline of the payment process. We estimate the under-expenditure amount to be closer to \$3 million. A big portion of this amount relates to travel, training and education because of the no travel directive related to the COVID-19 Pandemic. Another portion relates to projected under expenditures related to the Systems budget.

- Trustee Moore requested that we revisit the Intern Program that was deleted as part of the revised Preliminary Administrative Budget. We deleted these funds from the budget because the COVID-19 Pandemic has resulted in less staff being in the office to support the program. The Trustee requested that we add it back to the budget so it would be available when we return to normal operations.

We plan to fund the Intern Program using budgetary salary savings expected due to the timing disparity between adoption of the budget and onboarding new staff. As such, we are requesting the BOR and BOI grant delegated authority to the CEO to initiate a mid-year budget adjustment between accounts to fund the Intern Program when needed rather than artificially increasing the FY 2020-21 budget by \$72,000.

This is in alignment with the timeline for the return of the organization to normal operations and in keeping with our efforts to budget closer to actual expenditures.

For a complete list of the Questions and Comments discussed at the Joint BOR/BOI Meeting see the attached minutes (Attachment C).

Retiree Healthcare (RHC) and Other Post-Employment Benefits Budget (OPEB)

Development of the RHC and OPEB budgets followed the same process as the LACERA Administrative Budget. The RHC budget request for FY 2020-2021 is \$9.4 million and includes additional costs this year to support the following:

- Realignment of three lower classifications to higher level ones
- Funding for step increases, salary raises and fringe benefit upgrades
- Increase in S&S related to rising overhead costs related to LACERA staff supporting RHC program.

In response to the information request from Trustee Bernstein for actual expenditures related to RHC, we prepared a Budget to Actual Report for RHC as of May 31, 2020 (see Attachment B). The \$1.7 million S&S under expenditure reported, does not account for expenditures currently in the procurement pipeline. Once processed we estimate the under-expenditure amount to decrease to \$600,000 by fiscal year end.

The OPEB Proposed Budget is \$582,196. Increases were noted to reflect the time LACERA staff expects to spend administering the OPEB Trust.

No changes were requested during the JOGC Preliminary Budget review or the Joint Board meeting review of the Proposed Budgets.

IT IS THEREFORE RECOMMENDED THAT THE BOARD:

- 1) Adopt the proposed LACERA FY 2020-2021 Administrative Budget and grant delegated authority to the CEO to execute a mid-year budget adjustment to fund the Intern Program using anticipated salary savings as needed; and
- 2) Adopt the proposed LACERA FY 2020-21 Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets.

SK:jj

Attachments

LOS ANGELES COUNTY EMPLOYEES
RETIREMENT ASSOCIATION
(LACERA)

Fiscal Year 2019-2020
Budget to Actual Report

Based on Expenditures as of May 31, 2020

FISCAL YEAR 2019 -2020

BUDGET TO ACTUAL REPORT

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$43,949,835	\$32,045,214	(\$11,904,621)
AGENCY TEMPORARY	3,318,600	2,133,482	(1,185,118)
LACERA INTERN PROGRAM	144,000	2,457	(141,543)
STIPENDS	65,000	41,647	(23,353)
OVERTIME	612,100	698,124	86,024
BILINGUAL BONUS	24,000	16,550	(7,450)
PAY IN LIEU OF SALARY REDUCTION	0	32	32
TRANSPORTATION ALLOWANCE	0	300	300
RIDESHARE ALLOWANCE	121,000	85,096	(35,904)
SICKLEAVE BUYBACK	66,500	39,973	(26,527)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$48,301,035	\$35,062,874	(\$13,238,161)
VARIABLE BENEFITS			
RETIREMENT	8,140,238	5,852,879	(2,287,359)
FICA CONTRIBUTION	700,698	519,339	(181,359)
COUNTY SUBSIDY - INSURANCE	2,382,392	1,504,486	(877,906)
OPTIONS PLAN	4,099,576	2,799,524	(1,300,052)
LIFE INSURANCE	19,368	11,652	(7,716)
HEALTH INSURANCE TEMPS	205,164	125,852	(79,312)
FLEXIBLE BENEFIT PLAN	71,384	20,483	(50,901)
THRIFT PLAN / HORIZONS	1,419,490	955,356	(464,134)
SAVINGS PLAN	1,005,787	705,719	(300,068)
PENSION SAVINGS PLAN	17,530	19,988	2,458
MEGAFLEX	4,255,973	3,183,794	(1,072,179)
TOTAL VARIABLE BENEFITS	\$22,317,598	\$15,699,072	(\$6,618,526)
OPEB CONTRIBUTION	\$951,757	\$735,821	(\$215,936)
OTHER BENEFITS	\$3,204,000	\$2,005,311	(\$1,198,689)
TOTAL EMPLOYEE BENEFITS	\$26,473,357	\$18,440,203	(\$8,033,154)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$74,774,390	\$53,503,078	(\$21,271,312)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

BUDGET TO ACTUAL REPORT

SUMMARY OF SERVICES AND SUPPLIES
BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
AUTO EXPENSES	\$191,600	\$97,510	(\$94,090)
COMMUNICATIONS	736,400	657,112	(79,288)
TRANSPORTATION & TRAVEL	1,148,200	336,727	(811,473)
POSTAGE	993,400	964,290	(29,110)
STATIONERY & FORMS	573,800	454,344	(119,456)
OFFICE SUPPLIES & EQUIPMENT	846,100	661,602	(184,498)
INSURANCE	733,500	674,838	(58,662)
EQUIPMENT MAINTENANCE	627,500	238,562	(388,938)
EQUIPMENT RENTS & LEASES	310,000	183,512	(126,488)
BUILDING COSTS	2,305,000	1,764,717	(540,283)
PARKING FEES	502,000	370,875	(131,125)
PROFESSIONAL & SPECIALIZED SERVICES	2,685,100	1,658,601	(1,026,499)
BANK SERVICES	230,000	94,105	(135,895)
LEGAL FEES & SERVICES	612,500	1,133,847	521,347
DISABILITY FEES & SERVICES	2,168,000	1,568,396	(599,604)
COMPUTER SERVICES & SUPPORT	3,176,900	2,049,460	(1,127,440)
EDUCATIONAL EXPENSES	1,511,300	606,884	(904,416)
MISCELLANEOUS	474,300	273,778	(200,522)
TOTAL	\$19,825,600	\$13,789,160	(\$6,036,440)

* All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

BOARD OF RETIREMENT

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020

		<u>BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER/(UNDER) BUDGET</u>
	COMMUNICATIONS			
9129	PC LINES FOR BOARD MEMBERS	<u>\$3,400</u>	<u>\$400</u>	<u>(\$3,000)</u>
	TOTAL	3,400	400	(3,000)
	TRANSPORTATION AND TRAVEL			
9181	TRANSPORTATION	21,500	4,460	(17,040)
9182	TRAVEL	<u>131,500</u>	<u>9,751</u>	<u>(121,749)</u>
	TOTAL	153,000	14,211	(138,789)
	EDUCATIONAL EXPENSES			
9961	MEMBERSHIPS	6,500	426	(6,074)
9962	REGISTRATION FEES	60,000	11,128	(48,872)
9963	EDUCATIONAL MATERIALS	<u>6,000</u>	<u>7,343</u>	<u>1,343</u>
	TOTAL	72,500	18,898	(53,602)
	GRAND TOTAL	<u>\$228,900</u>	<u>\$33,509</u>	<u>(\$195,391)</u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

BOARD OF INVESTMENTS

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020

		<u>BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER/(UNDER) BUDGET</u>
COMMUNICATIONS				
9129	PC LINES FOR BOARD MEMBERS	\$2,000	\$1,501	(\$499)
	TOTAL	2,000	1,501	(499)
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	20,000	8,376	(11,624)
9182	TRAVEL	215,000	67,551	(147,449)
	TOTAL	235,000	75,927	(159,073)
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	9,000	3,088	(5,913)
9962	REGISTRATION FEES	85,000	36,177	(48,823)
9963	EDUCATIONAL MATERIALS	6,500	5,379	(1,121)
	TOTAL	100,500	44,643	(55,857)
GRAND TOTAL		\$337,500	\$122,071	(\$215,429)

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019 -2020

ADMINISTRATIVE SERVICES DIVISION

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$2,054,258	\$1,452,770	(\$601,488)
AGENCY TEMPORARY	54,000	186,895	132,895
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	31,500	24,687	(6,813)
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	12,000	8,956	(3,044)
SICKLEAVE BUYBACK	7,300	5,431	(1,869)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$2,159,058	\$1,678,739	(\$480,319)
VARIABLE BENEFITS			
RETIREMENT	400,756	285,329	(115,427)
FICA CONTRIBUTION	27,013	22,760	(4,253)
COUNTY SUBSIDY - INSURANCE	43,031	26,987	(16,044)
OPTIONS PLAN	492,351	377,912	(114,439)
LIFE INSURANCE	1,225	1,006	(219)
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	24,742	14,065	(10,677)
THRIFT PLAN / HORIZONS	51,482	40,899	(10,583)
SAVINGS PLAN	24,786	10,110	(14,676)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	63,064	34,539	(28,525)
TOTAL VARIABLE BENEFITS	\$1,128,451	\$813,607	(\$314,844)
OPEB CONTRIBUTION	\$44,486	\$36,760	(\$7,726)
OTHER BENEFITS	\$149,758	\$95,262	(\$54,496)
TOTAL EMPLOYEE BENEFITS	\$1,322,694	\$945,630	(\$377,064)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$3,481,752	\$2,624,369	(\$857,383)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

ADMINISTRATIVE SERVICES DIVISION

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
AUTO EXPENSES			
9102	\$10,000	\$10,143	\$143
9103	1,500	1,135	(365)
9105	400	408	8
9106	150,200	73,777	(76,423)
TOTAL	162,100	85,463	(76,637)
TRANSPORTATION AND TRAVEL			
9181	1,000	792	(208)
9182	8,000	6,267	(1,734)
TOTAL	9,000	7,059	(1,941)
POSTAGE			
9201	300,000	401,459	101,459
9204	1,400	1,310	(90)
TOTAL	301,400	402,769	101,369
STATIONERY AND FORMS			
9264	1,000	21	(979)
TOTAL	1,000	21	(979)
OFFICE SUPPLIES AND EQUIPMENT			
9302	18,000	27,622	9,622
9305	10,000	814	(9,186)
9306	75,000	57,592	(17,408)
9307	125,000	124,457	(543)
9337	60,000	15,520	(44,480)
9352	1,000	178	(822)
TOTAL	289,000	226,184	(62,816)
INSURANCE			
9381	326,000	279,783	(46,217)
9382	22,000	21,337	(663)
9384	85,000	82,973	(2,027)
9386	22,000	20,600	(1,400)
9387	60,000	52,206	(7,794)
9388	99,000	97,725	(1,275)
9390	119,500	113,701	(5,799)
9391	0	6,513	6,513
TOTAL	733,500	674,838	(58,662)

FISCAL YEAR 2019-2020

ADMINISTRATIVE SERVICES DIVISION

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
EQUIPMENT MAINTENANCE			
9401 FAX MACHINES	\$4,000	\$907	(\$3,093)
9423 TIME CLOCK MAINTENANCE	300	0	(300)
9426 SECURITY SYSTEM (PANIC BUTTONS)	8,000	1,183	(6,818)
TOTAL	12,300	2,090	(10,210)
EQUIPMENT RENTS AND LEASES			
9452 MAILING EQUIPMENT	35,000	29,102	(5,898)
9463 PRODUCTION COPIERS - LEASES	275,000	154,411	(120,589)
TOTAL	310,000	183,512	(126,488)
BUILDING COSTS			
9476 BUILDING OPERATIONAL COSTS	1,750,000	1,494,721	(255,279)
9477 OVERTIME HVAC/LIGHTING	170,000	84,931	(85,069)
9480 FACILITIES MAINTENANCE	85,000	174,313	89,313
9481 RENOVATION PROJECTS	300,000	10,752	(289,248)
TOTAL	2,305,000	1,764,717	(540,283)
PROFESSIONAL AND SPECIALIZED SERVICES			
9553 ARCHIVE/ OFF-SITE STORAGE	60,000	61,500	1,500
9677 SHREDDING SERVICE	30,000	22,932	(7,068)
9685 COURIER SERVICE	25,000	11,997	(13,003)
9686 FURNITURE OFF-SITE STORAGE	20,000	17,341	(2,659)
9688 UNIVERSAL MAIL DELIVERY SERVICE	8,000	6,328	(1,672)
9689 NEXT DAY MAIL DELIVERY SERVICE	45,000	52,860	7,860
TOTAL	188,000	172,957	(15,043)
EDUCATIONAL EXPENSES			
9961 MEMBERSHIPS	1,500	875	(625)
9962 REGISTRATION FEES	10,000	3,397	(6,603)
9963 EDUCATIONAL MATERIALS	1,000	55	(946)
TOTAL	12,500	4,326	(8,174)
MISCELLANEOUS			
9986 MISCELLANEOUS	9,000	8,177	(823)
9990 RIDESHARE	6,000	2,551	(3,449)
TOTAL	15,000	10,727	(4,273)
GRAND TOTAL	\$4,338,800	\$3,534,663	(\$804,137)

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

BENEFITS DIVISION

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$5,497,822	\$4,173,147	(\$1,324,675)
AGENCY TEMPORARY	809,700	453,047	(356,653)
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	197,800	280,519	82,719
BILINGUAL BONUS	2,400	2,700	300
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	29,000	18,984	(10,016)
SICKLEAVE BUYBACK	12,000	10,224	(1,776)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$6,548,722	\$4,938,621	(\$1,610,101)
VARIABLE BENEFITS			
RETIREMENT	1,281,646	831,452	(450,194)
FICA CONTRIBUTION	101,477	69,085	(32,392)
COUNTY SUBSIDY - INSURANCE	153,917	86,702	(67,215)
OPTIONS PLAN	1,381,754	869,531	(512,223)
LIFE INSURANCE	7,482	4,395	(3,087)
HEALTH INSURANCE TEMPS	7,538	8,530	992
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	221,622	132,411	(89,211)
SAVINGS PLAN	41,515	16,890	(24,625)
PENSION SAVINGS PLAN	3,907	1,528	(2,379)
MEGAFLEX	212,941	121,095	(91,846)
TOTAL VARIABLE BENEFITS	\$3,413,799	\$2,141,619	(\$1,272,180)
OPEB CONTRIBUTION	\$119,058	\$106,260	(\$12,798)
OTHER BENEFITS	\$400,798	\$251,619	(\$149,179)
TOTAL EMPLOYEE BENEFITS	\$3,933,655	\$2,499,498	(\$1,434,157)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$10,482,377	\$7,438,119	(\$3,044,258)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

BENEFITS DIVISION

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$2,000	\$1,334	(\$666)
9182	TRAVEL	10,000	5,579	(4,421)
	TOTAL	<u>12,000</u>	<u>6,913</u>	<u>(5,087)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	4,500	4,078	(422)
	TOTAL	<u>4,500</u>	<u>4,078</u>	<u>(422)</u>
PROFESSIONAL AND SPECIALIZED SERVICES				
9516	RECORD SEARCHES	2,000	2,451	451
9572	PENSION BENEFIT INFORMATION	15,000	11,270	(3,730)
9674	MEMBER VERIFICATION	20,000	36,939	16,939
	TOTAL	<u>37,000</u>	<u>50,660</u>	<u>13,660</u>
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	2,500	1,215	(1,285)
9962	REGISTRATION FEES	25,000	9,433	(15,567)
9963	EDUCATIONAL MATERIALS	1,500	0	(1,500)
	TOTAL	<u>29,000</u>	<u>10,648</u>	<u>(18,352)</u>
MISCELLANEOUS				
9986	MISCELLANEOUS	1,500	567	(933)
	TOTAL	<u>1,500</u>	<u>567</u>	<u>(933)</u>
GRAND TOTAL		<u><u>\$84,000</u></u>	<u><u>\$72,866</u></u>	<u><u>(\$11,134)</u></u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019 -2020

COMMUNICATIONS

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$952,162	\$741,134	(\$211,028)
AGENCY TEMPORARY	47,800	70,494	22,694
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	3,000	2,421	(579)
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	2,000	880	(1,120)
SICKLEAVE BUYBACK	3,500	0	(3,500)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$1,008,462	\$814,929	(\$193,533)
VARIABLE BENEFITS			
RETIREMENT	148,128	135,349	(12,779)
FICA CONTRIBUTION	9,953	11,480	1,527
COUNTY SUBSIDY - INSURANCE	32,592	33,740	1,148
OPTIONS PLAN	99,527	94,806	(4,721)
LIFE INSURANCE	304	87	(217)
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	11,377	16,023	4,646
SAVINGS PLAN	6,000	6,260	260
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	52,972	47,538	(5,434)
TOTAL VARIABLE BENEFITS	\$360,853	\$345,283	(\$15,570)
OPEB CONTRIBUTION	\$20,620	\$17,388	(\$3,232)
OTHER BENEFITS	\$69,414	\$43,181	(\$26,233)
TOTAL EMPLOYEE BENEFITS	\$450,887	\$405,853	(\$45,034)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$1,459,349	\$1,220,782	(\$238,567)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

COMMUNICATIONS

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		OVER/(UNDER)		
		BUDGET	YTD ACTUAL	BUDGET
		<hr/>		
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$3,000	\$232	(\$2,768)
9182	TRAVEL	11,000	368	(10,632)
	TOTAL	<hr/> 14,000	600	(13,400)
 POSTAGE				
9205	NEWSLETTER POSTAGE	180,000	188,246	8,246
9207	ANNUAL BENEFITS STATEMENT POSTAGE	107,000	71,223	(35,777)
9210	MISCELLANEOUS MAILINGS	25,000	24,223	(777)
	TOTAL	<hr/> 312,000	283,692	(28,308)
 STATIONERY AND FORMS				
9233	DISABILITY POLICY & HEARING BROCHURE	15,000	0	(15,000)
9235	PLANS BROCHURES	40,000	20,805	(19,195)
9239	WITHDRAWAL/RECIPROCITY - BROCHURES	15,000	4,355	(10,645)
9240	ANNUAL REPORT	47,000	51,511	4,511
9242	ANNUAL BENEFITS STATEMENT	115,000	74,545	(40,455)
9246	FORMS	30,000	32,221	2,221
9249	LACERA CALENDARS	10,000	7,994	(2,006)
9253	NEW MEMBER PACKAGE	10,000	0	(10,000)
9255	PRE-RET GUIDE	15,000	11,432	(3,568)
9256	POSTSCRIPT PRINTING	55,000	66,795	11,795
9259	RETIREEES - INSERTS	2,500	1,385	(1,115)
9261	SPOTLIGHT PRINTING	60,000	51,119	(8,881)
9262	SURVEY	8,000	3,153	(4,847)
9263	UNANTICIPATED PROJECTS	35,000	34,960	(40)
9265	SPECIALIZED MAILINGS	20,000	12,891	(7,109)
9266	DIRECT DEPOSIT - BROCHURES	2,500	8,037	5,537
9267	Q&A - BROCHURES	5,000	5,359	359
9268	TRANSFER BROCHURES	2,500	6,745	4,245
9274	STATIONERY	40,000	27,865	(12,135)
9280	ANNUAL BENEFIT STATEMENT PDF/CD'S	20,000	11,953	(8,047)
9281	ESTIMATE PACKAGE	1,000	3,723	2,723
9282	NEW RETIREE PACKAGE	1,800	2,977	1,177
9283	POWER OF ATTORNEY	10,000	14,499	4,499
9284	RHC TIER 2 PLAN BROCHURES	2,500	0	(2,500)
9285	RETIREMENT UNIVERSITY	10,000	0	(10,000)
	TOTAL	<hr/> 572,800	454,323	(118,477)

FISCAL YEAR 2019-2020

COMMUNICATIONS

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	\$12,500	\$3,847	(\$8,653)
	TOTAL	12,500	3,847	(8,653)
PROFESSIONAL AND SPECIALIZED SERVICES				
9627	NEWSLETTER MAILINGS	40,000	15,700	(24,300)
9628	HR CONFERENCE/FORUM	3,500	1,196	(2,304)
	TOTAL	43,500	16,896	(26,604)
COMPUTER SERVICES & SUPPORT				
9837	MACINTOSH CONSULTING & MAINT	3,000	1,131	(1,869)
9840	MACINTOSH SOFTWARE PACKAGE	2,500	359	(2,142)
9855	MACINTOSH EQUIPMENT	15,000	1,363	(13,637)
	TOTAL	20,500	2,852	(17,648)
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	300	0	(300)
9962	REGISTRATION FEES	17,000	4,045	(12,955)
9963	EDUCATIONAL MATERIALS	5,000	3,814	(1,186)
	TOTAL	22,300	7,859	(14,441)
MISCELLANEOUS				
9986	MISCELLANEOUS	600	440	(160)
	TOTAL	600	440	(160)
GRAND TOTAL		\$998,200	\$770,508	(\$227,692)

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

DISABILITY LITIGATION

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$1,166,880	\$912,174	(\$254,706)
AGENCY TEMPORARY	0	0	0
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	0	0	0
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	0	950	950
SICKLEAVE BUYBACK	0	0	0
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$1,166,880	\$913,124	(\$253,756)
VARIABLE BENEFITS			
RETIREMENT	244,251	168,718	(75,533)
FICA CONTRIBUTION	19,486	14,064	(5,422)
COUNTY SUBSIDY - INSURANCE	93,163	60,122	(33,041)
OPTIONS PLAN	0	0	0
LIFE INSURANCE	0	0	0
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	55,573	32,507	(23,066)
SAVINGS PLAN	51,443	38,861	(12,582)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	161,849	147,570	(14,279)
TOTAL VARIABLE BENEFITS	\$625,765	\$461,842	(\$163,923)
OPEB CONTRIBUTION	\$25,269	\$21,290	(\$3,979)
OTHER BENEFITS	\$85,067	\$52,919	(\$32,148)
TOTAL EMPLOYEE BENEFITS	\$736,101	\$536,051	(\$200,050)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$1,902,981	\$1,449,175	(\$453,806)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

DISABILITY LITIGATION

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
AUTO EXPENSES				
9102	AUTO MAINTENANCE/REPAIR	\$1,300	\$1,597	\$297
9103	GAS	1,500	898	(602)
9105	LICENSE FEES	300	0	(300)
	TOTAL	3,100	2,496	(604)
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	2,000	518	(1,482)
9182	TRAVEL	12,000	2,498	(9,502)
	TOTAL	14,000	3,016	(10,984)
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	1,800	3,896	2,096
	TOTAL	1,800	3,896	2,096
LEGAL FEES AND SERVICES				
9772	OUTSIDE LEGAL COUNSEL	30,000	14,202	(15,798)
9777	LITIGATION SUPPORT	500	1,565	1,065
	TOTAL	30,500	15,767	(14,733)
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	3,200	1,990	(1,210)
9962	REGISTRATION FEES	5,000	85	(4,915)
9963	EDUCATIONAL MATERIALS	27,000	4,848	(22,152)
	TOTAL	35,200	6,923	(28,277)
MISCELLANEOUS				
9986	MISCELLANEOUS	700	79	(621)
	TOTAL	700	79	(621)
GRAND TOTAL		\$85,300	\$32,177	(\$53,123)

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

DISABILITY RETIREMENT

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$3,632,587	\$2,560,324	(\$1,072,263)
AGENCY TEMPORARY	36,000.00	18,050	(17,950)
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	12,400	18,734	6,334
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	8,000	5,781	(2,219)
SICKLEAVE BUYBACK	6,000	4,224	(1,776)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$3,694,987	\$2,607,112	(\$1,087,875)
VARIABLE BENEFITS			
RETIREMENT	781,466	541,430	(240,036)
FICA CONTRIBUTION	56,687	41,547	(15,140)
COUNTY SUBSIDY - INSURANCE	352,421	213,575	(138,846)
OPTIONS PLAN	246,402	187,119	(59,283)
LIFE INSURANCE	947	588	(359)
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	135,968	71,656	(64,312)
SAVINGS PLAN	92,156	61,005	(31,151)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	492,487	320,346	(172,141)
TOTAL VARIABLE BENEFITS	\$2,158,534	\$1,437,266	(\$721,268)
OPEB CONTRIBUTION	\$78,666	\$69,677	(\$8,989)
OTHER BENEFITS	\$264,820	\$166,076	(\$98,744)
TOTAL EMPLOYEE BENEFITS	\$2,502,020	\$1,673,018	(\$829,002)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$6,197,007	\$4,280,131	(\$1,916,876)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

DISABILITY RETIREMENT

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$5,000	\$1,297	(\$3,703)
9182	TRAVEL	13,600	6,630	(6,971)
	TOTAL	<u>18,600</u>	<u>7,926</u>	<u>(10,674)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	11,000	4,987	(6,013)
	TOTAL	<u>11,000</u>	<u>4,987</u>	<u>(6,013)</u>
PROFESSIONAL AND SPECIALIZED SERVICES				
9673	PHOTOCOPIES OF DOCUMENTS	215,000	134,091	(80,909)
9695	JOB ANALYST	10,000	4,385	(5,615)
	TOTAL	<u>225,000</u>	<u>138,476</u>	<u>(86,525)</u>
LEGAL FEES AND SERVICES				
9772	OUTSIDE LEGAL COUNSEL	50,000	12,842	(37,158)
	TOTAL	<u>50,000</u>	<u>12,842</u>	<u>(37,158)</u>
DISABILITY FEES AND SERVICES				
9802	HEARING OFFICER FEES	200,000	109,054	(90,946)
9803	MEDICAL FEES	1,800,000	1,384,281	(415,719)
9804	COURT REPORTER	40,000	18,080	(21,920)
9805	INVESTIGATIVE SERVICES	60,000	8,101	(51,899)
9806	DATABASE SEARCHES	3,000	4	(2,996)
9807	MEDICAL ADVISOR	65,000	48,876	(16,124)
	TOTAL	<u>2,168,000</u>	<u>1,568,396</u>	<u>(599,604)</u>
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	400	0	(400)
9962	REGISTRATION FEES	35,000	27,860	(7,140)
9963	EDUCATIONAL MATERIALS	1,500	129	(1,371)
	TOTAL	<u>36,900</u>	<u>27,988</u>	<u>(8,912)</u>
MISCELLANEOUS				
9986	MISCELLANEOUS	1,000	153	(847)
	TOTAL	<u>1,000</u>	<u>153</u>	<u>(847)</u>
GRAND TOTAL		<u>\$2,510,500</u>	<u>\$1,760,768</u>	<u>(\$749,732)</u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

EXECUTIVE OFFICE

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$1,173,131	\$654,107	(\$519,024)
AGENCY TEMPORARY	0	0	0
LACERA INTERN PROGRAM	0	0	0
STIPENDS	65,000	41,647	(23,353)
OVERTIME	3,000	28,796	25,796
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	1,000	1,381	381
SICKLEAVE BUYBACK	1,000	0	(1,000)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$1,243,131	\$725,930	(\$517,201)
VARIABLE BENEFITS			
RETIREMENT	181,459	128,749	(52,710)
FICA CONTRIBUTION	18,477	12,047	(6,430)
COUNTY SUBSIDY - INSURANCE	88,165	59,126	(29,039)
OPTIONS PLAN	0	0	0
LIFE INSURANCE	0	0	0
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	22,159	17,705	(4,454)
SAVINGS PLAN	29,865	16,963	(12,902)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	166,876	122,519	(44,357)
TOTAL VARIABLE BENEFITS	\$507,002	\$357,108	(\$149,894)
OPEB CONTRIBUTION	\$25,405	\$17,531	(\$7,874)
OTHER BENEFITS	\$85,523	\$53,202	(\$32,321)
TOTAL EMPLOYEE BENEFITS	\$617,929	\$427,841	(\$190,088)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$1,861,060	\$1,153,771	(\$707,289)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

EXECUTIVE OFFICE

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		<u>BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER/(UNDER) BUDGET</u>
AUTO EXPENSES				
9102	AUTO MAINTENANCE/REPAIR	\$4,500	\$1,903	(\$2,597)
9103	GAS	12,000	2,985	(9,015)
9105	LICENSE FEES	1,800	577	(1,223)
	TOTAL	<u>18,300</u>	<u>5,465</u>	<u>(12,835)</u>
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	5,000	683	(4,317)
9182	TRAVEL	35,000	2,380	(32,620)
	TOTAL	<u>40,000</u>	<u>3,063</u>	<u>(36,937)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	4,500	1,561	(2,939)
	TOTAL	<u>4,500</u>	<u>1,561</u>	<u>(2,939)</u>
PROFESSIONAL AND SPECIALIZED SERVICES				
9543	LEGISLATIVE CONSULTING	80,000	0	(80,000)
9672	IMPROVEMENT PROJECTS	40,000	23,800	(16,200)
9716	PUBLIC & MEDIA RELATIONS	60,000	1,360	(58,640)
	TOTAL	<u>180,000</u>	<u>25,160</u>	<u>(154,840)</u>
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	150,000	73,002	(76,998)
9962	REGISTRATION FEES	40,000	3,361	(36,639)
9963	EDUCATIONAL MATERIALS	8,500	2,027	(6,473)
	TOTAL	<u>198,500</u>	<u>78,390</u>	<u>(120,110)</u>
MISCELLANEOUS				
9982	EMPLOYEE RECOGNITION PROGRAM	5,000	1,500	(3,500)
9983	OFF-SITE BOARD MEETING EXPENSE	200,000	21,340	(178,660)
9984	FOOD/BEVERAGES	45,000	28,628	(16,372)
9986	MISCELLANEOUS	6,200	4,743	(1,457)
	TOTAL	<u>256,200</u>	<u>56,210</u>	<u>(199,990)</u>
GRAND TOTAL		<u>\$697,500</u>	<u>\$169,848</u>	<u>(\$527,652)</u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

FINANCIAL AND ACCOUNTING SERVICES DIVISION

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT

BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$2,342,420	\$1,621,915	(\$720,505)
AGENCY TEMPORARY	424,200	251,686	(172,514)
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	74,300	48,240	(26,060)
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	12,500	8,680	(3,820)
SICKLEAVE BUYBACK	12,000	4,573	(7,427)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$2,865,420	\$1,935,094	(\$930,326)
VARIABLE BENEFITS			
RETIREMENT	436,192	322,091	(114,101)
FICA CONTRIBUTION	34,854	24,192	(10,662)
COUNTY SUBSIDY - INSURANCE	50,066	24,507	(25,559)
OPTIONS PLAN	440,214	335,606	(104,608)
LIFE INSURANCE	2,653	1,509	(1,144)
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	24,195	6,418	(17,777)
THRIFT PLAN / HORIZONS	86,659	57,299	(29,360)
SAVINGS PLAN	19,964	10,896	(9,068)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	42,132	29,524	(12,608)
TOTAL VARIABLE BENEFITS	\$1,136,928	\$812,042	(\$324,886)
OPEB CONTRIBUTION	\$50,726	\$41,197	(\$9,529)
OTHER BENEFITS	\$170,765	\$108,233	(\$62,532)
TOTAL EMPLOYEE BENEFITS	\$1,358,420	\$961,471	(\$396,949)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$4,223,840	\$2,896,565	(\$1,327,275)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

FINANCIAL AND ACCOUNTING SERVICES DIVISION

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$5,000	\$2,856	(\$2,144)
9182	TRAVEL	30,100	24,555	(5,545)
	TOTAL	35,100	27,411	(7,689)
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	5,000	1,238	(3,762)
	TOTAL	5,000	1,238	(3,762)
BANK SERVICES				
9753	BANK CHARGES -STATE STREET	230,000	94,105	(135,895)
	TOTAL	230,000	94,105	(135,895)
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	7,000	4,072	(2,928)
9962	REGISTRATION FEES	22,000	6,498	(15,502)
9963	EDUCATIONAL MATERIALS	2,500	370	(2,130)
	TOTAL	31,500	10,940	(20,560)
MISCELLANEOUS				
9986	MISCELLANEOUS	4,000	1,817	(2,183)
	TOTAL	4,000	1,817	(2,183)
GRAND TOTAL		\$305,600	\$135,511	(\$170,089)

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019 -2020

HUMAN RESOURCES

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$1,346,210	\$982,135	(\$364,075)
AGENCY TEMPORARY	26,200	39,962	13,762
LACERA INTERN PROGRAM	144,000	2,457	(141,543)
STIPENDS	0	0	0
OVERTIME	1,500	1,213	(287)
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	5,500	3,155	(2,345)
SICKLEAVE BUYBACK	0	0	0
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$1,523,410	\$1,028,921	(\$494,489)
VARIABLE BENEFITS			
RETIREMENT	293,072	196,378	(96,694)
FICA CONTRIBUTION	21,409	14,557	(6,852)
COUNTY SUBSIDY - INSURANCE	125,317	61,885	(63,432)
OPTIONS PLAN	1,817	0	(1,817)
LIFE INSURANCE	407	134	(273)
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	54,997	29,840	(25,157)
SAVINGS PLAN	69,207	41,114	(28,093)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	222,345	157,595	(64,750)
TOTAL VARIABLE BENEFITS	\$788,571	\$501,503	(\$287,068)
OPEB CONTRIBUTION	\$29,153	\$25,471	(\$3,682)
OTHER BENEFITS	\$98,140	\$61,052	(\$37,088)
TOTAL EMPLOYEE BENEFITS	\$915,864	\$588,025	(\$327,839)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$2,439,274	\$1,616,946	(\$822,328)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

HUMAN RESOURCES

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$3,000	\$931	(\$2,069)
9182	TRAVEL	18,000	9,911	(8,089)
	TOTAL	21,000	10,843	(10,157)
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	6,000	5,244	(756)
	TOTAL	6,000	5,244	(756)
PARKING FEES				
9491	GATEWAY PLAZA	500,000	368,875	(131,125)
9492	MUSIC CENTER	2,000	2,000	0
	TOTAL	502,000	370,875	(131,125)
PROFESSIONAL AND SPECIALIZED SERVICES				
9504	PAYROLL SERVICES	117,000	77,915	(39,085)
9510	FINGERPRINTING SERVICES	4,000	2,401	(1,599)
9511	SECURITY SERVICES - SHERIFF	18,000	15,893	(2,107)
9512	PAYROLL ENV, DUPLICATE W2'S - AUD	300	375	75
9513	PERSONNEL SRVCS - HUMAN RESOURCES	28,000	38,384	10,384
9547	HUMAN RESOURCES CONSULTING	90,000	41,679	(48,321)
9694	BACKGROUND CHECKS	3,500	2,573	(927)
9700	OHS PHYSICALS	900	1,005	105
9711	REQUEST FOR ACCOMMODATIONS	42,000	43,502	1,502
	TOTAL	303,700	223,728	(79,972)
COMPUTER SERVICES & SUPPORT				
9838	MISC SOFTWARE PACKAGES	36,000	17,527	(18,473)
	TOTAL	36,000	17,527	(18,473)
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	10,000	2,747	(7,253)
9962	REGISTRATION FEES	40,000	13,625	(26,375)
9963	EDUCATIONAL MATERIALS	9,000	1,499	(7,501)
9966	DEPARTMENTAL TRAINING	225,000	84,680	(140,320)
9967	TUITION REIMBURSEMENT PROGRAM	75,000	2,884	(72,116)
9968	MOU TRAINING ALLOCATION	100,000	51,190	(48,810)
9969	MENTORING PROGRAM	35,000	14,050	(20,950)
	TOTAL	494,000	170,675	(323,325)

FISCAL YEAR 2019-2020

HUMAN RESOURCES

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
MISCELLANEOUS				
9981	RECRUITMENT	\$125,000	\$153,374	\$28,374
9986	MISCELLANEOUS	2,500	430	(2,070)
9989	WEB DAY	5,000	5,164	164
9991	MANAGEMENT OFFSITE	40,000	30,664	(9,336)
	TOTAL	172,500	189,632	17,132
GRAND TOTAL		\$1,535,200	\$988,523	(\$546,677)

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

INTERNAL AUDIT SERVICES

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$1,168,866	\$929,513	(\$239,353)
AGENCY TEMPORARY	0	0	0
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	3,000	390	(2,610)
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	3,000	1,511	(1,489)
SICKLEAVE BUYBACK	1,500	0	(1,500)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$1,176,366	\$931,413	(\$244,953)
VARIABLE BENEFITS			
RETIREMENT	228,764	181,350	(47,414)
FICA CONTRIBUTION	20,246	15,095	(5,151)
COUNTY SUBSIDY - INSURANCE	69,194	50,505	(18,689)
OPTIONS PLAN	0	0	0
LIFE INSURANCE	0	0	0
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	32,683	30,351	(2,332)
SAVINGS PLAN	45,216	32,267	(12,949)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	168,091	135,082	(33,009)
TOTAL VARIABLE BENEFITS	\$564,194	\$444,649	(\$119,545)
OPEB CONTRIBUTION	\$25,312	\$23,346	(\$1,966)
OTHER BENEFITS	\$85,212	\$53,009	(\$32,203)
TOTAL EMPLOYEE BENEFITS	\$674,718	\$521,004	(\$153,714)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$1,851,084	\$1,452,418	(\$398,666)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

INTERNAL AUDIT SERVICES

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		<u>BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER/(UNDER) BUDGET</u>
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$5,000	\$1,333	(\$3,667)
9182	TRAVEL	<u>23,000</u>	<u>8,059</u>	<u>(14,941)</u>
	TOTAL	28,000	9,392	(18,608)
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	<u>2,000</u>	<u>390</u>	<u>(1,610)</u>
	TOTAL	2,000	390	(1,610)
PROFESSIONAL AND SPECIALIZED SERVICES				
9541	AUDITS	450,000	255,746	(194,254)
9702	AUDIT COMMITTEE CONSULTANT	<u>21,000</u>	<u>4,550</u>	<u>(16,450)</u>
	TOTAL	471,000	260,296	(210,704)
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	7,500	6,305	(1,195)
9962	REGISTRATION FEES	25,000	3,949	(21,051)
9963	EDUCATIONAL MATERIALS	<u>5,000</u>	<u>1,076</u>	<u>(3,924)</u>
	TOTAL	37,500	11,330	(26,170)
MISCELLANEOUS				
9986	MISCELLANEOUS	<u>1,000</u>	<u>192</u>	<u>(808)</u>
	TOTAL	1,000	192	(808)
GRAND TOTAL		<u>\$539,500</u>	<u>\$281,599</u>	<u>(\$257,901)</u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

INVESTMENT OFFICE

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$8,031,215	\$6,644,335	(\$1,386,880)
AGENCY TEMPORARY	0	0	0
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	0	0	0
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	300	300
RIDESHARE ALLOWANCE	6,500	6,315	(185)
SICKLEAVE BUYBACK	1,200	0	(1,200)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$8,038,915	\$6,650,950	(\$1,387,965)
VARIABLE BENEFITS			
RETIREMENT	1,212,669	973,684	(238,985)
FICA CONTRIBUTION	145,815	108,581	(37,234)
COUNTY SUBSIDY - INSURANCE	505,974	342,109	(163,865)
OPTIONS PLAN	0	0	0
LIFE INSURANCE	0	0	0
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	248,471	192,646	(55,825)
SAVINGS PLAN	296,025	234,874	(61,151)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	1,154,559	983,391	(171,168)
TOTAL VARIABLE BENEFITS	\$3,563,513	\$2,835,286	(\$728,227)
OPEB CONTRIBUTION	\$173,920	\$112,085	(\$61,835)
OTHER BENEFITS	\$585,486	\$364,222	(\$221,264)
TOTAL EMPLOYEE BENEFITS	\$4,322,919	\$3,311,593	(\$1,011,326)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$12,361,834	\$9,962,543	(\$2,399,291)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

INVESTMENT OFFICE

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
AUTO EXPENSES				
9102	AUTO MAINTENANCE/REPAIR	\$2,000	\$0	(\$2,000)
9103	GAS	1,000	0	(1,000)
9105	LICENSE FEES	400	0	(400)
	TOTAL	<u>3,400</u>	<u>0</u>	<u>(3,400)</u>
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	36,000	16,692	(19,308)
9182	TRAVEL	370,000	100,471	(269,529)
	TOTAL	<u>406,000</u>	<u>117,162</u>	<u>(288,838)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	6,000	1,707	(4,293)
	TOTAL	<u>6,000</u>	<u>1,707</u>	<u>(4,293)</u>
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	78,500	54,669	(23,831)
9962	REGISTRATION FEES	40,000	12,454	(27,546)
9963	EDUCATIONAL MATERIALS	25,000	12,080	(12,920)
	TOTAL	<u>143,500</u>	<u>79,203</u>	<u>(64,297)</u>
MISCELLANEOUS				
9986	MISCELLANEOUS	5,500	7,446	1,946
	TOTAL	<u>5,500</u>	<u>7,446</u>	<u>1,946</u>
GRAND TOTAL		<u>\$564,400</u>	<u>\$205,518</u>	<u>(\$358,882)</u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

LEGAL SERVICES

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT

BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$3,304,852	\$2,373,910	(\$930,942)
AGENCY TEMPORARY	60,000	40,978	(19,022)
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	35,000	477	(34,523)
BILINGUAL BONUS	0	1,500	1,500
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	6,000	2,631	(3,369)
SICKLEAVE BUYBACK	0	0	0
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$3,405,852	\$2,419,497	(\$986,355)
VARIABLE BENEFITS			
RETIREMENT	571,428	438,134	(133,294)
FICA CONTRIBUTION	49,787	38,688	(11,099)
COUNTY SUBSIDY - INSURANCE	356,443	219,429	(137,014)
OPTIONS PLAN	10,780	0	(10,780)
LIFE INSURANCE	18	12	(6)
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	90,440	63,458	(26,982)
SAVINGS PLAN	107,205	79,547	(27,658)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	480,674	362,405	(118,269)
TOTAL VARIABLE BENEFITS	\$1,666,774	\$1,201,673	(\$465,101)
OPEB CONTRIBUTION	\$71,568	\$52,766	(\$18,802)
OTHER BENEFITS	\$240,928	\$149,878	(\$91,050)
TOTAL EMPLOYEE BENEFITS	\$1,979,271	\$1,404,316	(\$574,955)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$5,385,123	\$3,823,813	(\$1,561,310)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

LEGAL SERVICES

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
AUTO EXPENSES				
9102	AUTO MAINTENANCE/REPAIR	\$1,500	\$1,916	\$416
9103	GAS	2,800	1,833	(967)
9105	LICENSE FEES	400	338	(62)
	TOTAL	<u>4,700</u>	<u>4,087</u>	<u>(613)</u>
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	7,200	2,555	(4,645)
9182	TRAVEL	42,600	10,295	(32,305)
	TOTAL	<u>49,800</u>	<u>12,850</u>	<u>(36,950)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	7,500	2,693	(4,807)
	TOTAL	<u>7,500</u>	<u>2,693</u>	<u>(4,807)</u>
PROFESSIONAL AND SPECIALIZED SERVICES				
9541	AUDITS	0	158,135	158,135
9543	LEGISLATIVE CONSULTING	300,000	224,106	(75,894)
9673	PHOTOCOPIES OF DOCUMENTS	300	(212)	(512)
	TOTAL	<u>300,300</u>	<u>382,029</u>	<u>81,729</u>
LEGAL FEES AND SERVICES				
9771	ATTORNEY FEES AWARDS	80,000	246,353	166,353
9772	OUTSIDE LEGAL COUNSEL	450,000	837,931	387,931
9777	LITIGATION SUPPORT	2,000	20,954	18,954
	TOTAL	<u>532,000</u>	<u>1,105,237</u>	<u>573,237</u>
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	15,000	9,157	(5,843)
9962	REGISTRATION FEES	29,000	4,467	(24,533)
9963	EDUCATIONAL MATERIALS	110,000	82,528	(27,472)
	TOTAL	<u>154,000</u>	<u>96,152</u>	<u>(57,848)</u>
MISCELLANEOUS				
9986	MISCELLANEOUS	3,000	1,774	(1,226)
	TOTAL	<u>3,000</u>	<u>1,774</u>	<u>(1,226)</u>
GRAND TOTAL		<u>\$1,051,300</u>	<u>\$1,604,822</u>	<u>\$553,522</u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

MEMBER SERVICES

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$5,401,556	\$4,011,696	(\$1,389,860)
AGENCY TEMPORARY	160,700	100,646	(60,054)
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	119,500	198,724	79,224
BILINGUAL BONUS	21,600	12,350	(9,250)
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	18,000	12,267	(5,733)
SICKLEAVE BUYBACK	10,000	8,670	(1,330)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$5,731,356	\$4,344,353	(\$1,387,003)
VARIABLE BENEFITS			
RETIREMENT	934,668	705,425	(229,243)
FICA CONTRIBUTION	83,309	65,990	(17,319)
COUNTY SUBSIDY - INSURANCE	94,777	63,914	(30,863)
OPTIONS PLAN	1,022,819	729,252	(293,567)
LIFE INSURANCE	4,145	3,151	(994)
HEALTH INSURANCE TEMPS	197,627	117,322	(80,305)
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	180,208	118,181	(62,027)
SAVINGS PLAN	25,903	19,005	(6,898)
PENSION SAVINGS PLAN	13,623	15,663	2,040
MEGAFLEX	120,444	92,087	(28,357)
TOTAL VARIABLE BENEFITS	\$2,677,523	\$1,929,991	(\$747,532)
OPEB CONTRIBUTION	\$116,974	\$90,391	(\$26,583)
OTHER BENEFITS	\$393,780	\$248,533	(\$145,247)
TOTAL EMPLOYEE BENEFITS	\$3,188,277	\$2,268,914	(\$919,363)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$8,919,633	\$6,613,268	(\$2,306,365)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

MEMBER SERVICES

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		<u>BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER/(UNDER) BUDGET</u>
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$14,100	\$8,382	(\$5,718)
9182	TRAVEL	27,900	13,075	(14,825)
	TOTAL	<u>42,000</u>	<u>21,456</u>	<u>(20,544)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	15,000	6,691	(8,309)
	TOTAL	<u>15,000</u>	<u>6,691</u>	<u>(8,309)</u>
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	1,200	0	(1,200)
9962	REGISTRATION FEES	25,000	5,619	(19,381)
9963	EDUCATIONAL MATERIALS	500	0	(500)
	TOTAL	<u>26,700</u>	<u>5,619</u>	<u>(21,081)</u>
MISCELLANEOUS				
9986	MISCELLANEOUS	8,000	3,106	(4,894)
9992	FACILITIES RENTAL	1,500	1,508	8
9993	ECT HEALTHY SNACKS	1,800	0	(1,800)
	TOTAL	<u>11,300</u>	<u>4,614</u>	<u>(6,686)</u>
GRAND TOTAL		<u>\$95,000</u>	<u>\$38,381</u>	<u>(\$56,619)</u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019-2020

QUALITY ASSURANCE

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT
 BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$1,822,643	\$1,286,849	(\$535,794)
AGENCY TEMPORARY	0	0	0
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	1,000	2,872	1,872
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	2,500	2,068	(432)
SICKLEAVE BUYBACK	0	0	0
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$1,826,143	\$1,291,789	(\$534,354)
VARIABLE BENEFITS			
RETIREMENT	407,451	280,032	(127,419)
FICA CONTRIBUTION	27,546	20,607	(6,939)
COUNTY SUBSIDY - INSURANCE	176,426	83,070	(93,356)
OPTIONS PLAN	10,780	0	(10,780)
LIFE INSURANCE	14	0	(14)
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	2,852	0	(2,852)
THRIFT PLAN / HORIZONS	52,840	37,779	(15,061)
SAVINGS PLAN	61,683	44,586	(17,097)
PENSION SAVINGS PLAN	0	0	0
MEGAFLEX	439,111	223,153	(215,958)
TOTAL VARIABLE BENEFITS	\$1,178,702	\$689,228	(\$489,474)
OPEB CONTRIBUTION	\$39,470	\$36,347	(\$3,123)
OTHER BENEFITS	\$132,873	\$82,658	(\$50,215)
TOTAL EMPLOYEE BENEFITS	\$1,351,046	\$808,234	(\$542,812)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$3,177,189	\$2,100,022	(\$1,077,167)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

QUALITY ASSURANCE

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$4,500	\$1,527	(\$2,973)
9182	TRAVEL	33,700	11,080	(22,620)
	TOTAL	<u>38,200</u>	<u>12,607</u>	<u>(25,593)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	3,500	1,713	(1,787)
	TOTAL	<u>3,500</u>	<u>1,713</u>	<u>(1,787)</u>
PROFESSIONAL AND SPECIALIZED SERVICES				
9715	COST EFFECTIVE MANAGEMENT (CEM)	50,000	0	(50,000)
	TOTAL	<u>50,000</u>	<u>0</u>	<u>(50,000)</u>
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	7,000	3,247	(3,753)
9962	REGISTRATION FEES	49,300	9,299	(40,001)
9963	EDUCATIONAL MATERIALS	1,000	25	(975)
	TOTAL	<u>57,300</u>	<u>12,571</u>	<u>(44,729)</u>
MISCELLANEOUS				
9986	MISCELLANEOUS	1,000	0	(1,000)
	TOTAL	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
GRAND TOTAL		<u>\$150,000</u>	<u>\$26,890</u>	<u>(\$123,110)</u>

*All amounts rounded to the nearest dollar.

FISCAL YEAR 2019 -2020

SYSTEMS DIVISION

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$6,055,234	\$3,701,206	(\$2,354,028)
AGENCY TEMPORARY	1,700,000	971,725	(728,275)
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	130,100	91,053	(39,047)
BILINGUAL BONUS	0	0	0
PAY IN LIEU OF SALARY REDUCTION	0	32	32
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	15,000	11,537	(3,463)
SICKLEAVE BUYBACK	12,000	6,850	(5,150)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$7,912,334	\$4,782,402	(\$3,129,932)
VARIABLE BENEFITS			
RETIREMENT	1,018,282	664,758	(353,524)
FICA CONTRIBUTION	84,640	60,646	(23,994)
COUNTY SUBSIDY - INSURANCE	240,908	178,813	(62,095)
OPTIONS PLAN	393,132	205,300	(187,832)
LIFE INSURANCE	2,172	769	(1,403)
HEALTH INSURANCE TEMPS	0	0	0
FLEXIBLE BENEFIT PLAN	19,596	0	(19,596)
THRIFT PLAN / HORIZONS	175,011	114,602	(60,409)
SAVINGS PLAN	134,820	93,342	(41,478)
PENSION SAVINGS PLAN	0	2,798	2,798
MEGAFLEX	478,429	406,949	(71,480)
TOTAL VARIABLE BENEFITS	\$2,546,989	\$1,727,975	(\$819,014)
OPEB CONTRIBUTION	\$131,129	\$85,312	(\$45,817)
OTHER BENEFITS	\$441,434	\$275,468	(\$165,966)
TOTAL EMPLOYEE BENEFITS	\$3,119,553	\$2,088,755	(\$1,030,798)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$11,031,887	\$6,871,157	(\$4,160,730)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

SYSTEMS DIVISION

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
COMMUNICATIONS				
9121	MOBILE DEVICES SERVICE & EQUIPMENT	\$150,000	\$59,873	(\$90,128)
9124	ENTERPRISE INTERNET CONNECTION	165,000	184,050	19,050
9125	TELEPHONE CONNECTION	200,000	219,934	19,934
9130	REMOTE SUPPORT	41,000	10,599	(30,401)
9133	TELEPHONE SYSTEM SUPPLIES & MODIFICATIONS	25,000	16,982	(8,018)
9135	TELEPHONE SYSTEM MAINTENANCE	150,000	163,774	13,774
	TOTAL	<u>731,000</u>	<u>655,211</u>	<u>(75,789)</u>
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	7,500	795	(6,705)
9182	TRAVEL	25,000	5,496	(19,504)
	TOTAL	<u>32,500</u>	<u>6,291</u>	<u>(26,209)</u>
POSTAGE				
9208	MONTHLY RETIREE CHECK MAILING	380,000	277,830	(102,170)
	TOTAL	<u>380,000</u>	<u>277,830</u>	<u>(102,170)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	24,000	10,907	(13,093)
9332	COMPUTER MONITORS	20,000	20,334	334
9336	COMPUTER PRINTER	12,000	1,113	(10,887)
9344	COMPUTER ACCESSORIES	20,000	11,318	(8,682)
9345	COMPUTER PERIPHERALS	30,000	8,053	(21,947)
9347	STORAGE MEDIA	15,000	23,334	8,334
9348	BOARD MEMBER TECH SUPPORT	50,000	23,757	(26,243)
9353	DIVISIONAL IT SUPPLIES/EQUIPMENT	306,800	298,558	(8,242)
	TOTAL	<u>477,800</u>	<u>397,373</u>	<u>(80,427)</u>
EQUIPMENT MAINTENANCE				
9406	MAINFRAME LICENSE & MAINTENANCE	185,000	103,291	(81,709)
9411	AUDIOVISUAL MAINTENANCE	43,000	22,120	(20,880)
9412	KEY CARD SECURITY SYSTEM (DAS)	40,000	25,916	(14,084)
9414	LAN HARDWARE MAINTENANCE	184,700	16,875	(167,825)
9419	ON-SITE PRINTER MAINTENANCE	18,000	9,977	(8,023)
9424	EQUIP MAINT - UPS - SERVER ROOM	14,500	8,190	(6,310)
9436	EQUIP MAINT - AIR CONDITIONING	60,000	42,093	(17,908)
9438	AUDIOVISUAL EQUIPMENT REPLACEMENTS	25,000	3,163	(21,837)
9439	SURVEILLANCE SYSTEM	15,000	0	(15,000)
9442	FIRE SUPPRESSION SYSTEM	15,000	0	(15,000)
9443	GENERATOR SYSTEM	15,000	4,847	(10,153)
	TOTAL	<u>615,200</u>	<u>236,472</u>	<u>(378,728)</u>

FISCAL YEAR 2019-2020

SYSTEMS DIVISION

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
PROFESSIONAL AND SPECIALIZED SERVICES			
9502 EDP CHARGES - ISD	\$8,500	\$8,324	(\$176)
9509 AUDITOR CONTROLLER - PAYROLL SERVICES	86,100	88,313	2,213
9550 ADVANCED WORKFLOW CONCEPTS	40,000	0	(40,000)
9574 KNOWLEDGE & DOC MGMT PROJECT	180,000	47,850	(132,150)
9680 IRON MOUNTAIN MEDIA STORAGE	50,000	44,275	(5,725)
9681 RETIREE PAYROLL PRINTING	237,000	179,545	(57,455)
9692 HOT SITE SERVICES	200,000	20,092	(179,908)
9714 SECURITY ASSESSMENT & MONITORING	85,000	0	(85,000)
TOTAL	<u>886,600</u>	<u>388,399</u>	<u>(498,201)</u>
COMPUTER SERVICES & SUPPORT			
9831 LAN SOFTWARE & LIC - NEW	70,000	0	(70,000)
9832 LAN SOFTWARE & LIC - EXISTING	1,129,400	1,127,483	(1,917)
9833 MAINFRAME SOFTWARE & LIC - EXISTING	815,000	530,984	(284,016)
9843 LAN NETWORK HARDWARE - NEW	175,000	17,699	(157,301)
9879 CO-LOCATION	245,000	227,302	(17,698)
9882 BOARDROOM OPERATION MGMT SYSTEMS I	100,000	44,296	(55,704)
9927 MEMBER AUTHENTICATION REVIEW	20,000	27,752	7,752
9928 NETWORK TRAFFIC PRIORITIZATION	60,000	0	(60,000)
9929 NETWORK SWITCH EQUIPMENT	150,000	0	(150,000)
9930 TELEPHONE SYSTEM UPDATES	300,000	53,564	(246,436)
9931 MSC QUEUE PROJECT	56,000	0	(56,000)
TOTAL	<u>3,120,400</u>	<u>2,029,081</u>	<u>(1,091,319)</u>
EDUCATIONAL EXPENSES			
9961 MEMBERSHIPS	900	1,350	450
9962 REGISTRATION FEES	50,000	8,874	(41,126)
9963 EDUCATIONAL MATERIALS	8,500	10,495	1,995
TOTAL	<u>59,400</u>	<u>20,719</u>	<u>(38,681)</u>
MISCELLANEOUS			
9986 MISCELLANEOUS	1,000	128	(872)
TOTAL	<u>1,000</u>	<u>128</u>	<u>(872)</u>
GRAND TOTAL	<u>\$6,303,900</u>	<u>\$4,011,505</u>	<u>(\$2,292,395)</u>

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

Fiscal Year 2019-2020 Budget to Actual Report

Based on Expenditures as of May 31, 2020

FISCAL YEAR 2019-2020

RETIREE HEALTH CARE BENEFITS PROGRAM

SUMMARY OF SALARIES AND EMPLOYEE BENEFITS

BUDGET TO ACTUAL REPORT

BASED ON EXPENDITURES AS OF MAY 31, 2020

	BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
SALARIES & OTHER PAYS			
PERMANENT / COUNTY TEMPORARY	\$2,227,726	\$1,616,241	(\$611,485)
AGENCY TEMPORARY	60,300	197,869	137,569
LACERA INTERN PROGRAM	0	0	0
STIPENDS	0	0	0
OVERTIME	113,700	22,179	(91,521)
BILINGUAL BONUS	3,600	1,900	(1,700)
PAY IN LIEU OF SALARY REDUCTION	0	0	0
TRANSPORTATION ALLOWANCE	0	0	0
RIDESHARE ALLOWANCE	6,000	4,403	(1,597)
SICKLEAVE BUYBACK	10,000	6,747	(3,253)
RESERVE FOR REMUNERATION	0	0	0
TOTAL SALARIES & OTHER PAYS	\$2,421,326	\$1,849,339	(\$571,987)
VARIABLE BENEFITS			
RETIREMENT	381,091	301,243	(79,848)
FICA CONTRIBUTION	29,276	21,381	(7,895)
COUNTY SUBSIDY - INSURANCE	46,186	27,829	(18,357)
OPTIONS PLAN	397,295	253,389	(143,906)
LIFE INSURANCE	989	822	(167)
HEALTH INSURANCE TEMPS	23,986	6,004	(17,982)
FLEXIBLE BENEFIT PLAN	0	0	0
THRIFT PLAN / HORIZONS	79,834	46,771	(33,063)
SAVINGS PLAN	29,587	18,581	(11,006)
PENSION SAVINGS PLAN	880	114	(766)
MEGAFLEX	97,971	88,123	(9,848)
TOTAL VARIABLE BENEFITS	\$1,087,095	\$764,256	(\$322,839)
OPEB CONTRIBUTION	\$48,243	\$32,179	(\$16,064)
OTHER BENEFITS	\$0	\$0	\$0
TOTAL EMPLOYEE BENEFITS	\$1,135,338	\$796,435	(\$338,903)
TOTAL SALARIES & EMPLOYEE BENEFITS	\$3,556,664	\$2,645,774	(\$910,890)

*All amounts rounded to the nearest dollar.

** Note: All Permanent Salaries and Employee Benefits include amounts through 4/15/20, except Agency Temporary includes amounts through 5/31/20 and Rideshare Allowance includes amounts through 4/30/20.

FISCAL YEAR 2019-2020

RETIREE HEALTH CARE BENEFITS PROGRAM

DETAIL OF SERVICES AND SUPPLIES ACCOUNTS

**BUDGET TO ACTUAL REPORT
BASED ON EXPENDITURES AS OF MAY 31, 2020**

		BUDGET	YTD ACTUAL	OVER/(UNDER) BUDGET
TRANSPORTATION AND TRAVEL				
9181	TRANSPORTATION	\$6,500	\$2,457	(\$4,043)
9182	TRAVEL	44,500	25,555	(18,945)
	TOTAL	<u>51,000</u>	<u>28,011</u>	<u>(22,989)</u>
POSTAGE				
9212	SPECIAL RETIREE MAILINGS	400,000	33,717	(366,283)
	TOTAL	<u>400,000</u>	<u>33,717</u>	<u>(366,283)</u>
OFFICE SUPPLIES AND EQUIPMENT				
9302	SPECIAL ORDERS/MINOR EQUIP	5,000	4,109	(891)
	TOTAL	<u>5,000</u>	<u>4,109</u>	<u>(891)</u>
OPERATIONAL COSTS				
9482	RENT	116,100	106,259	(9,841)
9483	DEPARTMENTAL OVERHEAD	2,434,086	2,028,405	(405,681)
	TOTAL	<u>2,550,186</u>	<u>2,134,664</u>	<u>(415,522)</u>
PROFESSIONAL AND SPECIALIZED SERVICES				
9541	AUDITS	500,000	38,452	(461,548)
9545	HEALTH CARE CONSULTING	750,000	600,000	(150,000)
9572	PENSION BENEFIT INFORMATION	1,500	0	(1,500)
9573	OPEB VALUATION	375,000	153,596	(221,404)
	TOTAL	<u>1,626,500</u>	<u>792,047</u>	<u>(834,453)</u>
EDUCATIONAL EXPENSES				
9961	MEMBERSHIPS	4,000	413	(3,587)
9962	REGISTRATION FEES	30,000	7,961	(22,039)
9963	EDUCATIONAL MATERIALS	1,500	0	(1,500)
	TOTAL	<u>35,500</u>	<u>8,374</u>	<u>(27,126)</u>
GRAND TOTAL		<u>\$4,668,186</u>	<u>\$3,000,924</u>	<u>(\$1,667,262)</u>

*All amounts rounded to the nearest dollar.

ATTACHMENT C

SUMMARY OF BUDGET HEARING

A SPECIAL JOINT MEETING OF THE BOARD OF RETIREMENT

AND THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810, PASADENA, CA

WEDNESDAY, MAY 20, 2020, 9:15 A.M. – 10:10 A.M.

BOARD OF RETIREMENT

PRESENT: Herman B. Santos, Chair
Vivian H. Gray, Vice Chair
Gina Zapanta, Secretary
Shawn R. Kehoe
Keith Knox
Wayne Moore
Ronald Okum
Les Robbins
Thomas Walsh
William Pryor, Alternate Safety Member
JP Harris, Alternate Retired Member

BOARD OF INVESTMENTS

PRESENT: David Green, Chair
Herman B. Santos, Vice Chair
Wayne Moore, Secretary
Alan Bernstein
Elizabeth Greenwood
Shan R. Kehoe
Keith Knox
David L. Muir
Gina V. Sanchez

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Richard Bendall, Chief Audit Executive
James Brekk, Chief Information Officer
Frank Boyd, Senior Staff Counsel
Annette Cleary, Interim Human Resources Director
Leisha Collins, Principal Internal Auditor
Linda El-Farra, Executive Board Assistant
Jonathan Gabel, Chief Investment Officer
Kimberly Hines, Division Manager, Admin Services
Christina Logan, Senior Internal Auditor
Norma Minjarez, Executive Secretary
Bonnie Nolley, Executive Board Assistant
Steven Rice, Chief Counsel
Cassandra Smith, Director, Retiree Healthcare
Kaelyn Ung, Budget Unit, Admin Services

The 2020-2021 budget discussion of the Special Joint Meeting of the Board of Retirement and Board of Investments commenced at 9:15 a.m.

V. REPORTS

A. Discussion of the FY 2020-2021 Administrative, Retiree Healthcare Benefits, and Other Post-Employment Benefits Budgets

We will be presenting the budget for adoption at a Joint Board of Retirement and Board of Investments meeting on June 24, 2020.

The drivers of the annual budget creation process are LACERA's mission, vision, values, and strategic plan. Originally, we took the approach of a "status quo" budget to give our new CEO, Mr. Kreimann, an opportunity to evaluate the organization and produce his 100 day report.

That initial budget included three new positions, three upgraded positions, negotiated MOU increases, and natural step and merit increases. Services and Supplies (S&S) included historical usage adjusted for inflation, and reduced travel expenses.

In mid-March, with the impact of COVID-19, we needed to revisit that approach. In April a revised budget was presented to the JOGC for consideration. In Salaries and Employee Benefits (S&EB) this included revised overtime and temporary agency requests, a freeze on non-essential hiring, and a possible suspension of matching funds for 401k and 457. In S&S we needed to account for remote Call Center support, secure cloud migration for critical systems, and work stations/equipment for remote workers.

V. REPORTS (Continued)

Under California state law, we can spend up to 21 basis points of the plan liabilities. Based on the fund's June 30, 2019 accrued actuarial liability of \$74.6 billion, the amount available to spend on administrative expenses is \$156.7 million. This year's proposed budget is \$97.7 million, leaving a contingency reserve of approximately \$59 million.

The proposed budget of \$97.7 million represents an increase of 3.3% over the prior year's budget of \$94.6 million. This is due to a combination of an increase in our S&EB of \$4.7 million, and a decrease in S&S of \$1.6 million.

The S&EB increase consists of adding three new and three upgraded positions, negotiated MOU increases, and natural step and merit increases. After feedback from the JOGC, we have removed the possible suspension of matching funds from the current budget, until negotiations with the unions have been completed. At that point, we can revisit the budget and make adjustments, if necessary.

The decrease in overall S&S is due to the management team making a concerted effort to budget more closely to actuals. Also there is a decrease in travel, training, and education, which is expected to be lower than in previous years as a result of COVID-19. One area of increase is in technology costs related to the remote workforce.

Recognizing the continued impacts of COVID-19, LACERA has created an austerity plan as we move forward through the pandemic. Parts of this plan are:

- Continue remote Call Center operations and introduce a virtual Member Service Center.
- A "no travel" directive for staff to continue until national/county health advisories regarding domestic and/or international travel are lifted.
- Postpone all renovation and workstation equipment upgrades, except those necessary to support secure teleworking operations.
- A hard hiring freeze on all non-essential positions, and a soft-hiring freeze on all essential positions. All hiring must be approved by the CEO.
- Restrict overtime/compensation usage to critical functions only, while focusing on identifying opportunities for efficiencies.

RETIREE HEALTHCARE (RHC)

The RHC budget is separate from the administrative budget. Trust fund monies cannot be spent to administer the program. These expenses are charged against the healthcare premium payments. Overall, the RHC budget has minimal increases to S&EB similar to the administrative budget – upgrading three

V. REPORTS (Continued)

positions, negotiated MOU increases, and natural step and merit increases. The increase in S&S expenses is specifically related to overhead costs. Overhead costs are related to support other divisions provide to RHC. A cost allocation is performed to document the hours spent by other divisions on RHC, which is included in the RHC overhead budget. The proposed budget is \$9.4 million, a 14.7% increase from the prior year of \$8.2 million.

OPEB

This budget relates to the costs to administer the OPEB trusts, which are divided between L.A. County, LACERA, and the Superior Court. The cost allocation is similar to that of the RHC, documenting the time spent by the divisions to support the OPEB trusts. There are direct and indirect costs to S&EB and S&S, with direct costs mostly related to the Investments and Accounting divisions. The proposed OPEB budget is \$582,000, representing a 128% increase from the prior year of \$256,000.

QUESTIONS AND COMMENTS

Mr. Popowich indicated that a Trustee had asked that we revisit the intern program. The intern program was one area of the budget which was reduced, considering the fact that we would probably not have interns in the office. There is a thought that perhaps it should be included in the budget, so it would be available when we return to normal operations with more staff in the office.

Mr. Muir asked if we know what is happening with County budget cuts and what the County has done with respect to the MOU with regard to negotiations. He is concerned that we have to be sensitive to what the County is doing, so as not to create controversy.

We have no special knowledge in terms of the County negotiating with the unions. The County has talked about furloughs, layoffs, and hiring freezes. The budget we have put together is sensitive to that, in that we are not asking for a lot of positions. We are incredibly sympathetic to what is going on with the County and don't want to do anything to cause conflict between us. However, they understand that we are an independent agency and need to make decisions based on the best interests of our members and the organization.

Mr. Muir asked about the positions in the budget that require the County's salary ordinance be amended.

Looking at the ordinance versus budgeted positions, we do have some conflicts that need to be rectified. There will be a letter regarding this that will go to the Board of Supervisors.

May 20, 2020

Page 5

V. REPORTS (Continued)

Mr. Muir asked about the timing of the letter to the Board of Supervisors.

It would usually be in September. However, more discussions with the County need to occur. Due to COVID-19, conversations have stopped and we have not been able to reengage in that particular area.

Mr. Bernstein asked what are the actual expenditures for the 2019-20 fiscal year, and would like some sense of how the unexpected COVID-19 challenges impacted our budget.

We will prepare the actuals for the June meeting and provide them in advance.

Mr. Moore asked about the County's position on the ordinance for the Deputy CIO position, and if the issues with regard to the Deputy CEO position are resolved.

The County has said that they believe the Deputy CEO is a justifiable position. The other positions we are still working on. Mr. Grabel is in support of the Deputy CIO position being filled and we working to make that happen.

Mr. Moore asked regarding establishing a reserve fund of \$500,000 for the Audit Committee, is it included in the budget request, and will the reserve fund be available only in the case of a preliminary finding that requires additional work.

The \$500,000 reserve being established for the Audit Committee would request delegated authority from both Boards to allow them to access those funds in the event there is an item from an existing audit finding that requires further investigation. It is not to allow them to move forward on an audit investigation that is not related to an existing audit. The reserve fund is included in the budget as part of the contingency reserve.

Mr. Muir asked about the oversight with regard to the use of the Audit Committee reserve fund.

Before the funds can be accessed, there has to be an existing audit, and in review of that audit by the Committee, it is determined that additional investigation needs to be done, possibly accessing an outside firm to further develop that inquiry.

The Audit Committee charter would call for further transparencies. For operational reserves, it may not be elevated to the Boards at the time of the finding, but every audit will be required to be reviewed by the Boards to ensure transparency in reporting.

The 2020-2021 budget discussion of the Special Joint Meeting of the Board of Retirement and Board of Investments ended at 10:10 a.m.

Administrative, Retiree Healthcare Benefits
& OPEB Trust

BUDGET



Fiscal

Year

2020-2021

**LACERA
FISCAL YEAR 2020-2021
TABLE OF CONTENTS**

	<u>PAGE</u>
<u>INTRODUCTION</u>	
Executive Summary	1
Board of Retirement and Board of Investments	7
Organization Chart	9
Budget Policies	10
Budget Process	12
<u>BUDGET REQUEST SUMMARY</u>	
Overview	14
Salaries and Employee Benefits	16
Services and Supplies	20
<u>SALARIES & EMPLOYEE BENEFITS</u>	
Salaries & Employee Benefits by Category Summary	21
Salaries & Employee Benefits by Division Summary	22
Agency Temp Staffing Summary by Division	23
Agency Temporary Staffing History of Expenditures	24
Overtime Request Summary by Division	25
Overtime History of Expenditures	26
Bilingual Bonus Summary	27
Vacant Positions Summary	28
<u>SERVICES AND SUPPLIES</u>	
Services and Supplies Request by Division	29
Services and Supplies by Category	30

	<u>PAGE</u>
<u>BOARD OF RETIREMENT</u>	31
<u>BOARD OF INVESTMENTS</u>	34
<u>ADMINISTRATIVE SERVICES</u>	37
<u>BENEFITS DIVISION</u>	45
<u>COMMUNICATIONS</u>	54
<u>DISABILITY LITIGATION</u>	63
<u>DISABILITY RETIREMENT</u>	70
<u>EXECUTIVE OFFICE</u>	77
<u>FINANCIAL AND ACCOUNTING SERVICES</u>	83
<u>HUMAN RESOURCES</u>	92
<u>INTERNAL AUDIT SERVICES</u>	101
<u>INVESTMENT OFFICE</u>	109
<u>LEGAL SERVICES</u>	116
<u>MEMBER SERVICES</u>	124
<u>QUALITY ASSURANCE & METRICS</u>	132
<u>SYSTEMS DIVISION</u>	140
<u>NON-ADMINISTRATIVE EXPENSES</u>	
Non-Administrative Expenses	147
<u>APPENDIX</u>	
Strategic Plans	148
Retirement Benefits	148
Investments	186
Retiree Healthcare Program	201

RETIREE HEALTH CARE BENEFITS PROGRAM

FISCAL YEAR 2020-2021

TABLE OF CONTENTS

	<u>PAGE</u>
PROGRAM PLAN	
Budget Highlights	1-R
RHCBP Administrative Fee Summary	4-R
RHCBP Organizational Chart	5-R
BUDGET SUMMARY	
Budget Summary.....	6-R
SALARIES AND EMPLOYEE BENEFITS	
Salaries and Employee Benefits Summary	7-R
Budgeted Positions Salaries	8-R
Agency Temporary Staffing History of Expenditures	9-R
Overtime History of Expenditures	10-R
Vacant Positions Summary	11-R
SERVICES AND SUPPLIES	
Services and Supplies Summary	12-R

OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST

FISCAL YEAR 2020-2021

TABLE OF CONTENTS

	<u>PAGE</u>
PROGRAM DESCRIPTION	
Program Description	1-0
COST SUMMARY	
Cost Summary.....	3-0

EXECUTIVE SUMMARY- LACERA Administrative Budget

In accordance with Government Code Section 31580.2 of The County Employees Retirement Law, and the Joint Organizational Governance Committee (JOGC) Charter we are pleased to present the FY 2020-2021 Proposed Administrative Budget for your consideration.

A budget should reflect the Mission, Vision, Values, and top priorities for an organization as outlined in its Strategic Plans and demonstrate how those plans will be implemented. The FY 2020-2021 Administrative Budget was created to support the mission and strategic goals of LACERA. (See Appendix A for LACERA's Strategic Plan).

Mission Statement:

Our mission is to produce, protect and provide the promised benefits through prudent investment and conservation of plan assets by the expert administration of the pension system while providing exceptional service to our members and beneficiaries.

Vision Statement:

Our vision is our pledge to be the premier retirement association through excellence in retirement law; commitment to teamwork; trust to safeguard assets; and service to members that is courteous, professional, and 100 percent accurate.

Our Values:

- Professionalism
- Respect
- Open Communications
- Fairness
- Integrity
- Teamwork

The LACERA management team is committed to working together across divisional boundaries to deliver a high level of service to our members. The budget development process includes a considerable amount of collaborative discussion and cross-divisional cooperation. This is done so that the budget reflects our mission, our values, and our organizational needs and goals.

Our approach to drafting the FY 2020-2021 spending plan was to develop a status quo budget with minimal changes from the prior year. At mid-year, we planned to return for approval of additional budgetary resources once metrics are developed to more fully address operational needs. We believe this staggered budget development approach will enable the new executive leadership time to develop the strategic direction and to support the management team with realigning resources.

The original FY 2020-2021 Preliminary Budget was transmitted to the JOGC for its consideration at the JOGC meeting scheduled for March. Unfortunately, that meeting was cancelled due to the rapidly moving and ever-evolving COVID-19 pandemic and the need for the Executive Team to devote its full attention to protecting the safety and health of our employees.

At the April JOGC meeting we presented a revised Preliminary Budget that included additional budgetary adjustments to address the “new normal” as we continue to rapidly transition to a secure remote work environment in response to the pandemic. The transition to this new work environment requires immediate changes to the technology and operational requirements of the organization. More modest budget changes may follow later in the year as we continue to navigate our way through unexpected operational challenges.

The budget consists of two major components: Salaries and Employee Benefits (S&EB) and Services and Supplies (S&S). The Proposed Administrative Budget request for FY 2020-2021 is \$97,726,389 representing a 3.3% increase from the previous year amount of \$94,599,990. This increase represents a 6.3% increase in S&EB costs and an 8.0% decrease in S&S costs.

Salaries and Employee Benefits

The majority of the Proposed Administrative Budget is S&EB costs. The 6.3% or \$4.7 million increase from the prior year can be attributed to the following:

- Three New Positions
- Three Upgraded Positions
- MOU Negotiated Increases
- Salary Step Increases
- Performance/Merit Increases

The significant changes from the prior year budget are highlighted below:

New and Upgraded Positions

We included a request for a *Public Information Officer (PIO)* to assist with coordinating and actively managing LACERA’s media responses and our social media platforms that we plan to launch in the upcoming fiscal year. We believe that having a dedicated public relations professional on staff will enhance our ability to respond to media inquiries expeditiously, and enhance our ability to provide information to our retired and active members in multiple ways. These alternative communication channels require a great deal of time, effort and thought to develop and manage given the short news cycles and need for publications and media outlets to produce content. The cost for adding this position to the budget is approximately \$124,000 annually. Although the PIO position is an existing ordinance position and thus will not require action by the County to add to our ordinance positions, it is possible that we may need to conduct a compensation study if it is determined this is a

below market rate once we begin recruiting.

We are requesting to add two permanent positions in the Procurement Unit at the level of *Procurement and Supply Clerk*. We discovered that the Procurement and Supply Clerk position was reclassified years ago to a Procurement Assistant II position. Previously the Supply Clerk position had arduous duties in the job classification. When the position was reclassified it no longer included the arduous capacity. This appears to be an oversight. As the Procurement Unit's responsibilities often include heavy lifting, the additional positions are needed to perform these tasks. The cost of adding these 2 positions is approximately \$134,000.

The recommendation to upgrade lower level positions to higher level ones by swapping out legacy items with more appropriate positions remains unchanged. These upgraded positions are needed to handle the higher level of work complexity, training responsibilities and supervision requirements needed to maximize our effectiveness in delivering exceptional services to our members.

Services and Supplies

The Services and Supplies (S&S) costs are reflective of the daily operational needs of the organization and are primarily based on historical expenditures adjusted for inflation. The 8.0% or \$1.6 million decrease in S&S costs relate to the following:

- Decrease mostly related to the management team's focus on efficiency and a concerted effort to budget more closely to actual expenditure.
- Decrease in Travel, Training and Education expenses expected to be reduced based on the COVID-19 Pandemic.
- Increase in technology costs related to our plan to implement a secure remote work environment.

Items to highlight in the S&S Budget include the following:

Transportation, Travel and Educational Expenses

Because of the unpredictable nature of the coronavirus and the uncertainty of the lasting effects of the disease on global, national and local communities, we will be continuing our no travel directive on international, national and local travel by staff. We will continue to monitor local, state and national health and travel warnings to inform our future decisions to relax the no travel policy for staff. However, we deem it highly unlikely that staff travel will resume to its pre-crisis level in the near future. As such, we reduced the travel and transportation budget by 31.7% and the educational expense budget by 19.2% from the prior year amount to reflect the anticipated travel constraints through the end of the calendar year.

In the meantime, and until the travel situation changes for the better, we are encouraging Trustees and staff to participate in educational conferences and training via webinar. Staff with educational requirements for licenses or certifications have been encouraged to obtain that education online at no or low cost, instead of traveling. From our research, many of these on-line offerings are free of charge and readily available to Trustees and staff. We will reassess our ability to perform business, legal and technical diligence with guidance from public health authorities.

The safety of our Trustees, employees and valued LACERA members will remain our primary focus moving forward. We will continue to deal with the aftermath of the pandemic on our operations while at the same time transitioning from the current COVID-19 operating state to the potential for a remote work environment being our “new normal”.

Remote Call Center

We are requesting supplemental funding in the amount of up to \$250,000 to pay for ongoing costs due to the establishment of a remote call center solution as part of LACERA’s response to the pandemic.

To support and sustain our call center operations under the anticipated “new normal”, we intend to maintain the remote call center for the foreseeable future. The Amazon Web Service (AWS) platform that was set up by Systems and tested by our Member Service teams went live on April 30, 2020. The remote call centers have restored LACERA’s ability to interact with our members as we had before the pandemic. Since that date we have handled over 4,800 hundred members in the Member Services call center and over 1,700 calls in our Retiree Healthcare call center.

Given the virtual call center was implemented as a quick solution with essential but limited functions, it does not provide for the full extent and features of our internal call center. For the long-term, we will research a solution to permanently enable our call center with remote capabilities containing all of our existing feature sets, such as member recordings linked to the member’s permanent record, detailed performance reports, and visual screen recordings. This budget request principally supports the COVID-19 remote call center while staff works to identify a more permanent solution that will enhance our remote service capabilities and become a permanent fixture in our disaster recovery and business continuity planning efforts.

Cloud Service Migration

As we are accelerating our plans to implement a secured remote workforce infrastructure, we are also stepping ahead to migrate more of our server operations into the cloud. The requested funding in the amount of \$300,000 is our initial investment to migrate a select number of key servers into the cloud. This separate effort will enhance our previous remote workforce project and transform LACERA into a more resilient organization and one with multiple redundancies. Our disaster recovery program will also benefit from having critical

systems available should LACERA's building become inoperable. As always, we need to strike the right balance between security and service. We will be engaging vendor resources to help us with the initial cloud migration process.

Workstation/Remote Office Equipment

Supplemental funding in the amount of \$250,000 is recommended to provide for the acquisition of computing equipment, including laptops and accessories for approximately 100 to 125 remote-working employees. During the COVID-19 emergency, IT staff deployed desktop computers for remote use. Using laptops and accessories designed for a remote work environment provides better utility and functionality, such as inclusion of webcams and microphones for meetings and member calls as well as larger screens.

LACERA Austerity Plan

In recognition of the harsh realities that this pandemic has had and will continue to exert on local public health resources, the economy, our plan sponsor and most importantly our members, we are proposing that LACERA adopt a COVID-19 Austerity Plan (CAP) to help guide us through these unprecedented times.

LACERA's operational funding is not dependent on the value of the pension fund assets, but rather the actuarial liabilities of the fund. As a result, it does not have the same financial pressures as our plan sponsor and other governmental agencies. In fact, based on our funding formula of twenty-one basis points applied to our actuarial liabilities, LACERA is estimating a \$59 million contingency reserve assuming all budget recommendations are approved by the Boards. This puts us in a solid budgetary position to weather this challenging and uncertain time.

Nonetheless, we believe it is prudent for LACERA as an organization to tighten its financial belt and implement the following CAP measures through FY 2020-21 at a minimum.

- Continue with the closure of our Member Services Center with the intent of eliminating all in-house counseling sessions during the work week and on Saturdays until reopening is consistent with public health professional guidelines. We will replace these in-house counseling sessions with virtual one-on-one sessions.
- Eliminate all non-essential in-person outreach efforts until it is deemed safe to resume local business operations by public health officials. We will replace these efforts with virtual opportunities
- Continue with the no travel directive for international, national and local travel by staff for due diligence and educational purposes until health and national advisories for international, domestic and local travel warnings are lifted.
- Postpone replacement of in office workstations and any other major building renovation project until further notice. The installation and upgrade of at-home

technical tools may be required and will be evaluated and approved on a case-by-case basis.

- Freeze the purchase of all non-essential items and equipment until further notice.
- Restrict overtime and the use of compensation time to the greatest extent possible given the remote work environment we are operating under.
- Implement a hard hiring freeze on non-essential permanent and temporary employees until further notice.
- Implement a soft hiring freeze on essential permanent and temporary staff required to continue the high functioning of the pension system, the first-class management of our investment operations, and the delivery of critical technology and vital administrative support services.
- Authority to hire essential pension and support staff will be thoroughly examined and solely determined by the Chief Executive Officer and for investment staffing purposes by the CEO in close consultation with the Chief Investment Officer.

Summary

The Proposed Administrative Budget request for FY 2020-2021 is \$97,726,389 representing a 3.3% increase from the previous year amount of \$94,599,990. The management team has worked diligently to draft a budget that supports LACERA's ongoing needs. While today we present a status quo budget, we look forward to collaborating with the new executive leadership to develop and prioritize a new strategic plan that incorporates bold and innovative ways to provide more efficient and cost-effective ways to serve our members.

For additional details related to the budget request, see the following sections:

- Budget Request Summary
- Salaries and Employee Benefits Detail
- Services and Supplies Detail
- Detail by Division

Board of Retirement

Mission Statement

We produce, protect, and provide the promised benefits.

The Board

Composed of eleven members:

- Two elected by active general members
- One elected by retired members
 - Retired members also elect an alternate member
- One elected by safety members
 - Safety members also have an alternate member
- Four members appointed by the Los Angeles County Board of Supervisors

Responsibilities

Overall management of LACERA is vested in the Board of Retirement. The Board is responsible for the administration of the retirement system and the Retiree Healthcare Benefits Program (OPEB Program). Its duties also include the review and processing of disability retirement applications.



HERMAN B. SANTOS

Chair

Elected by General Members



VIVIAN H. GRAY

Vice Chair

Elected by General Members



GINA ZAPANTA

Secretary

Appointed by Board of Supervisors



JAMES P. HARRIS

Alternate Member

Elected by Retired Members



SHAWN R. KEHOE

Elected by Safety Members



KEITH KNOX

County Treasurer and Tax Collector
Ex-Officio Member



WAYNE MOORE

Appointed by Board of Supervisors



RONALD A. OKUM

Appointed by Board of Supervisors



WILLIAM R. PRYOR

Alternate Member
Elected by Safety Members



LES ROBBINS

Elected by Retired Members



THOMAS WALSH

Appointed by Board of Supervisors



Board of Investments

Mission Statement

We produce, protect, and provide the promised benefits.

The Board

Composed of nine members:

- Four members appointed by the Los Angeles County Board of Supervisors
- Elected members
 - Two elected by active general members
 - One elected by retired members
 - One elected by safety members
- County Treasurer and Tax Collector serves as an ex-officio member

Responsibilities

The Board of Investments is responsible for establishing LACERA's investment policy and objectives, as well as exercising authority and control over the investment of the retirement fund.



DAVID GREEN

Chair

Elected by General Members



HERMAN B. SANTOS

Vice Chair

Elected by General Members



WAYNE MOORE

Secretary

Appointed by Board of Supervisors



ALAN J. BERNSTEIN

Appointed by Board of Supervisors



ELIZABETH GREENWOOD

Appointed by Board of Supervisors



SHAWN R. KEHOE

Elected by Safety Members



KEITH KNOX

County Treasurer and Tax Collector
Ex-Officio Member



DAVID L. MUIR

Elected by Retired Members



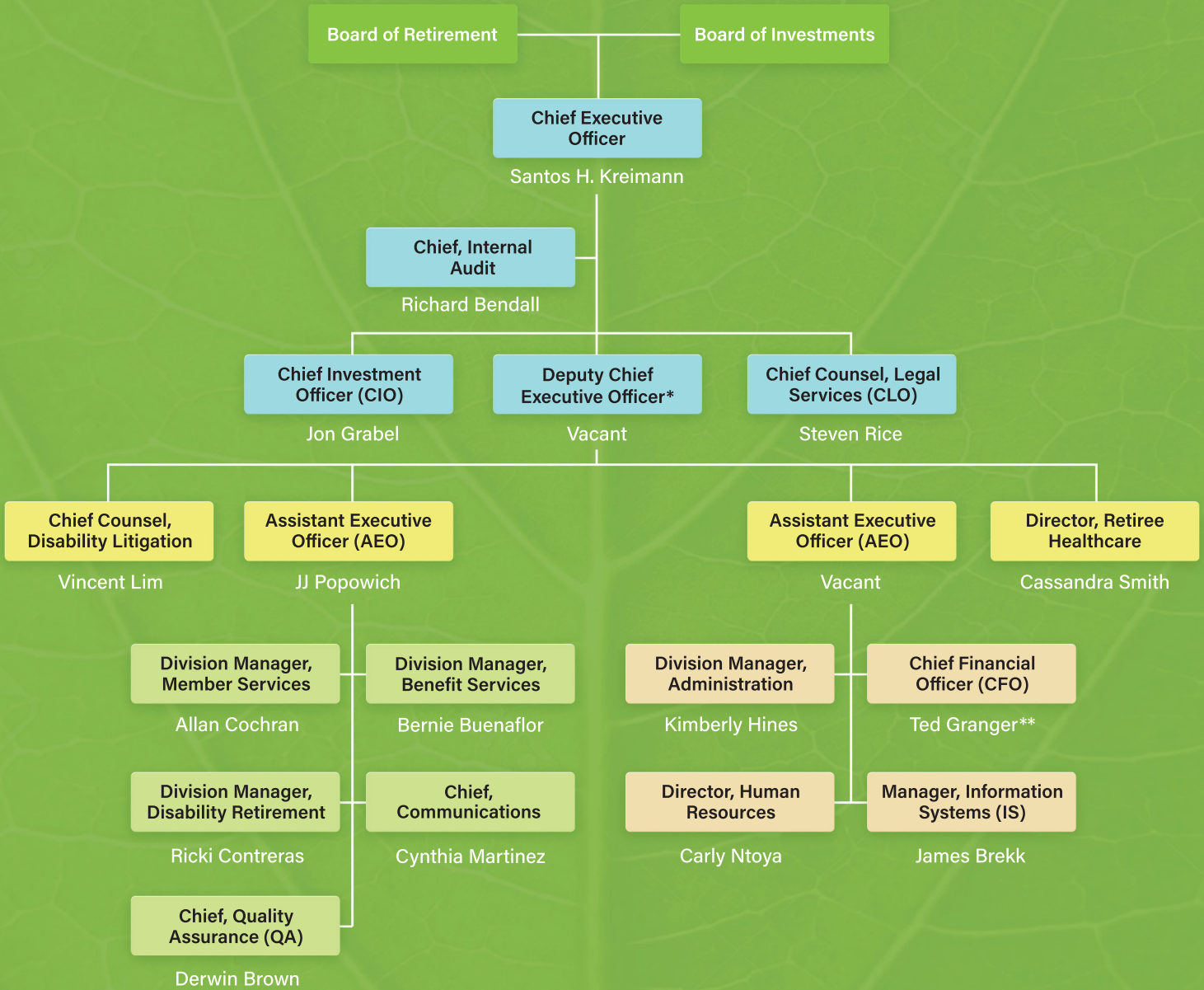
GINA V. SANCHEZ

Appointed by Board of Supervisors



LACERA

ORGANIZATIONAL CHART



*Pending Board of Supervisor's Approval

**Interim Assignment

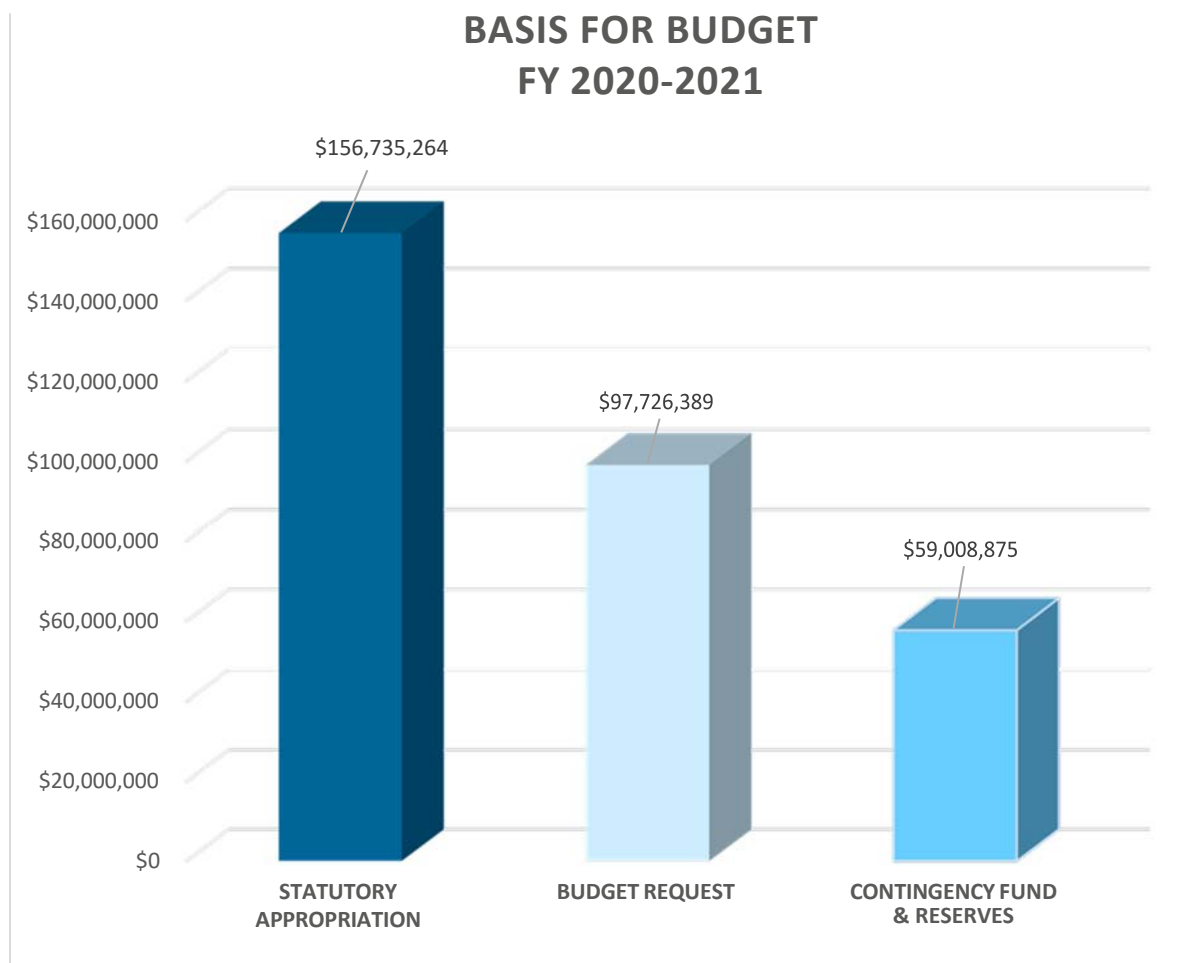
BUDGET POLICIES

LACERA's budgeting policies are based on legal statutes required under the 1937 Act, as well as policies set by LACERA's Board of Retirement and Board of Investments (the Boards).

Legal Requirement

Government Code 31580.2 requires the annual adoption of a budget covering the entire expense of administration of the retirement system. The code requires that the expenses be charged against the earnings of the retirement fund and that the expenses may not exceed twenty-one basis points (0.21%) of the accrued actuarial liability of the retirement system. Although expenses for computer software, hardware and computer technology consulting services are included in the Administrative Budget, such costs are not subject to the budget limit.

Per the 1937 Act, LACERA's Statutory Appropriation for FY 2020-2021 is \$156,735,264.



JOGC Oversight

In addition to the State Code, the budget is also guided by LACERA's Joint Organization Governance Committee (JOGC), which provides oversight during the annual budget development cycle. The process consists of staff developing a preliminary budget plan that consider and support the approved strategic plans and general operating needs. The preliminary budget is presented to the JOGC for review. Recommendations by the JOGC are presented to the Boards during the budget hearings. Both Boards will then independently take action on the JOGC's recommended proposed budget.

Contingency Funds

Contingency funds are available for unanticipated expenditures that may occur during the year. Use of Contingency funds must be approved by both Boards. The estimated contingency funds available is \$59,008,875.

NOTE: The Audit Committee (AC) will request approval from both the Board of Retirement and the Board of Investments to establish an Audit Reserve Fund against the contingency monies in the amount of \$500,000. These funds would be used to pay for additional audit work needed when a preliminary finding from existing audit activities warrant further investigation.

A delegation of both Board's authority would be needed to authorize the AC to spend the reserve funds as needed throughout the fiscal year without having to return to the Boards for further approval. Should the AC authorize the expenditure of all of the allotted amount, the contingency fund would be reduced to \$58,508,875.

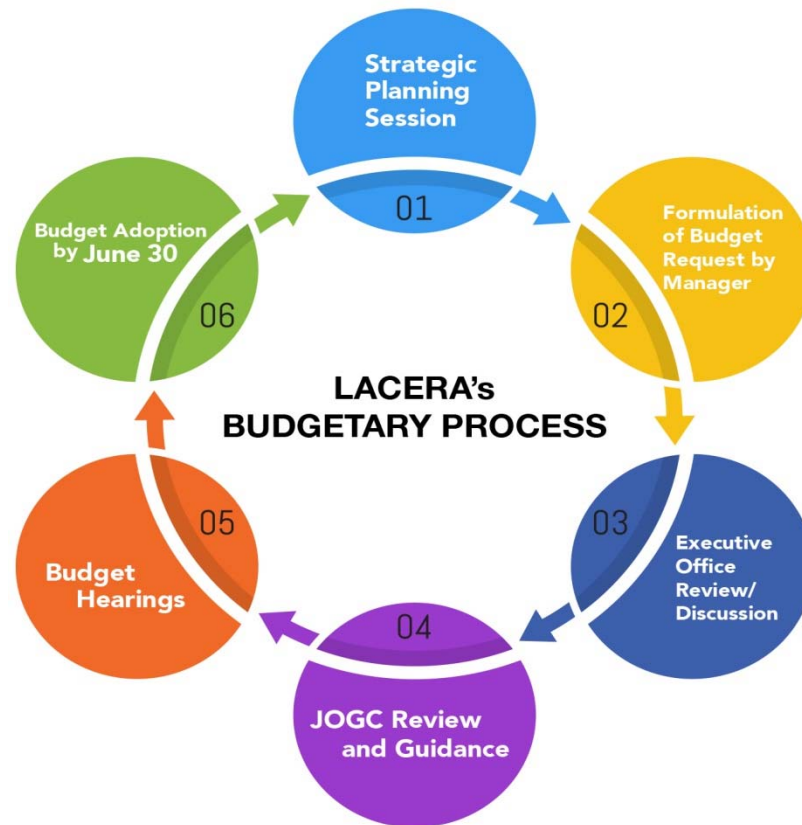
Retiree Health Care Benefits Program

Our Retiree Health Care Benefits Program provides health care benefits to our membership on behalf of our plan sponsor, the County of Los Angeles. The insurance premiums are born solely by the participants of the plan and Los Angeles County. LACERA trust funds are not used for premium payments. The direct costs and variable overhead costs associated with the administration of the Retiree Health Care Benefits Program are charged against the premium payments and, as such, are not included in the Administrative Budget.

Non-Administrative Expenses

As provided in Government Code Section 31596.1 the expenses of investing its moneys, securing custodial bank services, actuarial services and attorney services shall not be considered a cost of administering the system.

BUDGET PROCESS



LACERA's budget process includes 6 major stages as depicted in the diagram above. The budget process typically begins in October of each year and coincides with the Strategic Planning process. In October, the management team generally holds an offsite meeting to engage in team building exercises, and begin discussion about organizational priorities and strategic direction.

Between October and November, the management team begins to formulate their budget requests. Throughout the month of December, the Budget Team meets with the managers to gather information about what they will be requesting. This discussion helps the Budget Team and their partners begin to prepare costs and determine what will be needed to support the divisional and management requests.

Normally, the budget process parallels the Strategic Plan process. Ideally, the Strategic Plan process is also linked to the budget process to ensure the organization allocates the proper resources to see the plan through to fruition.

This year our process was done differently because our new CEO started in November 2019. The Strategic Plan was rolled over from the previous year to help the organization focus on meeting the already existing goals. This also allowed our new CEO time to evaluate where the organization is and marshal their efforts to see the plan through.

During the month of January, the management team meets with the Executive Office to present their proposed budgets. During this process, the Executive Office weighs the requests against the organizational goals and the Strategic Plan. These discussions help refine the requests and balance competing needs throughout the organization.

Also, during this stage the Executive Office meets with the Systems Division to review the various requests from the divisions and what those requests will need from a Systems aspect to support the requests. This too is a very labor intensive process that requires the Systems Division to cost out specific support needs that are changing on a daily basis as the requests are refined. At the end of this process, the Executive Office and the management team agree upon their divisional requests and the Budget Unit begins to assemble the budget.

The fourth and fifth stages include presenting the Preliminary Budget to the JOGC for review and guidance and presenting the Proposed Budget at the Budget Hearing for the review and discussion with the Boards and the public.

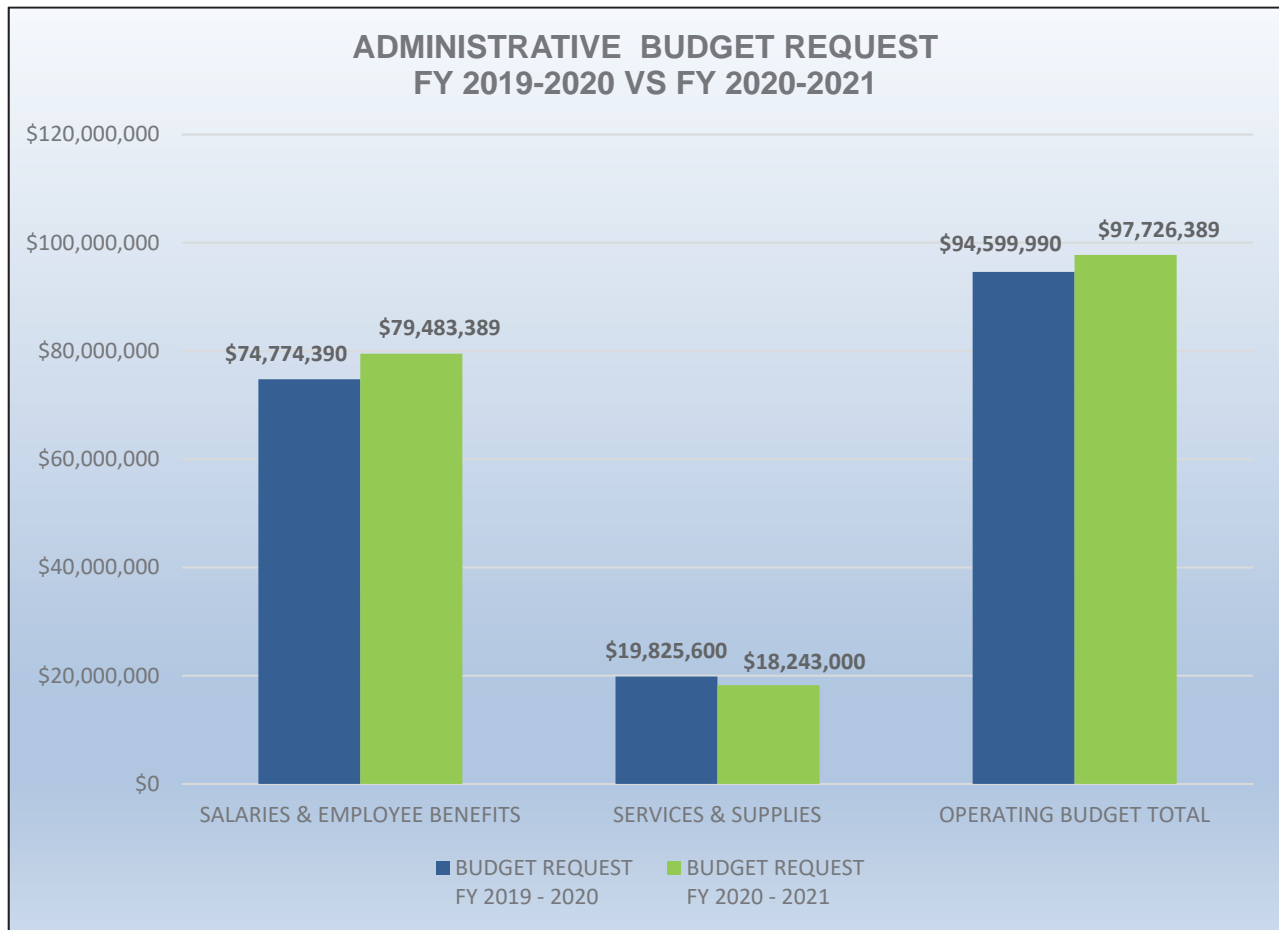
Lastly, the Proposed Budget is submitted for approval at the meetings of each Board.

BUDGET REQUEST SUMMARY

Overview

The Administrative budget consists of two components, Salaries & Employee Benefits and Services and Supplies. The Proposed Administrative budget request for FY 2020-2021 is \$97,726,389. This represents a 3.3% increase from the prior year budget.

ADMINISTRATIVE BUDGET	BUDGET REQUEST FY 2019 - 2020	BUDGET REQUEST FY 2020 - 2021	VARIANCE	% CHANGE
SALARIES & EMPLOYEE BENEFITS	\$74,774,390	\$79,483,389	\$4,708,999	6.3%
SERVICES & SUPPLIES	\$19,825,600	\$18,243,000	(\$1,582,600)	-8.0%
OPERATING BUDGET TOTAL	\$94,599,990	\$97,726,389	\$3,126,399	3.3%



The chart below displays the total budgeted costs per division in comparison to the prior year.

DIVISION	BUDGET REQUEST FY 2019-2020	BUDGET REQUEST FY 2020-2021	VARIANCE	% CHANGE
Administrative Services	\$7,820,552	\$7,989,142	\$168,590	2.2%
Benefits	10,566,377	10,260,348	(306,029)	-2.9%
Board of Retirement	228,900	284,000	55,100	24.1%
Board of Investments	337,500	495,000	157,500	46.7%
Communications	2,457,549	3,085,151	627,602	25.5%
Disability Litigation	1,988,281	2,079,978	91,696	4.6%
Disability Retirement	8,707,507	8,730,604	23,097	0.3%
Executive Office	2,558,560	2,270,915	(287,646)	-11.2%
Financial & Accounting Services	4,529,440	4,165,022	(364,418)	-8.0%
Human Resources	3,974,474	3,871,758	(102,715)	-2.6%
Internal Audit	2,390,584	2,582,486	191,902	8.0%
Investment Office	12,926,234	14,434,263	1,508,029	11.7%
Legal Services	6,436,423	6,549,462	113,039	1.8%
Member Services	9,014,633	9,761,207	746,574	8.3%
Quality Assurance	3,327,189	3,384,955	57,767	1.7%
Systems	17,335,787	17,782,099	446,312	2.6%
TOTAL	\$94,599,990	\$97,726,389	\$3,126,399	3.3%

For additional details see the Expenses by Division section.

Salaries & Employee Benefits

Salaries & Employee Benefit (S&EB) costs consist of the ongoing personnel costs for the organization. These costs include the salaries, the variable benefit costs (i.e., retirement costs, county subsidy of insurance costs, option plan costs, life insurance, 457 and 401K plan costs, etc.), agency temporary staff, and overtime costs, OPEB costs, and other benefit costs. These costs are budgeted at \$79.5 million and represent a 6.3% increase from the prior year.

S&EB CATEGORY	BUDGET REQUEST FY 2019 - 2020	BUDGET REQUEST FY 2020 - 2021	VARIANCE	% CHANGE
SALARIES & OTHER PAYS				
Permanent / County Temporary	\$43,949,835	\$48,117,819	\$4,167,985	9.5%
Agency Temporary	3,318,600	1,669,500	(1,649,100)	-49.7%
LACERA Intern Program	144,000	0	(144,000)	-100.0%
Stipends	65,000	65,000	0	0.0%
Overtime	612,100	801,900	189,800	31.0%
Bilingual Bonus	24,000	21,600	(2,400)	-10.0%
Transportation Allowance	0	0	0	0.0%
Rideshare Allowance	121,000	70,300	(50,700)	-41.9%
Sickleave Buyback	66,500	66,500	0	0.0%
Reserve For Remuneration	0	0	0	0.0%
TOTAL SALARIES & OTHER PAYS	\$48,301,035	\$50,812,619	\$2,511,584	5.2%
VARIABLE BENEFITS				
Retirement	8,140,238	9,006,465	866,227	10.6%
FICA Contribution	700,698	779,718	79,020	11.3%
County Subsidy - Insurance	2,382,392	2,654,602	272,210	11.4%
Options Plan	4,099,576	4,311,976	212,400	5.2%
Life Insurance	19,368	18,735	(633)	-3.3%
Health Insurance Temps	205,164	277,043	71,879	35.0%
Flexible Benefit Plan	71,384	41,806	(29,578)	-41.4%
Thrift Plan / Horizons	1,419,490	1,508,445	88,955	6.3%
Savings Plan	1,005,787	1,131,574	125,787	12.5%
Pension Savings Plan	17,530	36,850	19,320	110.2%
Megaflex	4,255,973	4,707,637	451,664	10.6%
TOTAL VARIABLE BENEFITS	\$22,317,598	\$24,474,851	\$2,157,253	9.7%
OPEB CONTRIBUTION	\$951,757	\$1,234,919	\$283,162	29.8%
OTHER BENEFITS	\$3,204,000	\$2,961,000	(\$243,000)	-7.6%
TOTAL EMPLOYEE BENEFITS	\$26,473,355	\$28,670,770	\$2,197,415	8.3%
TOTAL SALARIES & EMPLOYEE BENEFITS	\$74,774,390	\$79,483,389	\$4,708,999	6.3%

Assumptions

The following assumptions were used in developing the S&EB portion of the budgets:

- Salaries are budgeted based on projected yearly costs by position.
- Vacant positions are budgeted at the first step and salary savings are calculated by reducing the salary cost by the number of months it takes to hire against the position. We estimate the vacancy at six months unless otherwise specified.

Increased Costs

As salary costs increase a corresponding increase in variable benefits is included. Variable benefit costs average 50.78% of salaries.

Additional Staff

Staffing changes as outlined below include additional positions in the Administrative Services and Communications Divisions in the amount of \$259,120.

DIVISION		POSTION TITLE	ANNUAL SALARY	VARIABLE BENEFITS	BUDGET IMPACT
Administrative Services	2.0	Procurement & Supply Clerk	\$89,158	\$45,274	\$134,432
Communications	1.0	Public Information Officer	\$82,695	\$41,993	\$124,688
Total	3.0		\$171,853	\$87,267	\$259,120

Other cost increases are attributed to the following:

Negotiated Salary Increases (MOU)

This represents salary increases negotiated through a Memorandum of Understanding that will take effect on January 2021. The salary increase ranges from 2.5% to 3.5% depending on the classification. The total annual cost is estimated to be \$800,899.

Performance/Merit Increases

This represents a performance/merit-based salary increase for Tier I and Tier II employees. The increase ranges from 2% to 4% depending on the staff performance rating. The total cost is estimated to be \$445,272.

Salary Step Increases

This represents step increases for staff that are not at the top of their designated salary range. These increases are budgeted at 5.5%. The total cost is estimated to be \$357,666.

Additional Staff Detail

Administrative Services Division: Procurement

No. of Positions	Title of Requested Position	Division/Section
2	Procurement and Supply Clerk	Procurement

Administrative Services Division is requesting to add two permanent positions at the Procurement and Supply Clerk level. It was discovered that the Procurement Assistant II position does not include the arduous capacity in their job description. As the Procurement Unit responsibilities often include heavy lifting, the additional positions are needed to perform these tasks.

Communications Division

No. of Positions	Title of Requested Position	Division/Section
1	Public Information Officer	Communications

We included a request for a *Public Information Officer (PIO)* to assist with coordinating and actively managing LACERA's media responses and our social media platforms that we plan to launch in the upcoming fiscal year. We believe that having a dedicated public relations professional on staff will enhance our ability to respond to media inquiries expeditiously, and enhance our ability to provide information to our retired and active members in multiple ways. These alternative communication channels require a great deal of time, effort and thought to develop and manage given the short news cycles and need for publications and media outlets to produce content.

Position Upgrade Request

Also included in the budget is a request to upgrade four positions. Details of these requests are listed below:

Internal Audit

No. of Positions	Current Position	Upgraded Position
1	Internal Auditor	Senior Internal Auditor

The budget request includes the deletion of one currently vacant Internal Auditor position and the addition of one Senior Internal Auditor to better align staffing levels with the amount of complex work. The increased complexity of audits results in the need for more experienced auditors.

Investment Office

No. of Positions	Current Position	Upgraded Position
2	Finance Analyst I	Finance Analyst II

A classification study completed in June 2019 resulted in the upgrade of two Finance Analyst I positions to Finance Analyst II positions.

Total Budgeted Positions

Based on the proposal to add 3 new positions, LACERA's total budgeted positions count will be 459.

DIVISION	BUDGETED POSITIONS FY2019-2020	CHANGE	BUDGETED POSITIONS FY2020-2021
ADMINISTRATIVE	34	2	36
BENEFITS	71		71
COMMUNICATIONS	13	1	14
DISABILITY LITIGATION	7		7
DISABILITY RETIREMENT	41		41
EXECUTIVE OFFICE	8		8
FASD	30		30
HUMAN RESOURCES	13		13
INTERNAL AUDIT	11		11
INVESTMENT	44		44
LEGAL SERVICES	26		26
MEMBER SERVICES	79		79
QUALITY ASSURANCE	19		19
SYSTEMS	60		60
TOTAL	456	3	459

SERVICES & SUPPLIES

Services and Supplies (S&S) costs are reflective of the daily operational needs of the organization and are primarily based on historical expenditures adjusted for inflation. For FY 2020-2021 these costs are budgeted at \$18.2 million and represent an 8.0% decrease from the prior year. The proposed expenses have been reduced through the management team's focus on efficiency and concerted effort to budget more closely to actual expenditures. Another notable area of reduction relates to offsite related costs associated with travel & education expenses because of the COVID-19 pandemic.

S&S CATEGORY	BUDGET REQUEST FY 2019-2020	BUDGET REQUEST FY 2020-2021	VARIANCE	% CHANGE
Auto Expenses	\$191,600	\$36,800	(\$154,800)	-80.8%
Communications	736,400	710,000	(26,400)	-3.6%
Transportation & Travel	1,148,200	784,000	(364,200)	-31.7%
Postage	993,400	991,400	(2,000)	-0.2%
Stationery & Forms	573,800	640,100	66,300	11.6%
Office Supplies & Equipment	846,100	837,000	(9,100)	-1.1%
Insurance	733,500	714,900	(18,600)	-2.5%
Equipment Maintenance	627,500	638,000	10,500	1.7%
Equipment Rents & Leases	310,000	310,000	0	0.0%
Building Costs	2,305,000	2,175,000	(130,000)	-5.6%
Parking Fees	502,000	377,000	(125,000)	-24.9%
Professional & Specialized Services	2,685,100	2,691,200	6,100	0.2%
Bank Services	230,000	204,000	(26,000)	-11.3%
Legal Fees & Services	612,500	435,500	(177,000)	-28.9%
Disability Fees & Services	2,168,000	2,086,000	(82,000)	-3.8%
Computer Services & Support	3,176,900	2,908,300	(268,600)	-8.5%
Educational Expenses	1,511,300	1,221,700	(289,600)	-19.2%
Miscellaneous	474,300	482,100	7,800	1.6%
TOTAL	\$19,825,600	\$18,243,000	(\$1,582,600)	-8.0%

LACERA

FISCAL YEAR 2020-2021

SALARIES AND EMPLOYEE BENEFITS
CATEGORY SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Gross Salaries	\$48,117,819	\$43,949,835	\$18,332,549	\$41,281,500	\$6,836,319	16.6%	\$4,167,985	9.5%
Salary Differential	-	-	-	-	-	-	-	-
Permanent Salaries	\$48,117,819	\$43,949,835	\$18,332,549	\$41,281,500	\$6,836,319	16.6%	\$4,167,985	9.5%
Outside Agency Temporary Staffing	1,669,500	3,318,600	1,044,191	2,196,550	(527,050)	-24.0%	(1,649,100)	-49.7%
LACERA Intern Program	0	144,000	582	12,000	(12,000)	-100.0%	(144,000)	-100.0%
Variable Benefits								
Retirement	9,006,465	8,140,238	3,155,606	7,373,100	1,633,365	22.2%	866,227	10.6%
FICA Contribution	779,718	700,698	292,097	673,809	105,909	15.7%	79,020	11.3%
County Subsidy - Insurance	2,654,602	2,382,392	812,973	1,948,900	705,702	36.2%	272,210	11.4%
Options Plan	4,311,976	4,099,576	1,549,351	3,711,980	599,996	16.2%	212,400	5.2%
Life Insurance	18,735	19,368	6,497	16,460	2,275	13.8%	(633)	-3.3%
Health Insurance Temps	277,043	205,164	67,186	153,300	123,743	80.7%	71,879	35.0%
Flexible Benefit Plan	41,806	71,384	14,090	31,500	10,306	32.7%	(29,578)	-41.4%
Thrift Plan/Horizons	1,508,445	1,419,490	512,614	1,192,700	315,745	26.5%	88,955	6.3%
Savings Plan	1,131,574	1,005,787	397,362	925,300	206,274	22.3%	125,787	12.5%
Pension Savings Plan	36,850	17,530	10,759	25,220	11,630	46.1%	19,320	110.2%
Megaflex	4,707,637	4,255,973	1,608,735	3,946,500	761,137	19.3%	451,664	10.6%
Total	24,474,851	22,317,598	8,427,269	19,998,769	4,476,082	22.4%	2,157,253	9.7%
Other Benefits	2,961,000	3,204,000	1,300,739	3,187,900	(226,900)	-7.1%	(243,000)	-7.6%
OPEB Contribution	1,234,919	951,757	493,422	947,150	287,769	30.4%	283,162	29.8%
Stipends	65,000	65,000	25,508	65,000	0	0.0%	0	0.0%
Overtime	801,900	612,100	370,325	843,900	(42,000)	-5.0%	189,800	31.0%
Bilingual Bonus	21,600	24,000	9,850	22,500	(900)	-4.0%	(2,400)	-10.0%
Reserves for Remuneration	0	0	0	0	0	0.0%	0	0.0%
Sickleave Buyback	66,500	66,500	17,911	52,800	13,700	25.9%	0	0.0%
Rideshare Allowance	70,300	121,000	19,455	119,280	(48,980)	-41.1%	(50,700)	-41.9%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
S&EB TOTAL	\$79,483,389	\$74,774,390	\$30,041,801	\$68,727,349	\$10,756,040	15.7%	\$4,708,999	6.3%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS
DIVISION SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		BUDGET	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
			(12-31-19)	PROJECTION				
Administrative Services	3,921,942	\$3,481,752	\$1,473,344	\$3,305,125	\$616,817	18.7%	\$440,189.71	12.6%
Benefits	10,193,448	10,482,377	4,126,402	9,410,100	783,348	8.3%	(288,929)	-2.8%
Communications	2,073,051	1,459,349	701,893	1,529,650	543,401	35.5%	613,702	42.1%
Disability Litigation	2,035,878	1,902,981	824,219	1,876,200	159,678	8.5%	132,896	7.0%
Disability Retirement	6,364,804	6,197,007	2,473,525	5,801,547	563,257	9.7%	167,797	2.7%
Executive Office	1,976,215	1,861,060	550,337	1,492,300	483,915	32.4%	115,154	6.2%
Financial & Accounting Services	3,907,922	4,223,840	1,731,227	3,740,600	167,322	4.5%	(315,918)	-7.5%
Human Resources	2,316,658	2,439,274	951,501	2,133,200	183,458	8.6%	(122,615)	-5.0%
Internal Audit	2,121,686	1,851,084	813,963	1,834,500	287,186	15.7%	270,602	14.6%
Investment Office	14,096,963	12,361,834	5,426,504	12,358,250	1,738,713	14.1%	1,735,129	14.0%
Legal Services	5,768,262	5,385,123	2,159,230	4,974,338	793,924	16.0%	383,139	7.1%
Member Services	9,691,407	8,919,633	3,695,028	8,431,159	1,260,248	14.9%	771,774	8.7%
Quality Assurance	3,290,455	3,177,189	1,241,843	2,785,580	504,875	18.1%	113,267	3.6%
Systems Division	11,724,699	11,031,888	3,872,787	9,054,800	2,669,899	29.5%	692,812	6.3%
S&EB TOTAL	79,483,389	\$74,774,390	\$30,041,801	\$68,727,349	\$10,756,040	15.7%	\$4,708,999	6.3%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
AGENCY TEMPORARY STAFFING
DIVISION SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		BUDGET	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
			(12-31-19)	PROJECTION				
Administrative Services	\$75,700	\$54,000	\$79,390	\$143,800	(\$68,100)	-47.4%	\$21,700	40.2%
Benefits	0	809,700	170,783	341,600	(341,600)	-100.0%	(809,700)	-100.0%
Communications	0	47,800	25,401	47,800	(47,800)	-100.0%	(47,800)	-100.0%
Disability Litigation	8,700	0	0	0	8,700	0.0%	8,700	0.0%
Disability Retirement	28,000	36,000	7,258	36,000	(8,000)	-22.2%	(8,000)	-22.2%
Executive Office	0	0	0	0	0	0.0%	0	0.0%
Financial & Accounting Services	255,900	424,200	140,615	350,000	(94,100)	-26.9%	(168,300)	-39.7%
Human Resources	47,700	26,200	23,741	47,500	200	0.4%	21,500	82.1%
Internal Audit	0	0	0	0	0	0.0%	0	0.0%
Investment Office	0	0	0	0	0	0.0%	0	0.0%
Legal Services	53,500	60,000	11,127	58,000	(4,500)	-7.8%	(6,500)	-10.8%
Member Services	0	160,700	60,114	120,250	(120,250)	-100.0%	(160,700)	-100.0%
Quality Assurance	0	0	0	0	0	0.0%	0	0.0%
Systems Division	1,200,000	1,700,000	525,763	1,051,600	148,400	14.1%	(500,000)	-29.4%
TOTAL	\$1,669,500	\$3,318,600	\$1,044,191	\$2,196,550	(\$527,050)	-24.0%	(\$1,649,100)	-49.7%

*All amounts rounded to the nearest dollar.

LACERA
BUDGET REQUEST INFORMATION
AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES

DIVISION	FYE 2018		FYE 2019		FYE 2020		FYE 2021
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$122,500	\$202,123	\$114,000	\$97,002	\$54,000	\$143,800	\$75,700
Benefits	24,400	57,435	0	97,390	809,700	341,600	0
Communications	143,300	21,198	102,500	18,315	47,800	47,800	0
Disability Litigation	0	0	0	0	0	0	8,700
Disability Retirement	104,200	40,318	42,009	46,525	36,000	36,000	28,000
Executive Office	0	0	0	0	0	0	0
Financial Services	143,200	351,042	296,300	417,710	424,200	350,000	255,900
Human Resources	39,200	109,680	101,100	93,245	26,200	47,500	47,700
Internal Audit	26,100	38,810	0	8,346	0	0	0
Investment Office	35,000	900	0	0	0	0	0
Legal Services	68,000	118,929	118,700	57,928	60,000	58,000	53,500
Member Services	75,100	121,427	129,300	152,329	160,700	120,250	0
Quality Assurance	0	0	0	0	0	0	0
Systems	1,527,000	1,759,983	992,000	1,849,848	1,700,000	1,051,600	1,200,000
GRAND TOTAL	\$2,308,000	\$2,821,845	\$1,895,909	\$2,838,638	\$3,318,600	\$2,196,550	\$1,669,500

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
OVERTIME REQUEST
DIVISION SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Administrative Services	\$ 43,700	\$31,500	\$3,402	\$25,000	\$18,700	74.8%	\$12,200	38.7%
Benefits	371,600	197,800	159,330	400,000	(28,400)	-7.1%	173,800	87.9%
Communications	3,300	3,000	1,037	2,300	1,000	43.5%	299	10.0%
Disability Litigation	0	0	0	0	0	0.0%	0	0.0%
Disability Retirement	9,500	12,400	7,807	12,000	(2,500)	-20.8%	(2,900)	-23.4%
Executive Office	25,000	3,000	15,348	33,000	(8,000)	-24.2%	22,000	733.4%
Financial & Accounting Services	68,400	74,300	42,422	55,800	12,600	22.6%	(5,900)	-7.9%
Human Resources	1,500	1,500	1,044	1,500	(0)	0.0%	0	0.0%
Internal Audit	4,800	3,000	390	1,000	3,800	380.0%	1,800	60.0%
Investment Office	1,000	0	0	0	1,000	0.0%	1,000	0.0%
Legal Services	12,500	35,000	389	6,000	6,500	108.3%	(22,500)	-64.3%
Member Services	130,500	119,500	95,988	213,000	(82,500)	-38.7%	10,999	9.2%
Quality Assurance	0	1,000	2,695	4,300	(4,300)	-100.0%	(1,000)	-100.0%
Systems Division	130,100	130,100	40,473	90,000	40,100	44.6%	0	0.0%
TOTAL	\$801,900	\$612,100	\$370,325	\$843,900	(\$42,000)	-5.0%	\$189,800	31.0%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

OVERTIME
HISTORY OF EXPENDITURES

DIVISION	FYE 2018		FYE 2019		FYE 2020		FYE 2021
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Administrative Services	\$20,200	\$44,619	\$28,007	\$45,852	\$31,500	\$25,000	\$43,700
Benefits	175,400	274,246	191,075	356,121	197,800	400,000	371,600
Communications	6,900	5,480	3,600	1,861	3,000	2,300	3,300
Disability Litigation	0	61	0	3	0	0	0
Disability Retirement	14,000	12,148	11,972	23,813	12,400	12,000	9,500
Executive Office	3,100	40,315	6,376	61,205	3,000	33,000	25,000
Financial Services	52,900	51,380	63,720	48,042	74,300	55,800	68,400
Human Resources	6,200	1,844	1,403	1,372	1,500	1,500	1,500
Internal Audit	2,000	137	3,327	108	3,000	1,000	4,800
Investment Office	0	134	2,000	574	0	0	1,000
Legal Services	35,000	1,037	36,144	6,086	35,000	6,000	12,500
Member Services	115,400	201,391	115,400	209,193	119,500	213,000	130,500
Quality Assurance	1,000	881	1,871	4,289	1,000	4,300	0
Systems	130,100	150,962	130,100	142,695	130,100	90,000	130,100
GRAND TOTAL	\$562,200	\$784,635	\$594,995	\$901,216	\$612,100	\$843,900	\$801,900

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
BILINGUAL BONUS
SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Benefits Division	\$2,400	\$2,400	\$1,900	\$4,800	(\$2,400)	-50.0%	\$0	0.0%
Legal Services	2,400	0	700	2,100	300	14.3%	2,400	0.0%
Member Services Division	16,800	21,600	7,250	15,600	1,200	7.7%	(4,800)	-22.2%
TOTAL	\$21,600	\$24,000	\$9,850	\$22,500	(\$900)	-4.0%	(\$2,400)	-10.0%

*All amounts rounded to the nearest dollar.

LACERA

BUDGET REQUEST INFORMATION

VACANT POSITIONS
SUMMARY

Division	Budgeted Positions FY 2019-2020	Vacancy (as of 04/30/20)	%	Budgeted Positions FY 2020-2021*	Vacancy	%
Administrative Services	34	6	18%	36	8	22%
Benefits	71	2	3%	71	2	3%
Communications	13	3	23%	14	4	29%
Disability Litigation	7	0	0%	7	0	0%
Disability Retirement Services	41	1	2%	41	1	2%
Executive Ø	8	2	25%	8	2	25%
Financial Accounting Services	30	7	23%	30	7	23%
Human Resources	13	1	8%	13	1	8%
Internal Audit	11	1	9%	11	1	9%
Investments Ø	44	6	14%	44	6	14%
Legal Services Ø	26	5	19%	26	5	19%
Member Services	79	5	6%	79	5	6%
Quality Assurance	19	2	11%	19	2	11%
Systems Ø	60	23	38%	60	23	38%
LACERA Total	456	64	14%	459	67	15%

* Includes new requested positions.

Ø Includes six (6) budgeted positions not yet approved by Board of Supervisors.

LACERA
FISCAL YEAR 2020-2021
SERVICES AND SUPPLIES
DIVISION SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Administrative Services	4,067,200	\$4,338,800	\$2,133,030	\$4,085,632	(\$18,432)	-0.5%	(\$271,600)	-6.3%
Benefits	66,900	84,000	41,212	71,800	(4,900)	-6.8%	(17,100)	-20.4%
Board of Retirement	284,000	228,900	25,720	80,600	203,400	252.4%	55,100	24.1%
Board of Investment	495,000	337,500	60,396	180,000	315,000	175.0%	157,500	46.7%
Communications	1,012,100	998,200	340,354	880,500	131,600	14.9%	13,900	1.4%
Disability Litigation	44,100	85,300	20,591	62,400	(18,300)	-29.3%	(41,200)	-48.3%
Disability Retirement	2,365,800	2,510,500	978,056	2,346,100	19,700	0.8%	(144,700)	-5.8%
Executive Office	294,700	697,500	51,042	447,600	(152,900)	-34.2%	(402,800)	-57.7%
Financial & Accounting Services	257,100	305,600	76,580	277,800	(20,700)	-7.5%	(48,500)	-15.9%
Human Resources	1,555,100	1,535,200	619,443	1,406,600	148,500	10.6%	19,900	1.3%
Internal Audit	460,800	539,500	123,544	382,400	78,400	20.5%	(78,700)	-14.6%
Investment Office	337,300	564,400	160,025	441,000	(103,700)	-23.5%	(227,100)	-40.2%
Legal Services	781,200	1,051,300	846,675	1,379,400	(598,200)	-43.4%	(270,100)	-25.7%
Member Services	69,800	95,000	24,658	86,200	(16,400)	-19.0%	(25,200)	-26.5%
Quality Assurance	94,500	150,000	14,353	125,500	(31,000)	-24.7%	(55,500)	-37.0%
Systems	6,057,400	6,303,900	2,322,647	5,920,700	136,700	2.3%	(246,500)	-3.9%
S&S TOTAL	\$18,243,000	\$19,825,600	\$7,838,324	\$18,174,232	\$68,768	0.4%	(\$1,582,600)	-8.0%

*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SERVICES AND SUPPLIES
CATEGORY SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2 0 1 9 - 2 0 2 0		COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
		YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Auto Expense	\$36,800	\$191,600	\$57,313	\$135,400	(\$98,600)	-72.8%	(\$154,800)	-80.8%
Communications	710,000	736,400	285,870	695,600	14,400	2.1%	(26,400)	-3.6%
Transportation and Travel	784,000	1,148,200	245,473	751,900	32,100	4.3%	(364,200)	-31.7%
Postage	991,400	993,400	522,618	971,310	20,090	2.1%	(2,000)	-0.2%
Stationery and Forms	640,100	573,800	188,116	526,200	113,900	21.6%	66,300	11.6%
Office Supplies and Equipment	837,000	846,100	302,720	792,600	44,400	5.6%	(9,100)	-1.1%
Insurance	714,900	733,500	674,521	674,522	40,378	6.0%	(18,600)	-2.5%
Equipment Maintenance	638,000	627,500	113,994	596,400	41,600	7.0%	10,500	1.7%
Equipment Rents and Leases	310,000	310,000	114,848	307,000	3,000	1.0%	0	0.0%
Building Costs	2,175,000	2,305,000	878,521	2,162,100	12,900	0.6%	(130,000)	-5.6%
Parking Fees	377,000	502,000	200,285	377,000	0	0.0%	(125,000)	-24.9%
Professional and Spec. Svcs.	2,691,200	2,685,100	871,994	2,431,500	259,700	10.7%	6,100	0.2%
Bank Services	204,000	230,000	40,495	200,000	4,000	2.0%	(26,000)	-11.3%
Legal Fees and Services	435,500	612,500	591,184	788,100	(352,600)	-44.7%	(177,000)	-28.9%
Disability Fees and Services	2,086,000	2,168,000	867,279	2,040,000	46,000	2.3%	(82,000)	-3.8%
Computer Services and Support	2,908,300	3,176,900	1,312,265	3,116,800	(208,500)	-6.7%	(268,600)	-8.5%
Educational Expense	1,221,700	1,511,300	332,877	1,160,600	61,100	5.3%	(289,600)	-19.2%
Miscellaneous	482,100	474,300	237,949	447,200	34,900	7.8%	7,800	1.6%
S&S TOTAL	\$18,243,000	\$19,825,600	\$7,838,324	\$18,174,232	\$68,768	0.4%	(\$1,582,600)	-8.0%

*All amounts rounded to the nearest dollar.

**The historical "Educational Expense" and "Miscellaneous" subcategory totals have been revised for the FY 2019-2020 Budget to reflect finalized figures.



Mission
Produce, Protect, and Provide the Promised Benefits

INTRODUCTION

The Board of Retirement is responsible for the administration of the retirement system, the retiree healthcare program, and the review and processing of disability retirement applications. The Board must execute its duties with care, skill, prudence, and diligence. The Board is comprised of eleven members. Four of its members are appointed by the Los Angeles County Board of Supervisors; two are elected by active general members; safety members elect one member and one alternate member, retired members also elect one member and one alternate member. The law requires the County Treasurer and Tax Collector to serve as an ex-officio member.

SERVICES AND SUPPLIES

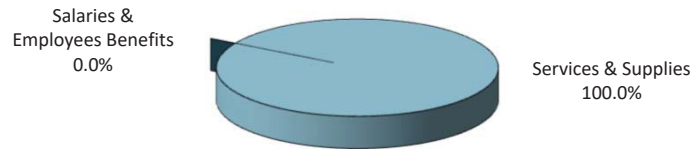
The Board’s Services and Supplies budget request is based on actual expenditure trends. To continue our efforts to improve transparency, costs associated with the Board of Retirement’s annual offsite meeting, monthly refreshments/lunches, and memberships have been transferred from the Executive Office’s Services & Supplies budget and will now be reported under the Board’s budget.

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

BOARD OF RETIREMENT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%	
Services & Supplies	284,000	228,900	25,720	80,600	252.4%	55,100	24.1%	
OPERATING BUDGET	\$284,000	\$228,900	\$25,720	\$80,600	252.4%	\$55,100	24.1%	

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
COMMUNICATIONS	\$0	\$3,400	\$300	\$1,600	(\$1,600)	-100.0%	(\$3,400)	-100.0%
TRANSPORTATION & TRAVEL	146,000	153,000	16,195	52,000	94,000	180.8%	(7,000)	-4.6%
EDUCATIONAL EXPENSES	68,000	72,500	9,225	27,000	41,000	151.9%	(4,500)	-6.2%
MISCELLANEOUS	70,000	0	0	0	70,000	0.0%	70,000	0.0%
TOTAL	\$284,000	\$228,900	\$25,720	\$80,600	\$203,400	252.4%	\$55,100	24.1%

*All amounts rounded to the nearest dollar.



Mission
Produce, Protect, and Provide the Promised Benefits

INTRODUCTION

The Board of Investments is responsible for establishing LACERA’s investment policy and objectives, as well as exercising authority and control over the investment management of the Fund. The Board must execute its duties with care, skill, prudence, and diligence. The Board is comprised of nine members. Four members are appointed by the Los Angeles County Board of Supervisors; two are elected by active general members; and both safety members and retired members elect one member each. The law requires the County Treasurer and Tax Collector to serve as an ex-officio member.

SERVICES AND SUPPLIES

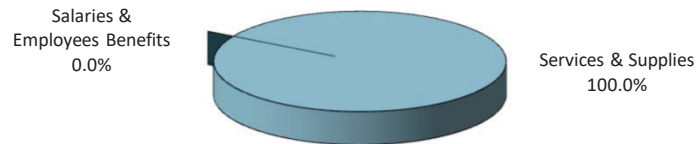
The Board’s Services and Supplies budget request is based on actual expenditure trends. To continue our efforts to improve transparency, costs associated with the Board of Investments’ annual offsite meeting, monthly refreshments/lunches, and memberships have been transferred from the Executive Office’s Services & Supplies budget and will now be reported under the Board’s budget.

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

BOARD OF INVESTMENTS

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
	YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
	BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$0	\$0	\$0	\$0	0.0%	\$0	0.0%
Services & Supplies	495,000	60,396	180,000	315,000	175.0%	157,500	46.7%
OPERATING BUDGET	\$495,000	\$60,396	\$180,000	\$315,000	175.0%	\$157,500	46.7%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

BOARD OF INVESTMENTS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
COMMUNICATIONS	\$0	\$2,000	\$300	\$2,000	(\$2,000)	-100.0%	(\$2,000)	-100.0%
TRANSPORTATION & TRAVEL	245,000	235,000	35,340	117,000	128,000	109.4%	10,000	4.3%
EDUCATIONAL EXPENSES	175,000	100,500	24,756	61,000	114,000	186.9%	74,500	74.1%
MISCELLANEOUS	75,000	0	0	0	75,000	0.0%	75,000	0.0%
TOTAL	\$495,000	\$337,500	\$60,396	\$180,000	\$315,000	175.0%	\$157,500	46.7%

*All amounts rounded to the nearest dollar.

ADMINISTRATIVE SERVICES

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

Administrative Services collaborates with all LACERA Divisions to provide quality services through people, technology and innovation.

- People. We are a professional team dedicated to customer service and motivated to achieve excellence.
- Technology. We provide superior customer service through the creative use of technology.
- Innovation. We partner with LACERA to promote creative ideas to surpass customer expectations.

INTRODUCTION

The Administrative Services Division (ASD) provides the operational infrastructure that supports the divisions in administering LACERA programs and services. In short, we ensure that each person has the right resources to do their jobs.

Specific functions include:

- Procurement
- Facilities Management
- Budget Development and Monitoring
- Document Processing (Imaging/ Mail Room / Copy Services)
- Business Continuity
- Business Insurance
- Health and Safety
- Records and Information Management

- Risk Management
- Contract Compliance
- Rideshare Administration

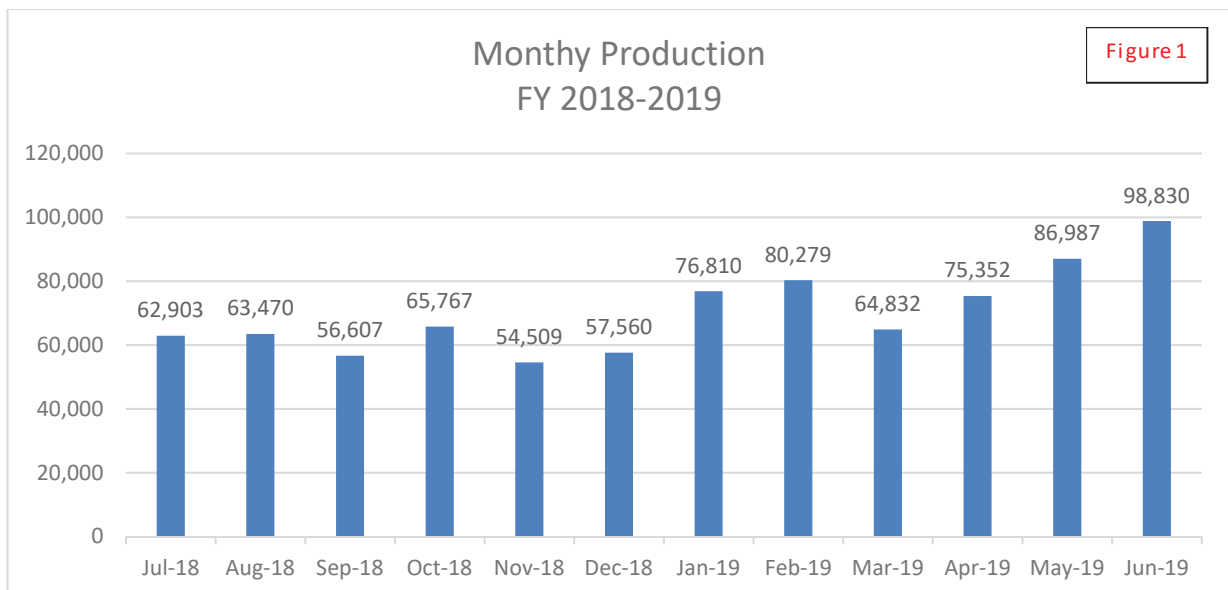
STAFFING

Administrative Services has 34 budgeted full-time positions. We are requesting to add two permanent positions in the Procurement Unit at the level of Procurement & Supply Clerk. We discovered that the Procurement & Supply Clerk position was reclassified years ago to a Procurement Assistant II position. Previously the Supply Clerk position had arduous in the job classification. When the position was reclassified it no longer included the arduous capacity. This appears to be an oversight. As the Procurement Unit’s responsibilities often include heavy lifting, the additional positions are needed to perform these tasks.

Overtime

Overtime is necessary during periods of heightened activity related to budget preparation, renovation, special projects and for the Document Processing Center (DPC) staff during the “March Rush”. The majority of the overtime budget request is for the DPC as this unit is responsible for imaging (prepare, scan, and index) member and business records into LACERA’s member database (Workspace). The DPC provides the following services; mail room, copy services, centralized scanning of business documents, management and distribution of E-enterprise checks, and manages the electronic deposit of checks made payable to LACERA.

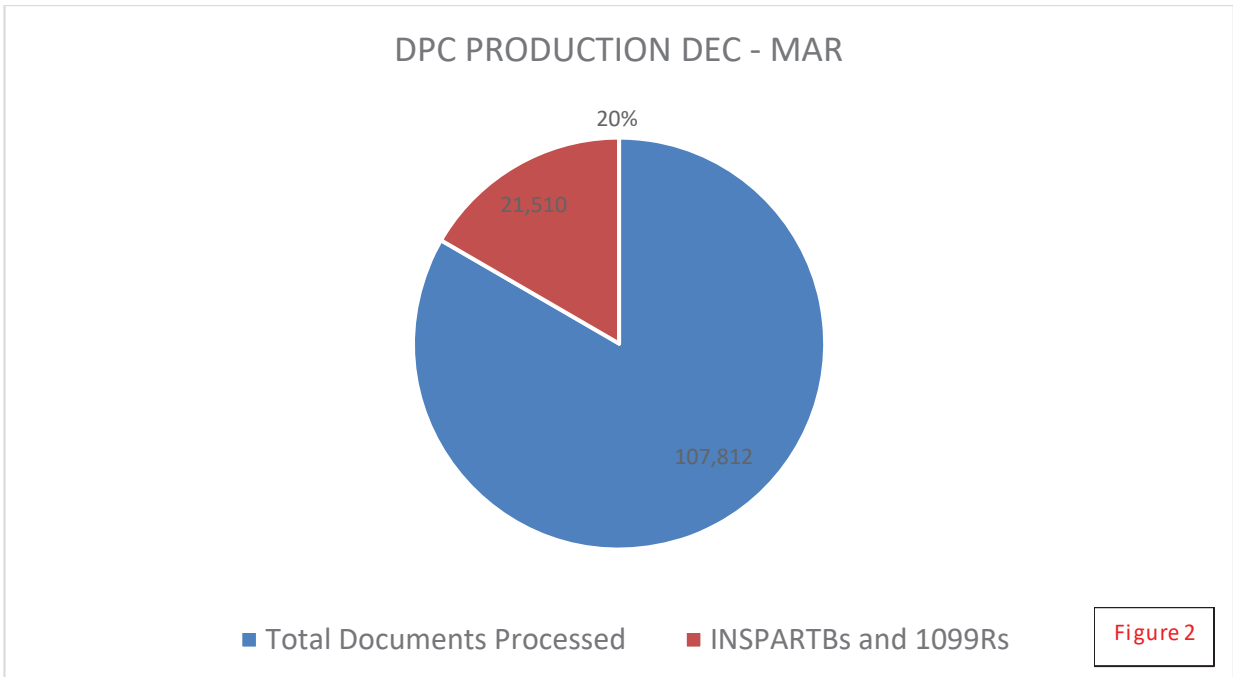
The DPC is requesting to budget 150 hours of overtime for the Document Processing Coordinator position and 520 hours for the Document Processing Assistant position to support the annual spike in retirement applications and Medicare Part B Premium Verifications and 1099R mailings. During “March Madness” the DPC experiences a workload increase. See Figure 1.



Agency Temporary Request

To assist with the March Rush, the DPC is also requesting three full-time agency temporary personnel to work from January through April to assist with the timely processing of Medicare Part B Premium Verifications (INSPARTBs) and undeliverable 1099R tax forms. The agency temporary employees will also assist with the copy center services, return of member documents, scanning, and act as back-ups for the mail room and receptionist.

In 2019, the DPC processed 19,441 Medicare Part B Premium Verifications and 2,069 undeliverable 1099Rs. That is equivalent to 20%* of the DPC production for the months of December through March. See Figure 2.



* Total amount of scanned documents - 107,812

Part B Premium Verifications 1099Rs scanned- 21,510

Figure 2 Calculate total percent increase of scanned documents
(107,812/21,510 = .1995 *100 = 20%)

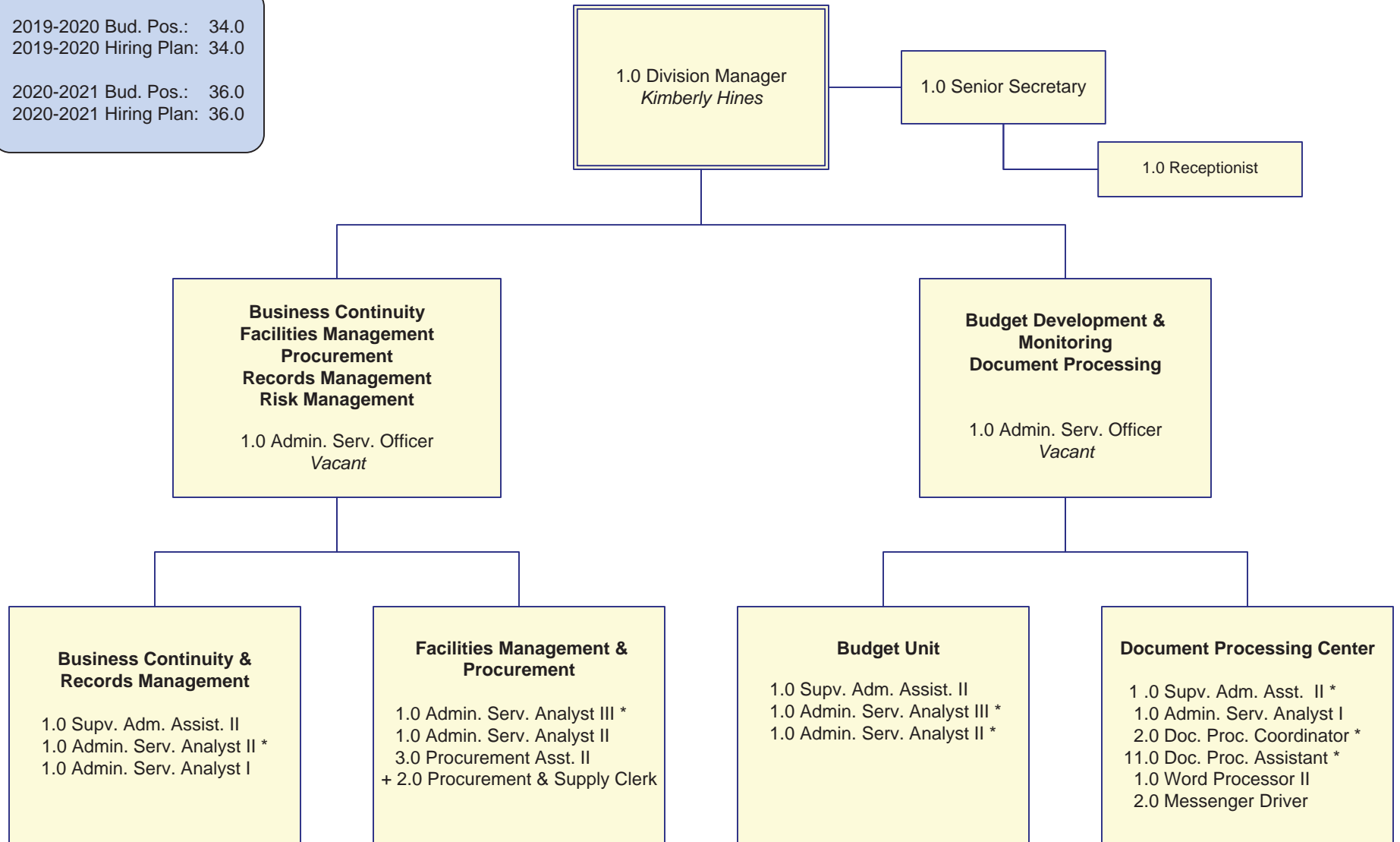
SERVICES AND SUPPLIES

The Services and Supplies budget has no significant changes from the FY 2019-20 budgets. There are, however, various line items that include small increases attributable to vendor or overall supplier cost increases.

ADMINISTRATIVE SERVICES DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 34.0
 2019-2020 Hiring Plan: 34.0
 2020-2021 Bud. Pos.: 36.0
 2020-2021 Hiring Plan: 36.0



+ Added position

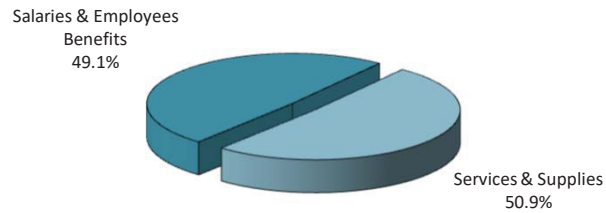
* Classification study for the position requested

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$3,921,942	\$3,481,752	\$1,473,344	\$3,305,125	\$616,817	18.7%	\$440,190	12.6%
Services & Supplies	4,067,200	4,338,800	2,133,030	4,085,632	(18,432)	-0.5%	(271,600)	-6.3%
OPERATING BUDGET	\$7,989,142	\$7,820,552	\$3,606,374	\$7,390,757	\$598,385	8.1%	\$168,590	2.2%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2020-2021

SALARIES AND EMPLOYEE BENEFITS SUMMARY

ADMINISTRATIVE SERVICES DIVISION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$2,351,705	\$2,054,258	\$841,542	\$1,890,000	\$461,705	24.4%	\$297,447	14.5%
Total Agency Temp Salaries	75,700	54,000	79,390	143,800	(68,100)	-47.4%	21,700	40.2%
Employee Benefits (Variable)	1,231,566	1,128,451	454,142	1,035,225	196,341	19.0%	103,115	9.1%
Employee Benefits (Other)	144,716	149,758	65,453	149,000	(4,284)	-2.9%	(5,042)	-3.4%
OPEB Contribution	60,355	44,486	25,672	44,200	16,155	36.6%	15,869	35.7%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	43,700	31,500	3,402	25,000	18,700	74.8%	12,200	38.7%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	7,300	7,300	1,817	5,900	1,400	23.7%	0	0.0%
Rideshare Allowance	6,900	12,000	1,926	12,000	(5,100)	-42.5%	(5,100)	-42.5%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,921,942	\$3,481,752	\$1,473,344	\$3,305,125	\$616,817	18.7%	\$440,190	12.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$3,921,942	\$3,481,752	\$1,473,344	\$3,305,125	\$616,817	18.7%	\$440,190	12.6%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

ADMINISTRATIVE SERVICES DIVISION

2020-2021 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00773A	1	LS12	15,131	181,577
00423A	2	105F	17,739	212,864
00421A	1	96J	6,432	77,182
00420A	3	92J	19,046	228,553
00439A	1	88H	6,790	81,481
00464A	3	87B	16,728	200,733
00419A	2	83E	8,966	107,589
00472A	2	82H	10,330	123,962
00448A	1	81G	5,014	60,170
00471A	9	79H	37,750	453,004
00466A	1	75D	3,599	43,190
00461A	2	73J	7,096	85,152

POSITIONS 28 1,855,458

VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00410A	2	LS9	8,291	99,486	99,486	74,615	
00423A	1	105F	7,311	87,737			43,869
00421A	1	96J	5,770	69,245			34,623
00471A	2	79H	3,634	43,609		32,707	21,805
00467A	2	80F	3,715	44,579	89,158		
					188,644	107,321	100,296

POSITIONS 8 396,261

TOTAL POSITIONS 36

GROSS SALARIES 2,251,719

ANTICIPATED MOU SALARY INCREASE ** 39,405

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 50,594

BONUS 9,987

120-DAY RETIREE(S) 0

TOTAL SALARIES 2,351,705

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA

FISCAL YEAR 2020-2021

SERVICES & SUPPLIES ACCOUNT SUMMARY

ADMINISTRATIVE SERVICES DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		2019-2020			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	YTD (12-31-19)	PROJECTION				
AUTO EXPENSE	\$12,500	\$162,100	\$49,923	\$115,500	(\$103,000)	-89.2%	(\$149,600)	-92.3%
TRANSPORTATION & TRAVEL	8,500	9,000	6,347	9,000	(500)	-5.6%	(500)	-5.6%
POSTAGE	301,400	301,400	201,385	301,310	90	0.0%	0	0.0%
STATIONERY & FORMS	3,500	1,000	21	1,000	2,500	250.0%	2,500	250.0%
OFFICE SUPPLIES & EQUIPMENT	301,000	289,000	119,544	299,000	2,000	0.7%	12,000	4.2%
INSURANCE	714,900	733,500	674,521	674,522	40,378	6.0%	(18,600)	-2.5%
EQUIPMENT MAINTENANCE	5,800	12,300	1,442	10,300	(4,500)	-43.7%	(6,500)	-52.8%
EQUIPMENT RENTS & LEASES	310,000	310,000	114,848	307,000	3,000	1.0%	0	0.0%
BUILDING COSTS	2,175,000	2,305,000	878,521	2,162,100	12,900	0.6%	(130,000)	-5.6%
PROFESSIONAL & SPEC. SRVCS.	213,000	188,000	76,157	186,000	27,000	14.5%	25,000	13.3%
EDUCATIONAL EXPENSES	6,600	12,500	4,521	5,900	700	11.9%	(5,900)	-47.2%
MISCELLANEOUS	15,000	15,000	5,801	14,000	1,000	7.1%	0	0.0%
TOTAL	\$4,067,200	\$4,338,800	\$2,133,030	\$4,085,632	(\$18,432)	-0.5%	(\$271,600)	-6.3%

*All amounts rounded to the nearest dollar.



Mission

The **Benefits Division** is responsible for maintaining retirement plan accounts and processing retirement plan transactions in compliance with the County Employees Retirement Law of 1937, the Board of Retirement Regulations, and organizational policies.

INTRODUCTION

“Aspiring to perfection through teamwork”

-Benefits Slogan

“We start by respecting our nature: people by themselves are imperfect. However, with teamwork, technology, creativity, and a commitment to excellence, we can aspire to much more. For this reason, while 98% accuracy is our defined goal, our vision is PERFECTION.”

Over the past year, the Benefits Division continued to pursue the highest quality standards. Once again, the Division met its 98 percent quality target.

The Division also continued to pursue its strategy of continuous process improvement under the leadership of the Process Management Group (PMG) and its partners throughout LACERA, including the Legal Office, Member Services, Quality Assurance, Systems, Internal Audit, Disability Retirement, Retiree Healthcare, and the Executive Office. Much of this work was focused on process efficiency, but much of it was focused on legal compliance and accuracy as well.

Key milestone achievements include, but are not limited to:

- New Collections Rules and Tools
- New Purchase Contract Rules and Tools
- New PEPRAs Forfeiture Appeals Rules and Tools
- New Retro-Pay Rules, Processes and Tools
- New Disability Reciprocity Rules and Tools
- New Benefit Staging Analyst function focused on Early Disability Counseling and Payroll Checking
- Enhanced Services from the Benefit Protection Unit (BPU) supporting other Units throughout LACERA
- New Workspace Metrics Tools
- Launched the first phase of the Microfiche Tagging Project involving 15 agency temporary staff.

STAFFING

Keeping Pace with Our Members:

Over the past several years, the volume of member transactions has steadily increased. Furthermore, as a byproduct of LACERA's continuous efforts to improve accuracy and legal compliance, processing transactions has become more time-consuming. Also, un-planned special projects and extended absences have further stretched Benefits resources.

We have identified several areas within the Division where volume and increased complexity have led to an increase in service level delays.

- **Advanced Payroll Unit (APU):** This unit is responsible for complex retirement payroll transactions, such as disability retirements, payroll retroactive adjustments and payroll corrections. The volume and complexity of transactions have steadily risen over the years, especially with the influx of PEPRAs member retirements and disability applications.
- **Death Legal Unit (DLU):** This unit manages Death-related transactions, as well as those involving a specialized knowledge of legal procedures and calculations. The volume of transactions has steadily risen over the years.
- **Benefit Protection Unit (BPU):** This unit protects our members and the fund from losses due to member identity and status discrepancies. This work enhances the quality of LACERA's service to those members whose benefits are most at risk due to potential fraud, lost contact, or a disputed status.

The Benefit Protection Unit's workload has steadily increased since inception in 2015, which was aggravated by unanticipated special projects

and security incidents requiring BPU's attention. Furthermore, staffing reductions have reduced the work this unit is able to perform, even though the volume of service requests continues to rise.

- **Account Settlements Unit (ASU):** This unit takes appropriate action to resolve account imbalances and outstanding payables or receivables. Recent legal opinions and Board policies have increased the compliance requirements of the collections, retroactive contribution adjustments and mandatory distribution processes. This has elevated the need for stronger analytical skills and tools to manage these new complexities.
- **Process Management Group (PMG):** PMG was established as a means of centralizing and standardizing the "Process Documentation and Management" functions of the Benefits Division, and as a means of coordinating documentation between the Division and our partners throughout LACERA. This group also coordinates audit follow-up, escalation monitoring functions, and process improvement initiatives within the Division. This team has a significant backlog of projects to address, which has increased along with the volume of work described above.

Recognizing the solution to these issues is not always adding staffing resources, we will be focusing on developing clear business metrics that can be used to help analyze and develop a combination of improved efficiency through training, improved tools and work processes, and automation and self-service wherever feasible and prudent. These metrics will serve to guide our efforts to improve our service, and if necessary, form a foundation for any future requests for additional staffing.

Other Staffing Requests:

Benefits has relied on the use of overtime to supplement its regular production strategies and to help limit the increase in lengthening service levels. As in the past, overtime is being requested to manage the workload imbalances related to the annual increase in activity during "March Madness" and persistently high volumes of purchases and retirement elections associated with the retirements. However, in alignment with LACERA's consideration of the impacts of the COVID-19 pandemic, we have reduced our overtime request and will be looking to improve efficiency and automation of our workforce.

Special Clean-up Project: Benefits and its partners in Member Services and Systems will be planning the staffing requirements for the next phase of the Special Clean-up Project. In this next phase, more experienced staff will be reviewing the accounts and initiating corrective action as needed. A planning report will be provided to the Operation Oversight Committee in the coming months, and any additional budgetary requests will be submitted mid-year.

SERVICES AND SUPPLIES

The following line items were reduced to bring them in alignment with historical actuals and out of consideration for LACERA's response to the COVID-19 pandemic:

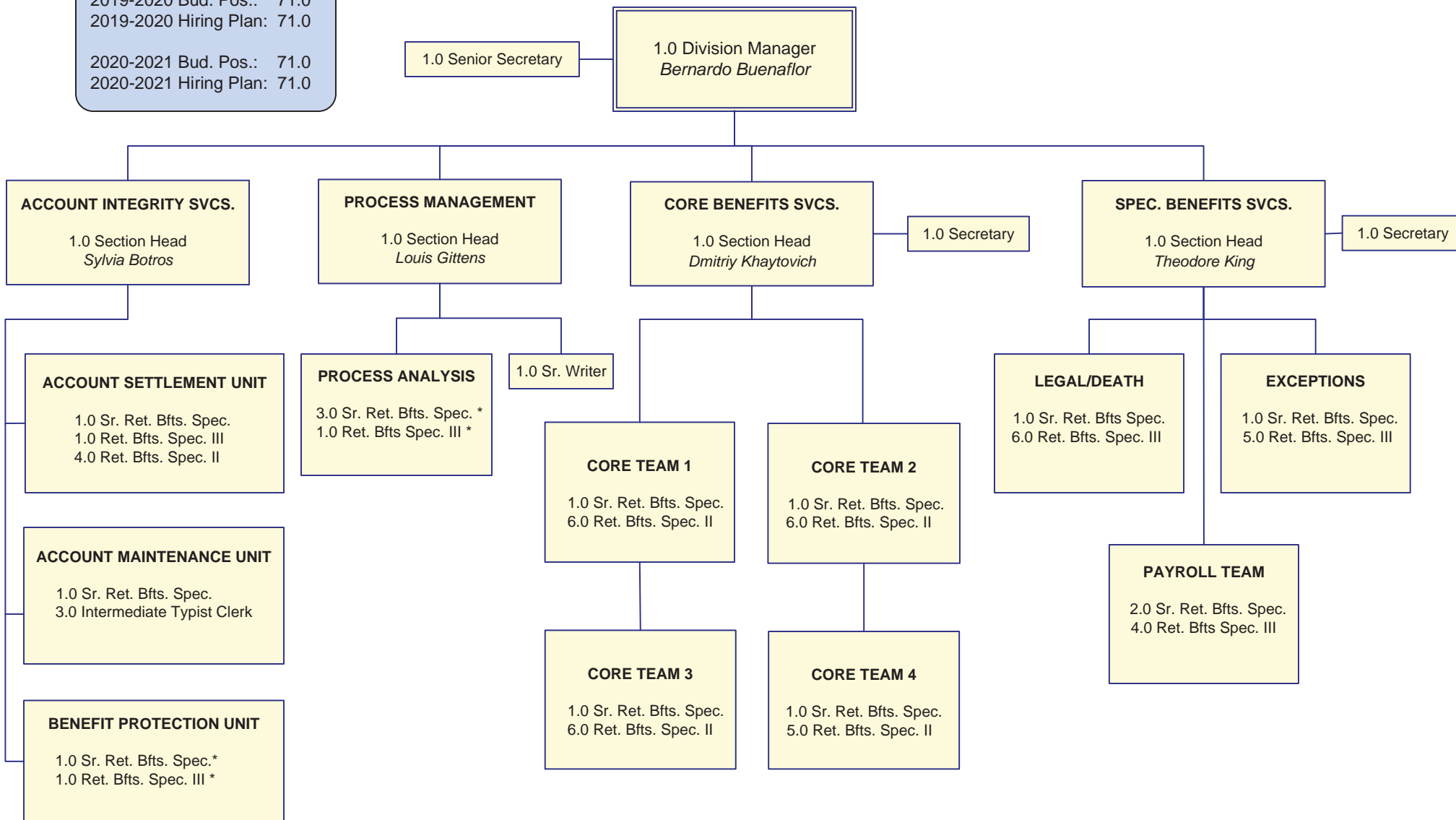
- Transportation and Travel
- Office Supplies and Equipment
- Educational Expenses

BENEFITS DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 71.0
2019-2020 Hiring Plan: 71.0

2020-2021 Bud. Pos.: 71.0
2020-2021 Hiring Plan: 71.0



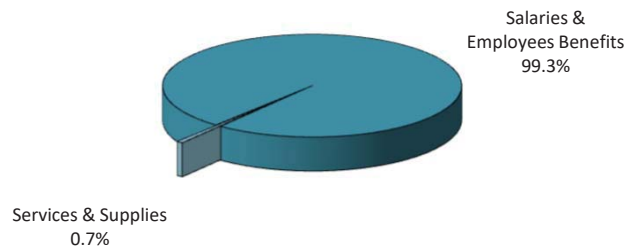
* Classification study for the position requested

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

BENEFITS DIVISION

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$10,193,448	\$10,482,377	\$4,126,402	\$9,410,100	\$783,348	8.3%	(\$288,929)	-2.8%
Services & Supplies	66,900	84,000	41,212	71,800	(4,900)	-6.8%	(17,100)	-20.4%
OPERATING BUDGET	\$10,260,348	\$10,566,377	\$4,167,613	\$9,481,900	\$778,448	8.2%	(\$306,029)	-2.9%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

BENEFITS DIVISION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		BUDGET	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
			(12-31-19)	PROJECTION				
Total LACERA Salaries	\$5,916,222	\$5,497,822	\$2,353,537	\$5,297,100	\$619,122	11.7%	\$418,400	7.6%
Total Agency Temp Salaries	0	809,700	170,783	341,600	(341,600)	-100.0%	(809,700)	-100.0%
Employee Benefits (Variable)	3,359,026	3,413,799	1,188,022	2,809,800	549,226	19.5%	(54,772)	-1.6%
Employee Benefits (Other)	364,063	400,798	169,555	398,800	(34,737)	-8.7%	(36,735)	-9.2%
OPEB Contribution	151,837	119,058	73,816	118,500	33,337	28.1%	32,778	27.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	371,600	197,800	159,330	400,000	(28,400)	-7.1%	173,800	87.9%
Bilingual Bonus	2,400	2,400	1,900	4,800	(2,400)	-50.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	4,524	11,500	500	4.3%	0	0.0%
Rideshare Allowance	16,300	29,000	4,935	28,000	(11,700)	-41.8%	(12,700)	-43.8%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$10,193,448	\$10,482,377	\$4,126,402	\$9,410,100	\$783,348	8.3%	(\$288,929)	-2.8%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$10,193,448	\$10,482,377	\$4,126,402	\$9,410,100	\$783,348	8.3%	(\$288,929)	-2.8%

*All amounts rounded to the nearest dollar.

Note: All YTD Salaries and Employee Benefits totals are through 11/30/2019, except for Agency Temp Salaries which are through 12/31/2019 and Rideshare Allowance which is through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

BENEFITS DIVISION

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00773A	DIVISION MANAGER	1	LS12	15,358	184,301			
00772A	SECTION HEAD, LACERA	4	LS9	39,309	471,707			
00784A	SENIOR WRITER	1	104E	9,613	115,354			
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	13	100G	102,715	1,232,585			
01311A	RETIREMENT BENEFITS SPECIALIST III	17	095B	119,334	1,432,008			
00439A	SENIOR SECRETARY	1	88H	6,077	72,928			
01310A	RETIREMENT BENEFITS SPECIALIST II	27	88G	149,022	1,788,263			
00438A	SECRETARY	2	82E	10,536	126,432			
00445A	INTERMEDIATE TYPIST-CLERK	3	74D	10,726	128,713			
POSITIONS		69			5,552,291			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	1	100G	6,400	76,804	76,804		
01311A	RETIREMENT BENEFITS SPECIALIST III	1	095B	5,520	66,237	66,237		
POSITIONS		2			143,041	143,041	0	0
TOTAL POSITIONS		71						
GROSS SALARIES					5,695,332			
ANTICIPATED MOU SALARY INCREASE**					99,668			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					65,793			
BONUS					55,429			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					5,916,222			

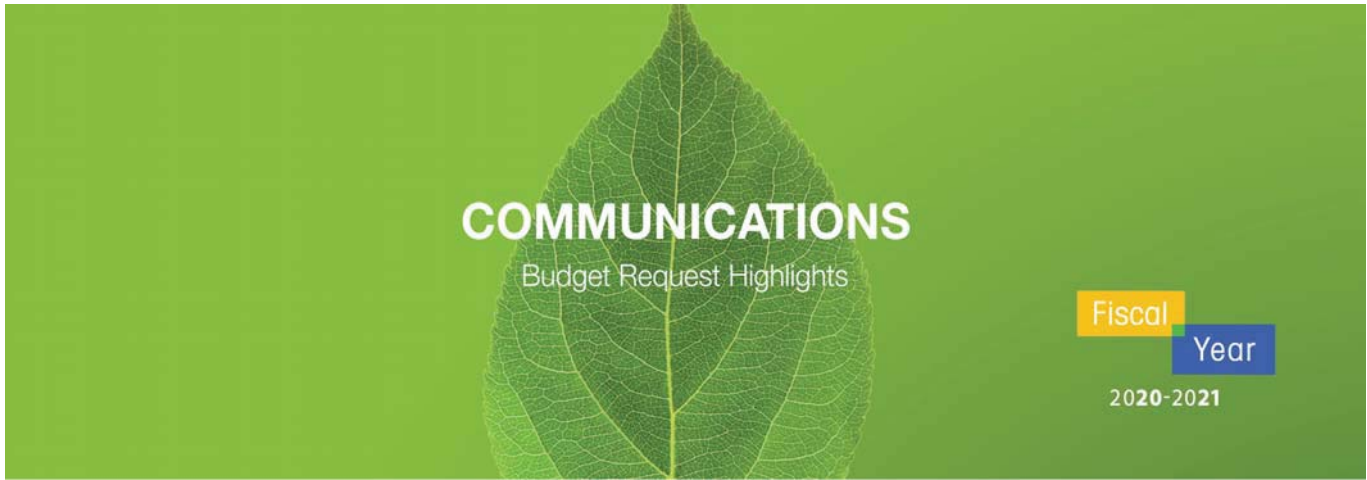
MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

BENEFITS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$6,000	\$12,000	\$6,462	\$10,300	(\$4,300)	-41.7%	(\$6,000)	-50.0%
OFFICE SUPPLIES & EQUIPMENT	3,700	4,500	2,932	3,500	200	5.7%	(800)	-17.8%
PROFESSIONAL & SPEC. SRVCS.	40,000	37,000	24,071	39,500	500	1.3%	3,000	8.1%
EDUCATIONAL EXPENSES	15,700	29,000	7,181	17,700	(2,000)	-11.3%	(13,300)	-45.9%
MISCELLANEOUS	1,500	1,500	567	800	700	87.5%	0	0.0%
TOTAL	\$66,900	\$84,000	\$41,212	\$71,800	(\$4,900)	-6.8%	(\$17,100)	-20.4%

*All amounts rounded to the nearest dollar.



Mission

Our mission is to provide a full range of professional in-house communications services and create essential retirement information for LACERA members.

INTRODUCTION

Communications services include creative visioning, project management, public relations and strategic marketing, graphic design, photography, writing and editing, and video production. We create print materials, videos, and web design and content across our four websites (lacera.com, Intranet, HR Pros, and Board Resources).

ANNUAL PROJECTS

Following are some of Communications Division's regular projects throughout the year.

- Quarterly *PostScript* and *Spotlight* newsletters
- Themed Comprehensive Annual Financial Report, Popular Annual Financial Report, and Who We Are brochure
- Retirement Law Book
- Cost-of-living inserts
- Collateral for annual events such as the Take Our Daughters and Sons to Work Day, Employee Wellness Fair, and Forum
- Retiree Healthcare annual mailings
- Budget binders
- HR conference coordination and collateral
- Retiree payday, board, and staff calendars

2019 ACCOMPLISHMENTS AND ONGOING PROJECTS

This year, Communications Division completed its regular projects, while taking on additional responsibilities to help achieve the Boards' strategic goals:

- Redesign of LACERA.com including: project planning, leading multidivisional project team, coordinating content audit and prototype testing, defining needs of a new content management system (CMS), and writing/graphic design. The next phases are approval of content, design, and implementation of the CMS. *In progress.*
- Redesign of the Annual Retirement Benefits Statement, including: project planning, and coordinating with Systems Division for the addition of new, customized information fields from member database. *In progress.*
- Redesign of the Retirement Summary and Application Form (formerly the Retirement Benefits Estimate), including implementing the wish list of multiple stakeholders and subject matter experts in a dynamic (member-specific) form design. *In progress.*
- Redesign of the *Pre-Retirement Guide*, in coordination with multiple internal stakeholders and subject matter experts. *In progress.*
- Creation of Quality Assurance and Metrics e-learning video modules. *First module pending approval.*
- Revision of service credit purchase applications. *Pending approval.*
- Coordination, hosting, and collateral for three HR Pros information conferences held at LACERA. *Completed.*
- Expanded coordination role in the Employee Forum and production of a LACERA public relations video now posted on lacera.com. *Completed.*
- Redesign of the *Community Property Guide*. *Completed.*
- Direct deposit public relations and promotion campaign. *Completed.*
- Homeless initiative campaign and brochure creation. *Completed.*
- Ethics Hotline campaign creation and implementation. *Completed.*

STAFFING

Over the last several years, Communications has focused on filling open positions and restructuring our division. Between 2017 and 2019, we hired seven permanent employees—about 2/3 of our staff. During the same time period, one Senior Writer resigned and our Web Support Technician retired, resulting in a great loss of institutional knowledge. In 2020, Communications plans to fill the Senior Writer, Web Support Technician, and Media Artist positions.

Communications requests the immediate addition of a Public Information Officer (PIO) to meet increasing media requests and required communications to the public.

Our division primarily focuses on creating print, web, and video content about LACERA benefits produced for our members, internal staff, the public, and other entities. In addition to recurring projects such as annual reports and newsletters, our Senior Writer and Writer IIs currently fulfill ongoing communications requests from various divisions and work on long-term projects related to the Boards' strategic goals, such as the website and annual benefits statement redesigns.

A PIO's duties are significantly different from these types of communications as the PIO is primarily a spokesperson for the organization and the main contact person for media outlets. The PIO will be responsible for creating and enabling communication between the organization and both news media outlets and the general public. It will be up to the PIO to make sure any statements released to the press and the public follow LACERA guidelines, are accurate, and adhere to official policy or laws. One of the first responsibilities of the PIO will be to develop a media strategy drafted in conjunction with the guidance of the CEO.

The Public Information Officer duties and responsibilities will require the ability to do the following:

- Communicate critical information effectively to the public
- Write press releases and prepare information for distribution by media outlets
- Draft speeches
- Respond to requests for information from media outlets

Help maintain and uphold a certain image and identity for LACERA

When LACERA has critical information that needs to get to the general public, we disseminate the information through a variety of strategies. The Public Information Officer will be working behind the scenes writing speeches, gathering information, and working with the Executive Office, management, and staff to plan what the organization will do next and how information will be handled.

A liaison between LACERA and the public has become increasingly necessary to issue press releases and answer queries from the media.

Communications' output continues to increase because of our efforts to:

- Foster collaboration within our division
- Strengthen relationships with other LACERA divisions
- Streamline our production processes
- Identify and strategically apply the strengths of our individual team members

GOALS

FY 2020–21 promises to be a time of continued positive change, growth, and evolution. We are committed to meeting the annual and day-to-day needs of LACERA's various divisions to better serve our members.

Specific Short-Term Goals:

Professional development of staff in the areas of team building and collaboration

Move the HR Pros conference to an offsite location to accommodate demand (holding event on one day instead of three)

Develop a Social Media strategy and policy

Long-Term Goals:

- Establish and maintain a cohesive look for all print and digital materials and member communications
- Automate our project request and tracking process through an online platform, to boost efficiency and provide convenience for internal clients

SERVICES AND SUPPLIES

Each of the Communications Division's line items was carefully reviewed. Moderate line item increases in the services and supplies budget are requested in light of increased vendor costs and addition of staff members.

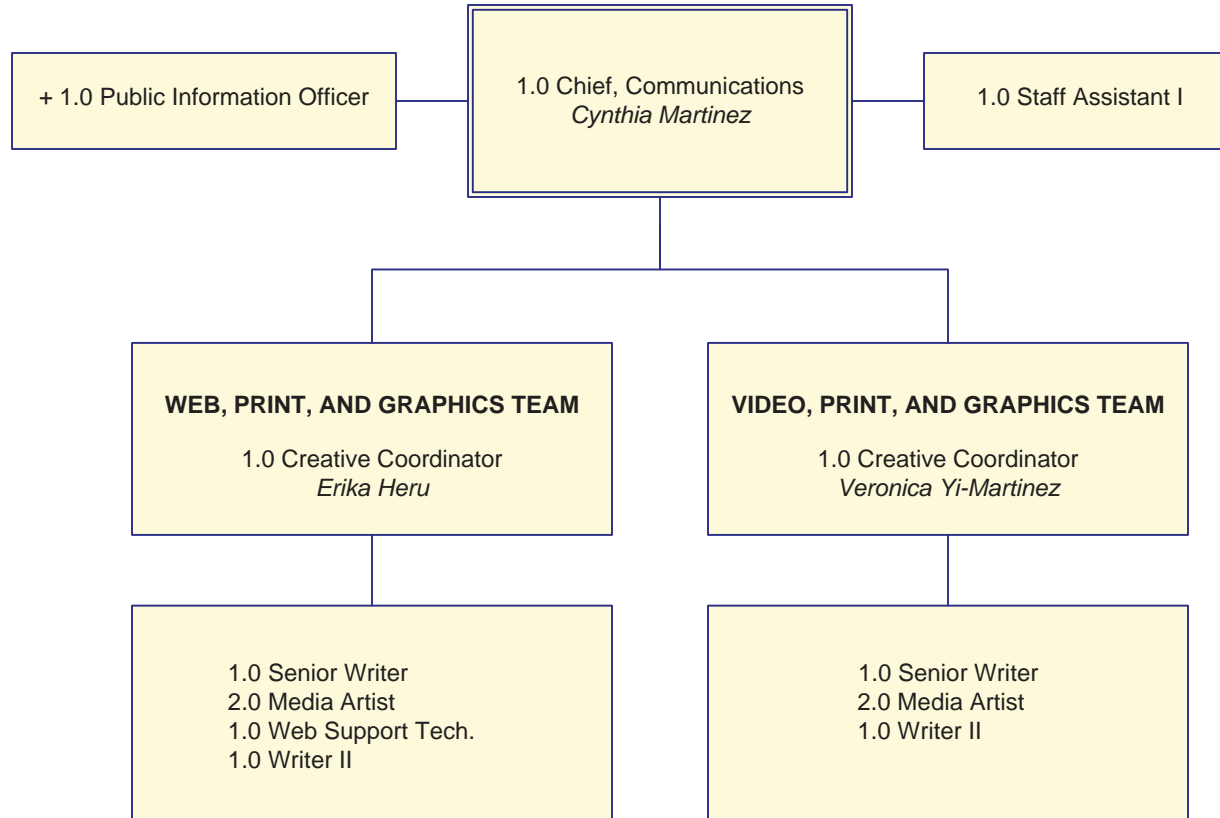
Thank you for your continued confidence in and support of the Communications Division.

2019-2020 Bud. Pos.: 13.0
2019-2020 Hiring Plan: 13.0

2020-2021 Bud. Pos.: 14.0
2020-2021 Hiring Plan: 14.0

COMMUNICATIONS

FISCAL YEAR 2020-2021



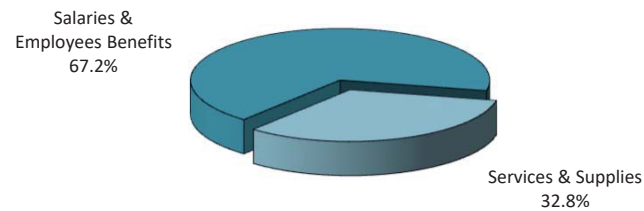
+ Added position

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

COMMUNICATIONS

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$2,073,051	\$1,459,349	\$701,893	\$1,529,650	\$543,401	35.5%	\$613,702	42.1%
Services & Supplies	1,012,100	998,200	340,354	880,500	131,600	14.9%	13,900	1.4%
OPERATING BUDGET	\$3,085,151	\$2,457,549	\$1,042,246	\$2,410,150	\$675,001	28.0%	\$627,602	25.5%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES & EMPLOYEE BENEFITS SUMMARY

COMMUNICATIONS

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,264,352	\$952,162	\$444,730	\$963,200	\$301,152	31.3%	\$312,189	32.8%
Total Agency Temp Salaries	0	47,800	25,401	47,800	(47,800)	-100.0%	(47,800)	-100.0%
LACERA Intern Program	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	690,647	360,853	191,472	425,150	265,497	62.4%	329,794	91.4%
Employee Benefits (Other)	77,804	69,414	26,836	69,000	8,804	12.8%	8,390	12.1%
OPEB Contribution	32,449	20,620	12,177	20,500	11,949	58.3%	11,829	57.4%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	3,300	3,000	1,037	2,300	1,000	43.5%	299	10.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	3,500	3,500	0	0	3,500	0.0%	0	0.0%
Rideshare Allowance	1,000	2,000	240	1,700	(700)	-41.2%	(1,000)	-50.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,073,051	\$1,459,349	\$701,893	\$1,529,650	\$543,401	35.5%	\$613,702	42.1%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,073,051	\$1,459,349	\$701,893	\$1,529,650	\$543,401	35.5%	\$613,702	42.1%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

COMMUNICATIONS

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO.	RATE	ANNUAL AMOUNT			
00794A	CHIEF, COMMUNICATIONS	1	LS10		12,337	148,040			
00779A	CREATIVE COORDINATOR	2	106F		16,746	200,956			
00784A	SENIOR WRITER	1	104E		7,912	94,946			
00789A	MEDIA ARTIST	3	098J		22,327	267,925			
00786A	WRITER II	2	094L		10,985	131,823			
00426A	STAFF ASSISTANT I	1	084F		4,367	52,405			
POSITIONS		10				896,096			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO.	RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00784A	SENIOR WRITER	1	104E		7,098	85,178	85,178		
00465A	PUBLIC INFORMATION OFFICER	1	103D		6,891	82,695	82,695		
00789A	MEDIA ARTIST	1	098J		6,092	73,107	73,107		
00787A	WEB SUPPORT TECHNICIAN	1	94L		5,493	65,912	65,912		
POSITIONS		4				306,892	306,892	0	0
TOTAL POSITIONS		14							
GROSS SALARIES						1,202,989			
ANTICIPATED MOU SALARY INCREASE**						21,052			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE						40,311			
BONUS						0			
120-DAY RETIREE(S)						0			
TOTAL SALARIES						1,264,352			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES AND SUPPLIES

COMMUNICATIONS

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$8,000	\$14,000	\$600	\$7,700	\$300	3.9%	(\$6,000)	-42.9%
POSTAGE	300,000	312,000	132,204	290,000	10,000	3.4%	(12,000)	-3.8%
STATIONERY & FORMS	636,600	572,800	188,095	525,200	111,400	21.2%	63,800	11.1%
OFFICE SUPPLIES & EQUIPMENT	8,000	12,500	2,616	6,500	1,500	23.1%	(4,500)	-36.0%
PROFESSIONAL & SPEC. SRVCS.	32,000	43,500	6,793	32,000	0	0.0%	(11,500)	-26.4%
COMPUTER SERVICES & SUPPORT	16,500	20,500	2,004	5,400	11,100	205.6%	(4,000)	-19.5%
EDUCATIONAL EXPENSES	10,400	22,300	7,603	13,100	(2,700)	-20.6%	(11,900)	-53.4%
MISCELLANEOUS	600	600	440	600	0	0.0%	0	0.0%
TOTAL	\$1,012,100	\$998,200	\$340,354	\$880,500	\$131,600	14.9%	\$13,900	1.4%

*All amounts rounded to the nearest dollar.



Mission

Our mission is to provide timely and effective legal representation to LACERA in disability retirement and service-connected survivor's benefit appeals. The goal of the Disability Litigation Office is to achieve impartial justice based on the facts and the law.

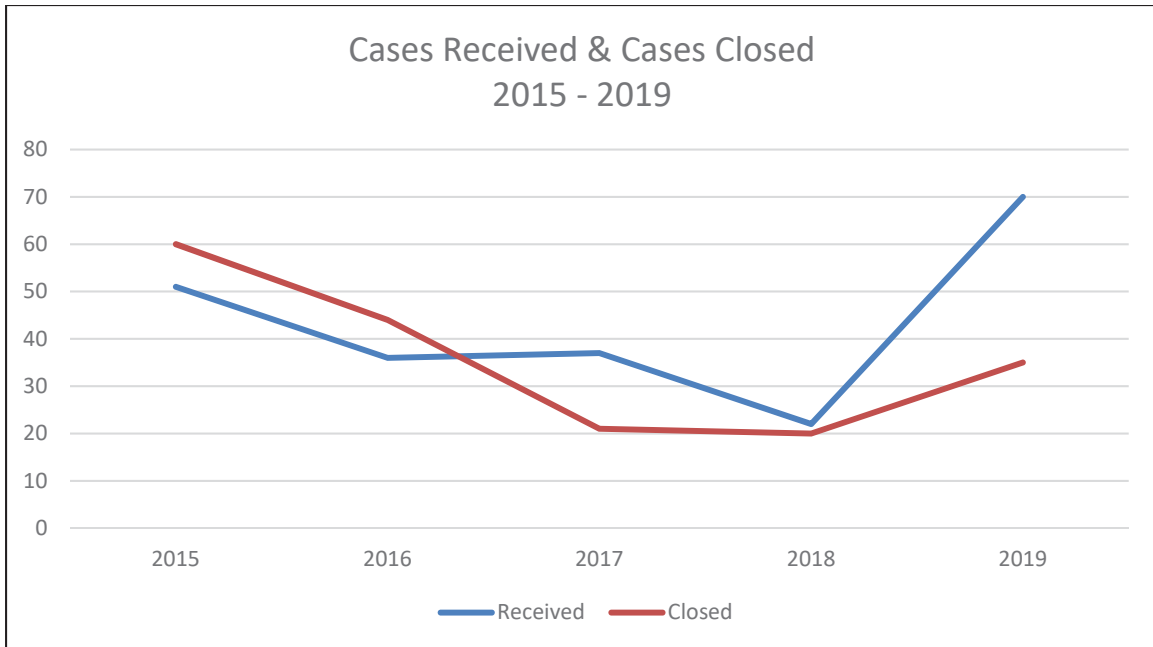
INTRODUCTION

The Disability Litigation Office (DLO) is a legal unit at LACERA that is separate from and independent of the Legal Office. The Chief Counsel, Disability Litigation, reports directly to the Chief Executive Officer. Established in 1996, the Disability Litigation Office has a staff of four attorneys and three secretaries. Our mission is to provide LACERA with legal representation for disability retirement and service-connected survivor's benefit appeals at the administrative level.

INVENTORY OF CASES

The DLO has 118 active cases as of January 10, 2020. The average age of these active cases is two years and 24 days. Keep in mind that under Rule 32 of the Board's *Procedures for Disability Retirement Hearings*, applicants must bring their cases to hearing within three years from the date of the notification of the assignment of the referee.

Over the past five years, from 2015 to 2019, the number of cases received and the number of cases closed has fluctuated; however, the number of cases received and the number of cases closed have generally tracked together, as demonstrated by the graph:



There was a spike in the number of cases received from 2018 to 2019 because of the influx of the Earlier Effective Date correction appeals. This temporary upward trend for Earlier Effective Date cases is not anticipated to continue because the deadline for applicants to file for the correction appeal expired on December 31, 2019.

Based on the historical statistics, it is reasonable to assume that the DLO will receive something in the neighborhood of 30 regular¹ cases in 2020.

In terms of how quickly a case is litigated, the average lifespan for all cases that were closed from 2006 to 2019 was 2 years, 7 months, and 23 days.

STAFFING

There are currently seven budgeted full-time positions. No additional staff positions are being requested at this time.

SERVICES AND SUPPLIES

We are reducing our request for funds for outside counsel because of an anticipated reduction in the number of conflict appeals. Outside counsel is used in appeals where the applicant is an employee of LACERA, where the applicant is the survivor of an employee of LACERA, where there is an actual conflict of interest, or where there is an appearance of impropriety.

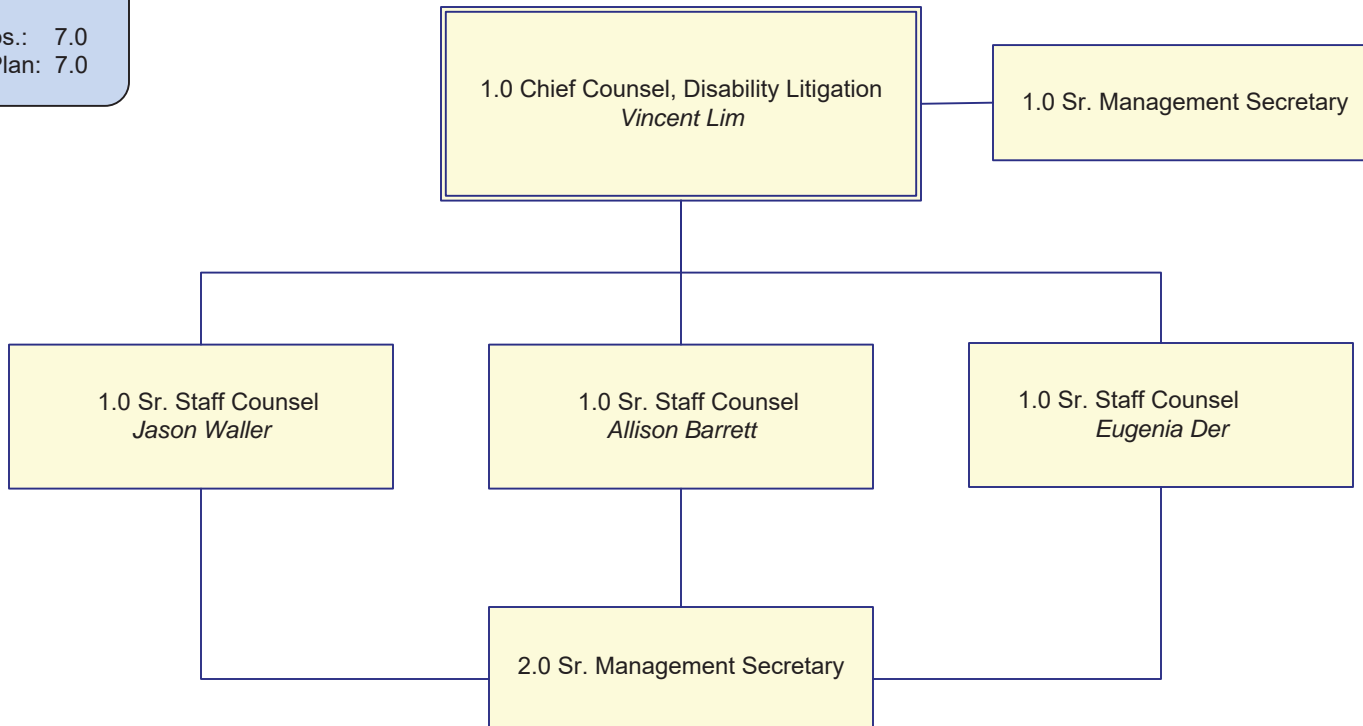
¹ Regular cases are cases that are not Earlier Effective Date correction appeals.

DISABILITY LITIGATION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 7.0
2019-2020 Hiring Plan: 7.0

2020-2021 Bud. Pos.: 7.0
2020-2021 Hiring Plan: 7.0

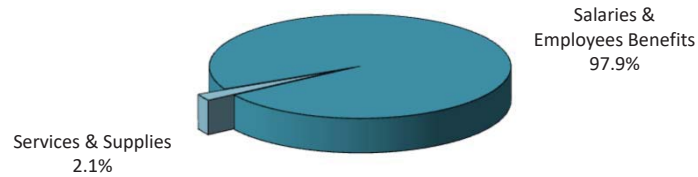


LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

DISABILITY LITIGATION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$2,035,878	\$1,902,981	\$824,219	\$1,876,200	\$159,678	8.5%	\$132,896	7.0%
Services & Supplies	44,100	85,300	20,591	62,400	(18,300)	-29.3%	(41,200)	-48.3%
OPERATING BUDGET	\$2,079,978	\$1,988,281	\$844,809	\$1,938,600	\$141,378	7.3%	\$91,696	4.6%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY LITIGATION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,256,001	\$1,166,880	\$528,748	\$1,170,200	\$85,801	7.3%	\$89,121	7.6%
Total Agency Temp Salaries	8,700	0	0	0	8,700	0.0%	8,700	0.0%
Employee Benefits (Variable)	660,752	625,765	240,083	595,000	65,752	11.1%	34,987	5.6%
Employee Benefits (Other)	77,290	85,067	40,919	84,700	(7,410)	-8.7%	(7,777)	-9.1%
OPEB Contribution	32,235	25,269	14,244	25,200	7,035	27.9%	6,965	27.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	0	0	0	0	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	900	0	225	1,100	(200)	-18.2%	900	0.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,035,878	\$1,902,981	\$824,219	\$1,876,200	\$159,678	8.5%	\$132,896	7.0%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,035,878	\$1,902,981	\$824,219	\$1,876,200	\$159,678	8.5%	\$132,896	7.0%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

DISABILITY LITIGATION

2020-2021 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
09215A	CHIEF COUNSEL, DISABILITY LITIGATION	1	LS18	23,007	276,087			
09213A	SENIOR STAFF COUNSEL	3	LS16	55,507	666,088			
00441A	SENIOR MANAGEMENT SECRETARY	3	96H	21,671	260,051			
	POSITIONS	<u>7</u>			1,202,226			
<u>VACANT POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>1ST STEP MO. RATE</u>	<u>ANNUAL AMOUNT</u>	<u>FILLED AT 12 MONTHS</u>	<u>FILLED AT 9 MONTHS</u>	<u>FILLED AT 6 MONTHS</u>
	POSITIONS	<u>0</u>			<u>0</u>			
	TOTAL POSITIONS	7						
	GROSS SALARIES				1,202,226			
	ANTICIPATED MOU SALARY INCREASE**				21,039			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				32,736			
	BONUS				0			
	120-DAY RETIREE(S)				0			
	TOTAL SALARIES				1,256,001			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY LITIGATION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
AUTO EXPENSE	\$3,100	\$3,100	\$2,182	\$3,800	(\$700)	-18.4%	\$0	0.0%
TRANSPORTATION & TRAVEL	6,000	14,000	2,972	11,800	(5,800)	-49.2%	(8,000)	-57.1%
OFFICE SUPPLIES & EQUIPMENT	1,800	1,800	3,158	3,500	(1,700)	-48.6%	0	0.0%
LEGAL FEES & SERVICES	10,500	30,500	5,917	11,600	(1,100)	-9.5%	(20,000)	-65.6%
EDUCATIONAL EXPENSES	22,000	35,200	6,284	31,000	(9,000)	-29.0%	(13,200)	-37.5%
MISCELLANEOUS	700	700	79	700	0	0.0%	0	0.0%
TOTAL	\$44,100	\$85,300	\$20,591	\$62,400	(\$18,300)	-29.3%	(\$41,200)	-48.3%

*All amounts rounded to the nearest dollar.

DISABILITY RETIREMENT

Budget Request Highlights

Fiscal
Year
2020-2021

Mission

Our mission is to administer the LACERA Disability Retirement Program in an equitable, timely, accurate, and courteous manner consistent with applicable laws, policies, and procedures.

INTRODUCTION

The Disability Retirement Services Division (DRS) is responsible for investigating and evaluating disability retirement applications submitted by active, retired, and deferred members of LACERA. Staff presents recommendations to the Board of Retirement, which is the governing board responsible for adjudicating each application. Staff also administers the disability appeals process in conjunction with Disability Litigation and serves as the official Custodian of Records for all disability retirement files.

Our division contracts for professional services for both the investigation and appeals processes, including panel physicians, referees, copy services, court reporters, job analysts, investigative services, and outside legal counsel.

Our current average monthly production is 45 cases to the Board of Retirement per month with an average processing time of 13 months. This is a success. Over the last three fiscal years, notwithstanding continual changes, we have exhibited consistency in our case processing as we migrate to the LACERA enterprise system.

Our goal for the next fiscal year is to increase monthly productivity to an average of 50 cases per month to deliver to the Board within an average processing time of 12 months. One of the challenges to achieving this goal has been staffing. DRS

has not been fully staffed for a variety of reasons, but more specifically due to extended leaves and limited duty staff.

DRS has filled all but one vacancy during FY 2019-20 and promoted three of our trainees to senior level. It is our expectation that three additional trainees will be ready for promotion to senior level in FY 2020-21. Additionally, DRS intends to fill its final vacancy in FY 2020-21.

STAFFING

There are currently 41 budgeted full-time positions in DRS and is not requesting additional staffing this fiscal year. When fully staffed, our current case processing capacity per fiscal year is 660 cases. On average, DRS receives 600 cases per fiscal year. This has been consistent the last three fiscal years. DRS does not anticipate a significant increase or decrease for FY 2020-21.

Staff is requesting a classification study on the Disability Retirement Specialist Supervisor position. The role and responsibilities of the supervisor position in Disability Retirement Services has substantially increased over the years. Because Disability Retirement Services does not have an Assistant Division Manager or Section Heads at this time, all supervisors in Disability Retirement Services act in the capacity of second-in-command and may act in the absence of the Division Manager.

Lastly, staff is requesting one agency-temporary staff to support one of our investigative teams due to the extended leave of one of our Senior Typist Clerks in FY 2020-21.

SERVICES AND SUPPLIES

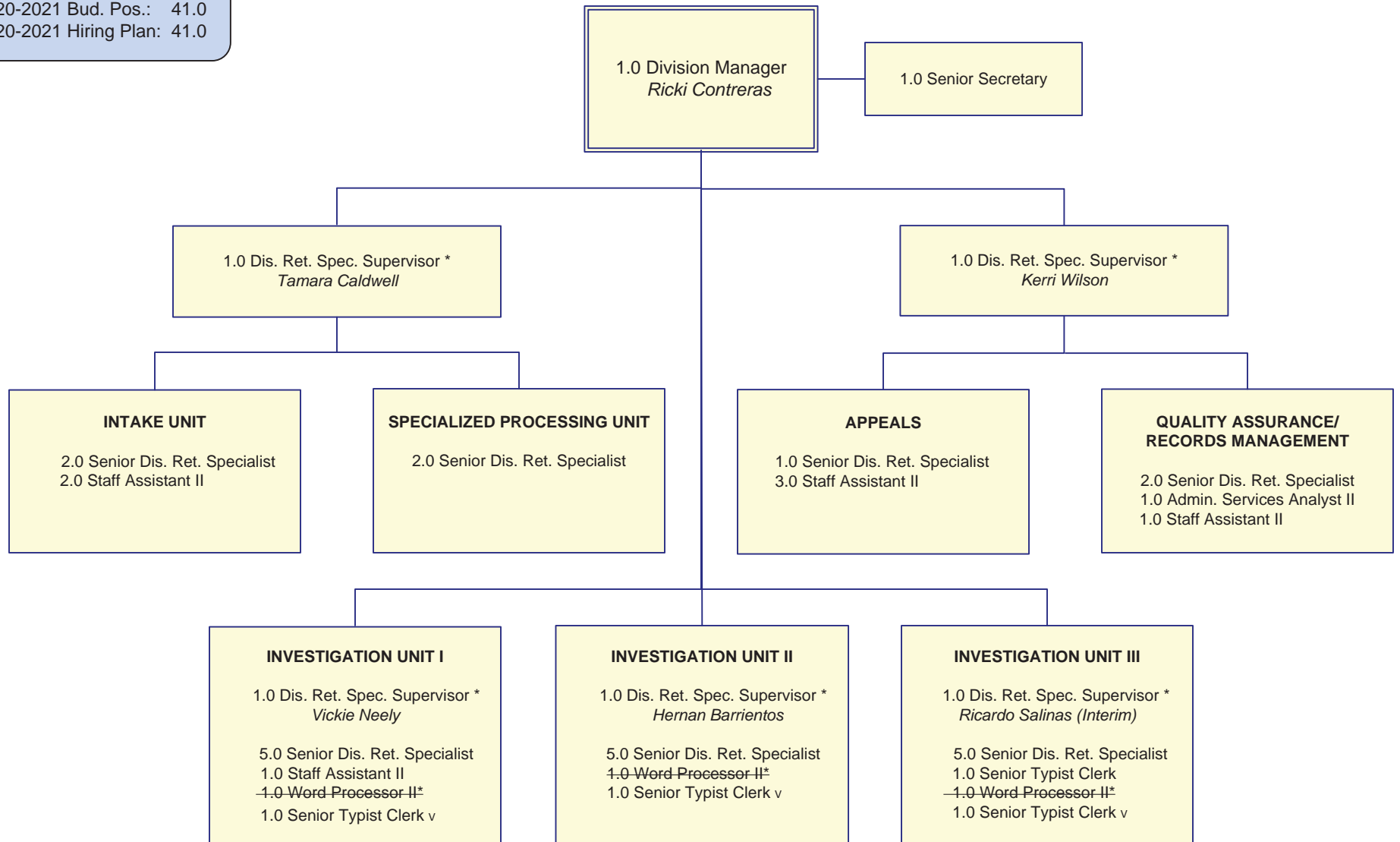
Although the requested budget for services and supplies has essentially remained flat for FY 2020-21, one of our goals is to reduce reliance on paper and we are focusing on our e-Case Processing Project, which may result in a decrease in Photocopies of Documents budget as we look toward to a paper-light future. Additionally, DRS intends to open a Request for Proposal related to our document duplication and related services vendor for FY 2020-21.

DISABILITY RETIREMENT

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 41.0
 2019-2020 Hiring Plan: 41.0

2020-2021 Bud. Pos.: 41.0
 2020-2021 Hiring Plan: 41.0



* Classification and/or compensation study requested.

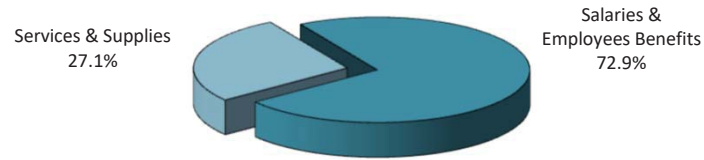
v Position downgrade from Word Processor II to Senior Typist Clerk as a result of classification study (Classification study finalized on July 29, 2019.).

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

DISABILITY RETIREMENT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$6,364,804	\$6,197,007	\$2,473,525	\$5,801,547	\$563,257	9.7%	\$167,797	2.7%
Services & Supplies	2,365,800	2,510,500	978,056	2,346,100	19,700	0.8%	(144,700)	-5.8%
OPERATING BUDGET	\$8,730,604	\$8,707,507	\$3,451,581	\$8,147,647	\$582,957	7.2%	\$23,097	0.3%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

DISABILITY RETIREMENT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$3,832,191	\$3,632,587	\$1,505,085	\$3,562,700	\$269,491	7.6%	\$199,604	5.49%
Total Agency Temp Salaries	28,000	36,000	7,258	36,000	(8,000)	-22.2%	(8,000)	-22.22%
Employee Benefits (Variable)	2,150,442	2,158,534	790,518	1,834,747	315,695	17.2%	(8,092)	-0.37%
Employee Benefits (Other)	235,819	264,820	111,023	263,500	(27,681)	-10.5%	(29,001)	-10.95%
OPEB Contribution	98,351	78,666	48,162	78,300	20,051	25.6%	19,686	25.02%
Stipends	0	0	0	0	0	0.0%	0	0.00%
Overtime	9,500	12,400	7,807	12,000	(2,500)	-20.8%	(2,900)	-23.39%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.00%
Sick Leave Buyback	6,000	6,000	2,445	6,000	0	0.0%	0	0.00%
Rideshare Allowance	4,500	8,000	1,228	8,300	(3,800)	-45.8%	(3,500)	-43.75%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.00%
ADJUSTED GROSS S&EB	\$6,364,804	\$6,197,007	\$2,473,525	\$5,801,547	\$563,257	9.7%	\$167,797	2.7%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$6,364,804	\$6,197,007	\$2,473,525	\$5,801,547	\$563,257	9.7%	\$167,797	2.7%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

DISABILITY RETIREMENT

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00773A	DIVISION MANAGER	1	LS12	14,908	178,894
01643A	DISABILITY RETIRE. SPECIALIST SUPV.	5	105G	46,569	558,826
01632A	SENIOR DISABILITY RETIRE. SPECIALIST	21	101G	168,933	2,027,201
00420A	ADMINISTRATIVE SERVICES ANALYST II	1	92J	6,790	81,481
00427A	STAFF ASSISTANT II	7	91F	41,702	500,426
00439A	SENIOR SECRETARY	1	88H	5,756	69,075
00448A	WORD PROCESSOR II	3	81G	13,087	157,045
00448A	WORD PROCESSOR II	(3)	81G	13,087	(157,045)
00446A	SENIOR TYPIST CLERK	1	78C	4,702	56,430
00446A	SENIOR TYPIST CLERK	3	78C	13,087	157,045

POSITIONS 40 3,629,378

VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
01632A	SENIOR DISABILITY RETIRE. SPECIALIST	1	101G	6,416	76,993	0	0	38,497
						0	0	38,497

POSITIONS 1 38,497

TOTAL POSITIONS 41

GROSS SALARIES 3,667,875

ANTICIPATED MOU SALARY INCREASE** 64,188

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 40,597

BONUS 59,531

120-DAY RETIREE(S) 0

TOTAL SALARIES 3,832,191

MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/20
Represented/Non-Represented positions are shown at actual salaries as of 01/01/20
[Represented positions shown in blue](#)

Vacancies are shown at the 1st Step

*All amounts rounded to the nearest dollar.

** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

DISABILITY RETIREMENT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$8,000	\$18,600	\$7,906	\$14,200	(\$6,200)	-43.7%	(\$10,600)	-57.0%
OFFICE SUPPLIES & EQUIPMENT	6,000	11,000	1,617	5,000	1,000	20.0%	(5,000)	-45.5%
PROFESSIONAL & SPEC. SRVCS.	225,000	225,000	66,985	220,500	4,500	2.0%	0	0.0%
LEGAL FEES & SERVICES	30,000	50,000	7,380	30,000	0	0.0%	(20,000)	-40.0%
DISABILITY FEES & SERVICES	2,086,000	2,168,000	867,279	2,040,000	46,000	2.3%	(82,000)	-3.8%
EDUCATIONAL EXPENSES	10,300	36,900	26,782	36,000	(25,700)	-71.4%	(26,600)	-72.1%
MISCELLANEOUS	500	1,000	107	400	100	25.0%	(500)	-50.0%
TOTAL	\$2,365,800	\$2,510,500	\$978,056	\$2,346,100	\$19,700	0.8%	(\$144,700)	-5.8%

*All amounts rounded to the nearest dollar.



EXECUTIVE OFFICE

Budget Request Highlights

Fiscal

Year

2020-2021

Mission

To direct and coordinate the efforts of every LACERA organizational unit toward the effective realization of LACERA's Mission as articulated through policies adopted by the Boards of Retirement and Investments.

INTRODUCTION

The Executive Office directs and coordinates the efforts of every LACERA organizational unit toward the effective realization of LACERA's mission—to produce, protect, and provide the promised benefits—as articulated through policies adopted by the Boards of Retirement and Investments.

STAFFING

The Executive Office is not requesting any additional staff for the FY 2020-2021 budget.

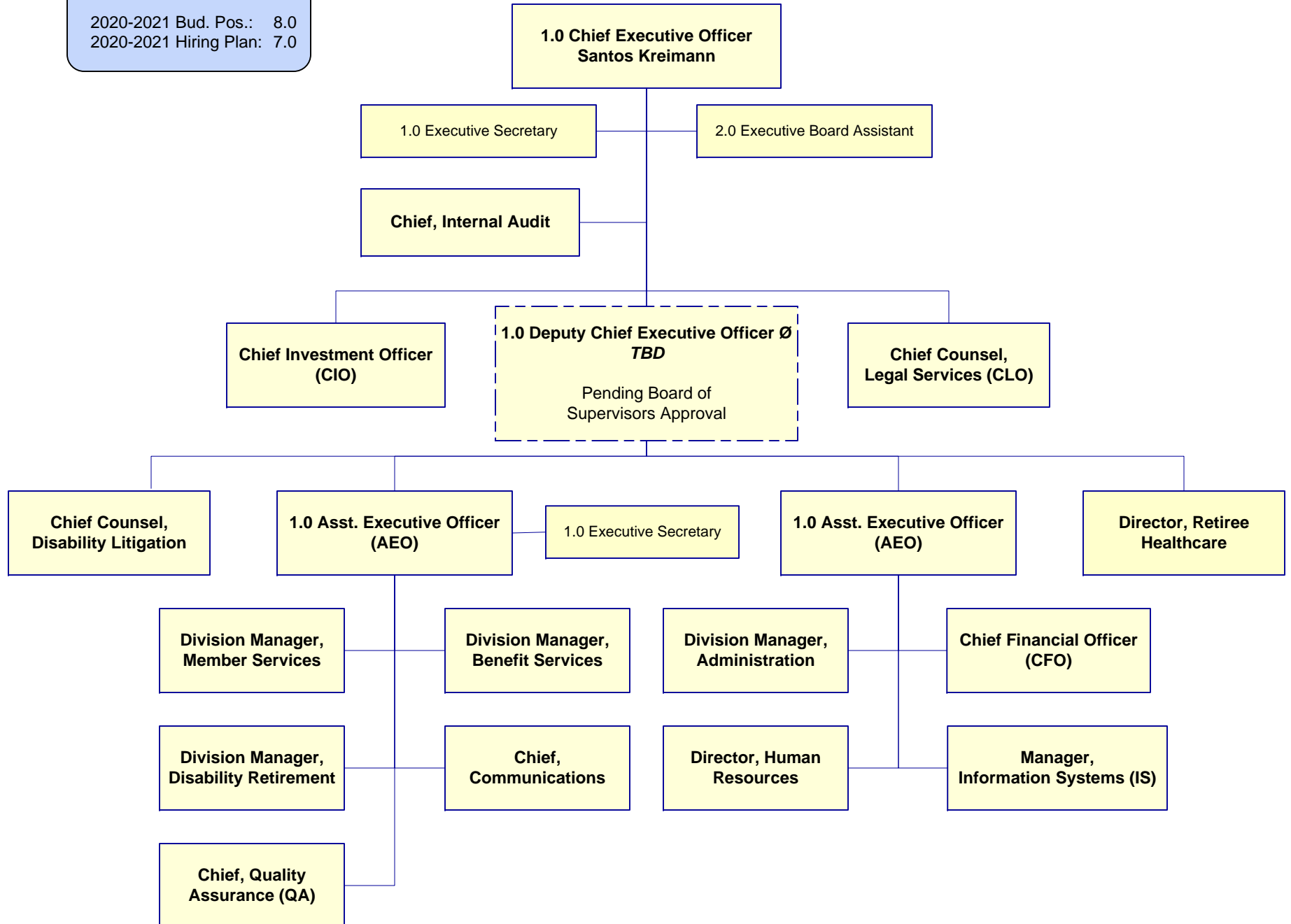
SERVICES AND SUPPLIES

In an effort to improve transparency, costs related to Board of Retirement and Board of Investment offsite meetings have been moved to their respective Boards Services & Supplies budgets. Likewise, we have also moved costs related to the Boards' meeting refreshments and lunches to the respective Boards' Services & Supplies budgets.

EXECUTIVE OFFICE

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 8.0
 2019-2020 Hiring Plan: 7.0
 2020-2021 Bud. Pos.: 8.0
 2020-2021 Hiring Plan: 7.0



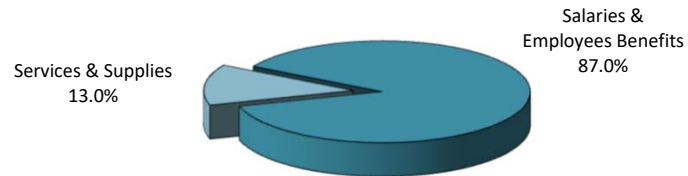
Ø Not yet approved by Board of Supervisors. Title and classification is subject to change from Deputy Chief Executive Officer to Chief Operating Officer (COO).

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

EXECUTIVE OFFICE

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$1,976,215	\$1,861,060	\$550,337	\$1,492,300	\$483,915	32.4%	\$115,154	6.2%
Services & Supplies	294,700	697,500	51,042	447,600	(152,900)	-34.2%	(402,800)	-57.7%
OPERATING BUDGET	\$2,270,915	\$2,558,560	\$601,378	\$1,939,900	\$331,015	17.1%	(\$287,646)	-11.2%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

EXECUTIVE OFFICE

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,249,330	\$1,173,131	\$308,016	\$880,500	\$368,830	41.9%	\$76,199	6.5%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	525,542	507,002	156,015	401,500	124,042	30.9%	18,540	3.7%
Employee Benefits (Other)	76,879	85,523	33,633	85,100	(8,221)	-9.7%	(8,643)	-10.1%
OPEB Contribution	32,063	25,405	11,447	25,300	6,763	26.7%	6,659	26.2%
Stipends	65,000	65,000	25,508	65,000	0	0.0%	0	0.0%
Overtime	25,000	3,000	15,348	33,000	(8,000)	-24.2%	22,000	733.4%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,000	1,000	0	0	1,000	0.0%	0	0.0%
Rideshare Allowance	1,400	1,000	370	1,900	(500)	-26.3%	400	40.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$1,976,215	\$1,861,060	\$550,337	\$1,492,300	\$483,915	32.4%	\$115,154	6.2%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$1,976,215	\$1,861,060	\$550,337	\$1,492,300	\$483,915	32.4%	\$115,154	6.2%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

EXECUTIVE OFFICE

2020-2021 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
00776L	CHIEF EXECUTIVE OFFICER	1	LR20	33,333	400,000			
00792A	ASSISTANT EXECUTIVE OFFICER (UC)	1	LS16	18,485	221,816			
00745A	EXECUTIVE BOARD ASSISTANT	2	103L	18,391	220,693			
00442A	EXECUTIVE SECRETARY	2	100H	16,829	201,947			
POSITIONS		6			1,044,457			
<u>VACANT POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>1ST STEP MO. RATE</u>	<u>ANNUAL AMOUNT</u>	<u>FILLED AT 12 MONTHS</u>	<u>FILLED AT 9 MONTHS</u>	<u>FILLED AT 6 MONTHS</u>
00770A	DEPUTY CHIEF EXECUTIVE OFFICER (UC) Ø	1	LS18	15,895	190,738			
00792A	ASSISTANT EXECUTIVE OFFICER (UC)	1	LS16	13,754	165,052	165,052		
POSITIONS		2			355,791	165,052	0	0
TOTAL POSITIONS		8			165,052			
GROSS SALARIES					1,209,509			
ANTICIPATED MOU SALARY INCREASE**					21,166			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					18,654			
BONUS					0			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,249,330			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 Ø Position not yet approved by the Board of Supervisors and is calculated at zero percent filled.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

EXECUTIVE OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
AUTO EXPENSE	\$17,800	\$18,300	\$3,969	\$12,000	\$5,800	48.3%	(\$500)	-2.7%
TRANSPORTATION & TRAVEL	24,000	40,000	(76)	21,900	2,100	9.6%	(16,000)	-40.0%
OFFICE SUPPLIES & EQUIPMENT	4,500	4,500	954	3,500	1,000	28.6%	0	0.0%
PROFESSIONAL & SPEC. SRVCS.	120,000	180,000	0	110,000	10,000	9.1%	(60,000)	-33.3%
EDUCATIONAL EXPENSES	68,400	198,500	9,461	94,000	(25,600)	-27.2%	(130,100)	-65.5%
MISCELLANEOUS	60,000	256,200	36,733	206,200	(146,200)	-70.9%	(196,200)	-76.6%
TOTAL	\$294,700	\$697,500	\$51,042	\$447,600	(\$152,900)	-34.2%	(\$402,800)	-57.7%

*All amounts rounded to the nearest dollar.

(FASD) FINANCIAL & ACCOUNTING SERVICES

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

Our mission is to provide sound guardianship of LACERA's assets and deliver quality service to our stakeholders through timely and accurate financial information.

INTRODUCTION

The Financial and Accounting Services Division (FASD) contributes to the LACERA Mission supporting operations by conducting investment and administrative financial transactions while ensuring compliance with regulatory and statutory financial reporting mandates.

FASD's budget request seeks to maintain financial reporting quality, complete financial transactions timely and accurately, support LACERA's Boards and organizational initiatives, while mitigating risks and managing change. To accomplish this, FASD requests authorization to:

1. Renew for the second year the Comprehensive Annual Financial Report (CAFR) preparation software tool, a technology-based solution, to replace the standard labor-intensive manual process and benefit three different work groups in their CAFR related responsibilities: (1) for FASD in preparing the CAFR; (2) for the external auditor, Investment Office, Legal Office, and key staff of LACERA in reviewing/verifying CAFR information; and (3) for Communications Division in publishing the CAFR.
2. Implement an Automated Accounts Payable (A/P) solution to satisfy a previous external audit recommendation to improve the existing manual A/P workflow process through an efficient technology-based solution.

STAFFING

Overtime and Temporary Staff

As in the past, overtime is requested to manage the additional workload related to the annual fiscal year-end financial statement preparation and audit which is the basis for preparing the CAFR and Popular Annual Financial Report (PAFR). When combined with the development of unanticipated new responsibilities and unforeseen special projects implemented by other Divisions, maintaining a budget for overtime to support these organizational strategies has proven to be prudent.

Based on past experience, we anticipate having some permanent staff on extended leaves of absence during the fiscal period. In addition, three vacant Accountant positions are expected to be filled upon the completion of the ongoing classification study that affects 26 of the 30 positions allocated to FASD. Some permanent staff are also expected to participate in learning opportunities and perform special projects within the Division due to vacancies in key supervisory positions. We are requesting five agency-temporary staff (the same as the prior fiscal year) to assist with the workload. This request consists of three temporary staff at the Accountant level, one Senior Accountant, and one at the Secretary level.

TECHNOLOGY

Renewing a CAFR Preparation Tool

In conjunction with the Systems Division, FASD implemented Workiva's *Wdesk* platform, which was used to prepare the FY 2018-2019 CAFR. During the implementation process, FASD integrated the prior year audited financial statements within *Wdesk* and created templates for data to be input and linked year over year. This essentially laid out the framework which was copied over to a new file to prepare the audited financial statements. During the review stages, auditors, Investment Office, Legal Office, Retiree Health Care Division, Benefits Division, and key LACERA staff accessed the platform to provide comments electronically where FASD then comprehensively tracked changes and suggestions. *Wdesk* was also utilized to export files to Communications that eliminated the need to send 80 individual files manually.

We anticipate executing another one-year commitment in accordance with the General Purchasing Policy for LACERA to evaluate *Wdesk*. Financial data will be uploaded to the platform, however, the direct connection to LACERA's accounting platform (i.e., the organization's accounting software application including the financial and payment modules) will be established in the future once staff makes a positive determination regarding the long-term use of *Wdesk*. The time and labor efficiencies of *Wdesk* may be more significantly realized starting with the second year as the templates created and used during implementation will carry over and be refreshed. Upon favorable review of *Wdesk*'s effectiveness in the second year, staff will make a recommendation and request approval to enter into a multi-year agreement with Workiva. *Wdesk*'s second year subscription for this budget request is \$57,750. Upon the second-year subscription's expiration, Workiva quoted a 3-year renewal based on a 5% annual price cap increase amounting to \$191,159.73 for the total 3-year cost.

Implementing an Automated A/P Solution

Generally, LACERA pays its service providers and reimburses staff for business related expenses by generating checks. About 10,000 check payments are made each year with about 10 percent of these payment types initiated by purchase orders. Due to the manual process design and established internal controls, generating a single check can require many different LACERA staff performing distinct functions within the process. Some of these functions appear to be redundant and could be eliminated with a technological solution.

FASD and Systems have collaborated to satisfy a prior external audit recommendation to improve the labor-intensive A/P workflow process through a solution that enhances our current accounting platform. In Fiscal Year 2019-2020, staff researched several automated solutions that included digitizing the entire process beginning with receiving purchasing and invoicing documents, automatically capturing the data from these documents, routing and obtaining electronic approvals and expense coding based on pre-determined authorizations, posting the accounting entries within the general ledger (GL), through electronic record retention following payment completion. Staff has identified an industry dedicated to providing information technology tools, which integrates with LACERA's current accounting platform to revolutionize the purchasing and payment process. Since payments are made through the accounting application, Systems has stressed the importance of a solution that offers connectivity and support for Microsoft Dynamics GP, our accounting platform. Systems has also prioritized an on-premise solution to maintain a real-time connection with the accounting application and security of private payment information.

Data can be captured at a single point and reduce redundancy, saving time for Accountants to conduct more analytical work. This change will impact not only FASD in processing the daily A/P but will also be beneficial for the Administrative Services Division with its processes of procuring supplies through purchase orders, allocating budgeted expenses for each Division, as well as handling and eventually storing voluminous historical payment documents. Time savings may also be realized from administrative staff across all LACERA Divisions once invoices are translated to payment requests based on the automation tool capturing this data and routing it digitally. Division Managers will also benefit from less hard copy documents as they use automated workflow to approve payments.

We anticipate executing a one-year commitment in accordance with the General Purchasing Policy for LACERA to test and evaluate an automated A/P solution. Upon favorable review, staff will make the recommendation and request approval to enter into a multi-year agreement for a long-term contract.

SERVICES AND SUPPLIES

The Services and Supplies total budget request of \$257,100 represents a \$48,500, or 15.9 percent, decrease when compared with the prior fiscal year. This is primarily attributable to a more refined estimate of State Street Bank charges for treasury and commercial banking services.

LOOKING FORWARD

Education and Travel Policy Consulting and Credit Card Expenditures

FASD will closely monitor the recommendations identified through Mosaic's Education and Travel Policy Consulting project to address anticipated improvements to travel expense claims, credit card expenditures cycle, and travel reporting for more efficient processes and more precise financial reporting.

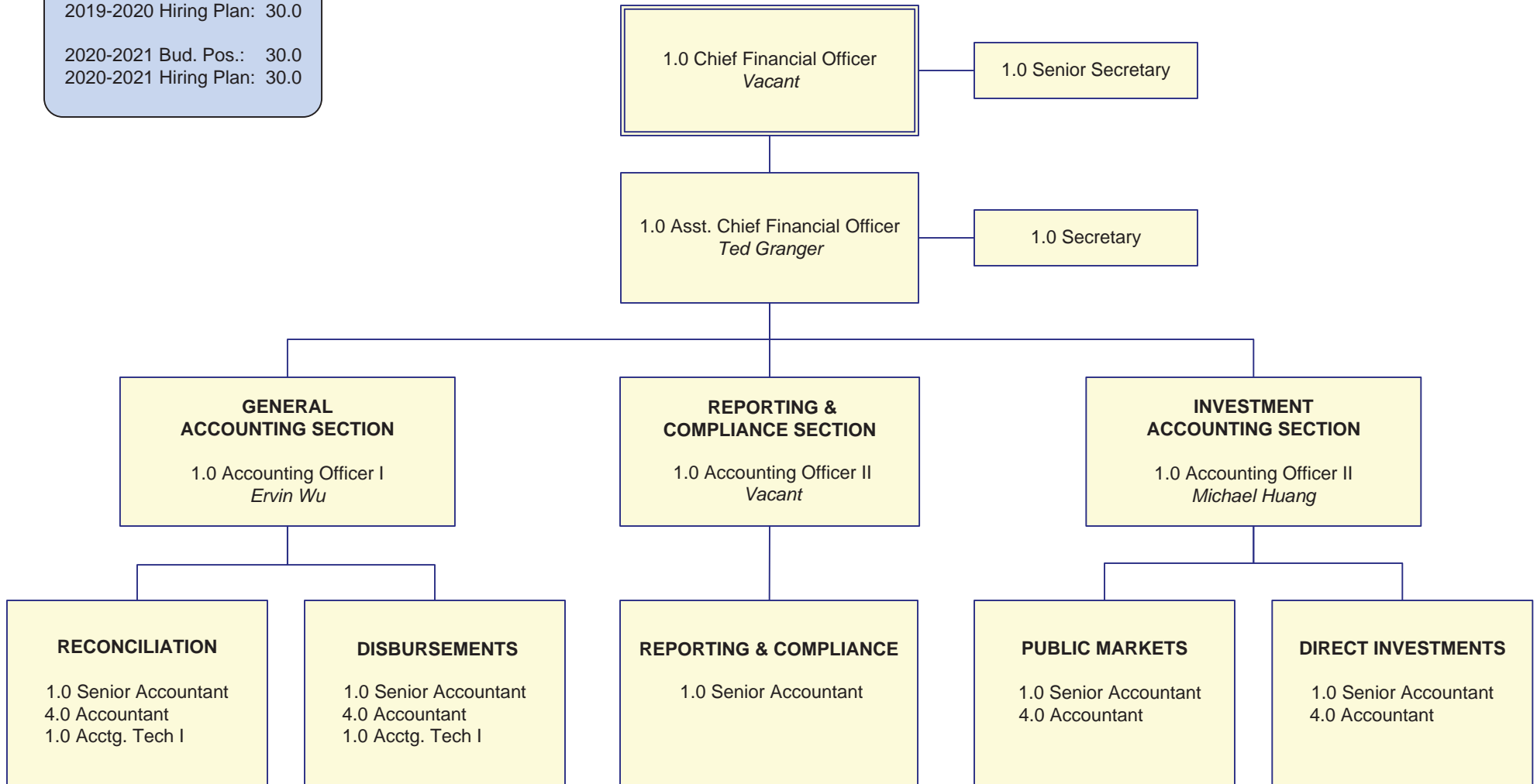
CONCLUSION

This budget request was developed to provide the Financial and Accounting Services Division with vital resources to readily contribute and support LACERA's operations toward the fulfillment of organizational goals and objectives.

FINANCIAL AND ACCOUNTING SERVICES DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 30.0
 2019-2020 Hiring Plan: 30.0
 2020-2021 Bud. Pos.: 30.0
 2020-2021 Hiring Plan: 30.0



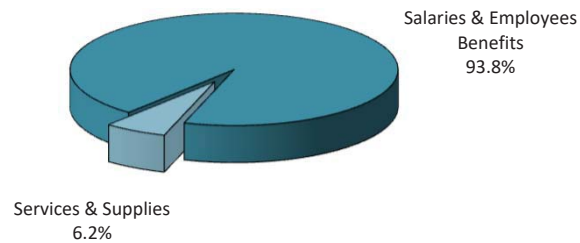
*Classification study in progress for all positions except management and administrative support staff.

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	3,907,922	\$4,223,840	\$1,731,227	\$3,740,600	\$167,321.87	4.5%	(\$315,918)	-7.5%
Services & Supplies	257,100	305,600	76,580	277,800	(20,700)	-7.5%	(48,500)	-15.9%
OPERATING BUDGET	\$4,165,022	\$4,529,440	\$1,807,806	\$4,018,400	\$146,622	3.6%	(\$364,418)	-8.0%

2020 -2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$2,198,662	\$2,342,420	\$966,149	\$2,049,600	\$149,062	7.3%	(\$143,757)	-6.1%
Total Agency Temp Salaries	255,900	424,200	140,615	350,000	(94,100)	-26.9%	(168,300)	-39.7%
Employee Benefits (Variable)	1,173,734	1,136,928	478,179	1,045,100	128,634	12.3%	36,806	3.2%
Employee Benefits (Other)	135,298	170,765	68,649	169,900	(34,602)	-20.4%	(35,468)	-20.8%
OPEB Contribution	56,428	50,726	29,917	50,500	5,928	11.7%	5,701	11.2%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	68,400	74,300	42,422	55,800	12,600	22.6%	(5,900)	-7.9%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	3,102	7,800	4,200	53.8%	0	0.0%
Rideshare Allowance	7,500	12,500	2,193	11,900	(4,400)	-37.0%	(5,000)	-40.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,907,922	\$4,223,840	\$1,731,227	\$3,740,600	\$167,322	4.5%	(\$315,918)	-7.5%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$3,907,922	\$4,223,840	\$1,731,227	\$3,740,600	\$167,322	4.5%	(\$315,918)	-7.5%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

FINANCIAL & ACCOUNTING SERVICES

2020-2021 BUDGET

	FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00799A	ASSISTANT CHIEF FINANCIAL OFFICER	1	LS10	13,094	157,125
00418A	ACCOUNTING OFFICER II	1	104E	9,061	108,730
00417A	ACCOUNTING OFFICER I	1	100J	7,568	90,820
00146A	SENIOR ACCOUNTANT	3	96D	22,427	269,123
00415A	ACCOUNTANT	14	92B	89,530	1,074,356
00439A	SENIOR SECRETARY	1	88H	4,356	52,275
00413A	ACCOUNTING TECHNICIAN I	2	83G	10,588	127,056

POSITIONS 23 1,879,486

	VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00800A	CHIEF FINANCIAL OFFICER	1	LS12	10,299	123,591			61,796
00418A	ACCOUNTING OFFICER II	1	104E	7,098	85,178			
00146A	SENIOR ACCOUNTANT	2	96D	5,700	68,395			68,395
00415A	ACCOUNTANT	2	92B	5,089	61,065			61,065
00438A	SECRETARY	1	82E	3,910	46,922			23,461
						0	0	214,716

POSITIONS 7 214,716

TOTAL POSITIONS 30

GROSS SALARIES 2,094,202

ANTICIPATED MOU SALARY INCREASE** 36,649

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 24,902

BONUS 42,910

120-DAY RETIREE(S) 0

TOTAL SALARIES 2,198,662

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA

FISCAL YEAR 2020-2021

SERVICES & SUPPLIES ACCOUNT SUMMARY

FINANCIAL AND ACCOUNTING SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$18,500	\$35,100	\$27,058	\$38,300	(\$19,800)	-51.7%	(\$16,600)	-47.3%
OFFICE SUPPLIES & EQUIPMENT	3,500	5,000	481	3,000	500	16.7%	(1,500)	-30.0%
BANK SERVICES	204,000	230,000	40,495	200,000	4,000	2.0%	(26,000)	-11.3%
EDUCATIONAL EXPENSES	28,100	31,500	7,994	33,500	(5,400)	-16.1%	(3,400)	-10.8%
MISCELLANEOUS	3,000	4,000	552	3,000	0	0.0%	(1,000)	-25.0%
TOTAL	\$257,100	\$305,600	\$76,580	\$277,800	(\$20,700)	-7.5%	(\$48,500)	-15.9%

*All amounts rounded to the nearest dollar.



Mission

Our mission is to effectively administer human resource programs; provide quality service to LACERA employees, supervisors, and managers; and reflect LACERA's values and vision in both the effort put forth and the work accomplished.

INTRODUCTION

Human Resources is responsible for providing human resources services to all LACERA Staff Members. Our work encompasses all areas of human resources such as: recruitment and selection, performance and workforce management, classification and compensation, employee and organizational development, employee payroll and benefits, employee relations, labor negotiations, employee discipline, workplace investigations, workers' compensation, career planning and development, conflict resolution, labor/employment law compliance, and American Disability Act (ADA)/Family Medical Leave Act (FMLA)/California Family Rights Act (CFRA)/Fair Labor Standards Act (FLSA) administration.

STAFFING

The Director of Human Resources position is currently vacant and is expected to be filled before the end of fiscal year 2019-20.

Human Resources anticipates conducting the recruitment and hiring of one to two Core Benefits Training Classes of the Retirement Benefits Specialists I, Training Class during the 2020-2021 Fiscal Year.

As the Payroll transition plan is developed, Human Resources anticipates requesting additional positions as needed during the mid-year budget request.

Successes

The Human Resources Division is pleased to report we have completed a significant number of goals for the 2019-20 fiscal year. Additionally, we have taken steps to improve our processes, procedures, and policies which have improved our efficiency and created greater clarity for the organization. Among these successes are:

- The development and implementation of formal procedures for the request of additional responsibility and out-of-class bonuses along with the tracking of the bonuses.
- The team developed and implemented a Recruitment Calendar to help prioritize and schedule recruitments to allow Human Resources and Managers to schedule recruitment efforts to fill the vacancies throughout LACERA. Human Resources worked with the Divisions and Executive Office and set priorities for the remainder of the 2019-2020 fiscal year and the 2020-2021 fiscal year.
- The January 2019 Core Benefits Training Class graduated 12 Trainees. Two of the Trainees filled vacancies in Retiree Health Care and the other 10 were placed in the Member Services Call Center. A second Training Class began in October 2019 with 13 Trainees.
- The Classifications Studies for the Administrative Services and Financial and Accounting Services Divisions, along with a Secretarial and Administrative Assistant Study, have been completed. We anticipate completing the implementation of any adopted recommendations during the 2020-2021 fiscal year.
- Implemented a multi-year Employee Engagement Program for all Staff Members. This includes an Engagement Survey of all Staff Members for their input. It will be followed-up with opportunities for Staff to attend Focus Groups to provide further input regarding Employee Engagement at LACERA. All of the input will be reviewed and solutions implemented to improve the Employee Engagement scores at LACERA. We will continue the Employee Engagement process in FY 2020-2021 with additional Focus Groups with Staff Members to provide input on those areas for improvement as outlined in the survey results.
- The Mentoring Program continues to be a success with 22 Staff Members participating in the Program.
- Training was provided by an outside Consultant to Managers and Supervisors on Disability Compliance.
- A Leave Case Management Program, which included training by an outside Consultant, was implemented with Human Resources Staff Members responsible for overseeing and managing leaves of absences for all Staff Members.

Challenges

Recruitment and examination processes to fill vacant positions throughout LACERA and particularly for the Retirement Systems Division due to in-house programs. We continue to struggle with managers submitting requests to begin the recruitment process in sufficient time to begin the process before fiscal year end. In order to deal with this, we have developed and rolled out a recruitment calendar to help schedule and prioritize recruitments.

Human Resources Future Plans

We are pleased to present an outline of goals and initiatives that we plan to focus on for the 2020-21 Fiscal Year:

- Develop a transition plan to bring payroll in house to:
 - Provide better monitoring of transactions;
 - Better oversight of all transactions without having to rely on a third party.
- Human Resources will be working with the Systems Division to find a Human Resources Information System (HRIS) to reduce paper driven processes and to track personnel transactions.
- Develop a Classification Maintenance Program to:
 - Review the allocations of positions assigned to classes to ensure they continue to be properly classified;
 - Ensure classification specifications are accurate and current;
 - Comply with Civil Service Rules, Federal and State Legislation and related policies and procedures;
 - Meet the operating needs of Divisions; and
 - Identify positions for which new classes maybe needed or where classes can be consolidated.
- The Employee Engagement process will continue in Fiscal Year 2020-2021 with additional Focus Groups with Staff Members to provide feedback and information on those areas for improvement as outlined in the survey results.
- The Leave Case Management Program (LMP) will continue to be developed and modified as needed.
- Conduct a comprehensive classification study for the Human Resources Division to ensure we have positions that meet the modern demands of a human resources division.
- Human Resources will continue its focus on enhancing our recruitment strategies and methods to attract a highly qualified, diverse workforce to support LACERA's Mission, Values, and Vision.

Budget Variances:

In comparing our FY 2020-2021 Budget to that of the previous fiscal year, notable variances are found in the following areas:

Forum: \$22,000. New line item for FY 2020-2021

Leave Case Management Program (LMP). New line item: \$47,500. During FY 2019-2020, an LMP was implemented due to the Los Angeles County Office of Health Services no longer conducting fitness for duty examinations. As a result, Human Resources needs to engage a consultant.

Departmental Training:

The Human Resources division expects to continue LACERA's commitment as a learning organization. We are requesting to sustain our current budgeted funds at \$225,000.

The Departmental Training Budget anticipates expenditures for Staff Training in the following areas:

- Harassment Prevention Training for all Staff Members (2021);
- Harassment Prevention Training for all new staff (every six (6) months);
- Career Workshops;
- Emotional Intelligence;
- Time Management;
- Computer Skills refresher;
- Administrative Assistants Workshop;
- Ethics Training; and
- Business Writing/Proofreading.

For Management Staff Members:

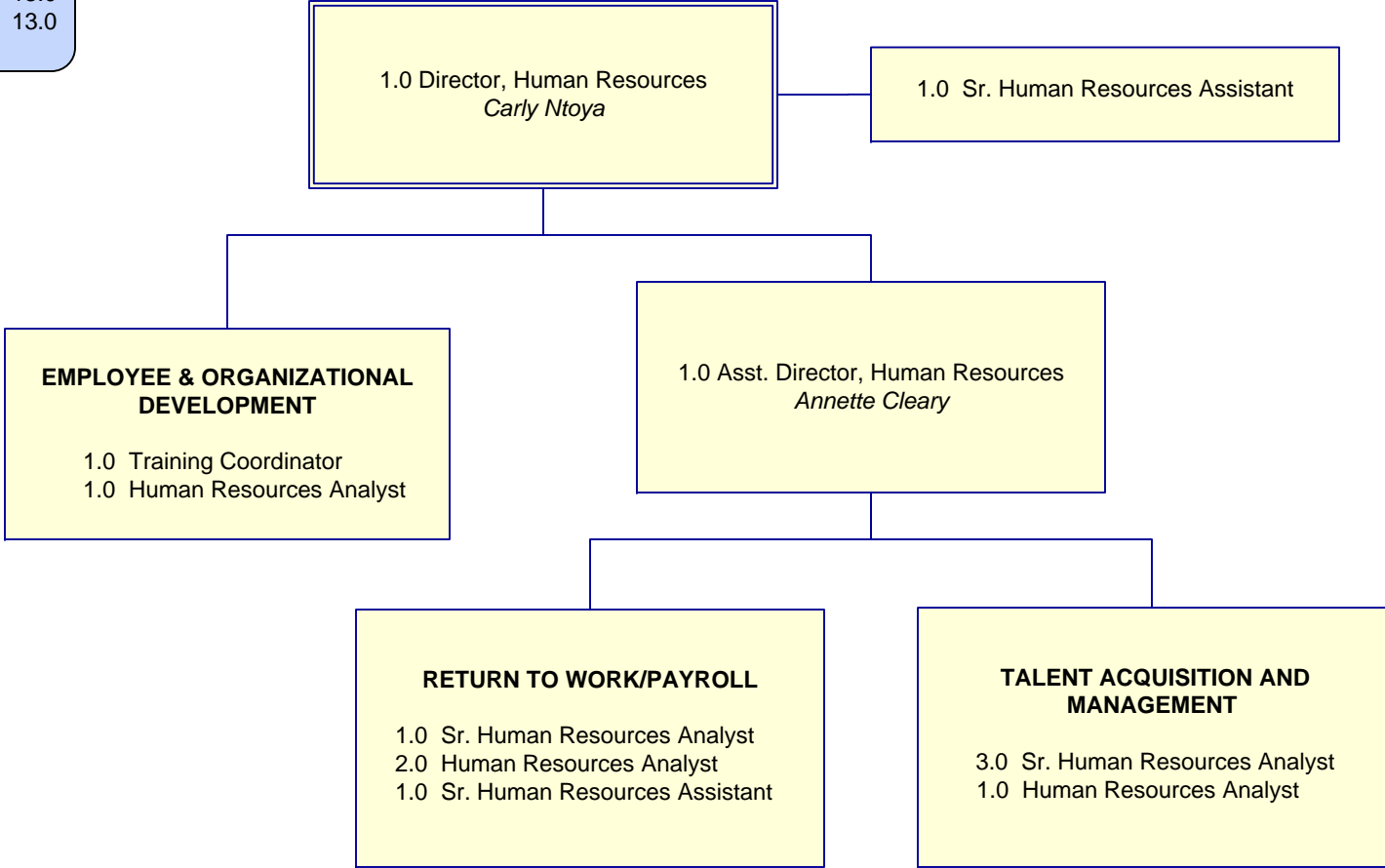
- Management Training Plan, including:
 - Crucial Conversations
 - Emotional Intelligence
 - Accountability
 - Leadership Ethics
 - Strategic Thinking
- ACE (Accelerated CERL Education) Program: Soft Skills Training which includes Business Communication, Strategic Thinking, Conflict Resolution, and Root Cause Analysis, among others.

HUMAN RESOURCES

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 13.0
2019-2020 Hiring Plan: 13.0

2020-2021 Bud. Pos.: 13.0
2020-2021 Hiring Plan: 13.0



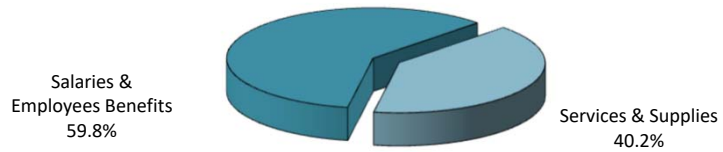
* Classification study for all positions requested.

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

HUMAN RESOURCES

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$2,316,658	\$2,439,274	\$951,501	\$2,133,200	\$183,458	8.6%	(\$122,615)	-5.0%
Services & Supplies	1,555,100	1,535,200	619,443	1,406,600	148,500	10.6%	19,900	1.3%
OPERATING BUDGET	\$3,871,758	\$3,974,474	\$1,570,945	\$3,539,800	\$331,958	9.4%	(\$102,715)	-2.6%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

HUMAN RESOURCES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,387,072	\$1,346,210	\$581,327	\$1,286,400	\$100,672	7.8%	\$40,862	3.0%
Total Agency Temp Salaries	47,700	26,200	23,741	47,500	200	0.4%	21,500	82.1%
LACERA Intern Program	0	144,000	582	12,000	(12,000)	-100.0%	(144,000)	-100.0%
Employee Benefits (Variable)	757,732	788,571	285,452	654,300	103,432	15.8%	(30,839)	-3.9%
Employee Benefits (Other)	85,356	98,140	40,318	97,600	(12,244)	-12.5%	(12,785)	-13.0%
OPEB Contribution	35,598	29,153	18,130	29,000	6,598	22.8%	6,446	22.1%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	1,500	1,500	1,044	1,500	(0)	0.0%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	1,700	5,500	908	4,900	(3,200)	-65.3%	(3,800)	-69.1%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,316,658	\$2,439,274	\$951,501	\$2,133,200	\$183,458	8.6%	(\$122,615)	-5.0%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,316,658	\$2,439,274	\$951,501	\$2,133,200	\$183,458	8.6%	(\$122,615)	-5.0%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

HUMAN RESOURCES

2020-2021 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
00437A	ASSISTANT DIRECTOR, HUMAN RESOURCES	1	LS10	12,337	148,040			
00436A	SENIOR HUMAN RESOURCES ANALYST	4	101L	34,839	418,068			
01886A	TRAINING COORDINATOR	1	101K	8,688	104,262			
00434A	HUMAN RESOURCES ANALYST	4	097L	30,086	361,027			
00435A	SENIOR HUMAN RESOURCES ASSISTANT	2	091B	12,990	155,884			
	POSITIONS	12			1,187,281			
<u>VACANT POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>1ST STEP MO. RATE</u>	<u>ANNUAL AMOUNT</u>	<u>FILLED AT 12 MONTHS</u>	<u>FILLED AT 9 MONTHS</u>	<u>FILLED AT 6 MONTHS</u>
00425A	DIRECTOR, HUMAN RESOURCES	1	LS12	10,299	123,591	123,591		
	POSITIONS	1			123,591	123,591	0	0
	TOTAL POSITIONS	13						
	GROSS SALARIES				1,310,872			
	ANTICIPATED MOU SALARY INCREASE**				22,940			
	ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				8,824			
	BONUS				44,436			
	120-DAY RETIREE(S)				0			
	TOTAL SALARIES				1,387,072			

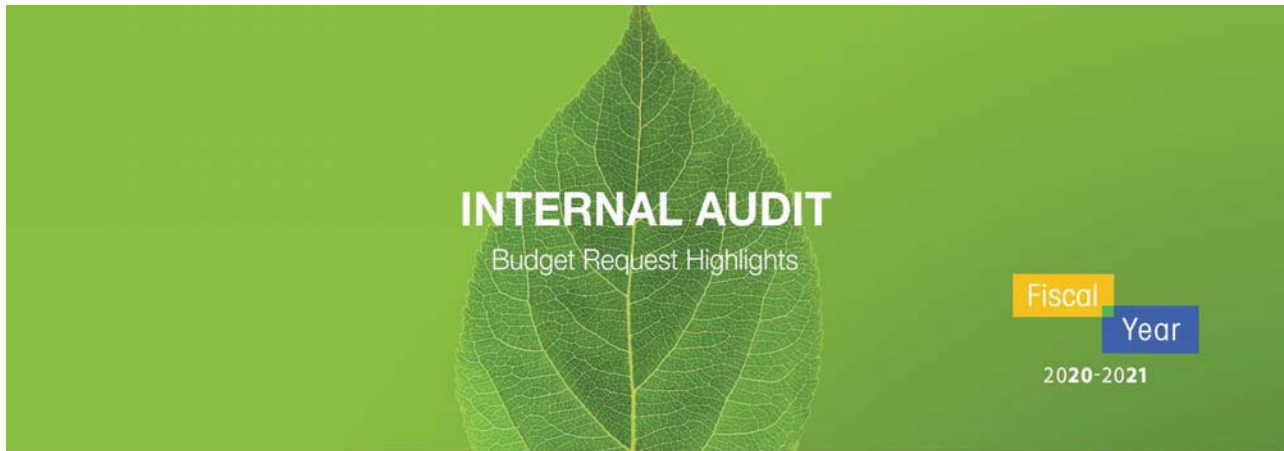
MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

HUMAN RESOURCES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$12,000	\$21,000	\$9,095	\$19,500	(\$7,500)	-38.5%	(\$9,000)	-42.9%
OFFICE SUPPLIES & EQUIPMENT	8,000	6,000	4,746	7,000	1,000	14.3%	2,000	33.3%
PARKING FEES	377,000	502,000	200,285	377,000	0	0.0%	(125,000)	-24.9%
PROFESSIONAL & SPEC. SRVCS.	383,300	303,700	124,366	286,300	97,000	33.9%	79,600	26.2%
COMPUTER SERVICES & SUPPORT	42,000	36,000	2,717	36,000	6,000	16.7%	6,000	16.7%
EDUCATIONAL EXPENSES	500,300	494,000	95,282	482,000	18,300	3.8%	6,300	1.3%
MISCELLANEOUS	232,500	172,500	182,953	198,800	33,700	17.0%	60,000	34.8%
TOTAL	\$1,555,100	\$1,535,200	\$619,443	\$1,406,600	\$148,500	10.6%	\$19,900	1.3%

*All amounts rounded to the nearest dollar.



Mission

To support LACERA's mission, through independent, objective assurance and consulting activities.

INTRODUCTION

The purpose of Internal Audit is to provide independent and objective assurance services, and consulting services designed to add value and improve LACERA's operations. The mission of Internal Audit is to enhance and protect LACERA's organizational values by providing risk-based and objective assurance, advice, and insight. Internal Audit brings a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes to help LACERA accomplish its mission.

Internal Audit assists the organization in meeting its control objectives through:

- Evaluating risk exposure relating to achievement of LACERA's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, procedures, laws, and regulations, which could have a significant impact on LACERA.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.

- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operation or programs are being carried out as planned.
- Monitoring and evaluating governance processes.

NOTABLE ACHIEVEMENTS AND CONTRIBUTIONS

All staff within Internal Audit are Certified Public Accountants, Certified Internal Auditors, or Certified Information Systems Auditors. Some have more than one certification and other relevant certifications such as certified fraud examiner and certified information security designations. Included in the performance of our annual audit plan, Internal Audit developed, oversaw, or contributed significantly, in a consulting capacity, to the following notable achievements and ongoing efforts within LACERA.

- New externally managed Ethics Hotline
- External Audit of LACERA (initiation of first SOC1 over OPEB Census data)
- Triennial actuarial review and audit
- Real estate advisor compliance and operational audits
- Business Continuity Process (BCP)
- LA County audit of LACERA
- Cyber Security Training Program

STAFFING

As the organization has progressed, so has the complexity of audits resulting in the need for more experienced auditors. Our budget request for Fiscal Year 2020-2021 includes the deletion of one currently vacant Internal Auditor position and the addition of one Senior Internal Auditor to better align staffing levels with the amount of complex work. Retaining one Internal Auditor position will be sufficient to cover the amount of routine audit work.

Furthermore, a classification study has been requested to convert one of the budgeted Senior Internal Auditor positions to a Senior Information Technology Auditor. A compensation study has also been requested for the Principal Internal Auditor Classification.

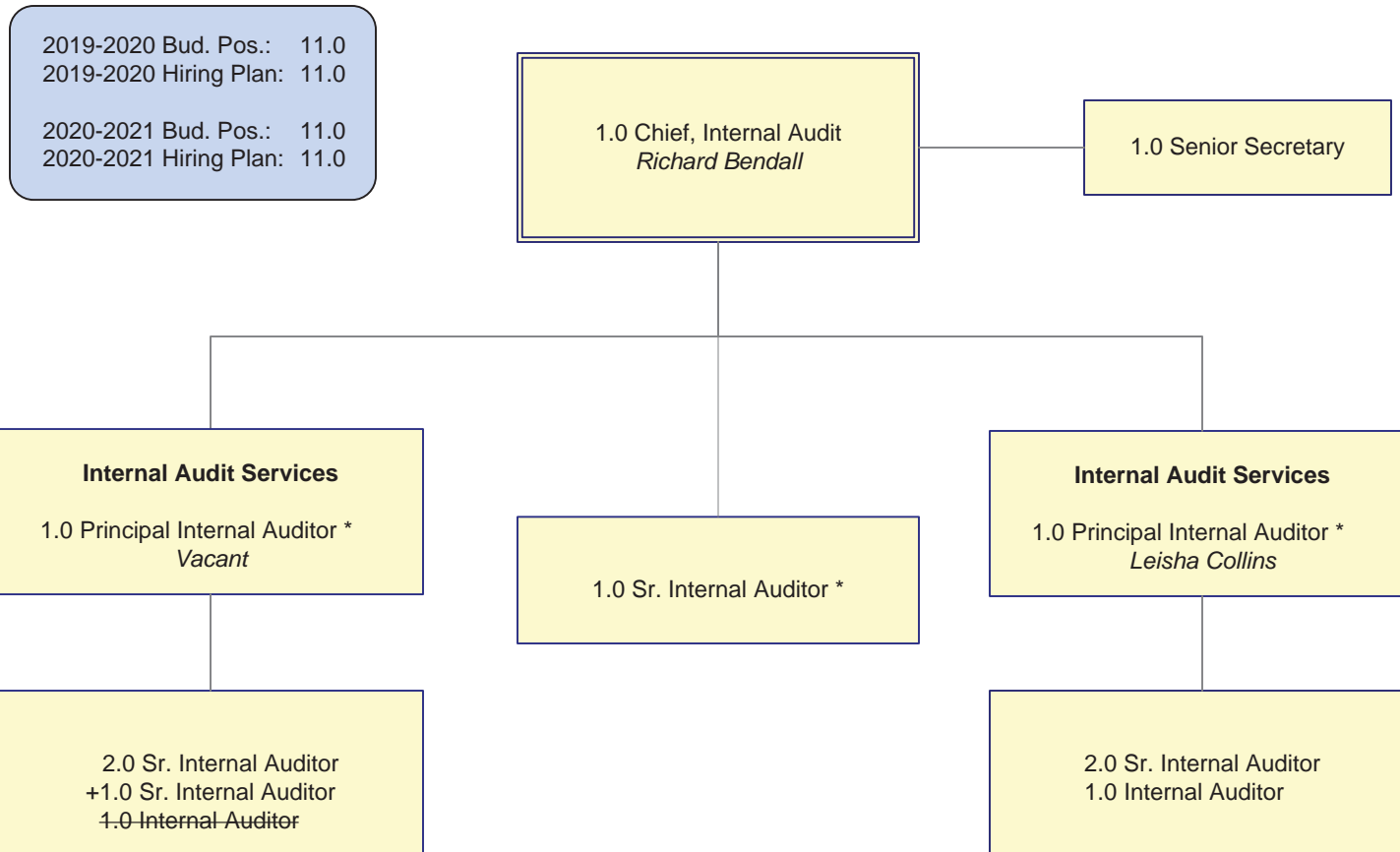
SERVICES AND SUPPLIES

Each fiscal year, Internal Audit prepares a risk-based Audit Plan, approved by the Audit Committee. The Audit Plan defines the allocation of audit resources and communicates Internal Audit planned activities and resource requirements. This provides the basis for the Chief Audit Executive (CAE) to ensure that Internal Audit resources are appropriate, sufficient, and effectively deployed. Internal Audit continues to leverage the use of external resources to better meet the needs of the organization and ensure the Audit Plan is completed. The cost associated with these resources are a significant portion of the budget, \$400,000, which is for the

external financial audit, external IT security audits, and real estate advisor audits. The remainder of approximately \$50,000 is budgeted as a contingency amount for specialized ad hoc external audit needs. We have reduced this from \$450,000 budgeted in the current Fiscal Year to more closely reflect our anticipated needs and still provide a small amount for contingency. We have reduced our total S&S budget from \$539,500 in the current Fiscal Year to \$460,800 for Fiscal Year 2020-2021.

INTERNAL AUDIT

FISCAL YEAR 2020-2021



2019-2020 Bud. Pos.: 11.0
 2019-2020 Hiring Plan: 11.0
 2020-2021 Bud. Pos.: 11.0
 2020-2021 Hiring Plan: 11.0

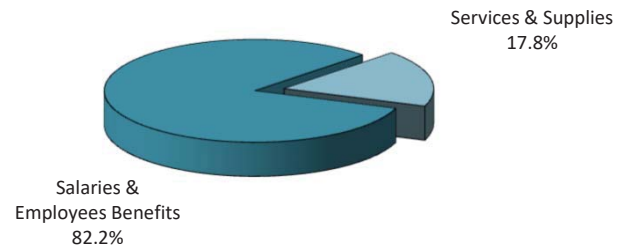
- + Added position
- Deleted position
- * Classification study for the position requested

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

INTERNAL AUDIT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Salaries & Employees Benefits	\$2,121,686	\$1,851,084	\$813,963	\$1,834,500	\$287,186	15.7%	\$270,602	14.6%
Services & Supplies	460,800	539,500	123,544	382,400	\$78,400	20.5%	(78,700)	-14.6%
OPERATING BUDGET	\$2,582,486	\$2,390,584	\$937,507	\$2,216,900	\$365,586	16.5%	\$191,902	8.0%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

INTERNAL AUDIT

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,336,307	\$1,168,866	\$520,706	\$1,154,800	\$181,507	15.7%	\$167,441	14.3%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	661,052	564,194	238,540	566,800	94,252	16.6%	96,858	17.2%
Employee Benefits (Other)	82,232	85,212	37,606	84,800	(2,568)	-3.0%	(2,980)	-3.5%
OPEB Contribution	34,296	25,312	16,226	25,200	9,096	36.1%	8,983	35.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	4,800	3,000	390	1,000	3,800	380.0%	1,800	60.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,500	1,500	0	0	1,500	0.0%	0	0.0%
Rideshare Allowance	1,500	3,000	496	1,900	(400)	-21.1%	(1,500)	-50.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$2,121,686	\$1,851,084	\$813,963	\$1,834,500	\$287,186	15.7%	\$270,602	14.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$2,121,686	\$1,851,084	\$813,963	\$1,834,500	\$287,186	15.7%	\$270,602	14.6%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

INTERNAL AUDIT

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00774A	CHIEF, INTERNAL AUDIT	1	LS12	15,358	184,301			
00762A	PRINCIPAL INTERNAL AUDITOR	2	114C	21,857	262,281			
00763A	SENIOR INTERNAL AUDITOR	5	107L	45,818	549,811			
00764A	INTERNAL AUDITOR	1	101H	8,646	103,751			
00439A	SENIOR SECRETARY	1	88H	5,165	61,981			
POSITIONS		10			1,162,125			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00763A	SENIOR INTERNAL AUDITOR	1	107L	7,815	93,779		70,334	
00764A	INTERNAL AUDITOR	1	107L	6,432	77,182			
00764A	INTERNAL AUDITOR	(1)	101H	6,432	77,182			
POSITIONS		1			70,334	0	70,334	0
TOTAL POSITIONS		11						
GROSS SALARIES					1,232,459			
ANTICIPATED MOU SALARY INCREASE**					21,568			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					15,007			
BONUS					67,272			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,336,307			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

INTERNAL AUDIT

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$11,500	\$28,000	\$9,392	\$16,000	(\$4,500)	-28.1%	(\$16,500)	-58.9%
OFFICE SUPPLIES & EQUIPMENT	1,700	2,000	344	1,400	300	21.4%	(300)	-15.0%
PROFESSIONAL & SPEC. SRVCS.	421,000	471,000	103,976	337,000	84,000	24.9%	(50,000)	-10.6%
EDUCATIONAL EXPENSES	25,800	37,500	9,641	27,500	(1,700)	-6.2%	(11,700)	-31.2%
MISCELLANEOUS	800	1,000	192	500	300	60.0%	(200)	-20.0%
TOTAL	\$460,800	\$539,500	\$123,544	\$382,400	\$78,400	20.5%	(\$78,700)	-14.6%

*All amounts rounded to the nearest dollar.



INVESTMENT OFFICE

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

Prudently invest the Trust assets to achieve the highest risk-adjusted return in accordance with the policies and decisions of the Board of Investments.

INTRODUCTION

The Investment Office's staff responsibilities include developing and recommending prudent investment policies and risk management strategies to assist LACERA towards achieving the return objectives established by the Board of Investments. The Investment Office's staff is also responsible for implementing and monitoring Board-approved programs and policies.

BACKGROUND

On an ongoing basis, the Investment Office implements LACERA's strategic asset allocation. As part of this effort, the Investment Office's staff works to optimize asset category returns through structure reviews, monitoring existing investments, and performing diligence on prospective mandates. The team takes a total portfolio approach that incorporates ESG factors in its analysis. The Investment Office balances risks such as leverage and illiquidity with its goal of optimizing risk-adjusted returns.

A challenge that the Investment Office faces is achieving the target rate of return in an environment of more muted expectations from all asset classes. To confront this, the Investment Office continues to increase its focus on risk management, proper portfolio diversification, and LACERA-friendly fee models.

In the recent period, the Investment Office has successfully reorganized and expanded investment categories into functional asset classes such as Credit and Real Assets and is making increased use of alternative investment structures. LACERA's most important

resource is its people. Towards this end, the Investment Office has expanded its staffing by almost 40 percent over the past several years. The greater depth of investment talent best positions the Fund to meet its goals in a challenging macro-economic environment.

Over the coming years, the Investment Office plans to evaluate additional co-investment opportunities, research internal management, embrace new risk modeling including ESG considerations, and increase its focus on cross-asset category collaboration. For additional information, please see the 2020 Investments Division Work Plan, which is located in the Strategic Plans. This plan continues the strategic journey of morphing from an allocator to an investor.

STAFFING

For Fiscal Year 2020-2021 the Investment Office is not requesting a change in the number of budgeted positions. The Investment Office's organizational chart has been updated to align the team with LACERA's functional asset allocation framework.

SERVICES AND SUPPLIES

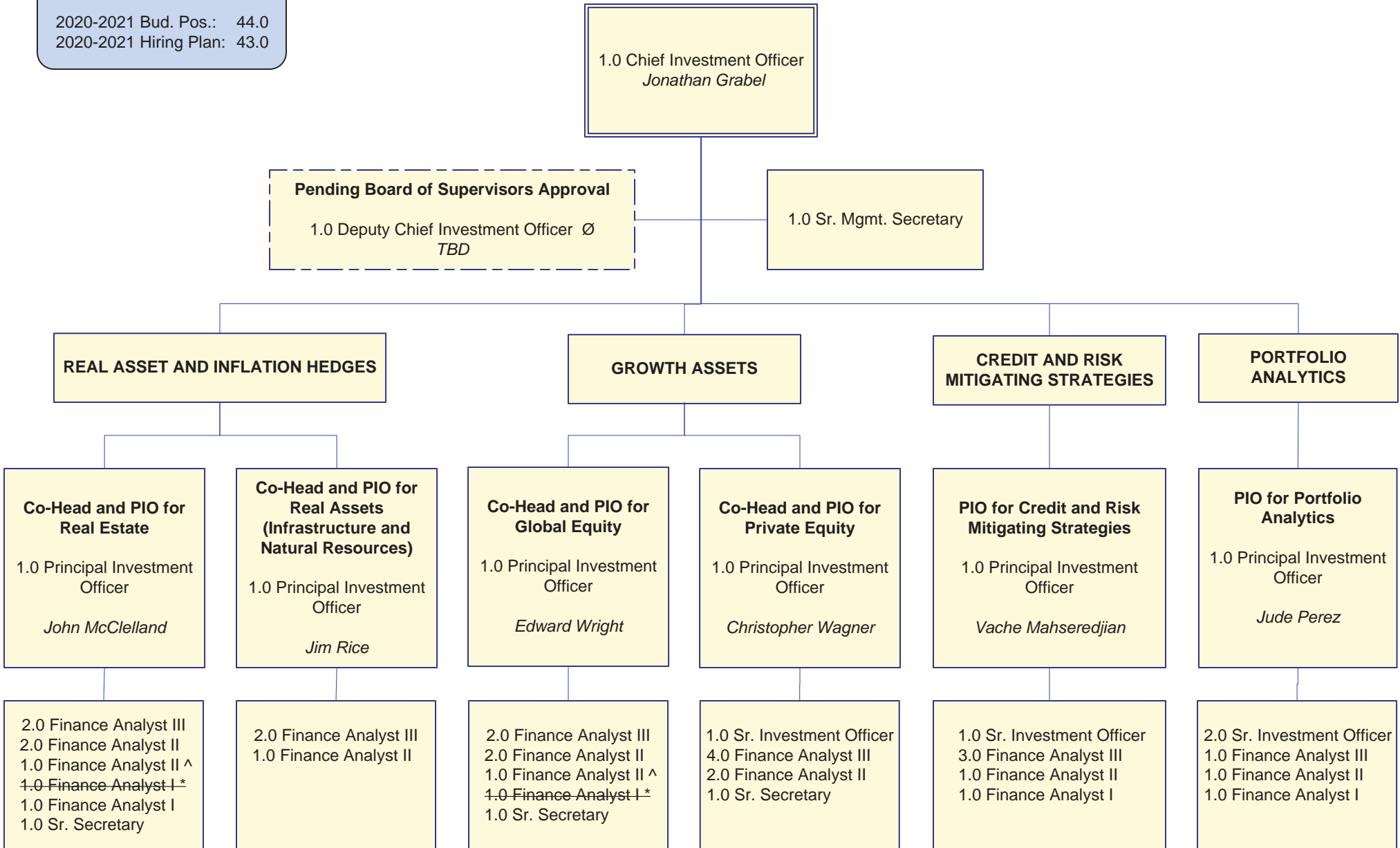
There is a slight reduction in the proposed Fiscal Year 2020-2021 Supplies and Services budget compared to the approved Fiscal Year 2019-2020 budget primarily due to a proposed reduction in travel.

INVESTMENT OFFICE

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 44.0
2019-2020 Hiring Plan: 43.0

2020-2021 Bud. Pos.: 44.0
2020-2021 Hiring Plan: 43.0



* Classification study for the position requested.

^ Position upgrade from Finance Analyst I to Finance Analyst II as a result of classification study (Classification study finalized on June 10, 2019.).

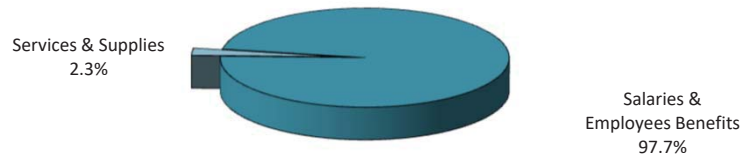
Ø Not yet approved by Board of Supervisors

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

INVESTMENT OFFICE

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$14,096,963	\$12,361,834	\$5,426,504	\$12,358,250	\$1,738,713	14.1%	\$1,735,129	14.0%
Services & Supplies	337,300	564,400	160,025	441,000	(103,700)	-23.5%	(227,100)	-40.2%
OPERATING BUDGET	\$14,434,263	\$12,926,234	\$5,586,529	\$12,799,250	\$1,635,013	12.8%	\$1,508,029	11.7%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA

FISCAL YEAR 2020-2021

SALARIES AND EMPLOYEE BENEFITS SUMMARY

INVESTMENT OFFICE

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$9,344,757	\$8,031,215	\$3,768,774	\$8,349,800	\$994,957	11.9%	\$1,313,542	16.4%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	3,930,135	3,563,513	1,355,225	3,244,200	685,935	21.1%	366,622	10.3%
Employee Benefits (Other)	575,043	585,486	238,808	582,600	(7,557)	-1.3%	(10,443)	-1.8%
OPEB Contribution	239,828	173,920	62,435	173,050	66,778	38.6%	65,908	37.9%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	1,000	0	0	0	1,000	0.0%	1,000	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	1,200	1,200	0	0	1,200	0.0%	0	0.0%
Rideshare Allowance	5,000	6,500	1,263	8,600	(3,600)	-41.9%	(1,500)	-23.1%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$14,096,963	\$12,361,834	\$5,426,504	\$12,358,250	\$1,738,713	14.1%	\$1,735,129	14.0%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$14,096,963	\$12,361,834	\$5,426,504	\$12,358,250	\$1,738,713	14.1%	\$1,735,129	14.0%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

INVESTMENT OFFICE

2020-2021 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00493A CHIEF INVESTMENT OFFICER (UC)	1	LR28	54,293	651,521			
00495A PRINCIPAL INVESTMENT OFFICER	2	LR23	73,557	882,682			
00496A PRINCIPAL INVESTMENT OFFICER (UC)	4	LR23	121,791	1,461,487			
00492A SENIOR INVESTMENT OFFICER	4	LR20	90,994	1,091,929			
00769A FINANCE ANALYST III	11	LR16	210,001	2,520,012			
00768A FINANCE ANALYST II	9	LR12	110,752	1,329,021			
00767A FINANCE ANALYST I	3	104F	27,256	327,077			
00441A SENIOR MANAGEMENT SECRETARY	1	96H	7,550	90,598			
00439A SENIOR SECRETARY	3	88H	18,232	218,785			
POSITIONS	38			8,573,112			
VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
99999A DEPUTY CHIEF INVESTMENT OFFICER (UC) Ø	1	LR24	24,531	294,367			
00769A FINANCE ANALYST III	3	LR16	13,754	165,052			247,579
00768A FINANCE ANALYST II	2	LR12	10,299	123,591			
00769A FINANCE ANALYST I	2	104F	10,299	123,591			
00769A FINANCE ANALYST I	(2)	104F	10,299	123,591			
					0	0	247,579
POSITIONS	6			247,579			
TOTAL POSITIONS	44						
GROSS SALARIES				8,820,691			
ANTICIPATED MOU SALARY INCREASE**				154,362			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				238,100			
BONUS				131,604			
120-DAY RETIREE(S)				0			
TOTAL SALARIES				9,344,757			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 Ø Not yet approved by the Board of Supervisors and is calculated at 0 percent filled.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

INVESTMENT OFFICE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
AUTO EXPENSE	\$0	\$3,400	\$0	\$0	0.0%	(\$3,400)	-100%	
TRANSPORTATION & TRAVEL	220,000	406,000	91,138	305,000	(85,000)	-27.9%	(186,000)	-45.8%
OFFICE SUPPLIES & EQUIPMENT	5,000	6,000	1,408	5,000	0	0.0%	(1,000)	-16.7%
EDUCATIONAL EXPENSES	104,800	143,500	62,767	123,500	(18,700)	-15.1%	(38,700)	-27.0%
MISCELLANEOUS	7,500	5,500	4,712	7,500	0	0.0%	2,000	36.4%
TOTAL	\$337,300	\$564,400	\$160,025	\$441,000	(\$103,700)	-23.5%	(\$227,100)	-40.2%

*All amounts rounded to the nearest dollar.

A large green leaf graphic is centered in the background of the header. The text is overlaid on the leaf.

LEGAL SERVICES

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

To provide timely and effective legal representation, advice, and counsel at the highest professional level to LACERA, the Board of Retirement and the Board of Investments, and executive management and staff.

INTRODUCTION

The Legal Services Office provides comprehensive legal services to LACERA and its Boards and staff. These services currently are provided through the Chief Counsel, four sections within the Office (Benefits, Disability, Investments, and Litigation), and the Legislative Affairs Officer.

While the Office is performing well now across its areas of specialization, our staffing must evolve over time to meet the changing needs of the organization. Our staffing challenges fall in the areas of (1) Benefits, to ensure adequate expert legal resources into the future, (2) Investments, to ensure that we keep up with the sophistication of investment operations and build our in-house resources so that we further reduce the use of outside counsel, and (3) Compliance, to bolster the operational lines of defense within the organization by providing a compliance leader to work with subject matter experts in LACERA's other divisions. To maintain austerity in the current environment, the Office will defer additional attorneys in the Benefits and Investments Sections this year; our current excellent teams in these sections will be able to provide strong support for client needs in FY 2020-2021. The Office expects to address these needs in the FY 2021-22 budget. The Office's Compliance goal does not require an increase in approved headcount because the Director of Compliance position, while still pending finalization of a class specification and Board of Supervisors' approval, was included in the FY 2019-

2020 budget. The Office intends to pursue the Director of Compliance position in FY 2020-2021 and plans to fill that position during the year because it is a priority need.

The Office's FY 2020-2021 budget continues to include the Principal Counsel positions not yet approved by the Board of Supervisors. These positions, when approved, will enable better management of the Office by freeing Chief Counsel to focus on strategic planning projects with the Executive Office and the managers of LACERA's other divisions, by enhancing the development of higher-level expertise and management experience within the Office, and by improving succession planning. It is expected that these positions will not be filled in FY 2020-2021.

Even as the Office's staffing grows in capability and as demand for legal services within the organization continues to expand, we will strive in FY 2020-2021 to be more efficient. Therefore, we have reduced the Services and Supplies budget to reflect greater care in the management of these expenses.

STAFFING

A. Classification Studies

The Office's organizational chart includes two classification studies that continue studies approved in prior years. These studies are intended to provide the Office with the ability to place staff in positions that accurately reflect their level of expertise, performance, and responsibility.

- 1. Staff Counsel:** The organizational chart for the Legal Services Office shows a classification study for Staff Counsel in all sections of the Office so that promotional opportunities are available as may be warranted by performance and responsibilities. The Senior Staff Counsel position is an existing classification. Accordingly, this study will evaluate the work of the Staff Counsel position in these sections to determine if they conform to the requirements of the Senior Staff Counsel classification. This study is important to ensure that staff are properly placed. This study was approved in past years and continues for FY 2020-2021.
- 2. Legal Analyst:** The Legal Analysts in the Office are being studied to determine whether a Senior Legal Analyst classification is warranted above the existing Legal Analyst classification in the Investments, Benefits, and Disability Sections. Legal Analysts perform paralegal work, and they assist the Office's attorneys in analyzing legal and factual issues, processing investments contracts, member benefit and disability issues, court documents, other matters, and interfacing with LACERA staff, members, and vendors. The new Senior Legal Analyst position, if warranted, would be used to recognize that certain Legal Analysts may come to have a supervisory role, perform more complex work (including legal work when the analyst possesses the necessary training), and have a higher degree of responsibility and interaction with internal clients, outside counsel, members, and/or opposing parties. These additional responsibilities require a higher level of expertise, experience, and

performance. This study was approved in past years and continues for FY 2020-2021.

B. Temporary Services and Overtime

The Agency Temporary budget will provide for temporary staff to cover Legal Office needs, such as potential attorney and clerical assistance for special projects and coverage for administrative staff absences on medical leave. The Office also has a need for overtime to support secretarial and Legal Analyst staff in the Investment Section of the Legal Office in keeping up with the very high volume and time-sensitive demands of the organization's investment work, in the Benefits Section of the Office to cover March Madness and other member service needs, and to complete compliance projects and other special assignments. However, the Office proposes to be more efficient in FY 2020-2021 in the use of temporary staff and overtime. The Legal Office will support organization-wide reductions in temporary staff and overtime.

SERVICES AND SUPPLIES

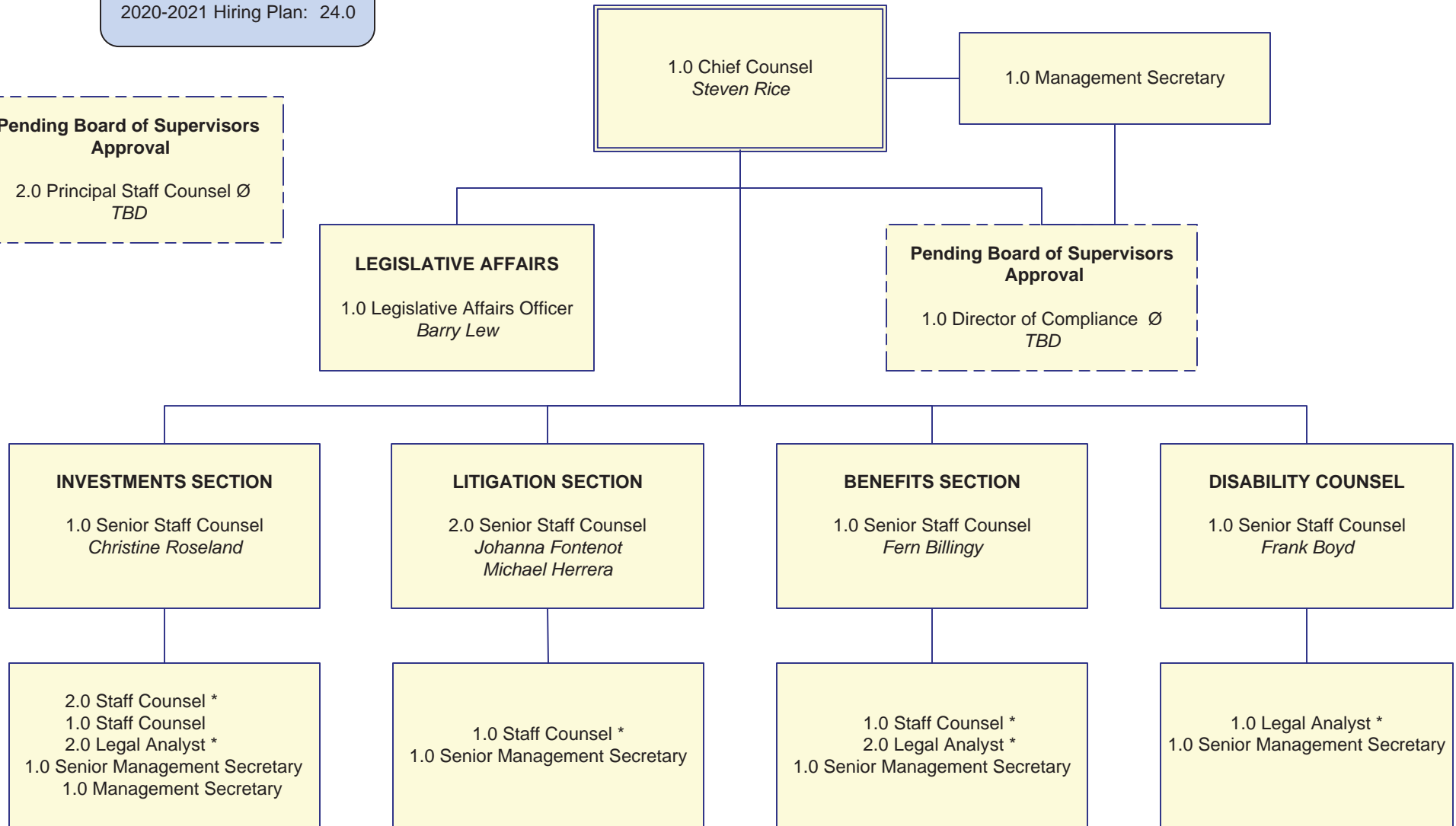
The budget for Services and Supplies is primarily based on historical expenditures, adjusted for experience. Expenses are proposed to be reduced across the board in FY 2020-2021, primarily through a focus on efficiency, reduction in the physical hard copy library in favor of electronic resources, allocation of education opportunities and organizational memberships to minimize if not eliminate travel, avoid duplication, increase the sharing of knowledge and information, and better management of outside legal resources. While outside legal resources is a difficult category to budget and control because it is dependent on unpredictable contingencies and claims as well as Board issues that may arise, the Office expects in FY 2020-2021 to be able to manage outside counsel assignments to reduce cost.

LEGAL SERVICES

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 26.0
 2019-2020 Hiring Plan: 24.0
 2020-2021 Bud. Pos.: 26.0
 2020-2021 Hiring Plan: 24.0

Pending Board of Supervisors Approval
 2.0 Principal Staff Counsel Ø
TBD



* Classification study for the position requested

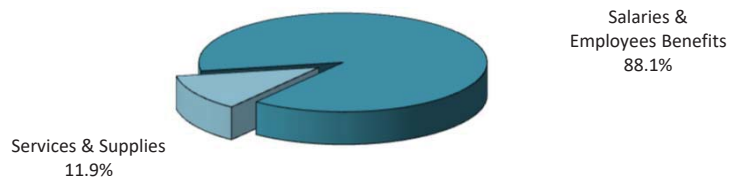
Ø Not yet approved by Board of Supervisors (1.0 Principal Staff Counsel in Investments and Litigation Team, 1.0 Principal Staff Counsel in Benefits and Disability Team, & 1.0 Director of Compliance in Legal Services)

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

LEGAL SERVICES

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$5,768,262	\$5,385,123	\$2,159,230	\$4,974,338	\$793,924	16.0%	\$383,139	7.1%
Services & Supplies	781,200	1,051,300	846,675	1,379,400	(598,200)	-43.4%	(270,100)	-25.7%
OPERATING BUDGET	\$6,549,462	\$6,436,423	\$3,005,905	\$6,353,738	\$195,724	3.1%	\$113,039	1.8%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

LEGAL SERVICES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$3,527,207	\$3,304,852	\$1,379,972	\$3,052,500	\$474,707	15.6%	\$222,354	6.7%
Total Agency Temp Salaries	53,500	60,000	11,127	58,000	(4,500)	-7.8%	(6,500)	-10.8%
Employee Benefits (Variable)	1,862,579	1,666,774	639,814	1,541,338	321,241	20.8%	195,805	11.7%
Employee Benefits (Other)	217,052	240,928	91,969	239,700	(22,648)	-9.4%	(23,876)	-9.9%
OPEB Contribution	90,524	71,568	34,545	71,200	19,324	27.1%	18,956	26.5%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	12,500	35,000	389	6,000	6,500	108.3%	(22,500)	-64.3%
Bilingual Bonus	2,400	0	700	2,100	300	14.3%	2,400	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	2,500	6,000	713	3,500	(1,000)	-28.6%	(3,500)	-58.3%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$5,768,262	\$5,385,123	\$2,159,230	\$4,974,338	\$793,924	16.0%	\$383,139	7.1%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$5,768,262	\$5,385,123	\$2,159,230	\$4,974,338	\$793,924	16.0%	\$383,139	7.1%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

LEGAL SERVICES

2020-2021 BUDGET

<u>FILLED POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>ACTUAL MO. RATE</u>	<u>ANNUAL AMOUNT</u>			
09216A	CHIEF COUNSEL	1	LS19	25,863	310,350			
09213A	SENIOR STAFF COUNSEL	5	LS16	99,545	1,194,535			
09212A	STAFF COUNSEL	4	LS12	57,693	692,319			
00795A	LEGISLATIVE AFFAIRS OFFICERS	1	112C	11,201	134,408			
09235A	LEGAL ANALYST	5	099A	38,118	457,416			
00441A	SENIOR MANAGEMENT SECRETARY	3	96H	22,649	271,794			
00440A	MANAGEMENT SECRETARY	2	92H	13,190	158,275			
POSITIONS		21			3,219,097			
<u>VACANT POSITIONS</u>		<u># POS.</u>	<u>SCHEDULE</u>	<u>1ST STEP MO. RATE</u>	<u>ANNUAL AMOUNT</u>	<u>FILLED AT 12 MONTHS</u>	<u>FILLED AT 9 MONTHS</u>	<u>FILLED AT 6 MONTHS</u>
99999A	PRINCIPAL STAFF COUNSEL Ø	2	LS17	28,851	346,207			
99999A	DIRECTOR OF COMPLIANCE Ø	1	LS16	13,419	161,027			
09212A	STAFF COUNSEL	1	LS12	10,299	123,591	123,591		
00441A	SENIOR MANAGEMENT SECRETARY	1	96H	5,756	69,075		51,806	
POSITIONS		5			175,398	123,591	51,806	0
TOTAL POSITIONS		26						
GROSS SALARIES					3,394,494			
ANTICIPATED MOU SALARY INCREASE**					59,404			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					65,916			
BONUS					7,392			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					3,527,207			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 Ø Not yet Board of Supervisors approved and is calculated at 0 percent filled.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

LEGAL SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
AUTO EXPENSE	\$3,400	\$4,700	\$1,240	\$4,100	(\$700)	-17.1%	(\$1,300)	-27.7%
TRANSPORTATION & TRAVEL	23,000	49,800	7,988	38,700	(15,700)	-40.6%	(26,800)	-53.8%
OFFICE SUPPLIES & EQUIPMENT	6,000	7,500	1,654	6,000	0	0.0%	(1,500)	-20.0%
PROFESSIONAL & SPEC. SRVCS.	252,300	300,300	214,852	460,300	(208,000)	-45.2%	(48,000)	-16.0%
LEGAL FEES & SERVICES	395,000	532,000	577,887	746,500	(351,500)	-47.1%	(137,000)	-25.8%
EDUCATIONAL EXPENSES	99,500	154,000	41,646	122,000	(22,500)	-18.4%	(54,500)	-35.4%
MISCELLANEOUS	2,000	3,000	1,407	1,800	200	11.1%	(1,000)	-33.3%
TOTAL	\$781,200	\$1,051,300	\$846,675	\$1,379,400	(\$598,200)	-43.4%	(\$270,100)	-25.7%

*All amounts rounded to the nearest dollar.



Mission

To provide world-class service in a positive, supportive, professional, and equitable manner through any channel the member chooses. We will strive at all times to provide accurate, clear, and common-language explanations of all plans, plans options, purchases, purchase options, and retirement-related issues. We will strive to function as a team working together to fulfill our assigned mission of servicing members.

INTRODUCTION

With more than 174,000 members, beneficiaries and survivors to serve, LACERA's Member Services Division is focused on providing world-class service to those who rely on us. The Member Services Division received more than 137,000 phone calls during the past fiscal year and counseled more than 20,000 members in our Pasadena Member Service Center. Member Service's staff members also participated in 467 educational workshops and events this past fiscal year that were attended by more than 18,000 members.

Member Services goal for FY 2020-2021 is to reach full staffing of all of the 79 positions our Board of Retirement has authorized for our Division. This year we will fill all vacant positions and reallocate some positions within the Division to increase service and operational efficiency. Member Services is not asking for more positions this fiscal year.

STAFFING

Member Services has faced chronic staffing shortages. We have 79 positions allocated to Member Services and although we have made progress addressing the shortage of staff much more needs to be done.

Over the past year, LACERA's Quality Assurance and Metrics Division, which is the training arm of benefit operations, has delivered to Member Services well-trained graduates of the LACERA Core Benefits Training program. The quantity of newly trained staff members are now at a volume that the staffing shortage in Member Services is ending. Success is shown by the September 2018 graduation of another Core Benefits Training class where Member Services received seven newly trained Retirement Benefits Specialists and in December 2019, we received 10 more new Specialists. It is anticipated in October 2020 Member Services will receive nine more Specialists who will initially be trained in Call Center operations.

Currently, Member Services has five vacant positions and several positions filled by staff members on long-term leave. Member Services required another Core Benefits Training class to fill current and future job openings. Working with LACERA business partners of Quality Assurance and Metrics, Human Resources, Benefits and the Executive Office this class is expected to begin October 2020 with an anticipated graduation date of October 2021. With the graduation of this class, Member Services will finally become fully staffed.

The focus for this fiscal year is to fully staff our Division and to increase efficiently that will produce a higher level of service to our membership. As more staff resources come on line in Member Services some of these Specialists will be allocated to our Member Service Center. This will allow our Retirement Benefits Specialist III's, who have been managing the counseling duties in the Service Center, the opportunity to move back into the field presenting educational workshops and attending events at worksites throughout the County. This is an exciting opportunity to have more LACERA Specialists out of the office to meet our members more frequently, and earlier in their careers, to educate them on their promised LACERA retirement benefits.

Overtime

For Member Services to continue to provide Saturday Workshops and individual counseling in the Member Service Center, support our Benefits business partners in processing contracts and to continue to provide Saturday Neighborhood Workshops we need a budget for Overtime. These activities are all funded through an overtime budget.

During fiscal year 2018-2019, Member Services expanded Saturday Workshops and counseling from mid-January to the end of March, essentially the heart of our March Madness retirement season. The response from our members was enthusiastic and appreciative. For Fiscal Year 2019-2020, we expanded this service by offering Saturday Workshops and counseling nearly every Saturday between November and March. Only on Holiday weekends did Member Services not offer Saturday services.

The County of Los Angeles is a 24-hour a day, seven day a week operation. Having service available to our members over all days and hours other than Monday through Friday is very convenient for many of our members. A way to provide these Saturday services on a more sustainable basis would be to make Saturday a normal workday by offering alternative work schedules such as four, 10-hour days. For now, these services are funded through overtime.

The requested overtime budget for Fiscal Year 2020-2021 is \$130,500 that is similar to the expenditures of Fiscal Year 2017-2018 and Fiscal Year 2018-2019.

Agency Temporary Employees

Member Services has ended the practice of staffing the front desk in the MSC with Agency Temporary employees. Our members will see an improvement in service by being greeted by a well-trained, experienced and knowledgeable full-time permanent Retirement Benefit Specialist.

SERVICES AND SUPPLIES

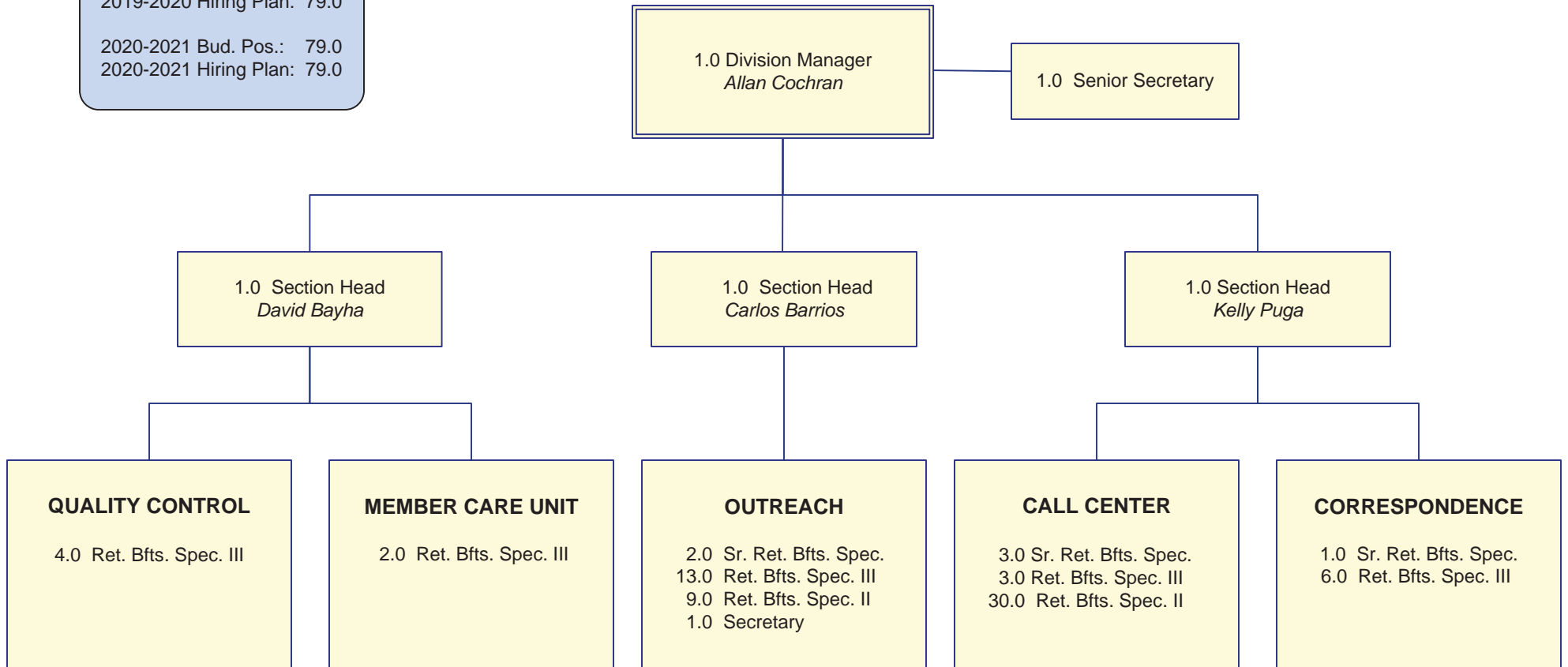
The services and supplies budget request is similar to past years based on actual and historical expenditure trends.

MEMBER SERVICES DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 79.0
2019-2020 Hiring Plan: 79.0

2020-2021 Bud. Pos.: 79.0
2020-2021 Hiring Plan: 79.0

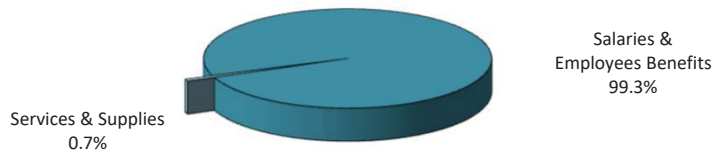


LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

MEMBER SERVICES

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$9,691,407	\$8,919,633	\$3,695,028	\$8,431,159	\$1,260,248	14.9%	\$771,774	8.7%
Services & Supplies	69,800	95,000	24,658	86,200	(16,400)	-19.0%	(25,200)	-26.5%
OPERATING BUDGET	\$9,761,207	\$9,014,633	\$3,719,686	\$8,517,359	\$1,243,848	14.6%	\$746,574	8.3%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

MEMBER SERVICES

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$6,006,252	\$5,401,556	\$2,255,707	\$5,046,200	\$960,052	19.0%	\$604,697	11.2%
Total Agency Temp Salaries	0	160,700	60,114	120,250	(120,250)	-100.0%	(160,700)	-100.0%
Employee Benefits (Variable)	2,994,104	2,677,523	1,052,119	2,501,209	492,895	19.7%	316,581	11.8%
Employee Benefits (Other)	369,603	393,780	157,398	391,800	(22,197)	-5.7%	(24,177)	-6.1%
OPEB Contribution	154,147	116,974	61,103	116,400	37,747	32.4%	37,174	31.8%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	130,500	119,500	95,988	213,000	(82,500)	-38.7%	10,999	9.2%
Bilingual Bonus	16,800	21,600	7,250	15,600	1,200	7.7%	(4,800)	-22.2%
Sick Leave Buyback	10,000	10,000	3,096	10,000	0	0.0%	0	0.0%
Rideshare Allowance	10,000	18,000	2,253	16,700	(6,700)	-40.1%	(8,000)	-44.4%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$9,691,407	\$8,919,633	\$3,695,028	\$8,431,159	\$1,260,248	14.9%	\$771,774	8.7%
Salary Differential **	-	-	-	-	-	-	-	-
TOTAL S&EB	\$9,691,407	\$8,919,633	\$3,695,028	\$8,431,159	\$1,260,248	14.9%	\$771,774	8.7%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

MEMBER SERVICES

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00773A	DIVISION MANAGER	1	LS12	13,438	161,259			
00772A	SECTION HEAD, LACERA	3	LS9	32,121	385,451			
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	5	100G	39,448	473,376			
01311A	RETIREMENT BENEFITS SPECIALIST III	25	95B	171,243	2,054,913			
00439A	SENIOR SECRETARY	1	88H	5,756	69,075			
01310A	RETIREMENT BENEFITS SPECIALIST II	38	88G	187,469	2,249,624			
00438A	SECRETARY	1	82E	5,268	63,216			
POSITIONS		74			5,456,914			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	1	100G	6,400	6,400	76,804		
01311A	RETIREMENT BENEFITS SPECIALIST III	3	95B	5,520	5,520	198,710		
01310A	RETIREMENT BENEFITS SPECIALIST II	1	88G	4,622	4,622		41,600	
						275,515	41,600	0
POSITIONS		5			317,114			
TOTAL POSITIONS		79						
GROSS SALARIES					5,774,028			
ANTICIPATED MOU SALARY INCREASE**					101,045			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					118,714			
BONUS					12,466			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					6,006,252			

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

MEMBER SERVICES

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$22,000	\$42,000	\$13,949	\$39,000	(\$17,000)	-43.6%	(\$20,000)	-47.6%
OFFICE SUPPLIES & EQUIPMENT	15,000	15,000	3,537	12,600	2,400	19.0%	0	0.0%
EDUCATIONAL EXPENSES	21,500	26,700	2,895	23,200	(1,700)	-7.3%	(5,200)	-19.5%
MISCELLANEOUS	11,300	11,300	4,278	11,400	(100)	-0.9%	0	0.0%
TOTAL	\$69,800	\$95,000	\$24,658	\$86,200	(\$16,400)	-19.0%	(\$25,200)	-26.5%

*All amounts rounded to the nearest dollar.

QUALITY ASSURANCE & METRICS

Budget Request Highlights

Fiscal
Year

2020-2021

Mission

To provide the promised benefits to our members in a timely and accurate manner by training and monitoring staff's quality and improving our business processes.

INTRODUCTION

The Quality Assurance & Metrics Division (QA) audits the quality of the work performed by LACERA for our members and provides employee development and new-hire training.

Quality Auditing

QA provides independent monthly review of and reports on the business processes performed by Benefits. The accuracy and completeness of business transactions are measured by audit criteria agreed upon by both auditor and auditee. Audit criteria weigh compliance with the retirement law, financial risk to the fund, and quality of the work completed. The quality audit supports continual improvement initiatives by identifying audit trends, process performance, effectiveness of controls, and training needs. Additionally, QA compiles and reports out on various surveys that measure the quality of the services our members receive from Benefits and Member Services.

Employee Development

To help support continuity of work quality, employee development, and performance improvement within LACERA, Quality Assurance also addresses three levels of training. Although these programs primarily serve the Benefits, Member Services, Disability Retirement Services, and Retiree Health Care Divisions, they are offered to all LACERA staff upon request.

The CORE Benefit Administration (CBA) Training program takes place over 12-months, alternating classroom instruction and practice with periods of actual processing of member requests. All training production work is checked before being finalized. In order to maintain continuity, training materials are reviewed and updated before each session to reflect changes in the retirement law, LACERA business policy, and changes to systems processing. In 2019, QA conducted our second such training with 13 participants, trained and evaluated by nine QA instructors on 22 Benefits processes. The trainees process approximately 1,200 to 2,300 member requests during the production periods.

This year, QA conducted 16 three-day modules for Continuing Education Training (veteran staff) in which 18 Benefits employees participated. In 2019, QA's seven-person training team conducted both the veteran and the CORE Benefits training. Veteran classes were scheduled during each of the CORE Benefits production periods. QA is also developing eLearning modules to broaden our blended learning approach. This offers a combination of interactive learning complimented with face-to-face learning and as well as easily accessed refresher information. This year QA also conducted phase II of the Advanced CERL Education Pilot Program. There are currently five participants from four different divisions. Each of the six modules comprises six half-day sessions and approximately 40 hours of trainer preparation as well as approximately 20 hours of evaluation and summary. The ACE program will run until June 2020, after which it will be evaluated for effectiveness and a determination will be made as to whether it will continue

Special Projects

QA Senior Auditors analyze, test, and validate new procedures, calculations, legislation, and system benefit-calculation programming, such as beta testing the benefit calculation engine, validating mass contribution rate changes, validating member account adjustments for the felony conviction process, and analyzing new County pay codes. Pay code analysis can take from 90 minutes to several weeks depending upon availability of information, and the extent of coordination needed between LACERA's Quality Assurance, Legal Division, and Executive Office, and the County Auditor Controller. The Quality Analysts also performed annual Census Testing of 30 randomly selected member records. As part of LACERA's Quality Eco-System, Quality Assurance also collaborates with other divisions to facilitate data clean-up projects as directed by LACERA's strategic goals.

Successes

Our Core Benefits Training goal is to develop the trainees to the extent that upon graduation participants achieve 95 percent accuracy. The graduating class of December 2019 had an average score of 95.63 percent. In 2019, five out of six processes met the 95 percent targeted accuracy rate.

QA's work with special projects offered insight on certain benefits processes that can be moved to the Member Portal and on streamlining access to the non-member salary file from the Auditor-Controller for efficiency in processing County Temporary Time.

Impact

The training programs are a control that mitigates error, establishes consistency and continuity in processing, and reduces re-work. This ensures quality service, reduces administrative appeals, and escalations, and improves customer and employee satisfaction.

The pay code analysis ensures compliance with CERL/PEPRA in regard to pensionable earnings. It also ensures qualifying salaries are included in the FAC and accuracy in benefit calculation. The Systems estimate calculator audit helps ensure that our system complies with CERL/ PEPRA; and aligns with actuarial assumptions. It safeguards the integrity of our data, thereby reducing financial loss and administrative appeal activity.

Challenges

This year the primary challenge has been allocating resources between the audit and training since most of the quality auditors in QA perform both tasks. Our initial review of the operations indicates that we may need additional staffing to meet the ongoing needs. Staff have been asked to work on their "off days" (most staff are on the 9/80 schedule) in order to meet the current demands.

QA has begun an evaluation process of the workloads and efficiencies of the division. The initial review focused on evaluating how long it takes the current staff to perform work. This analysis is

being reviewed for accuracy based on new functionality provided by Workspace. The next phase of this review will involve looking at work procedures and scheduling methodologies to ensure that we are maximizing efficiency. At the end of this review we may request additional staff members.

QA needs to develop a Learning Management System (LMS) that will enable us to store, access, and manage all our online learning as well as catalog courses and manage participation. In addition, QA needs equipment. Proven learning theory supports training materials in color. Since 2004, Quality Assurance has used various other divisions' color printers or requested color printing from Administrative Services. Due to the volume and frequency of our color printing needs, using other divisions' color printers is not efficient or expedient. Storage boxes and space is limited. QA needs scanning technology to digitize training record documents and eliminate the need for physical storage.

STAFFING REQUEST

There are currently two vacancies in the division, which we plan to fill in FY 2020-2021. As we are currently reviewing and developing operational metrics which will be used to make data driven decisions regarding staffing, we are not asking for any additional staffing at this time.

SERVICES AND SUPPLIES

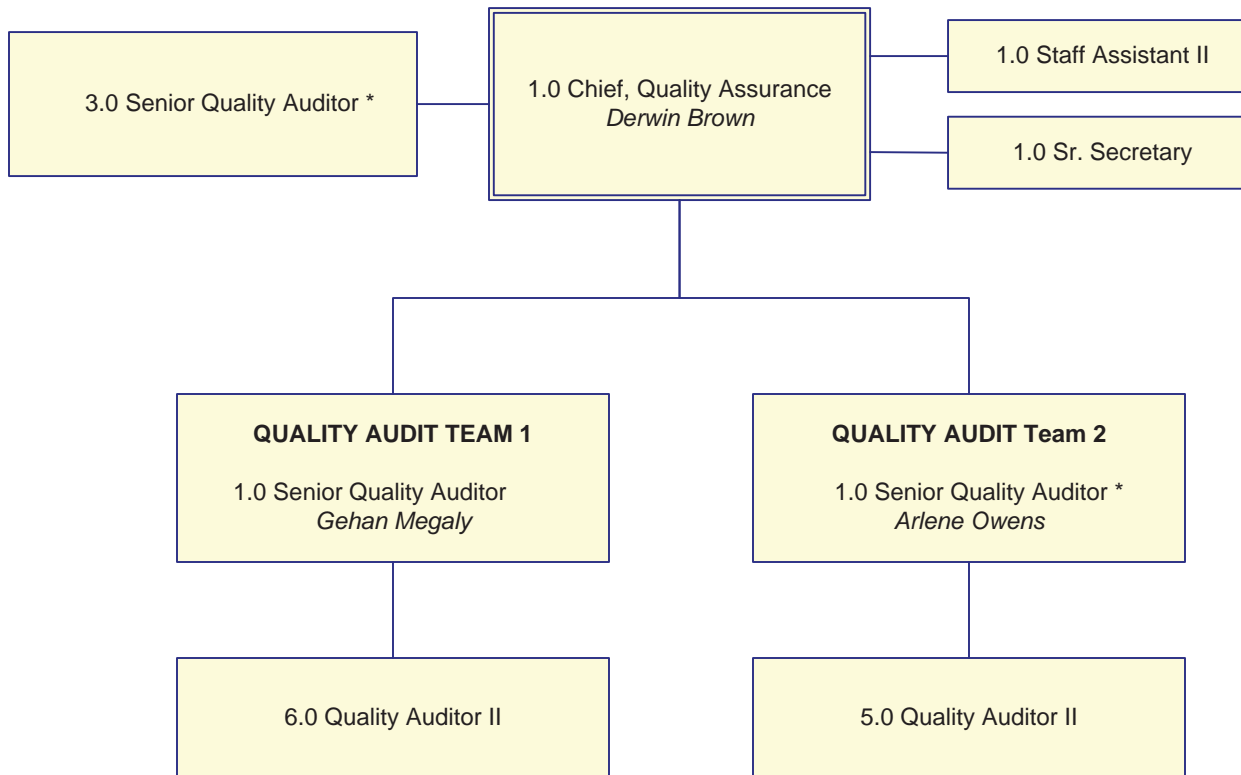
Our request for services and supplies has decreased based on divisional restructuring for lean operating efficiency.

QUALITY ASSURANCE DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 19.0
 2019-2020 Hiring Plan: 19.0

2020-2021 Bud. Pos.: 19.0
 2020-2021 Hiring Plan: 19.0



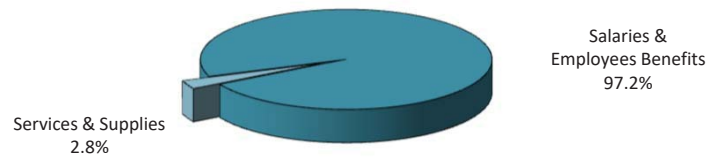
* Classification study for the position requested

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

QUALITY ASSURANCE

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$3,290,455	\$3,177,189	\$1,241,843	\$2,785,580	\$504,875	18.1%	\$113,267	3.6%
Services & Supplies	94,500	150,000	14,353	125,500	(31,000)	-24.7%	(55,500)	-37.0%
OPERATING BUDGET	\$3,384,955	\$3,327,189	\$1,256,196	\$2,911,080	\$473,875	16.3%	\$57,767	1.7%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

QUALITY ASSURANCE

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$1,993,537	\$1,822,643	\$761,679	\$1,687,300	\$306,237	18.1%	\$170,894	9.4%
Total Agency Temp Salaries	0	0	0	0	0	0.0%	0	0.0%
Employee Benefits (Variable)	1,120,880	1,178,702	397,350	920,000	200,880	21.8%	(57,822)	-4.9%
Employee Benefits (Other)	122,675	132,873	53,947	132,200	(9,525)	-7.2%	(10,198)	-7.7%
OPEB Contribution	51,163	39,470	25,882	39,300	11,863	30.2%	11,693	29.6%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	0	1,000	2,695	4,300	(4,300)	-100.0%	(1,000)	-100.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	0	0	0	0	0	0.0%	0	0.0%
Rideshare Allowance	2,200	2,500	290	2,480	(280)	-11.3%	(300)	-12.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$3,290,455	\$3,177,189	\$1,241,843	\$2,785,580	\$504,875	18.1%	\$113,267	3.6%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$3,290,455	\$3,177,189	\$1,241,843	\$2,785,580	\$504,875	18.1%	\$113,267	3.6%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

QUALITY ASSURANCE

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00780A	CHIEF, QUALITY ASSURANCE	1	LS12	13,438	161,259			
00798A	SENIOR QUALITY AUDITOR	4	105B	37,477	449,729			
00797A	QUALITY AUDITOR II	11	99L	88,357	1,060,285			
00439A	SENIOR SECRETARY	1	88H	6,077	72,928			
POSITIONS		17			1,744,201			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00798A	SENIOR QUALITY AUDITOR	1	105B	7,239	86,869	86,869		
00427A	STAFF ASSISTANT II	1	91F	5,002	60,022	60,022		
						146,891	0	0
POSITIONS		2			146,891			
TOTAL POSITIONS		19						
GROSS SALARIES					1,891,092			
ANTICIPATED MOU SALARY INCREASE**					33,094			
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE					14,350			
BONUS					55,001			
120-DAY RETIREE(S)					0			
TOTAL SALARIES					1,993,537			

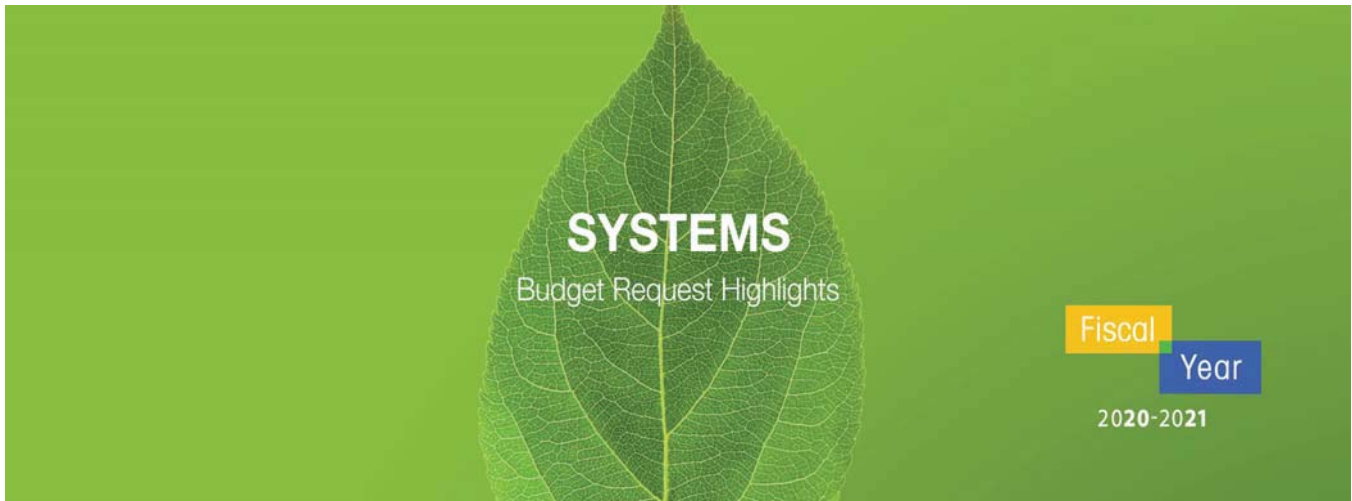
MAPP Tier I and Tier II positions are shown at actual salaries as of 01/01/20
 Represented/Non-Represented positions are shown at actual salaries as of 01/01/20
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

QUALITY ASSURANCE

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$12,000	\$38,200	\$6,313	\$34,300	(\$22,300)	-65.0%	(\$26,200)	-68.6%
OFFICE SUPPLIES & EQUIPMENT	3,000	3,500	1,476	2,600	400	15.4%	(500)	-14.3%
PROFESSIONAL & SPECIALIZED SERVICES	50,000	50,000	0	50,000	0	0.0%	0	0.0%
EDUCATIONAL EXPENSES	28,800	57,300	6,563	38,100	(9,300)	-24.4%	(28,500)	-49.7%
MISCELLANEOUS	700	1,000	0	500	200	40.0%	(300)	-30.0%
TOTAL	\$94,500	\$150,000	\$14,353	\$125,500	(\$31,000)	-24.7%	(\$55,500)	-37.0%

*All amounts rounded to the nearest dollar.



Mission

To provide technology support services and innovation systems-based solutions to the organization in meeting our commitment to protect, produce, and provide the promised benefits to our members.

Introduction

In the past, Systems implemented new servers, computers, operating systems, user management infrastructure, remote email access, and more. These upgrades were designed to pave the way for a new scalable architecture emphasizing remote computing, mobility, cloud-hosted services, deeper member service process automation, better systems redundancy and stronger security features. Building on these recent infrastructure upgrades, we will be partnering with our internal customers to focus on their needs; building capabilities that will directly support end users, increase productivity, and enhance the member experience.

Budget Considerations

Services and Supplies

LACERA's budget aggregates all technology expenditures, including those that are division-specific, within the Systems Division's budget so that we have clarity on the total planning and technology investments.

The Systems Division's services and supplies budget is intended to support the needs of the organization, and contains the following major components:

- **Planning:** Develop an IT Vision Statement and Strategic Plan, prepare a remote systems migration plan, update policies and procedures, review the IT organizational structure.

- Maintenance: Product support, licensing fees, ongoing and established operational costs, etc.
- New projects: Allocation for new systems, applications, products, or services.

This budget request contains principally the maintenance components.

Staffing

The Systems Division has supported a significantly increasing technology portfolio using a largely generalist staff base. Long-term sustainability will require more specialization. Additional staffing will be needed to support our current operational environment, and an influx of specialists will be recruited to sustain our current and future operational needs.

We recognize there are benefits and opportunities to leveraging outsourced expertise and will do so where appropriate and advantageous. This does not negate the need for in-house resources that can effectively support and administer our systems and we will staff appropriately.

Pressing forward, we will make future adjustments to budgeted positions in two ways—removing classifications no longer needed and replacing them with classifications that appropriately support the operation. Because there are currently sufficient vacancies for us to begin our fiscal year hiring plan, there is no net increase in staff count. Our primary focus in the 2020-2021 FY will be filling our existing vacancies to improve our ability to deliver support services to the organization while reducing our need to rely on temporary employees.

Overtime

The overtime budget is primarily allocated for

- 1) After-hour system maintenance and upgrades,
- 2) Emergency system support,
- 3) Support for Saturday member services and Benefits operations, and
- 4) Support for extended office hours during peak months.

Looking Ahead

We are developing IT Vision Statement and Strategic Plan and reviewing our IT organizational structure. The work will take a comprehensive look at the future of LACERA's technology development and focusing on long term evolution and continuous improvements that provide nimble customer support and response to business needs.

SYSTEMS DIVISION

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 60.0
 2019-2020 Hiring Plan: 59.0
 2020-2021 Bud. Pos.: 60.0
 2020-2021 Hiring Plan: 59.0

Pending Board of Supervisors Approval

1.0 Information Tech. Manager II Ø

1.0 Information Systems Manager
James Brekk

1.0 Sr. Secretary

MEMBER SYSTEMS & APPLICATIONS

1.0 Asst. Information Systems Mgr
 Vacant

SYSTEMS DEVELOPMENT

1.0 Asst. Information Systems Manager
 Vacant

TECHNOLOGY

1.0 Asst. Information Systems Manager
 Vacant

INFORMATION SECURITY

1.0 Chief Info. Sec Officer
 1.0 Data Sys. Coordinator

BUSINESS DATA ANALYSTS

2.0 Information Tech. Spec II
 2.0 Information Tech. Spec. I
 1.0 Retirement Sys. Specialist
 1.0 Data Sys Supv. II
 4.0 Data Sys Coordinator

APPLICATIONS DEVELOPMENT

1.0 Data Sys. Supv. II
 2.0 Information Tech. Spec. I
 1.0 Programming Sys. Spec.
 4.0 Data Sys. Coordinator

INFRASTRUCTURE

1.0 Chief Technology Officer

SUPPORT

1.0 Information Technology
 Manager I

OPERATIONS

2.0 Data Sys. Supv. II
 2.0 Information Tech. Spec. I
 1.0 Retirement Sys. Spec.
 1.0 Programming Sys Spec
 1.0 EDP Principal Prog. Analyst

IMPLEMENTATION

1.0 Info Tech. Manager I
 4.0 Info Tech Specialist II
 1.0 Data Sys Coordinator

OPERATIONS

1.0 Information Sys. Manager I
 8.0 Data Sys. Analyst II
 3.0 Data Sys. Analyst I
 1.0 Staff Assistant I

IMPLEMENTATION

1.0 Retirement Sys. Specialist
 5.0 Data Sys. Coordinator

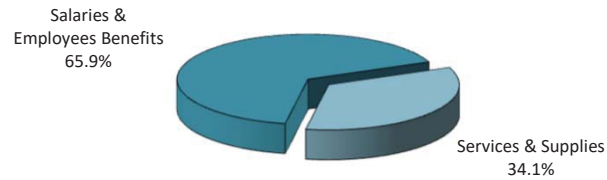
Ø Not yet approved by Board of Supervisors

LACERA
FISCAL YEAR 2020-2021
BUDGET SUMMARY

SYSTEMS DIVISION

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$11,724,699	\$11,031,888	\$3,872,787	\$9,054,800	\$2,669,899	29.5%	\$692,812	6.3%
Services & Supplies	6,057,400	6,303,900	2,322,647	5,920,700	136,700	2.3%	(246,500)	-3.9%
OPERATING BUDGET	\$17,782,099	\$17,335,788	\$6,195,434	\$14,975,500	\$2,806,599	18.7%	\$446,312	2.6%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

LACERA
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

SYSTEMS DIVISION

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		BUDGET	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
			(12-31-19)	PROJECTION				
Total LACERA Salaries	\$6,454,226	\$6,055,234	\$2,116,579	\$4,891,200	\$1,563,026	32.0%	\$398,991	6.6%
Total Agency Temp Salaries	1,200,000	1,700,000	525,763	1,051,600	148,400	14.1%	(500,000)	-29.4%
Employee Benefits (Variable)	3,356,659	2,546,989	960,339	2,424,400	932,259	38.5%	809,669	31.8%
Employee Benefits (Other)	397,170	441,434	164,626	439,200	(42,030)	-9.6%	(44,264)	-10.0%
OPEB Contribution	165,644	131,129	59,666	130,500	35,144	26.9%	34,515	26.3%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	130,100	130,100	40,473	90,000	40,100	44.6%	0	0.0%
Bilingual Bonus	0	0	0	0	0	0.0%	0	0.0%
Sick Leave Buyback	12,000	12,000	2,927	11,600	400	3.4%	0	0.0%
Rideshare Allowance	8,900	15,000	2,415	16,300	(7,400)	-45.4%	(6,100)	-40.7%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$11,724,699	\$11,031,888	\$3,872,787	\$9,054,800	\$2,669,899	29.5%	\$692,812	6.3%
Salary Differential **	-	-	-	-	-	-	-	-
TOTAL S&EB	\$11,724,699	\$11,031,888	\$3,872,787	\$9,054,800	\$2,669,899	29.5%	\$692,812	6.3%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021

SALARIES

SYSTEMS DIVISION

2020-2021 BUDGET

FILLED POSITIONS	# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT
00783A	1	LS14	18,015	216,177
00781A	2	LS12	34,326	411,918
00803A	1	LS11	12,876	154,508
00802A	1	122H	12,300	147,603
00801A	1	117F	6,657	79,884
00460A	2	115L	25,215	302,581
00782A	1	115F	12,576	150,918
02644A	2	115E	24,429	293,146
00453A	1	115C	12,483	149,798
00469A	13	110D	135,169	1,622,033
00458A	8	104H	71,345	856,146
00457A	3	102A	22,553	270,636
00426A	1	84F	4,868	58,416

POSITIONS 37 4,713,764

VACANT POSITIONS	# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
00781A	1	LS12	10,299	123,591			61,796
00806A	1	LS12	10,299	123,591			61,796
00805A	1	LS12	10,299	123,591			61,796
99999A	1	LS12	10,299	123,591			
00803A	1	LS11	9,581	114,969			57,484
00802A	5	122H	11,651	139,817			349,544
00801A	5	117F	10,124	121,488			303,720
00460A	2	115L	9,707	116,488			116,488
02644A	1	115E	9,566	114,787			57,393
02600A	2	112H	8,884	106,605			106,605
00469A	2	110D	8,332	99,983			99,983
00439A	1	88H	4,634	55,603			27,801

POSITIONS 23 1,304,405 1,304,405

TOTAL POSITIONS 60

GROSS SALARIES 6,018,169

ANTICIPATED MOU SALARY INCREASE** 105,318

ANTICIPATED STEP AND/OR MERIT SALARY INCREASE 68,441

BONUS 35,642

120-DAY RETIREE(S) 3 226,656

TOTAL SALARIES 6,454,226

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 Ø Not yet approved by Board of Supervisors and is calculated at 0 percent filled.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

LACERA
FISCAL YEAR 2020-2021
SERVICES & SUPPLIES ACCOUNT SUMMARY

SYSTEMS DIVISION

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		2019-2020			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	YTD (12-31-19)	PROJECTION				
COMMUNICATIONS	\$710,000	\$731,000	\$285,270	\$692,000	\$18,000	2.6%	(\$21,000)	-2.9%
TRANSPORTATION & TRAVEL	13,500	32,500	4,794	17,200	(3,700)	-21.5%	(19,000)	-58.5%
POSTAGE	390,000	380,000	189,030	380,000	10,000	2.6%	10,000	2.6%
OFFICE SUPPLIES & EQUIPMENT	469,800	477,800	158,255	434,000	35,800	8.2%	(8,000)	-1.7%
EQUIPMENT MAINTENANCE	632,200	615,200	112,552	586,100	46,100	7.9%	17,000	2.8%
PROFESSIONAL & SPECIALIZED SERVICES	954,600	886,600	254,796	709,900	244,700	34.5%	68,000	7.7%
COMPUTER SERVICES & SUPPORT	2,849,800	3,120,400	1,307,545	3,075,400	(225,600)	-7.3%	(270,600)	-8.7%
EDUCATIONAL EXPENSES	36,500	59,400	10,277	25,100	11,400	45.4%	(22,900)	-38.6%
MISCELLANEOUS	1,000	1,000	128	1,000	0	0.0%	0	0.0%
TOTAL	\$6,057,400	\$6,303,900	\$2,322,647	\$5,920,700	\$136,700	2.3%	(\$246,500)	-3.9%

*All amounts rounded to the nearest dollar.

PROJECTED NON-ADMINISTRATIVE EXPENSES
For the Fiscal Year Ended June 30, 2021

	Current Year		Prior Year ACTUAL FOR FY 2018-2019
	EXPENSES	PROJECTED	
	AS OF 12/31/2019	FOR FY 2020-2021	
Pension Trust Fund:			
Investment Management Fees			
U.S. Equity	\$ 7,068,061	\$ 14,544,746	\$ 16,543,532
Non-U.S. Equity	15,135,243	30,798,723	30,602,322
Fixed Income	20,635,704	38,330,605	37,949,688
Cash and Short-Term	233,766	467,531	644,355
Mortgage Loan Services	33,610	65,610	69,613
Private Equity	4,712,065	9,274,516	8,317,007
Real Estate	3,064,023	28,557,958	29,088,165
Hedge Funds	783,854	-	1,838,334
Commodities	2,108,133	4,216,266	4,640,072
Total Investment Management Fees	53,774,459	126,255,955	129,693,089
Other Investment Expenses			
Consultants			
General Investment Portfolio	98,750	395,000	426,750
Private Equity	592,500	1,222,500	2,693,035
Real Estate	78,030	312,120	309,210
Other Consulting Fees	359,351	591,477	249,680
	1,128,631	2,521,097	3,678,675
Custodians			
Banking and Treasury	1,220,147	2,481,947	2,733,062
Hedge Funds	-	-	248,952
Mortgages	1,250	5,000	5,000
	1,221,397	2,486,947	2,987,014
Performance and Other Fees	26,217,109	106,855,125	96,482,887
Investment Legal Counsel	89,894	179,787	284,638
Total Other Investment Expenses	28,657,030	112,042,957	103,433,213
Total Management Fees and Other Investment Expenses	\$ 82,431,489	\$ 238,298,912	\$ 233,126,302
Actuarial Consulting Services	103,814	297,508	332,945
Total Pension Fund Non-Administrative Expenses	\$ 82,535,304	\$ 238,596,420	\$ 233,459,246
Retiree Health Care (RHC) Program Funds:			
Fixed Income Management Fees	\$ 36,378	\$ 72,745	\$ 68,169
Short-Term Management Fees	8,305	18,856	21,220
Custodian Fees	25,002	42,401	32,428
Total RHC Program Non-Administrative Expenses	\$ 69,685	\$ 134,001	\$ 121,817
Other Post Employment Benefits (OPEB) Trust Fund:			
Enhanced Cash Management Fees	\$ 5,177	\$ 11,553	\$ 4,340
Commodities Management Fees	\$ 38,378	\$ 79,983	\$ 61,710
Global Equity Management Fees	\$ 92,835	\$ 182,891	\$ 177,108
Fixed Income Management Fees	\$ 84,928	\$ 182,040	\$ 120,344
Real Estate Management Fees	\$ 39,080	\$ 84,269	\$ 79,014
General Investment Portfolio Consultant	\$ 27,500	\$ 55,000	\$ 55,000
Custodian Fees	\$ 167,559	\$ 332,873	\$ 244,701
Total OPEB Trust Non-Administrative Expenses	\$ 455,457	\$ 928,609	\$ 742,216

STRATEGIC PLAN

Retirement Benefits FOR FISCAL YEARS ENDING 2018-2020



Status Update

The Strategic Plan has been reformatted and aligned along the four main key objectives outlined by our CEO. The format has also been redesigned so that we can easily see where we are on each goal (In Process, Substantially Complete, or Completed) and color coded to represent how well we are doing in terms of progress on the goals (red for behind, yellow for in danger or near to being behind, and green for completed).

The goals each have current “owners” and “business partners” who are working on the goal. These assignments may change as we continue to review and re-structure our teams to meet these goals. Here is the index that shows what the different initials stand for:

Division Codes									
AS	Admin Services	BE	Benefits	CO	Communications	FA	Financial & Accounting Services	DR	Disability Retirement Services
DL	Disability Litigation	EO	Executive Office	HR	Human Resources	IA	Internal Audit	IN	Investments
LS	Legal Services	MS	Member Services	QA	Quality Assurance	RH	Retiree Healthcare	SY	Systems

Governance

Working together to improve our Board and internal governance.

1. Work with Board members to engage the NACD to provide continual Board member training and development to provide them with the tools and knowledge to continually improve their ability to provide responsible leadership for LACERA.
2. Work with the internal management and supervisorial team to develop and deliver education to develop organizational leadership to transform LACERA into an innovative and best in class organization focused on delivering its mission.

Fund Sustainability

To advance LACERA's producing the promised benefits, a separate plan for 2019 addresses five inter-related objectives:

1. Execute strategic asset allocation.
 2. Enhance operational effectiveness.
 3. Optimize Investment Implementation.
 4. Maximize ownership rights and stewardship.
 5. Strengthen influence on fees and capital costs.
- Please refer to the Investments Strategic Plan

Preserving Retiree Healthcare

Preserving Retiree Healthcare by taking innovative and proactive steps to minimizing costs and improving services provided to members and survivors.

- Please refer to the Retiree Healthcare Strategic Plan

Reduce Complexity of our Organization

Continually working to make the process easier for our members and staff.

- Disability Retirement Information Integration & Enhancements

We are focusing our organizational energy on modernizing our disability investigation and appeal processes through revising Board policy, streamlining staff procedures, evaluating staffing deployment, changing operational expectations, improving accountability, creating new measurement structures, and developing new assistive technology tools.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Process Modification	Review the application processing to identify efficiencies and begin program design stage.					
	FY 2013-14	SY	DR			
Current Update	Completed					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Data Integration: Tracker	Export data from Tracker and import the data to Workspace.					
	FY 2013-14	SY	DR			
Current Update	Completed					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Document Management	Description Not Available					
	FY 2014-15	SY	DR, AS			
Current Update	Completed					

- Reduce Complexity of our Organization >>> Disability Retirement Information Integration & Enhancements (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Process Management	Program and move most disability processes including Disability application intake, interviews, medical appointments, etc.					
	FY 2015-16	SY	DR			
Current Update	Substantially Complete – Recently rolled out the Board Agenda process. Disability staff have the ability to print the agenda from Workspace.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board and Management Metric Reporting for Disability Processes	The development of metrics and reports to provide management and BOR critical insight to the status of disability cases. The intended goal of processing disability cases is 9-12 months.					
	FY 2016-17	SY	DR, EO			
Current Update	Substantially Complete – Workspace page provides metrics on pending completed cases. Provides aging (number of days) for pending cases. Additional reports will be developed as case tracking is implemented in Workspace.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Medical Document Portal – System	The development of a system where doctors, medical record retrieval vendors, and others can electronically submit medical reports to LACERA.					
	FY 2017-18	SY	DR			
Current Update	Not Started					

- Reduce Complexity of our Organization >>> Disability Retirement Information Integration & Enhancements (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Disability Medical Document Portal – Training	The development of training for staff members on how to use this and how to train outside parties to use the system.					
	FY 2017-18	SY	DR			
Current Update	Training will be provided to staff upon completing the Document Portal, and training and training materials will be provided to vendors regarding their document submissions.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Case Management	Development of a case management system that will assist DRS staff members to manage individual cases more efficiently.					
	FY 2017-18	SY	DR			
Current Update	Since the OOC presentation in October 2019, staff have been reviewing technical requirements and evaluating integration methods. A preliminary set of business requirements was developed and the team will be reconvening in February to further refine the business requirements and advance other tasks related to this project.					

- Reduce Complexity of our Organization >>> Disability Appeal Process Modernization

We are leveraging our efforts and the lessons learned in the Disability Retirement process to modernize the Disability Litigation appeals process by streamlining staff processes and procedures, developing case management tools to improve resource management, process and manage Writs, and develop a new measurement structure to provide greater insight into the caseload.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Appeal Packages	Create and store Disability Appeal packages electronically.					
	FY 2016-17	SY	AS, DR			
Current Update	Completed					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
E-Board Package - Digital Appeal Cases	Deliver Disability Appeal packages to the Board electronically.					
	FY 2016-17	SY	AS, DR			
Current Update	Completed					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Planning Writ Management Process	Complete a needs assessment and develop an overview of the Writ Management Process to assist Systems in developing a Writ Management System.					
	FY 2016-17	SY	DL			
Current Update	Completed					

- Reduce Complexity of our Organization >>> Disability Appeal Process Modernization (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Implement Writ Process Management	Create a case management process for managing the response to Writs filed to appeal Board decisions on disability cases.					
	FY 2017-18	SY	DL			
Current Update	Not Started: Pending completion of Disability Process Management. If the volume of transactions warrants an automated solution, the process management developed for the disability application process will be reused for the writ process.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Appeal Process Management	Integrate the Disability Litigation Appeal process with Workspace and the Writ Management System to allow electronic management of the process and institute metrics and reporting.					
	FY 2017-18	SY	DL			
Current Update	Not Started: Pending completion of Disability Process Management. The process management developed for the disability application process will be reused for the appeal process.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retire Legacy System: Tracker	Retire the legacy Tracker system – after all functionality has been migrated to Workspace.					
	FY 2017-18	SY	DL			
Current Update	The major features of the Disability Tracker have been implemented in Workspace. There are a few additional processes to implement. Ad hoc printing of letters needs to be implemented in Workspace and Tracker Events need to be imported into Workspace.					

- Reduce Complexity of our Organization >>> Managing Work through the Job Ticket Process

Through the years, LACERA introduced various tools to improve accuracy, timeliness, and reliability of our member transactions. Building upon this foundation, LACERA is designing and implementing a system to track the progress of each transaction as it undergoes triaging, assigning, calculating, quality review, and completion. Intrinsic to each “job ticket” is process-centric and member-centric data to efficiently and effectively manage work objects.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 1.0 – Planning	Develop a needs assessment and outline of the job ticket requirements and system.					
	FY 2013-14	SY	BE			
Current Update	Complete					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 1.0 – Prototyping	Create a prototype of a the job ticket system.					
	FY 2015-16	SY	BE			
Current Update	Complete					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 1.0 – Production	Implement the job ticket system into the production environment of Workspace.					
	FY 2015-16	SY	BE			
Current Update	Complete					

- Reduce Complexity of our Organization >>> Managing Work through the Job Ticket Process (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 2.0 – Reporting	Create and generate metric and tracking reports from the Job Ticket system.					
	FY 2017-18	SY	BE			
Current Update	Substantially Complete: Initial Report completed. Benefits division reviewing for fine-tuning.					
<hr/>						
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 3.0 – Case Management	Update the Job Ticket system to facilitate individual case management of work objects and member requests.					
	FY 2018-19	SY	BE			
Current Update	Not Started: Expected to start the design in the upcoming year. The design will be leveraged for use in both Benefits and Disability Case Management.					
<hr/>						
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Job Ticket 4.0 – Audit Version	N/A					
	FY 2019-20	SY	BE			
Current Update	Scheduled for next FY.					

- Reduce Complexity of our Organization >>> LACERA.com

Our website will have an easy to use and modern look that facilitates members' ability to learn about their LACERA benefits.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
LACERA.com Redesign	Update and modernize LACERA.com. This includes a complete review of all content on the website.					
	FY 2017 – 18	SY	CO			
Current Update	Significant progress has been made on this project. The site architecture has been designed, and beta tested with members to gain feedback on navigation and overall structure of data categories. This input has been used to fine tune the site organization. Subject matter experts throughout LACERA are in the process of reviewing all site content. Some delays have occurred as a result of the COVID-19 response process. We remain on target for a first quarter 2020-2021 launch.					

- Reduce Complexity of our Organization >>> LACERA.com:

Member Portal

Our My LACERA Member Portal website will support on-line transactions so that our members can self-service their accounts in a protected and expeditious manner.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Beneficiary Update	Implement ability for members to add, update, or delete beneficiary information on My LACERA member portal.					
	FY 2013 - 14	SY	BE, MS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Portal Redesign	Update and modernize the My LACERA member portal.					
	FY 2016 – 17	SY	EO, CO, MS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Secure Message Center	Implement a secure message center through the My LACERA member portal so members can communicate electronically with MS and RHC.					
	FY 2016 – 17	SY	EO, CO, MS			
Current Update	Completed.					

- Reduce Complexity of our Organization >>> LACERA.com: Member Portal
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
On-Line Pension Verification	Allow members to request and print pension verification and amount in fund letters through the My LACERA member portal.					
	FY 2017 – 18	SY	BE, CO, MS			
Current Update	Completed. In addition to the Pension Verification letters, Systems also delivered the ability to generate Amount-in-Fund letters. Additional functionality is being added to allow Member Services – Outreach to print letters at the Member Service Center.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
On-Line Form – Service Credit Purchase	Allow members to submit a request to purchase service credit online through the My LACERA member portal.					
	FY 2018 – 19	SY	BE, CO, MS			
Current Update	Completed: This task was completed on October 28, 2019. Version 6.0 of My LACERA included a new Purchases page that allows members to submit request to purchase service credit online.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
On-Line Form – Disability Application	Allow members to securely submit a Disability Application online through the My LACERA member portal.					
	FY 2018 – 19	SY	BE, CO, DR			
Current Update	In design phase.					

- Reduce Complexity of our Organization >>> LACERA.com: Member Portal
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
On-Line Form – Retirement Election	Allow members to securely submit a Retirement Election online through the My LACERA member portal.					
	FY 2019 – 20	SY	BE, LS, MS			
Current Update	Significant progress has been made on designing a new Retirement Application which will serve as the design for an online election form. The form was scheduled for testing in the MSC, but delayed due to the MSC closure as a result of COVID-19. The team is reviewing the next steps to move this forward.					

- Reduce Complexity of our Organization >>> Retiree Healthcare Program

In 1987, we embarked on an ambitious program to create our own benefit administration software application. Over the ensuing decades we have devoted considerable resources to support our retirement benefit administration and, more recently, our disability application work processes. Looking to the future, now is the time to begin planning how to best support the Retiree Healthcare Program with improved document control, workflow, and technology. Similar to our efforts in the disability application area, this will be a multi-dimensional effort which will require us to evaluate Board policy, staff procedures, staffing deployment, operational expectations, accountability, and measurement structures.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Needs Assessment	Complete a needs assessment to determine what future efforts will be needed to integrate RHC operations into Workspace.					
	FY 2017 – 18	SY	RH			
Current Update	Completed.					

- Reduce Complexity of our Organization >>> Managing Member Interactions

The ability to provide world class service to our members is dependent on ensuring LACERA manages member interactions in an efficient manner, measures service levels, as well as keeping an accurate record of member interactions in the member’s file. LACERA will focus resources on expanding our ability to record and store inbound and outbound calls with members to the Benefits, Disability Retirement Services divisions. Recording calls ensures we have an accurate record of member interactions which improves service and can be leveraged to provide quality assurance and training to staff. We will also begin focusing on the development of a Member Service Center queuing system to improve our ability to forecast, budget, and allocate staffing resources and improve management of service levels in the Member Service Center.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Member Service Center Queue System – Planning	Needs assessment and planning for implementation of a queuing system in the Member Services Center					
	FY 2018 – 19	SY	MS			
Current Update	Significant progress was completed and we were in discussions to schedule installation of the new system, user acceptance testing, and then beta testing. This project has been delayed due to the closure of the MSC as a result of the COVID-19 response.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Call Recording – Benefits Division – Planning	Planning the implementation and roll out of call recording for Benefits Division Specialists.					
	FY 2019 – 20	SY	BE			
Current Update	This project has been completed and those staff members in Benefits who make outbound calls to members are now recorded.					

- Reduce Complexity of our Organization >>> Managing Member Interactions

(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Call Recording – Disability Division – Planning	Planning the implementation and roll out of call recording for Disability Division Investigators.					
	FY 2017 – 18	SY	DR			
Current Update	Systems has completed the planning for the technical implementation of the call recording. Disability staff still has to be engaged to discuss rollout of the call recording.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Replace Call Recording System	Replace current call recording software and storage.					
	FY 2018 – 19	SY	BE, DR, MS			
Current Update	In Process: 48 additional recording ports have been added, 24 have been designated for Disability staff scheduled for implementation later on this FY. Staff has started researching a total replacement solution.					

- Reduce Complexity of our Organization >>> Workspace

The information system will facilitate members service while protecting membership information. The system environment will be continually evaluated and updated. We look to improve the way we circulate the member’s electronic document by creating a Job Ticket processing system.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Replace Green Screens	Replace the mainframe green screens by importing all functionality into Workspace.					
	FY 2017 – 18	SY	BE			
Current Update	Completed. The final green screens in use were retired on June 5, 2017.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retire CICS						
	FY 2017 – 18	SY	BE			
Current Update	Completed. CICS was no longer in use as of June 5, 2017.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
COBOL Program Replacement – Planning						
	FY 2017 – 18	SY				
Current Update	Completed.					

- Reduce Complexity of our Organization >>> Workspace (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Update Retirement Estimate Program	Update the retirement estimate logic to reflect current requirements.					
	FY 2017 – 18	SY	LS, IA			
Current Update	Completed: The estimate program was updated on May 8, 2017. The program now generates estimates for Service Retirement, Death, Service Connected Disability, and Non-Service Connected Disability retirements.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Multiple Plan Streams	Updating Workspace programming to properly support members who have more than one membership stream.					
	FY 2018 – 19	BE	LS, SY			
Current Update	In Process: Plan E related plan stream eligibility rules have been incorporated into the Final Calc and Estimate programs. Safety plan stream with non-E eligibility rules have not been incorporated due to small volume and unresolved processing issues relating to contributions and interest.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Reengineer 1 st Payment – Planning	Review the first payment process to ensure the process is designed to efficiently and accurately issue the first benefit payment to members.					
	FY 2018 – 19	SY	BE, LS, QA			
Current Update	Participating in planning/design meetings.					

- Reduce Complexity of our Organization >>> Member Communications

Members have important retirement choices to make, from plan selection when first hired through choosing the best date and retirement option at the end of their careers. It is our responsibility to provide the education they need to make good choices for their individual circumstances. Our strategic direction is to continue to expand and improve our communication to members by offering a wide variety of user-friendly, updated, informative, and creative educational tools that include print materials, seminars and workshops, website materials, videos, etc. We will review our current pre-retirement workshop and develop and offer topic-specific modules that members could choose from as alternatives.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Outreach Web Video – New Member	Develop an online video that explains the new membership process.					
	FY 2014 – 15	MS	CO, LS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Active Member Benefit Statement	Redesign and implement a new Active Member Benefit Statement.					
	FY 2017 – 18	CO	EO, LS, MS, SY			
Current Update	Communications and Systems are working together to re-design the statement. Communications has produced prototypes and is currently in the process of finalizing the data points that will be included in the statement. This involves working with BE, MS, and LS. Once that data has been defined, Systems will work with Communications to complete the programming to support the final design. This will need to be followed up with an RFP to select a vendor to print and mail the statements.					

- Reduce Complexity of our Organization >>> Member Communications
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retirement Estimate Document	Redesign the Retirement Estimate and Benefits Election form to make it more informative and user friendly.					
	FY 2017 – 18	CO	EO, LS, MS, SY			
Current Update	Significant progress has been completed on the creation of a new Retirement Application and supporting materials. The new document was scheduled to be tested in early 2020. However, this was delayed as a result of the COVID-19 pandemic response which resulted in the closure of the MSC.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retirement University - Course 1	Design and implement an on-line course on the Retirement Benefit Options.					
	FY 2017 – 18	CO	BE, DR, EO, LS, MS, RH, SY			
Current Update	Communications and Member Services finalized the first three segments of the course that address the top options chosen by members: Unmodified, Unmodified+Plus, and Option 4. Publishing has been postponed until the redesigned lacera.com website is launched.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Retirement University - Course 2	Select the content, design, and implement the second course in our online university.					
	FY 2020 – 21	CO	BE, DR, EO, LS, MS, RH, SY			
Current Update	Not Started.					

- Reduce Complexity of our Organization >>> Member Communications
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Member Survey	Conduct a survey of all LACERA members and survivors to assess the services and service level that LACERA is providing.					
	FY 2020– 21	EO	BE, DR, LS, MS, RH, SY			
Current Update	Scheduled for next FY.					

- Reduce Complexity of our Organization >>> Board Operations

It is important for all members of the organization, Board, management, and workers, to be dedicated to creating and maintaining a professional workspace. The Board’s workspace should foster an aesthetic appearance while maintaining functionality and readily communicate LACERA’s commitment to its membership.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board Room Branding Entryway	Refresh and update the entry way to the Board room and include pictures of Board members so the members and public can see who is representing them.					
	FY 2017 – 18	EO	AS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board Room Branding	Refresh and update the Board Room, including branding.					
	FY 2017 – 18	EO	AS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board Room Speaker Timer and Signal						
	FY 2017 – 18	SY	EO, AS			
Current Update	Completed.					

Cultivate a Risk Intelligent Organization

Creating an organization that is aware of the risks and manages those risks appropriately. Compliance. Sharing of knowledge.

- Knowledge & Content Management

Provide an Enterprise Content Management System (ECMS) that integrates a centralized search of all knowledge content. We expect to internally ingest the Board of Retirement's Committee documents and implement a user friendly tool to access our membership rules and plan information.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Board Package Web Posting	Post all Board of Retirement and Board of Investments agendas online.					
	FY 2015-16	SY	EO, IN, LS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: BOI Back file – Implement	Archive all prior versions of BOI agendas/minutes.					
	FY 2016-17	SY	EO, IN, LS			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: BOR Committee – Implement	Archive all prior versions of BOR Committee agendas/minutes.					
	FY 2016 - 17	SY	EO, IN, LS			
Current Update	Completed.					

- Cultivate a Risk Intelligent Organization >>> Knowledge & Content Management (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Disability Case Back file – Evaluate	Conduct a needs assessment of what it would take to archive all disability case back files.					
	FY 2017 - 18	SY	EO, DR, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: RFP	Issue an RFP.					
	FY 2017 - 18	SY	EO, DR, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Actuary Reports	Archive all actuary reports.					
	FY 2018 - 19	SY	EO, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					

- Cultivate a Risk Intelligent Organization >>> Knowledge & Content Management (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Accounting Reports	Archive all accounting reports.					
	FY 2018 - 19	SY	EO, FA, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Brochures Reports	Archive all brochures.					
	FY 2018 - 19	SY	EO, CO, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Summary Plan Descriptions	Archive all Summary Plan Descriptions.					
	FY 2018 - 19	SY	EO, CO, LS			
Previous Update	Not Started.					
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					

- Cultivate a Risk Intelligent Organization >>> Knowledge & Content Management (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Digital Archive: Retiree Healthcare Program	Archive all Retiree Healthcare Program.					
	FY 2018 - 19	SY	EO, CO, RH, LS			
Current Update	Not Started: Project has been deferred due to other organizational priorities and resource limitations.					

- Cultivate a Risk Intelligent Organization >>> **Operational Compliance**

LACERA continues implementing innovative and best practice quality initiatives by introducing another line-of-defense; a formalized Operational Compliance program. The Operational Compliance program is geared to nurture a culture of compliance, and provide a structured and transparent approach to adhere to operational processes, policies and key organizational training regimens. The program's ultimate success is achieved by an organization demonstrating a culture of compliance and ethical business practices coupled with the efficient and effective integration of Operational Compliance into daily business practices.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Create Compliance Program Charter	Create a charter to define the compliance program roles, responsibilities, and approach.					
	FY 2017 – 18	LS	EO			
Current Update	Templates gathered and reviewed by members of Compliance Committee; further action deferred pending hiring of Compliance Director.					
<hr/>						
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Implement Organizational Compliance Committee	Create a Compliance Committee that will work together to define the compliance program, draft or review compliance policies, procedures or charters, and provide oversight until a Compliance Officer is appointed.					
	FY 2017 – 18	LS	EO			
Current Update	Completed.					
<hr/>						
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Compliance Reporting Protocols						
	FY 2017 – 18	LS	EO			
Current Update	Templates gathered and reviewed by members of Compliance Committee; further action deferred pending hiring of Compliance Director.					

- Cultivate a Risk Intelligent Organization >>> Operational Compliance
(Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Policy Governance Procedures and Training	Procedures for training on compliance principles, procedures, and values.					
	FY 2018 – 19	LS	EO			
Current Update	We have completed development of conflict of interest training. We are currently drafting the privacy training.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop and Deliver Compliance and Ethics Training	Training on compliance principles, procedures, and values.					
	FY 2018 – 19	LS	EO			
Current Update						
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Inventory LACERA Policies and Standardize	Develop log of all LACERA policies.					
	FY 2019 – 20	LS	ALL			
Current Update	Significant progress made in compiling existing policies; Policy on Policies developed and approved.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Conduct Best Practices Review	Confirm success in achieving compliance program objectives.					
	FY 2019 – 20	LS				
Current Update	Project has been deferred due to other organizational priorities.					

- Cultivate a Risk Intelligent Organization >>> In-Line Quality Audit

LACERA made great strides building a quality ecosystem over the past 10 years. Our efforts include comprehensive training courses, data clean-up projects, apprenticeship programs, standardized business practices, and independent quality assurance. These practices achieved impressive results, with our quality improving from 88% to a world class quality level exceeding 98%. Our next evolutionary step is to identify data anomalies and calculation errors earlier when working a member's account to prevent errors from reaching the member in the first place.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Increase the In-Line Audit Ratio to 60%						
	FY 2015 – 16	QA	BE			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Increase the In-Line Audit Ratio to 75%						
	FY 2016 – 17	QA	BE			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Assess Program Resource Requirements						
	FY 2017 – 18	QA				
Current Update	Completed. Incorporated assessment of program into budget highlights.					

- Cultivate a Risk Intelligent Organization >>> Member Centric Process Management

Benefits Division has developed a Process Management Group (PMG) that has successfully managed its business rules, documentation, and tools so that they are coordinated, standardized, and optimized through a continuous process improvement effort. Our Strategic Plan will expand this effort to include all member centric service divisions and business rule repositories.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Coordinated Procedures	Develop a process to coordinate the development of procedures for use by Benefits Division staff members.					
	FY 2017 – 18	BE	DR, LS, MS, QA			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Monitor and Harmonize Procedures						
	FY 2017 – 18	BE	DR, LS, MS, QA			
Current Update	The PMG continually monitors and harmonizes procedures internally and works with its business partners to ensure that DRS, MS, and QA are consulted on and apprised of new and updated procedures. The divisions work closely on this project. We have recently completed a Service Credit Matrix and completed an Agenda Audit Criteria document.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop Requirements for Knowledge System	Develop a set of requirements for a Knowledge management system that can be used to share operational knowledge, procedures, and rules throughout the organization.					
	FY 2017 – 18	BE	DR, LS, MS, QA, SY			
Current Update	Project has been deferred due to other organizational priorities.					

- Cultivate a Risk Intelligent Organization >>> **Scrubbing Legacy Data**

Our membership data is diverse, voluminous, and spans many decades of time. We maintain our membership data in perpetuity. The consequences of poor or incomplete data can magnify as time progresses and may cause serious ramifications to our members. The 1989-90 database conversion includes a series of poor or incomplete data that has placed a number of our members in harm's way. Our three-year strategic plan places a high priority in scrubbing our legacy data.

- **Scrubbing Legacy Data**

A multi-year project to identify and prioritize data clean-up projects that will improve processing accuracy and service to members.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
MOU Retroactive Salary Adjustments – 26,000	The County completed MOU negotiations that included retroactive salary increases. The County's payroll system could not retroactively collect contributions and assign them to the correct pay period, so Benefits had to adjust the accounts manually.					
	FY 2014 – 15	BE	MS, QA, SY			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Missing Service Credit – 1,000	A project to review accounts that had known periods of missing service credit and ensure the total service credit and related contributions were correct.					
	FY 2015 – 16	BE	MS, QA, SY			
Current Update	Completed.					

- Cultivate a Risk Intelligent Organization >>> Scrubbing Legacy Data

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Missing Service Credit – 1,000	A project to review accounts that had known periods of missing service credit and ensure the total service credit and related contributions were correct.					
	FY 2015 – 16	BE	MS, QA, SY			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Back Contributions Uncollected – 1,000						
	FY 2015 – 16	BE	MS, QA, SY			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Service Contract not Resident – 1,000	Members with a purchase on the system but no service contract set up.					
	FY 2015 – 16	BE	MS, QA, SY			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Recalculate Contracts Uncompleted – 4,000						
	FY 2017 – 18	BE	MS, QA, SY			
Current Update	Completed.					

- Cultivate a Risk Intelligent Organization >>> **Implementing PEPRA**

The Public Employees’ Pension Reform Act of 2013 (PEPRA) required LACERA to open new plan tiers, design information systems to support the new benefit structure, develop member communications, conduct staff training, and create new monitoring protocols. With the new plan tiers successfully launched, the organization needs to takes a fresh look at the additional implementation efforts yet to be completed.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
PEPRA Implementation Needs Assessment	A review of all systems, materials, and rules to identify any remaining PEPRA implementation items that need to be completed.					
	FY 2016 – 17	EO	BE, MS, LS, QA, SY			
Current Update	<p>Staff has evaluated and implemented a majority of the PEPRA processing needs. The following processes remain:</p> <ul style="list-style-type: none"> • Annual Benefit Statements (ABS) – Active Members: The current version of the ABS has not been revised to accommodate PEPRA; the PEPRA estimate logic has not been added to the program that generates these statements and the text has not been updated to reflect PEPRA rules. This process is dependent on the completion of the ABS redesign. • Creating a PEPRA compliance payroll report that will help LACERA determine if any non-pensionable pay codes were paid out as pensionable by the Auditor-Controller. • PEPRA limits: Staff is working with the Legal Offices to obtain guidance on how periods of absence without pay impacts the Final Average Compensation period for PEPRA members. This is critical to be able to define the FAC period for comparison to PERPA pensionable pay limitations. • Returning member processes to support the Superior Court employees. • Non-Concurrent Retirement Process: Members in double plans may have different retirement eligibility rules based on each plan. These rules, currently managed manually, will be automated. <p>Communications has updated 76 Knowledge Base pages and has completed editing of 33 K-Base pages which are in the final stages of quality control review before being published. Staff have also added or updated 17 glossary terms to correspond to the PEPRA definitions.</p>					

- Cultivate a Risk Intelligent Organization >>> Implementing PEPRA
(Continued)

• Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
PEPRA Implementation Tactical Plan						
	FY 2017 – 18	EO	BE, MS, LS, QA, SY			
Current Update	<p>The 3rd phase was completed in Q1 2019: The 3rd phase (SCR #5845) to create new database fields to store PEPRA FAC and What-If PEPRA FAC (RCEA substitution for AWOP periods in the last 36 months for members who are retirement eligible) and an associated program to calculate the PEPRA FAC for these new fields was completed in Q4 2018 and moved to production in the first quarter of 2019. In addition, significant progress has been made in removing Embedded Earnings from PEPRA FAC that we receive from the Auditor/Controller. The Auditor/Controller completed the file layout for our electronic exchange of PEPRA Embedded Earnings. A LACERA program has been written to read the file and remove PEPRA Embedded Earnings. The Auditor/Controller is in their final testing stages of their new file. We expect to receive the first test file from A/C by the end of May, 2020.</p>					

High Performance & Diversified Team

Creating and maintaining an environment where all staff members are coached and developed to be high performers. We strive to develop the tools and training to reach higher levels of performance as an effective team. Each staff member should receive continual, relevant, and timely feedback. A diverse workforce represents a greater range of knowledge, ideas, and opinions, and spurs innovative approaches to serving our members better.

- **Advanced CERL Education (ACE) Certification**

The International Foundation of Employee Benefits, in conjunction with the University of Pennsylvania, provides an outstanding educational certification in compensation management covering all aspects of benefits and compensation. This rigorous designation, known as the Certified Employee Benefit Specialist (CEBS), allows the student to specialize their CEBS certification into one of three specialty areas:

- *Compensation Management Specialist* - compensation and human resources
- *Group Benefits Associate* - healthcare and other group benefits
- *Retirement Plans Associate* - all aspects of retirement plans

While these are excellent educational opportunities, they do not specifically address plan design, practices, and procedures unique to LACERA. Our initial concept is for the ACE certification to serve as advanced certification available to LACERA's Benefits, Member Services, Retiree Healthcare, Quality Assurance, and Internal Audit staff. The program would include an eligibility test, class work, proficiency tests (class room and production), and continuing education requirements. It is our hope that this designation will be eligible for certification compensation.

- High Performance & Diversified Team >>> Advanced CERL Education (ACE) Certification (Continued)

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Develop ACE Program	Develop and design the curriculum and processes of the program.					
	FY 2016 – 17	QA	EO			
Current Update	Completed.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Implement Program	QA will conduct two pilot programs to solicit feedback on the program structure, content, and delivery. After the two pilot groups have completed the program a final program will be outlined and presented for approval.					
	FY 2020 – 21	QA	EO/MS			
Current Update	This goal has been extended based on the experience from completing the first pilot group. QA's first pilot was conducted with 9 selected staff over a 22-month period. Using data gathered from this pilot group the program content has been revised for the second pilot which will begin in mid-2019, consisting of 5 selected staff and is expected to last about 17 months. Once the second pilot has been completed and reviewed, we will begin the implementation.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Graduate Inaugural Class						
	FY 2020 – 21	QA	EO/MS			
Current Update	QA will began the Pilot II program in February 2019, which will last for about the next 15 months. Once the second pilot has been completed and reviewed, we will begin the implementation. This goal has been extended to accommodate a second pilot program.					

- High Performance & Diversified Team >>> Succession Planning

Succession planning is an important part of doing business, no matter how certain the future seems. It promotes strong leadership, facilitates organizational responsiveness, and builds team strength. A successful plan includes employees throughout the organization at all operational levels.

Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Employee Survey – Planning	Develop an Employee Engagement program starting with an employee survey.					
	FY 2016 – 17	HR	EO			
Current Update	In Process/on hold. A team was assembled to review the options provided by various vendors and to select the vendor that best understands the public sector and has experience implementing Employee Engagement Programs in public sector agencies, both nationally and locally. The vendor selected was CPS’s Institute for Public Sector Employee Engagement . CPS has provided an outline of the implementation of the Program at LACERA and has been engaged (contracted) to assist with this implementation and development of the Employee Engagement Program. The setup for the Employee Engagement Program and survey will be completed this fiscal year and the survey and follow-up work is planned for FY 2020-21 due to the COVID-19 Pandemic.					
Task	Implementation Schedule	Owner	Partners	In Process	Substantially Complete	Complete
Employee Survey – Conduct	Implement an employee survey as part of the Employee Engagement Program.					
	FY 2016 – 17	HR	EO			
Current Update	On Hold: CPS’s Institute for Public Sector Employee Engagement will conduct a survey for all LACERA Staff Members and the follow-up reporting and focus groups afterward. It was planned for this fiscal year but has been moved to FY 2020-21 as a result of the COVID-19 Pandemic. Once Staff Members are able to report to LACERA’s offices, the survey will be planned and the face-to-face follow up will be scheduled.					

Vision 2020: Investments Division Work Plan and Strategic Initiatives Update

Board of Investments

January 8, 2020

Jonathan Grabel – Chief Investment Officer



LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

Discussion Outline

- I. Setting the Stage: Background for Vision 2020 Plan

- II. Vision 2020 and Beyond

- III. Project Schedules for 2020

Objectives of Work Plan and Strategic Initiatives

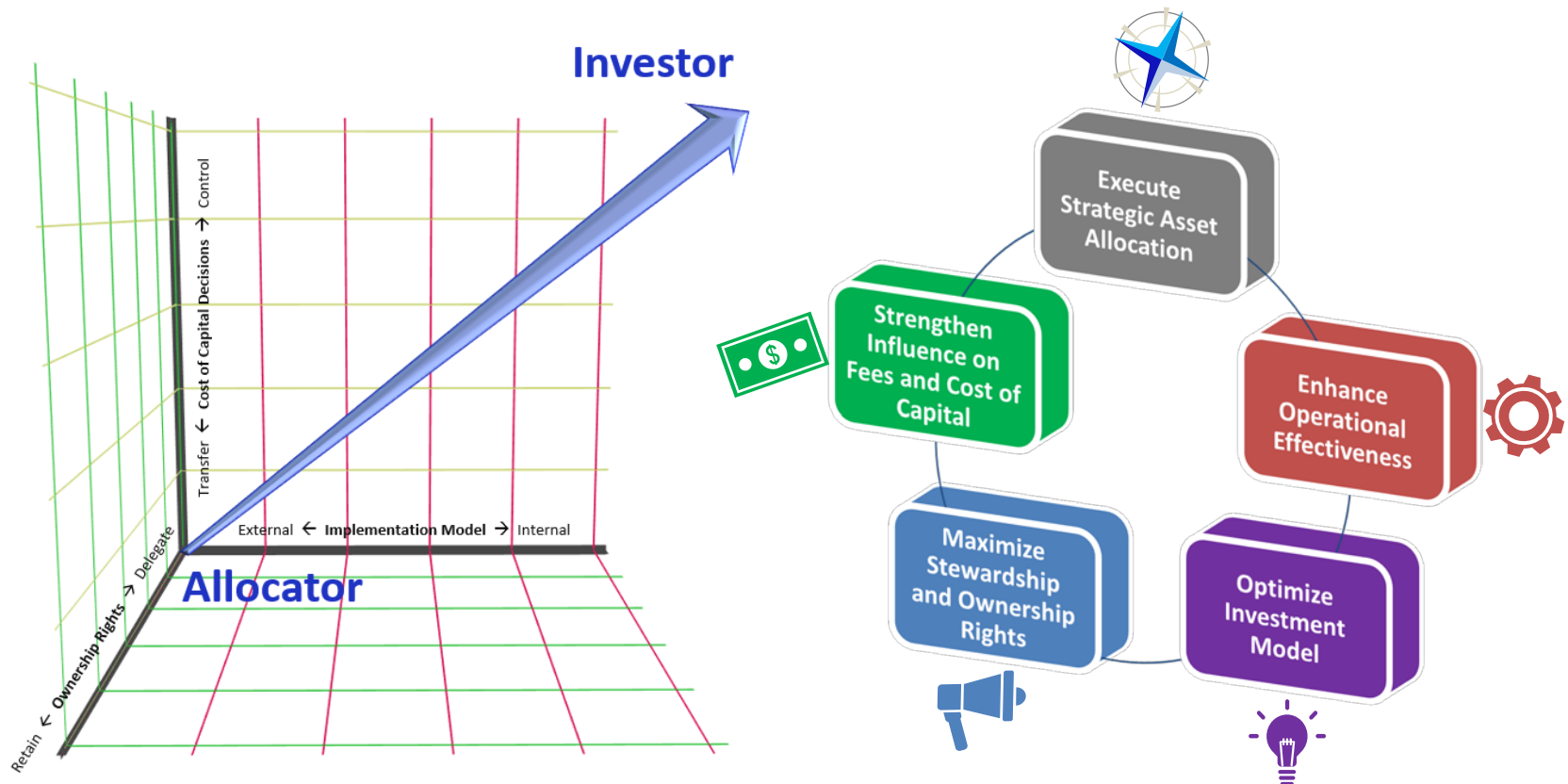


The Investments Division revisits its work plan for the coming year and beyond with the following aims:

1. Provide visibility into current and upcoming initiatives
2. Accurately reflect and synthesize all Board-approved projects and input from prior work plans, recent meetings and off-sites into a cohesive action plan
3. Promote disciplined execution and aligned resources for defined priorities

Building From 2019 Work Plan - Recap

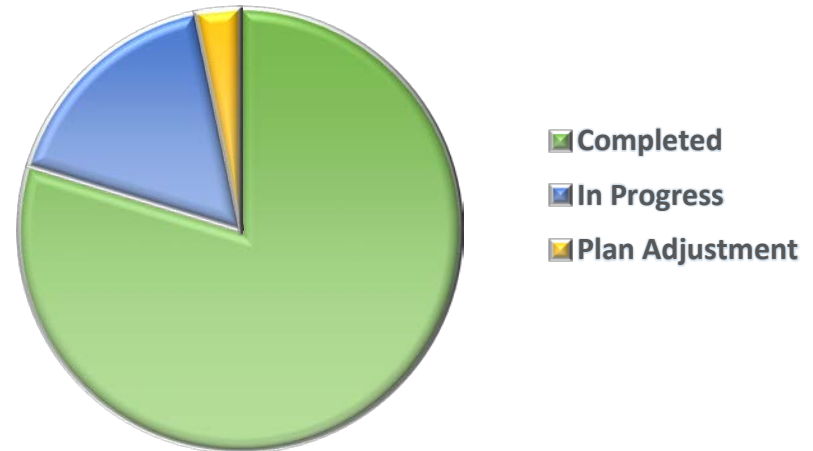
To strengthen LACERA's ability to fulfill its mission, the 2019 work plan defined and grouped projects and anticipated Board agenda items into 5 inter-related pillars designed to evolve LACERA from an *allocator of capital* to an engaged, multi-dimensional *investor*



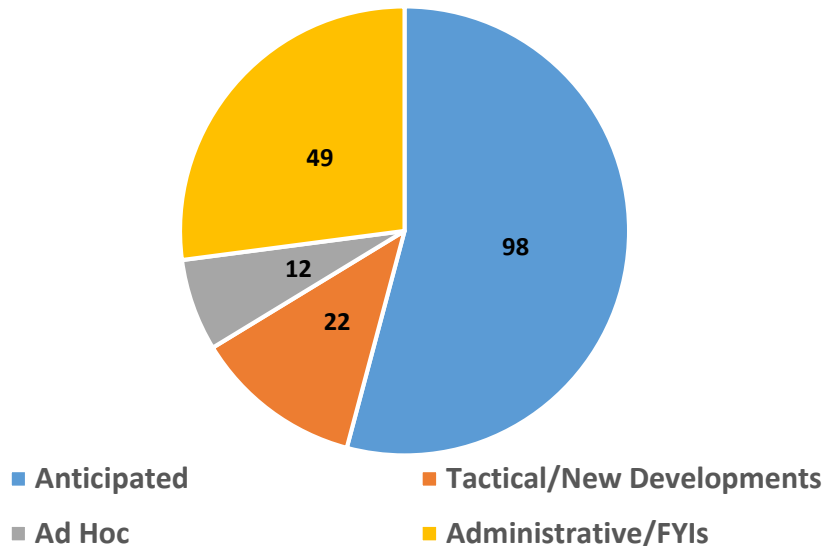
Status Check-In: 2019 Projects Largely Accomplished

LACERA largely accomplished the 2019 projects it planned for and anticipated...

2019 Work Plan Project Status



181 Agenda Items Completed



LACERA also took on additional agenda items, both proactively developing programming and folding in ad hoc requests



Select Highlights of 2019 Accomplishments



Execute Strategic Asset Allocation

- Completed structure reviews for Global Equities, Credit, Real Assets, Hedge Funds, Private Equity
- Launched Real Assets completion portfolio
- Hired asset class specific consultants



Enhance Operational Effectiveness

- Initiated search for Total Fund risk platform
- Launched RFP for administrative services for private asset classes
- Established procurement policy for investment-related services



Optimize Investment Model

- Executed Private Equity secondaries market sales and purchases
- Implemented cash overlay program
- Hired first dedicated illiquid credit manager



Maximize Stewardship and Ownership Rights

- Expanded proxy voting authority from about 20% to 90% by migrating to separate account structures
- Executed corporate engagements on corporate board diversity and climate risk
- Increased financial market policy advocacy with SEC comment letters, joint ILPA and CII letters and coordination



Strengthen Influence on Fees and Cost of Capital

- Initiated internal Private Equity co-investment strategy
- Renegotiated public markets investment management agreements
- Negotiated investor-friendly fee structures

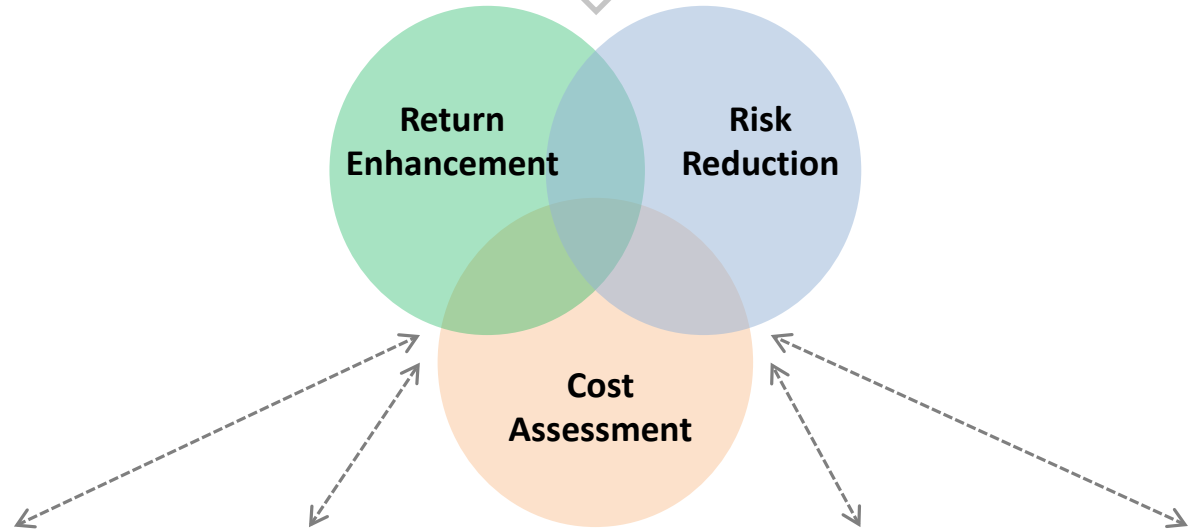
Plan for 2020 and Beyond



Vision 2020: Strategic Objective and Initiatives



Execute Strategic Asset Allocation
while balancing...



Enhance
Operational
Effectiveness



Optimize
Investment Model



Maximize
Stewardship and
Ownership Rights



Strengthen
Influence on Fees
and Cost of Capital



Strategic Initiatives: Example Projects



**Enhance
Operational
Effectiveness**



**Optimize
Investment Model**



**Maximize
Stewardship and
Ownership Rights**



**Strengthen
Influence on Fees
and Cost of Capital**

Initiatives

	Enhance Operational Effectiveness	Optimize Investment Model	Maximize Stewardship and Ownership Rights	Strengthen Influence on Fees and Cost of Capital
Short Term (2020)	<ul style="list-style-type: none"> • Alternative assets administrative services RFP • Benchmark review • Conduct business continuity plan exercises • Active overlay evaluation 	<ul style="list-style-type: none"> • Bolster risk platform capabilities • Further develop sources of co-investment deal flow • Continue internal management feasibility study 	<ul style="list-style-type: none"> • Expand proxy voting • Execute engagement priorities • Corporate governance policies review • Extend ESG scorecard across asset classes 	<ul style="list-style-type: none"> • Explore co-investments across additional asset categories • Dedicated managed account (DMA) services provider RFP • Pursue founder's class opportunities

Strategic Initiatives: Example Projects



**Enhance
Operational
Effectiveness**



**Optimize
Investment Model**



**Maximize
Stewardship and
Ownership Rights**



**Strengthen
Influence on Fees
and Cost of Capital**

	Enhance Operational Effectiveness	Optimize Investment Model	Maximize Stewardship and Ownership Rights	Strengthen Influence on Fees and Cost of Capital
Medium Term (2-4 years)	<ul style="list-style-type: none"> • Adopt dedicated managed account (DMA) service provider • Strengthen Investments Division culture • Enhance data and analytics capabilities across all asset categories • Redesign Board materials 	<ul style="list-style-type: none"> • Evaluate factor-based fixed income strategies • Continue building private Real Assets program • Develop risk budgeting methodology 	<ul style="list-style-type: none"> • Assess portfolio climate risk exposure • Refine manager ESG due diligence • Continue to promote diversity and inclusion initiatives • Author thought/white papers 	<ul style="list-style-type: none"> • Consider alternative private market investment structures • Evaluate performance-based fees for liquid markets • Enhance fee reporting to include fee attribution on alpha
Long Term (5+ years)	<ul style="list-style-type: none"> • Further improve performance reporting • Expand portfolio company data analysis • Enhance compliance monitoring program 	<ul style="list-style-type: none"> • Evaluate private equity replication strategies • Research alpha/beta investment approaches • Explore investment alliances with like-minded institutions 	<ul style="list-style-type: none"> • Integrate climate-aware strategic asset allocation • Increase influence with policy makers • Consider implications of different investment models 	<ul style="list-style-type: none"> • Align staffing with evolving investment model • Consider seeding spin-out managers • Optimize cost of capital efficiency across asset categories



Prospective 2020 Calendar

Tentative Board of Investments and Committee Meetings

	January	February	March	April	May	June	July	August	September	October	November	December
Board of Investments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance Committee			✓					✓		✓		
Credit and Risk Mitigation Committee					✓							✓
Equity: Public/Private Committee		✓				✓					✓	
Real Assets Committee				✓					✓			

Notes:

- Each committee meets at least two times
- Additional meetings would be scheduled on an as-needed basis



1st Quarter 2020 Preliminary Monthly Calendar View

FEBRUARY 2020	
Board of Investments:	
Category	Subject
Total Fund	Investment Procedure Manual I – Growth
Total Fund	4Q19 Trust and OPEB Performance Report
Total Fund	Meketa 4Q19 Trust and OPEB Performance Report
Total Fund	Offsite Planning I
Real Estate	Investment Recommendation (International)
Real Estate	Meketa Review on Manager Reconciliation
Real Estate	Appraisal Management Service Provider Recommendation
Private Equity	Investment Recommendation (x2)
Committee: Equity	
Category	Subject
Private Equity	Education
Private Equity	Investment Memorandum Redesign

MARCH 2020	
Board of Investments:	
Category	Subject
Total Fund	Offsite Planning II
Total Fund	Transition Management Minimum Qualifications
Total Fund	Benchmark Review
Total Fund	Recommendation to Accept the June 30, 2019 Valuation
Global Equity	Internal Management Consultant Report
Global Equity	Investment Recommendation (Factor Based)
Real Estate	Investment Recommendation (International)
Real Estate	Performance Review
Private Equity	Investment Recommendation
Corporate Governance	SEC Comment Letter Report
Corporate Governance	Corporate Governance Ballot Report
Committee: Corporate Governance	
Category	Subject
Corporate Governance	Principles and Policy Review

* Please note that certain listed items are subject to Board approval



2nd Quarter 2020 Preliminary Monthly Calendar View

APRIL 2020	
Board of Investments:	
Category	Subject
Total Fund	Investment Procedure Manual II - IG/HF/Credit
Total Fund	IPS Update
Total Fund	OPEB IPS Update
Total Fund	Active Overlay Recommendation
Total Fund	Securities Lending Annual Review
Real Assets	Investment Recommendation (Open End Infrastructure Fund)
Private Equity	Investment Recommendation
Corporate Governance	Corporate Governance Principles and Review Approval
Global Equity	Investment Recommendation
Committee: Real Assets	
Category	Subject
Real Estate	Structure Review
Real Assets	Education – TBD

MAY 2020	
Board of Investments:	
Category	Subject
Total Fund	1Q2020 Trust and OPEB Performance Report
Total Fund	Meketa 1Q2020 Trust and OPEB Performance Report
Total Fund	Custody Bank Search Discussion
Total Fund	Securities Lending Search Recommendation
Hedge Funds	Investment Recommendation
Real Estate	Structure Review
Real Estate	Investment Recommendation
Private Equity	Investment Recommendation (x2)
Real Assets	Natural Resources Investment Recommendation
Committee: Credit and Risk Mitigation	
Category	Subject
Credit	Education – TBD

JUNE 2020	
Board of Investments:	
Category	Subject
Total Fund	Investment Procedure Manual III - RE/RA
Total Fund	Alternative Assets Administrator Recommendation
Total Fund	Total Fund Performance Provider Recommendation
Credit	High Yield Search MQs
Corporate Governance	Corporate Governance Ballot Report
Private Equity	Investment Recommendation
Private Equity	Performance Review I
Real Assets	Infrastructure Investment Recommendation
Hedge Funds	Investment Recommendation
Hedge Funds	Performance Review
Legal	Code of Ethical Conduct Periodic Update
Global Equity	Internal Management Update
Committee: Equity	
Category	Subject
Global Equity	Emerging Managers Search MQ's

* Please note that certain listed items are subject to Board approval



3rd Quarter 2020 Preliminary Monthly Calendar View

JULY 2020	
Board of Investments:	
Category	Subject
<i>Total Fund</i>	<i>Board Offsite</i>
Real Estate	4Q 2019 Performance Review
Private Equity	Investment Recommendation
Real Assets	Natural Resources Investment Recommendation
Global Equity	Emerging Managers Search MQ's
Committee:	
Category	Subject

AUGUST 2020	
Board of Investments:	
Category	Subject
Total Fund	Revised Risk Reports - Preview
Total Fund	2Q2020 Trust and OPEB Performance Report
Total Fund	Meketa 2Q2020 Trust and OPEB Performance Report
Total Fund & OPEB	Strategic Asset Allocation Study
Global Equity	Internal Management Update
Private Equity	Investment Recommendation
Real Assets	Infrastructure Investment Recommendation
Hedge Funds	Dedicated Managed Account Service Provider Recommendation
Committee: Corporate Governance	
Category	Subject
Corporate Governance	Engagement Initiatives Review and Next Steps

SEPTEMBER 2020	
Board of Investments:	
Category	Subject
Total Fund	Consultant Self Assessments
Total Fund	Transition Management
Total Fund & OPEB	Strategic Asset Allocation Study
Private Equity	Investment Recommendation
Real Assets	Natural Resources Investment Recommendation
Corporate Governance	Corporate Governance Ballot Report
Real Estate	Investment Recommendation
Committee: Real Assets	
Category	Subject
Real Estate	International Implementation Plan
Real Estate	Education – TBD
Real Assets	Structure Review

* Please note that certain listed items are subject to Board approval



4th Quarter 2020 Preliminary Monthly Calendar View

OCTOBER 2020	
Board of Investments:	
Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Total Fund	Risk Education
Private Equity	Investment Recommendation
Real Assets	Structure Review
Real Estate	International Implementation Plan
Hedge Funds	HF Emerging Manager Program Separate Account Manager Recommendation
Committee: Corporate Governance	
Category	Subject
Corporate Governance	Proxy Voting Results and Trends FY2020
Corporate Governance	PRI Assessment Results and ESG Integration Update
Corporate Governance	Proxy Voting Research and Voting Platform RFP

NOVEMBER 2020	
Board of Investments:	
Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Total Fund	3Q2020 Trust and OPEB Performance Report
Total Fund	Meketa 3Q2020 Trust and OPEB Performance Report
Real Estate	Investment Recommendation
Private Equity	Investment Recommendation
Real Assets	Infrastructure Investment Recommendation
Corporate Governance	Corporate Governance Ballot Report
Corporate Governance	Proxy Voting Research and Voting Platform RFP
Committee: Equity	
Category	Subject
Private Equity	Structure Review
Private Equity	Education – TBD

DECEMBER 2020	
Board of Investments:	
Category	Subject
Total Fund & OPEB	Strategic Asset Allocation Study
Total Fund	AB2833/Investment Fee Validation Review
Total Fund	Derivatives Procedures
Global Equity	Investment Recommendation (Emerging Managers)
Credit	High Yield Search Recommendation
Private Equity	Structure Review
Private Equity	Investment Recommendation
Real Estate	Performance Review
Hedge Funds	Investment Recommendation
Committee: Credit and Risk Mitigation	
Category	Subject
Credit	Education – TBD
Hedge Fund	Education – TBD

* Please note that certain listed items are subject to Board approval



STRATEGIC PLAN

RETIREE HEALTHCARE PROGRAM

Yesterday, Today, Tomorrow

FISCAL YEARS ENDING 2019-2021



L/CERA

OVERVIEW

LACERA's Board of Retirement administers the Los Angeles County Retiree Healthcare Program. LACERA staff, external consultants, and advisors assist the Board of Retirement's Insurance, Benefits & Legislative Committee in overseeing the Los Angeles County Retiree Healthcare Program.

In 1961 the County Employees Retirement Law of 1937 (CERL) was amended to allow pension systems to provide healthcare to retirees in two ways:

- Board of Supervisors can pay all or part of the cost
- Board of Retirement can pay via excess earnings.

OUR MISSION

To efficiently administer the Healthcare Benefits Program for retired association members and beneficiaries and provide a healthcare program of the highest quality at an affordable cost.

OUR CORE VALUES

PROFESSIONALISM * We take the initiative to develop our skills to get the job done. We are accountable for providing quality service to our members that is efficient and accurate.

RESPECT * Our members and coworkers deserve to be treated with courtesy, patience, and empathy. When we listen to and support each other, we create a nurturing work environment that promotes fairness and trust.

OPEN COMMUNICATIONS * Our frank and straightforward expression of ideas fosters a common understanding of purpose – quality service to our

members. We create a healthy work environment by sharing information, listening to each others' ideas, and giving constructive feedback.

FAIRNESS * Our employees are entitled to a clear explanation of performance expectations. Performance evaluations are timely, honest, and impartial; personal improvement plans are reasonable and constructive; and we provide opportunities for professional development and promotion.

INTEGRITY * We inspire confidence by our high standards for member services and sound investment practices. We are reliable, ethical, and honest. Loyalty to LACERA means loyalty to members. Integrity guides all of our work relationships.

TEAMWORK * We are committed to teamwork and we openly share information and ideas. Working together to reach common goals is the essence of success.

OUR OBJECTIVES

PRUDENT FIDUCIARY

To act at all times as prudent fiduciaries, executing our responsibilities exclusively on behalf of our members, beneficiaries, and participating employers.

RESPONSIVE AND QUALITY SERVICES

To provide responsive and consistent quality service using integrated cost effective procedures.

COMMUNICATION

To promote and enhance the understanding of LACERA benefits among members, employers, County officials, and the public.

QUALITY WORKFORCE

To develop a human resources program to recruit, train, develop, and promote qualified staff; provide a quality work environment and enhance the quality of life for our employees.

MANAGE GROWTH AND CHANGE

To manage growth and change through planning, innovation, and the maximum use of available technology.

OUR HISTORY

The 1970s

In January 1971, with the assistance of its healthcare consultant, Johnson & Higgins, LACERA first offered a hospital-medical plan and subsidized the retiree's premium by using excess earnings. At that time, the Board of Retirement offered retirees the choice of remaining in Blue Cross, Kaiser, or Ross-Loos from an active employment status. For those electing not to stay with their "active" plan carrier, Occidental or Kaiser Permanente was made available to them.

The indemnity dental/vision plan became a part of the Los Angeles County Retiree Healthcare Benefit Program effective January 1, 1977; with July 1, 1996, the first offering of the CIGNA Dental Health Plan - pre-paid – HMO plan.

The 1980s

In April 1982, the Board of Retirement negotiated an agreement with the County obligating the County to fund the healthcare program so long as the County provided a healthcare program for active employees

The administration of the Los Angeles County Retiree Healthcare Program has gone through several evolutionary organizational changes. Initially, the insurance processing was handled as a function of the Retiree Member Unit as part of the retirement payroll function. Subsequently, at the recommendation of an independent auditor, the function was decentralized to several benefits processing units (team concept).

The 1990s

In early 1992, a determination was made that the health and dental/vision staff support provided to our members was at an unacceptable level; thus, in May 1992, LACERA established the Insurance Services Section (now known as the Retiree Healthcare Division) to centralize the administration of the healthcare program.

With the establishment of the Retiree Healthcare Division in 1992, came the addition of LACERA's first Medicare Advantage plans (Kaiser Health Pledge, now Senior Advantage; Secure Horizons; FHP Golden Healthcare-terminated 6/30/94) and Medicare Supplement plan (Provident III), along with a Medicare Part B Reimbursement Program. This complimented the five medical plans (Kaiser, Blue Cross Prudent Buyer, CIGNA Network Model, Provident I, and Provident II) and one dental/vision plan with Provident already offered to retirees.

Effective August 1994, the 1982 agreement was amended to guarantee the County's obligation to continue providing a program even if the County terminated their health program for active employees.

The Twenty-First Century

Our progression to the future is necessarily focused on our primary goal of providing efficient, accurate and friendly service to members. We want to utilize and develop the skills and expertise of our staff to achieve the highest quality service possible. We continue to explore ways to ensure that we capitalize our human and technological resources to maximum effect.

Prior to 2009, all enrollment forms, correspondence, etc. were delivered directly to the Retiree Healthcare Division. In March 2009, we began scanning enrollment forms and correspondence via the CIB (Client In-Basket) document management system, which provided us the ability to better track and monitor workflow. When scanning of healthcare work objects began, an average of 950 forms were received monthly. With Baby Boomers reaching retirement eligibility, that average has climbed to 1,260 enrollment forms per month, while the number of staff processing those enrollments has decreased due to restructure of the Division and additional staff responsibilities.

In 2013, we reorganized the Division to capitalize on the skills and strengths of staff and to ensure that we provide efficient and effective customer service to our Members. Our Division is currently divided into four

specialized units: Call Center, Operations, Financial/Special Projects and Audits.

OUR STRATEGIC INITIATIVES

Successful Implementation of 2014 RHC Program Changes

In January 2014, Los Angeles County (plan sponsor) informed LACERA of a proposed plan to lower the employer costs for the Retiree Healthcare Program changes for new employees hired on or after July 1, 2014. The adopted plan has been named Los Angeles County Retirees Healthcare Program -Tier 2 (Tier 2). We worked closely with other Divisions, including Communications, Member Services, Claims Processing, and Systems to update processes, information and procedures. Retiree Healthcare staff is in the process of revising our *Exploring Your Healthcare Benefits Through LACERA* booklet and information packet. We are also working with Systems with programming Workspace to calculate the County subsidy at the retiree only premium level to support the new benefits structure and mandated Medicare enrollment for Tier 2 members. The only outstanding item is Modify Information Systems – Enrollment, which is targeted by Systems for completion in FY2015-2016. All staff from our RHC Units (Call Center, Operations, Audits, and Quality Assurance/Special Projects) are fully trained on all aspects of the new healthcare benefits so our members can continue to receive excellent and accurate service.

Continued Integration of Information Technology

Information technology continues to play a vital role in Retiree Healthcare's ability to serve our retirees and their dependents. For the past few years, all enrollment processing functions have been integrated into Workspace. This has helped increase the efficiency of our Operations staff and helped the overall member experience. We continue working toward providing our members more electronic options to download forms, carrier-related documents, receive education, and complete enrollment. Already in place is the ability for members to input information into enrollment forms online which can then be printed and submitted for processing. The ultimate goal is for members to complete the enrollment process online, with no need to print or mail forms. We are moving forward with anticipated informational and training videos to be included in the Retiree Healthcare section of LACERA.com that will be produced with the help of the Communications Division. The first of these videos were originally intended to be ready by the end of the 2014-2015 fiscal year, but were delayed due to the reallocation of staff resources to prepare for the implementation of Tier 2 to assist with RDS and ERRP audits, and process an increased number of enrollments.

LACERA.com

GOAL	IMPLEMENTATION DATE
RHC Enrollment web video	FY 2020-2021
Medicare 101 web video	FY 2020-2021
RHC members' electronic submission of enrollment	FY 2020-2021

Workspace

The focus began with improving the tools available to Retiree Healthcare Specialists by changing the 1960s era computer input screens (Green Screens) with user friendly Windows based input screens. We have fully transitioned to all enrollment functions being processed through Workspace. We are also still looking toward automating transmittal of members' enrollment information to the carriers. We have been working with Systems to create an efficient process to automate the population of imputed income in 1099 forms for affected members. We are now re-evaluating the need for such a system. With the legalization of same sex marriage, the number of members requiring 1099 forms has dropped significantly. It may prove to be a better use of resources to handle the approximately one-hundred forms manually.

GOAL	IMPLEMENTATION DATE
Streamline generation and mailing of confirmation letter upon member election via Workspace	FY 2020-2021
Automate monthly premium reconciliation process	FY 2020-2021
Electronic submission to carriers	FY 2020-2021

Member Interaction and Communication

It is our responsibility to educate our members and assist them while making healthcare choices suitable for their needs. With so many changes in the world of healthcare today coupled with the various options available for our members to choose, our plan is to continue to expand and improve our communication to members by offering a wide variety of user-friendly, updated, informative, and creative educational tools that include print materials and videos. We have made significant strides forward in

automating correspondence to members and continue to look toward making the member's experience as consistent, informative, and efficient as possible.

GOAL	IMPLEMENTATION DATE
<i>Implement new seminar for members becoming Medicare eligible*</i>	FY 2020-2021
Develop Medicare 101 Packet	FY 2020-2021

*Partnership with Member Services Division

Financial & Special Projects Section

The Quality Assurance and Special Projects Section is responsible for identifying, creating and implementing new efficiencies. They build upon the quality assurance practices we have already put in place to assess needs such as staff training or task allocation. This section will also coordinate and conduct quality control of staff work (both Operations and Call Center) to ensure accuracy and will be responsible for working audits of our insurance carriers. Finally, this section will handle higher level tasks and projects such as Medicare RDS research, EGWP implementation, Affordable Care Act implementation, and accounting and monthly financial reconciliation. Development of guidelines for higher-level functions listed below is in progress.

GOAL	IMPLEMENTATION DATE
Dependent database audit RFP	FY 2020-2021
Dependent database audit completion	FY 2020-2021

Audits Section

The Audits Section is responsible for generating and conducting audits that are both generated based on internal needs (such as the Code 19 project) or based on reports received from different carriers (Kaiser, Cigna, SCAN and United Healthcare). The staff assigned to this Section are responsible for researching and updating discrepancies found between member's accounts on LACERA and carrier's systems, including processing of complex premium adjustments and Medicare Part B retrievals. Part of the process is to notify other Divisions at LACERA for eligibility updates for members and beneficiaries. The staff are also responsible for notifying members of any premium adjustments or eligibility changes and will be the ultimate point of contact for any future calls or correspondence regarding the audits they conducted. All guidelines were completed during the 2015-2016 fiscal year. In addition, the Audits Section is responsible in checking the enrollment forms for accuracy.

GOAL	IMPLEMENTATION DATE
Medicare Certification project	FY 2020-2021
Automation of Medicare Part B retrievals	FY 2020-2021

Call Center Section

The Retiree Healthcare Call Center is the first interface in which our staff interact with members. Call Center Specialists are responsible for answering member inquiries pertaining to their Medical and Dental/Vision

enrollment, eligibility issues, premium payments in addition to assisting members and their eligible dependents in selecting an appropriate Medical and/or Dental/Vision plan that suits their needs.

To ensure our Call Center staff are well versed in all LACERA Administered plans, our specialists receive “in-house” training for approximately six weeks. This training is in addition to the Core Benefits training that is offered by the Quality Assurance Division.

GOAL	IMPLEMENTATION DATE
RHC- New toll free number	FY 2018-2019

Operations Section

Operations Section staff are assigned a specific carrier with whom they work and serve as a point-of-contact for the carrier, internal staff, and members for questions and issues regarding that carrier. Operations staff are responsible for processing all enrollments, including new members, changes and cancellations for all plans.

GOAL	IMPLEMENTATION DATE
Process enrollment through Workspace (PDF) and submission to carriers via e-mail	FY 2019-2020
Revise RHC Enrollment Processing Guidelines	FY 2019-2020

RETIREE HEALTH CARE BENEFITS PROGRAM

BUDGET

Table of Contents

Program Plan

Budget Highlights	1-R
RHCBP Administrative Fee Summary	4-R
RHCBP Organizational Chart	5-R

Budget Summary

Budget Summary	6-R
----------------	-----

Salaries & Employee Benefits

Salaries & Employee Benefits Summary	7-R
Budgeted Positions Salaries	8-R
Agency Temporary Staffing History of Expenditures	9-R
Overtime History of Expenditures	10-R
Vacant Positions Summary	11-R

Services and Supplies

Services and Supplies Summary	12-R
-------------------------------	------



Fiscal

Year

2020-2021

RETIREE HEALTHCARE

Budget Request Highlights

Fiscal
Year
2020-2021

Mission

To effectively administer the Retiree Healthcare Benefits Program for LACERA members, survivors, and their eligible dependents and to provide a healthcare program of the highest quality at an affordable cost.

INTRODUCTION

The Retiree Healthcare Division (RHC) is responsible for administering the Retiree Healthcare Benefits Program (RHCBP) for retired members, survivors, and eligible dependents. This budget request for Fiscal Year 2020-2021 reflects our ongoing commitment to provide the highest level of customer service to our members and eligible dependents. RHC is also responsible for understanding and implementing the many complex changes in Federal and State Programs such as the Affordable Care Act (ACA), Medicare, and Social Security guidelines as applicable to the RHCBP, in addition to the general health care landscape. This budget will provide the division with the support needed to deliver timely quality service to our retired members/survivors and their eligible dependents.

The RHC Division consists of the following units:

- Operations Unit
Assists in planning, assigning, organizing, and directing the work of staff engaged in the research, resolution, and processing of Healthcare retirement benefits.
- Audit Unit
Assists in conducting operational audits to ensure the quality of the work performed by staff.
- RHC Call Center
Assists with resolving complex questions regarding the Retiree Healthcare Benefits Program and provides information to management regarding its impact on division operations.

RHC Successes:

- Procedures to address the varying monthly Medicare Part B premium cost to eligible members/survivors and their eligible dependents
- Achieved an overall single digit premium increase

- Fully staffed the RHC Call Center
- Improved the Operations enrollment processing triage description for efficiency
- Each divisional unit is now aligned in accordance with the organizational chart

RHC Challenges:

- Inability for members to be able to submit electronic enrollment forms
- Submitting paper enrollments to the health plan carriers
- Limited office space
- Unable to access system remotely in order to telecommute
- Medicare Part B premium verification requirement
- Policy mandating that all employees hired as a Retirement Benefits Specialist participate in the one-year CORE Benefits training class even though they are being hired to perform other work within the organization

STAFFING

There are currently 31 budgeted positions in Retiree Healthcare. Our budget request for Fiscal Year 2020-2021 includes the deletion of three currently vacant Retiree Benefits Specialist (RBS) II positions and the addition of three Senior Retirement Benefit Specialists. The higher level positions are needed to support the Section Heads by providing front line supervision such as, training, coaching, counselling, escalated member cases, performance evaluations (PE), Appraisal of Promotability (AP), forecasting staffing needs, work triage, and monitor work assigned to staff.

Classification Study

Upgrade four Retirement Benefits Specialist II's to Retirement Benefits Specialist III level.

- Staff is requesting a classification study of four RBS II levels within our Operations Unit. Staff assigned to this unit are performing duties that are commensurate with a higher-level classification. The duties performed include processing medical and dental/vision enrollment forms, prior period adjustments for healthcare premiums as well Part B premium reimbursements, billings, resolving insurance carrier issues on behalf of the members, and composing correspondence to members. Staff also assist in resolving the most complex healthcare eligibility, prescription and medical benefit claims issues between the member and the carrier. The workload in this unit continues to increase, because of increasing healthcare enrollments and Part B verifications. In addition, staff provides support to the Retiree Healthcare Call Center as well as at the Member Services Center (MSC) by assisting with incoming calls and face-to-face counselling due to special mass mailings such as the annual Medicare Part B Premium Notice, annual Retiree Healthcare Letter/Package, and other unanticipated mass mailings.

Overtime

Overtime is being requested to manage the workload related to the high volume of enrollment forms received resulting from March Madness, processing of Medicare Part B premium verifications, dependent database audit, and for any unanticipated special projects and special mailings that regularly occur. The total overtime amount being requested for this fiscal year is \$115,600.

SERVICES AND SUPPLIES

Postage—Special Retiree Mailings

Our Postage - Special Retiree Mailing account is primarily used to fund the postage costs and printing for the following mass mailing materials.

- Annual letter packet mailing
- Rate booklets
- Medicare Part D prescription drug coverage Creditable Coverage Notice
- Retiree Staying Healthy Together Program bi-annual workshop invitations
- Non-LACERA Medicare Part D warning/reminder notices
- Non-discrimination Notices in compliance with ACA 1557
- Medicare Part B Premium Verification Notices
- Other unanticipated special mailings

Our Special Retiree Mailing budget request remains constant at \$400,000 for Fiscal Year 2020-2021.

Professional and Specialized Services–Audits

We have budgeted \$435,000 to cover the cost of conducting the following program audits such as the Dependent Eligibility Audit and Retire Drug Subsidy Program Audit for the 2016-2017 Plan Year Applications. Per the final signed agreement, at its option, LACERA may extend the term of the Mercer RDS Agreement for two additional RDS Plan Years. Please note that audit costs are estimated and be finalized through a request-for-proposal process.

Dependent Eligibility Audit	\$ 200,000
Retiree Drug Subsidy Program Audit	\$ 235,000
Total	\$ 435,000

The following discussion provides insight into each audit category.

- **Dependent Eligibility Audit**

For fiscal year 2020-2021, we plan to perform a Dependent Eligibility Verification Audit to ensure only eligible dependents are receiving healthcare coverage. Conducting a Dependent Eligibility Verification Audit could potentially assist with reducing future healthcare costs for both the plan sponsor and plan participants. While this audit may, ultimately result in savings, there is an upfront cost to conducting the audit as well as engaging an external firm for on-going eligibility verification. A request to release a Request for Proposal (RFP) will be brought forth to the Board of Retirement's Insurance, Benefits, and Legislative Committee.

Professional and Specialized Services–OPEB Actuarial Valuation

The Board of Retirement approved the OPEB Valuation moving from biennial valuations to annual valuations under GASB 74/75 reporting requirements. This change will result in the budget request amount of \$375,000 for the 2020-2021 fiscal year.

Bank Services–State Street

Effective Fiscal Year 2020-2021, due to GASB 84, a new Bank Services account will be established for the annual State Street banking and Treasury service charges to be allocated to RHC. The change to the agent model caused the change to start breaking out these fees. Prior to this upcoming fiscal year, these expenses were previously allocated to FASD's bank services account under Pension. We are requesting to create a new account in the budget request amount of \$21,000 for State Street Bank services.

FUNDING AND OPERATING EXPENSES

The Retiree Healthcare Benefits Program's (RHCBP) operating expenses must be funded by the program and its operations cannot be subsidized by the trust funds used to operate the retirement benefit trust. The administrative fee covers administrative expenses, including consulting services, vendor fees, and the cost of administering the RHCBP. As such, a RHCBP administrative fee is included as part of the retiree healthcare medical and dental/vision plan premiums, per member, per plan, per month.

For the 2020/2021 plan year, we recommend continuation of the administrative fee of \$8.00. However, we will likely need to review the administrative fee cost in the next fiscal year. Staff's ongoing responsibilities and increasing costs of administering the program due to increased membership, operational costs, and implementation of the ever complex and myriads of federal and Medicare rules and regulations, may necessitate the need to again, review the current administrative fee.

Below is a chart of RHCBP's revenue and expenses over the past 10 years based on the administrative fee:

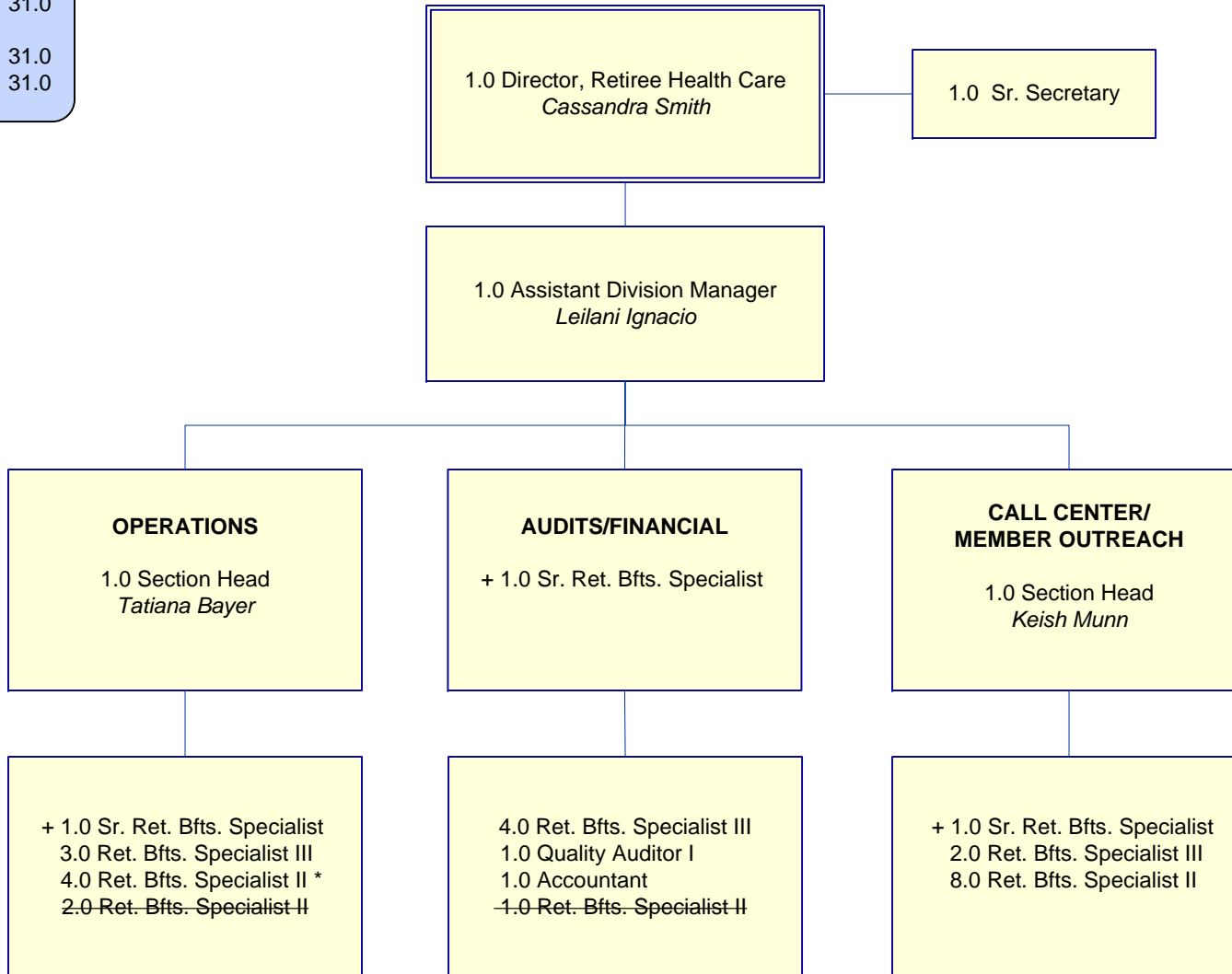
RHC ADMIN REVENUE AND EXPENSES FOR THE LAST 10 YEARS (FYE 2010 – 2019)

Fiscal Year Ending	Fee	Admin Revenue	Admin Expenses	Surplus/(Deficit)
2010	\$3.00	\$3,013,440	\$3,110,301	(\$96,861)
2011	\$3.00	\$3,062,112	\$3,532,195	(\$470,083)
2012	\$3.00	\$3,133,352	\$3,232,274	(\$98,922)
2013	\$3.00	\$3,351,652	\$4,597,261	(\$1,245,609)
2014	\$5.00	\$5,466,487	\$5,006,498	\$459,989
2015	\$5.00	\$5,578,149	\$5,424,333	\$153,816
2016	\$5.00	\$5,984,986	\$5,279,617	\$705,369
2017	\$8.00	\$9,631,327	\$5,326,190	\$4,305,137
2018	\$8.00	\$9,559,745	\$5,681,953	\$3,877,792
2019	\$8.00	\$9,823,062	\$6,118,267	\$3,704,794

RETIREE HEALTH CARE BENEFITS PROGRAM

FISCAL YEAR 2020-2021

2019-2020 Bud. Pos.: 31.0
 2019-2020 Hiring Plan: 31.0
 2020-2021 Bud. Pos.: 31.0
 2020-2021 Hiring Plan: 31.0



- + Added position
- Deleted position
- * Classification study for the position requested

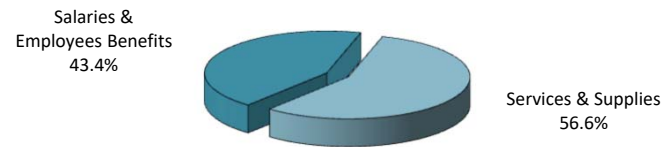
RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2020-2021

BUDGET SUMMARY

	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	PROPOSED BUDGET 2020-2021	YTD		\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
		BUDGET	(12-31-19)					PROJECTION
Salaries & Employees Benefits	\$4,092,346	\$3,556,664	\$1,413,425	\$3,284,489	\$807,857	24.6%	\$535,682	15.1%
Services & Supplies	5,340,628	4,668,186	1,693,914	4,616,186	724,442	15.7%	672,442	14.4%
OPERATING BUDGET	\$9,432,974	\$8,224,850	\$3,107,339	\$7,900,675	\$1,532,299	19.4%	\$1,208,124	14.7%

2020 - 2021 PROPOSED BUDGET



*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM
FISCAL YEAR 2020-2021
SALARIES AND EMPLOYEE BENEFITS SUMMARY

	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
Total LACERA Salaries	\$2,574,811	\$2,227,726	\$887,791	\$2,030,200	\$544,611	26.8%	\$347,085	15.6%
Total Agency Temp Salaries	0	60,300	97,156	194,300	(194,300)	-100.0%	(60,300)	-100.0%
Employee Benefits (Variable)	1,318,654	1,087,095	399,923	973,889	344,765	35.4%	231,560	21.3%
OPEB Contribution	66,081	48,243	21,579	48,000	18,081	37.7%	17,839	37.0%
Stipends	0	0	0	0	0	0.0%	0	0.0%
Overtime	115,600	113,700	2,315	20,800	94,800	455.8%	1,900	1.7%
Bilingual Bonus	3,600	3,600	1,100	2,400	1,200	50.0%	0	0.0%
Sick Leave Buyback	10,000	10,000	2,711	8,800	1,200	13.6%	0	0.0%
Rideshare Allowance	3,600	6,000	850	6,100	(2,500)	-41.0%	(2,400)	-40.0%
Transportation Allowance	0	0	0	0	0	0.0%	0	0.0%
ADJUSTED GROSS S&EB	\$4,092,346	\$3,556,664	\$1,413,425	\$3,284,489	\$807,857	24.6%	\$535,682	15.1%
Salary Differential	-	-	-	-	-	-	-	-
TOTAL S&EB	\$4,092,346	\$3,556,664	\$1,413,425	\$3,284,489	\$807,857	24.6%	\$535,682	15.1%

*All amounts rounded to the nearest dollar.

Note: All Permanent Salaries and Employee Benefits include amounts through 11/30/19, except Agency Temporary includes amounts through 12/31/19 and Rideshare Allowance includes amounts through 8/31/19.

LACERA
FISCAL YEAR 2020-2021
SALARIES

RETIREE HEALTHCARE BENEFITS PROGRAM

2020-2021 BUDGET

FILLED POSITIONS		# POS.	SCHEDULE	ACTUAL MO. RATE	ANNUAL AMOUNT			
00793A	DIRECTOR, RETIREE HEALTHCARE	1	LS14	15,995	191,945			
00771A	ASSISTANT DIVISION MANAGER	1	LS10	12,900	154,803			
00772A	SECTION HEAD	2	LS9	18,119	217,422			
01311A	RETIREMENT BENEFITS SPECIALIST III	9	95B	60,765	729,176			
00796A	QUALITY AUDITOR I	1	94J	7,239	86,869			
00415A	ACCOUNTANT	1	92B	6,674	80,084			
00439A	SENIOR SECRETARY	1	88H	6,077	72,928			
01310A	RETIREMENT BENEFITS SPECIALIST II	9	88G	48,574	582,894			
POSITIONS		25			2,116,121			
VACANT POSITIONS		# POS.	SCHEDULE	1ST STEP MO. RATE	ANNUAL AMOUNT	FILLED AT 12 MONTHS	FILLED AT 9 MONTHS	FILLED AT 6 MONTHS
01312A	SENIOR RETIREMENT BENEFITS SPECIALIST	3	100G	6,400	76,804			115,206
01310A	RETIREMENT BENEFITS SPECIALIST II	6	88G	4,622	55,466	166,398		
01310A	RETIREMENT BENEFITS SPECIALIST II	(3)	88G	4,622	55,466			
						166,398	0	115,206
POSITIONS		6			281,605			
TOTAL POSITIONS		31						
GROSS SALARIES				2,397,726				
ANTICIPATED MOU SALARY INCREASE**				41,960				
ANTICIPATED STEP AND/OR MERIT SALARY INCREASE				62,789				
BONUS				0				
120-DAY RETIREE(S)		1			72,336			
TOTAL SALARIES				2,574,811				

MAPP Tier I and Tier II positions are shown at actual salaries as of 1/1/20.
 Represented/Non-Represented positions are shown at actual salaries as of 1/1/20.
 Represented positions shown in blue
 Vacancies are shown at the 1st Step
 *All amounts rounded to the nearest dollar.
 ** Gross salaries are multiplied by 1.75% to calculate anticipated MOU increase

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**AGENCY TEMPORARY STAFFING
HISTORY OF EXPENDITURES**

DIVISION	FYE 2018		FYE 2019		FYE 2020		FYE 2021
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$72,500	\$47,203	\$132,100	\$69,213	\$60,300	\$194,300	\$0
GRAND TOTAL	\$72,500	\$47,203	\$132,100	\$69,213	\$60,300	\$194,300	\$0

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

**OVERTIME
HISTORY OF EXPENDITURES**

DIVISION	FYE 2018		FYE 2019		FYE 2020		FYE 2021
	Budget	Actual	Budget	Actual	Budget	Projection	Budget
Retiree Healthcare	\$30,700	\$19,079	\$36,245	\$20,185	\$113,700	\$20,800	\$115,600
GRAND TOTAL	\$30,700	\$19,079	\$36,245	\$20,187	\$113,700	\$20,800	\$115,600

*All amounts rounded to the nearest dollar.

RETIREE HEALTHCARE BENEFITS PROGRAM

BUDGET REQUEST INFORMATION

VACANT POSITIONS
SUMMARY

Division	Budgeted Positions FY 2019-2020	Vacancy (As of 04/30/20)	%	Budgeted Positions FY 2020-2021*	Vacancy	%
Retiree Healthcare	31	6	19%	31	6	19%
TOTAL	31	6	19%	31	6	19%

* Includes new requested positions. We plan to fill all vacant positions.

RETIREE HEALTHCARE BENEFITS PROGRAM

FISCAL YEAR 2020-2021

SERVICES & SUPPLIES ACCOUNT SUMMARY

ACCOUNT CLASSIFICATION	PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019-2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET	
		YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE
		BUDGET	(12-31-19)	PROJECTION				
TRANSPORTATION & TRAVEL	\$50,000	\$51,000	\$21,313	\$47,200	\$2,800	5.9%	(\$1,000)	-2.0%
POSTAGE	400,000	400,000	2,210	400,000	0	0.0%	0	0.0%
OFFICE SUPPLIES & EQUIPMENT	4,000	5,000	3,524	5,000	(1,000)	-20.0%	(1,000)	-20.0%
OPERATIONAL COSTS	3,269,328	2,550,186	1,274,260	2,550,186	719,142	28.2%	719,142	28.2%
PROFESSIONAL AND SPECIALIZED SERVICES	1,561,500	1,626,500	388,575	1,583,500	(22,000)	-1.4%	(65,000)	-4.0%
BANK SERVICES	21,000	0	0	0	21,000	0.0%	21,000	0.0%
EDUCATIONAL EXPENSES	34,500	35,500	4,032	30,300	4,200	13.9%	(1,000)	-2.8%
MISCELLANEOUS	300	0	0	0	300	0.0%	300	0.0%
TOTAL	\$5,340,628	\$4,668,186	\$1,693,914	\$4,616,186	\$724,442	15.7%	\$672,442	14.4%

*All amounts rounded to the nearest dollar.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST

BUDGET

Table of Contents

Program Description

Program Description 1-0

Cost Summary

Cost Summary 3-0



Fiscal

Year

2020-2021



Cost Allocation: The Need for Separate Accounting of the OPEB Trust

The County of Los Angeles (County), LACERA and the Superior Court maintain a Retiree Healthcare Program (RHP) for their members. In FY 2012-13, the County established a trust in order to fund this program. In FY 2016-17, the Superior Court established a trust to participate in the program. Beginning in FY 2017-18, the costs of administering the program were displayed separately, based on the size of the participating agencies. The Board of Investments of LACERA is the trustee and investment manager for the trusts.

The Trust Agreements between the County, Superior Court, and LACERA stipulate that "...the Trustee (LACERA) shall be entitled to payment or reimbursement of all its reasonable and appropriate expenses incurred in administering or investing the Trust..." In other words, LACERA will not expend its principal or operating allocation to administer the Trusts. Instead, the Trust Agreements allow LACERA to seek payment directly from the County and Superior Court, or to obtain payment from the OPEB trust.

To avoid OPEB Trust assets being commingled with the retirement fund assets, it is important for LACERA to maintain a separate accounting of the costs associated with administering the OPEB Trust.

A Method for Tracking OPEB Trust Expenses

Only the LACERA Divisions that participate in the administration of the OPEB Trust are included in the calculation of costs. These divisions are: Administrative Services, Communications, Executive Office, FASD, Human Resources, Internal Audit, Investments, Legal Services, Systems and Retiree Healthcare.

Each division utilizes staff and resources to administer the OPEB Trust. In estimating the costs to administer the trust, LACERA considers the amount of time expended by employees as a share of the total cost of salaries and benefits. In estimating the additional costs used to administer the trust, LACERA also considers the share of the total costs of services and supplies.

Cost Methodology

There are four categories of expenses applicable to our cost methodology as follows:

Direct Costs of Salaries & Employee Benefits

Division managers provided a list of staff members and the number of hours those staff members worked on OPEB activities. Those “hours spent” are converted into a percentage of annual hours. The salaries and benefits totals of each staff member are then multiplied by the percentage of annual hours devoted to OPEB.

Indirect Services & Supplies

These costs were estimated by taking the overall cost of services and supplies for LACERA and dividing it by the total number of employees. This provides LACERA with a "per employee cost" which is then multiplied by the overall percentage of hours worked on OPEB.

Indirect Salaries & Employee Benefits

Systems, Human Resources, and Administrative Services divisions provide staffing support to all LACERA divisions. The Salary and Employee Benefits costs for these Divisions are added up, then divided by the number of LACERA employees to determine a per employee cost. This total is then multiplied by the overall percentage of hours worked on OPEB.

Direct Services & Supplies

Direct Services and Supplies costs are based on actual payment requests that are applicable to OPEB.

Allocation of Costs

The total overhead cost is divided amongst County, LACERA, and the Superior Court. The shared cost is allocated in a hybrid method that considers fund size, effort, and resources to approximate a fair and equitable allocation. These allocations are scheduled to be reviewed every two years. The current allocation is:

- County – 75 percent
- LACERA – 5 percent
- Superior Court – 20 percent

Reconciliation of Actual Costs

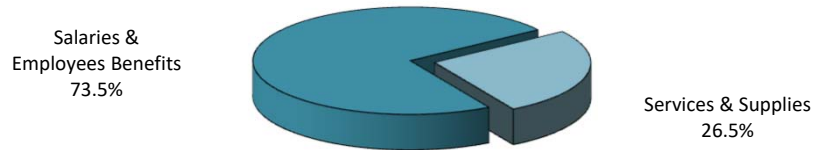
At the close of each fiscal year, the actual costs are reconciled with the budget costs. Variances are either credited or debited to each allocated entity to ensure that each OPEB Trust is appropriately capturing the true operating costs.

OPEB COST ALLOCATION

FISCAL YEAR 2020-2021

PROPOSED BUDGET 2020-2021	CURRENT YEAR 2019 - 2020			COMPARISON OF PROPOSED BUDGET TO PROJECTION *		COMPARISON OF PROPOSED BUDGET TO 19-20 BUDGET		
	YTD			\$ CHANGE	% CHANGE	\$ CHANGE	% CHANGE	
	BUDGET	(12-31-19)	PROJECTION					
Salaries & Employees Benefits	\$428,043	\$155,183	\$77,591	\$145,872	\$282,171	193.4%	\$272,860	175.8%
Services & Supplies	154,153	100,610	50,305	94,574	59,579	63.0%	53,542	53.2%
OPERATING BUDGET	\$ 582,196	\$255,793	127,897	240,445	\$341,750	142.1%	\$326,403	127.6%

2020 - 2021 PROPOSED BUDGET



June 16, 2020

TO: Each Trustee,
Board of Retirement

Each Trustee,
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: June 24, 2020 Joint Board of Retirement and Board of Investments Meeting

SUBJECT: Insurance Under CEO's Employment Agreement

RECOMMENDATION

That the Board of Retirement and Board of Investments approve an amendment to the Chief Executive Officer's Employment Agreement to provide that, due to the unavailability in the present market of life insurance as required by the agreement, LACERA will, until such time as insurance can be obtained, pay \$200,000 to the CEO's beneficiaries upon his death while employed by LACERA and for the rest of his life if employed at least three years after his original start date.

BACKGROUND

The Boards are the appointing authority for the CEO. Cal. Gov't Code S 31522.2. In November 2019, the Boards approved hiring Santos H. Kreimann as CEO on the terms stated in the Employment Agreement attached to this memo. The agreement includes a list of benefits that LACERA will provide to the CEO, including "Split Dollar Life Insurance - A LACERA paid level life insurance death benefit the amount of which is dependent upon age at entry into the plan." This is a standard benefit provided to LACERA's CEO's and to County of Los Angeles "L" Item employees.

"Split dollar" life insurance provides a level death benefit to the employee's beneficiaries, which in this case is \$200,000 based on the employee's age under the standard terms of the program. The insurance also pays a benefit to LACERA upon death equal to premiums paid. The insurance remains in effect, and the benefits are payable, for so long as the employee is employed by LACERA. In addition, if the employee stays with the organization at least three years, the policy vests for the rest of their life regardless of whether they remain employed, with LACERA continuing to pay the premiums.

Shortly after the CEO's start date in November 2019, LACERA contacted the broker for the program and requested insurance for the CEO. However, the broker advised in

December 2019 that the insurance was not available from the company that issues the "split-dollar" policies under the County program. LACERA requested the broker to obtain other quotes. LACERA was told, in January 2020, that other coverage was not available. The broker suggested that LACERA try again after 6-12 months. LACERA contacted the broker in June 2020, as well as another independent broker, to obtain quotes. LACERA was advised by both brokers that the insurance was not available. The brokers suggested that LACERA try again in 6-12 months.

Given these facts, it is not possible at this time to provide the CEO with the insurance provided in his Employment Agreement. A confidential memo providing further information is also provided with this item. Information in the confidential memo should not be discussed in open session. A closed session has been agendaized, if needed, to discuss the confidential information.

DISCUSSION

LACERA is presently unable to provide the CEO with life insurance, as provided in the Employment Agreement, for reasons outside of its control. LACERA staff discussed this matter with the Board's fiduciary counsel. Fiduciary counsel concurs that, until such time as insurance can be obtained, LACERA should provide a comparable death benefit of \$200,000 to the CEO, which would be payable on the same terms as under the "split-dollar" insurance. The death benefit will be payable for so long as the CEO is employed by LACERA, and if he is employed at least three years, for the rest of his life. This resolution was discussed with the CEO, and it is acceptable to him.

The insurance, if it was possible to obtain it, would cost \$7,500-10,000 per year, based on information provided by the broker for the "split-dollar" program, and LACERA would incur the opportunity cost of not having those funds available for investment. Under the proposal where LACERA incurs the responsibility of paying the \$200,000 death benefit itself, LACERA will not pay any premiums and instead will be able to invest these funds for up to the next 20 to 30 years or more of the CEO's expected life, earning a compounded return of 7% per annum based on the current actuarial assumed rate. In later years, these funds likely will have earned more than the death benefit.

CONCLUSION

For these reasons, it is recommended that the Board approve an amendment to the CEO's Employment Agreement providing that LACERA will, until such time as insurance can be obtained, pay \$200,000 to the CEO's beneficiaries upon his death while employed by LACERA and for the rest of his life if employed at least three years after his original start date. Staff will attempt to obtain insurance quotes at least annually.

Re: Insurance Under CEO's Employment Agreement
June 16, 2020
Page 3 of 3

Attachment

c: Santos H. Kreimann
Carly Ntoya

**EMPLOYMENT AGREEMENT
CHIEF EXECUTIVE OFFICER, LACERA**

This Agreement (Agreement) is made and entered into as of November 16, 2019, at Pasadena, California, by and between the Los Angeles County Employees Retirement Association (LACERA), by its Board of Retirement and Board of Investments (collectively, Boards), and Santos H. Kreimann (Kreimann).

WHEREAS, the Boards have implemented the provisions of California Government Code Section 31522.2 by appointing a person to act as retirement administrator, which is the senior administrative officer of the organization; and

WHEREAS, the retirement administrator position has been designated in Los Angeles County Code Section 6.127.020 as having the title of Chief Executive Officer, LACERA (CEO); and

WHEREAS, Section 6.127.030.B.1 of the Los Angeles County Code provides that the person appointed as CEO may receive such salary and benefits as determined by written agreement between LACERA, through its Boards, and the CEO; and

WHEREAS, the Boards have determined that Kreimann is qualified to perform the duties and responsibilities of CEO, and have selected Kreimann to serve as CEO according to the terms of this Agreement.

NOW, THEREFORE, LACERA and Kreimann agree, subject to Paragraph 8, as follows:

1. APPOINTMENT. The Boards hereby appoint Kreimann as CEO, subject to the terms and conditions of this Agreement, and Kreimann accepts and agrees to such appointment. Under California Government Code Section 31522.2, the CEO shall be an employee of the County of Los Angeles, reporting to the Boards and with performance of services exclusively for LACERA as described in Paragraph 4.

2. REPRESENTATION. Kreimann represents and warrants that all information regarding qualifications, all applications and resumes, and all additional background information provided, verbally or in writing, to the Boards and their representatives, including Alliance RC and LACERA staff, and all of their respective background check vendors, at any and all times during the course of the recruiting process for the CEO position prior to the execution of this Agreement, were truthful, accurate, and complete and did not omit any facts necessary to have an accurate understanding of Kreimann's background, skills, and experience. This representation is material to the Boards' willingness to enter into this Agreement.

3. TERM. Kreimann's appointment shall commence on November 16, 2019, or such other date as determined by the Boards in their sole discretion (Effective Date). As provided by California Government Code Section 31522.2, the position of CEO is not subject to county civil service or merit system rules, and Kreimann shall be an at-will employee and serve at the pleasure of, and may be dismissed at any time at the will of, the Boards, with or without cause, and with or without any period of notice. Specific

charges, a statement of reasons, or good cause shall not be required as a basis for dismissal. Dismissal by the Boards shall constitute an immediate termination of this Agreement, except those provisions that expressly survive termination. Kreimann expressly waives and disclaims any right to any pre-termination or post-termination notice and hearing, except for the notice provided in Paragraph 11.

4. DESCRIPTION OF SERVICES. Kreimann shall perform all of the duties of CEO, as directed by the Boards from time to time, including but not limited to those described in the Position Information and Examples of Essential Job Functions stated in Exhibit A to this Agreement. As CEO, Kreimann shall be LACERA's senior administrative officer, reporting directly to the Boards, and shall be expected to fulfill the needs of the organization as they may change from time to time and as directed by the Boards based on LACERA's needs and objectives. The CEO position requires maintenance of a full-time work schedule, including presence in LACERA's office each business day, subject to business travel and vacation and other permitted personal use time and reasonable flexibility with respect to the occasional need to work remotely. Kreimann shall notify the Boards in advance if he will be out of Los Angeles County or unavailable for necessary communication during time away from the office. Kreimann is expected to engage in those hours of work that are necessary to fulfill the obligations of the CEO position. The position does not have set hours of work, and the CEO is expected to be available at all times.

Kreimann shall perform all duties hereunder in a manner consistent with the level of competency, ethics and avoidance of actual or potential conflicts of interest, and standard of care normally observed by a person employed as a Chief Executive Officer of a large California public employees' retirement system, taking into account the services required from the CEO and LACERA's working environment and resources.

Kreimann shall not engage in teaching, consulting, speaking, or other non-LACERA work or business for which any form of value is paid, without the express prior written consent of the Boards.

5. LACERA'S COMMITMENTS.

- a. LACERA shall provide Kreimann with the salary and benefits as specified in Paragraphs 6 and 7 of this Agreement, subject to Paragraph 8 and all other provisions of this Agreement.
- b. LACERA shall provide Kreimann with an individual office on LACERA premises, a secretary, and such furniture, fixtures, equipment and supplies, including those described in Exhibit B, to the extent reasonably necessary for the performance of the CEO's duties. Furniture, fixtures, equipment and supplies remain the property of LACERA and shall be promptly returned upon separation under Paragraph 11.
- c. LACERA shall pay for or provide Kreimann reimbursement for all reasonable and lawful actual out-of-pocket business expenses incurred on behalf of

LACERA. LACERA shall provide Kreimann a LACERA credit or debit card to charge reasonable and lawful business expenses.

- d. LACERA shall pay for Kreimann to attend and receive education and training reasonably related to his service as LACERA's CEO, as authorized in advance by the Board Chairs or LACERA policies. LACERA shall pay professional dues and subscriptions on behalf of Kreimann which are reasonably related to the CEO's duties and participation in national, regional, state, and local associations and organizations necessary and desirable for the good of LACERA. LACERA shall pay the reasonable and actual travel and subsistence expenses of the CEO to pursue official and other functions for LACERA, and meetings and occasions to continue the professional development of the CEO, including but not limited to national, regional, state, and local conferences, and governmental groups and committees upon which the CEO serves as a member in accordance with LACERA's Education and Travel Policy, as it may be revised by the Boards from time to time, and provided by budget and/or the preapproval of the Board Chairs.
- e. The Boards set policy, in their sole discretion, for the governance and administration of LACERA and implement their respective policies through the CEO in accordance with the Boards' policies, charters, and rules in effect from time to time.
- f. The Boards may conduct annual goal-setting and annual performance evaluations of Kreimann as CEO pursuant to a schedule, standards, and procedures in their sole discretion, including more frequently than annually, consistent with the duties of the CEO position as provided herein.

6. SALARY. Subject to Paragraph 8, Kreimann shall be compensated at a gross base salary, before taxes and any other required or elective deductions, of \$400,000 gross annually (Starting Salary), paid on a bi-monthly basis by way of direct deposit and subject to usual and customary deductions for taxes, benefits, and insurance and any other deductions required or permitted by law, commencing as of the Effective Date and continuing during the time he serves as CEO, pro-rated on a daily basis. Kreimann may, but is not entitled to, receive salary adjustments from time to time as the Boards determine in their sole discretion in accordance with California Government Code Section 31522.2 and Sections 6.127.020 and 6.127.030 and other provisions of the Los Angeles County Code, as applicable to the CEO position.

7. BENEFITS. Subject to Paragraph 8, Kreimann shall receive the benefits now and hereafter provided for those persons occupying positions designated as "L" items by Section 6.28.020.B of the Los Angeles County Code. Benefits provided as of the Effective Date are listed in Exhibit B. Benefits may be adjusted by the Boards in their discretion consistent with the Los Angeles County Code.

8. BOARD APPROVAL. This Agreement, including but not limited to the salary and benefits as provided in Paragraphs 6 and 7, is subject to approval of the Boards at a

duly noticed and agendized public meeting and, notwithstanding any other provision of this Agreement, is not effective in any respect until such approval is given. If Board approval is not obtained prior to the Effective Date, the Effective Date shall be the first business day after approval of both Boards has been obtained and the Boards have duly executed this Agreement. This Agreement is subject to public disclosure to the extent required by the California Public Records Act, Cal. Gov't Code §§ 6250 et seq.

9. CONFLICTS AND COMPLIANCE. Kreimann shall be required to file a Form 700 Statement of Economic Interests within 30 days of assuming the CEO position, and within 30 days of leaving the CEO position, to comply with California law regarding disclosure of potential conflicts of interest, and at other times as required by LACERA and applicable law. Kreimann shall abide by LACERA's Mission, Vision, and Values, its Code of Ethical Conduct and Conflict of Interest Codes, all other LACERA policies and procedures, and all applicable laws and regulations relating to LACERA's business and operations, including but not limited to LACERA policies and procedures, laws, and regulations regarding ethics and avoidance of conflicts of interest.

10. CONFIDENTIALITY AND PRIVACY. During employment with LACERA, Kreimann will have access to confidential and private LACERA member and other information. Without limiting the generality of Paragraph 9, during and after employment, Kreimann shall abide by all applicable laws and regulations and LACERA policies and procedures concerning the confidentiality and privacy of member information and other LACERA information.

11. SEPARATION.

- a. Administrative Leave. The Boards may place Kreimann on administrative leave when in the best interests of LACERA, as determined by the Boards in their sole discretion. The administrative leave shall be effective as of the date set forth in a written notice delivered to Kreimann. Upon delivery of such notice to Kreimann, Kreimann's duties under this Agreement shall be suspended as of the effective date stated in the notice, but all other provisions of this Agreement shall remain in full force and effect except as inconsistent with this subparagraph. Thereafter, Kreimann's duties under this Agreement shall be performed by the Acting CEO or other designee(s) of the Boards. Kreimann agrees that he shall not perform or attempt to perform any of the duties of CEO, or in any other way interfere with the administration or operation of LACERA, during the period of administrative leave. The administrative leave and the suspension of the duties provided for herein shall terminate on the Boards' delivery to Kreimann of a written notice terminating the leave, which may include termination of employment.
- b. Resignation. Kreimann may resign at any time and agrees to give the Boards at least 60 days advance written notice of the effective date of the resignation, unless the Parties otherwise agree in writing.

///

- c. Termination and Removal. Kreimann is an at-will employee serving at the pleasure of the Boards. The Boards may remove Kreimann at any time, with or without cause, by a majority vote of the members of each Board. Notice of termination shall be provided to Kreimann in writing. No period of notice is required, and notice may be effective immediately upon delivery or at a later date, in the Boards' sole discretion. _____ [Kreimann's Initials]
- d. Transition. Given the at-will nature of the CEO position, an important element of this Agreement pertains to separation. It is in both LACERA's interest and that of Kreimann that any separation of Kreimann is done in a cooperative and businesslike manner. Kreimann shall reasonably cooperate in a transition period, including but not limited to delaying the effective date of separation, training and sharing knowledge with his successor, and leaving electronic and physical files in good condition and readily accessible after separation. Upon or after separation, Kreimann shall not, without LACERA's written consent, retain any LACERA property or the original or any copy of LACERA documents or information in any form or media. All such property or information will be returned to LACERA within five (5) days of the effective date of separation.
- e. Termination for Cause. Kreimann's employment may be terminated immediately by LACERA upon the Boards' determination that Kreimann has engaged in any of the following: (i) fraud, misrepresentation or misconduct; (ii) breach of this Agreement, and/or the policies or procedures of LACERA; (iii) breach of fiduciary duties owed to LACERA; (iv) any conduct which constitutes negligence or recklessness that is materially injurious to LACERA, the Boards, or LACERA members; (v) disloyalty, including, without limitation, fraud, embezzlement, theft or dishonesty; (vi) the misuse or disclosure of confidential information to persons not entitled to receive such information; and (vii) failure to follow a lawful direction from either of the Boards. Cause shall also include the occurrence of Kreimann's conviction of or plea of nolo contendere (i.e., no contest) to: (viii) any felony or a misdemeanor that has been found to involve moral turpitude by any published California appellate decision; or (ix) a misdemeanor violation of the California Political Reform Act (Cal. Gov't Code §§ 87100 et seq.).
- f. Termination without Cause. If LACERA terminates Kreimann without cause, he will be provided a monetary severance payment equal to the sum of six (6) months of base salary and benefits (calculated as 19% of six (6) months of base salary) as of the date of termination. As a non-severable condition precedent of receiving this severance payment, Kreimann shall provide a general release under California Civil Code Section 1542 of any and all claims, known and unknown against LACERA, and its trustees, directors, officers, employees, agents and representatives, to the maximum extent permitted by law.

///

- g. Nondisparagement. Upon separation for any reason, with or without cause, Kreimann shall not make any statement, orally, in writing, or through any other media, that is reasonably likely to disparage LACERA, the Boards, LACERA's trustees and staff, or the operations of LACERA and the Boards, or to degrade their reputation with any person or entity.

12. INTEGRATION. This Agreement and the attachments to it state all terms of the parties' agreement and is the exclusive statement of the parties' understanding. Except as provided in Paragraph 2, all prior representations, statements, and understandings, express or implied, including but not limited to the Conditional Offer of Employment dated October 21, 2019, are of no force and effect and cannot be used to alter the terms of this Agreement. In the event of any inconsistencies between the terms of this Agreement and the terms of any provision of the County Code, the terms of this Agreement shall control to the maximum extent allowed by law.

13. CONTROLLING LAW; DISPUTES. This Agreement and all claims arising from or related to this Agreement or Kreimann's employment as LACERA's CEO shall be subject to the laws of the State of California, without regard to its choice of law provisions. All disputes arising from or related to this Agreement or Kreimann's employment with LACERA that must be subject to resolution in court notwithstanding Paragraph 14 shall be resolved exclusively in California state or federal courts sitting in the County of Los Angeles. The parties agree to the exclusive personal and subject matter jurisdiction of such courts for all disputes. _____ [Kreimann's Initials]

14. MANDATORY MEDIATION AND ARBITRATION. To the maximum extent permitted under applicable law, all claims arising from or related to this Agreement and the attachments to it, the recruitment for employment, the Conditional Offer of Employment, and Kreimann's employment, compensation, or separation as LACERA's CEO, including acts or omissions of the Boards or LACERA's staff or representatives, any and all such claims or disputes between them shall be subject to mandatory pre-filing mediation in the County of Los Angeles before a mutually agreed upon mediator, who absent any other agreement of the parties, shall be a retired California state or federal judicial officer; the costs of the mediation shall be paid by LACERA. If following mediation, the claims of either party are not successfully resolved, any and all such claims and disputes between them, except claims that as a matter of law cannot be subject to arbitration, shall be subject to mandatory binding arbitration in the County of Los Angeles before a single mutually agreed upon arbitrator, who absent any other agreement of both parties, shall be a retired California state or federal judicial officer associated with the Los Angeles region of the Judicial Arbitration and Mediation Service (JAMS) and administered through JAMS pursuant to its Employment Arbitration Rules & Procedures and subject to JAMS Policy on Employment Arbitration Minimum Standards of Procedural Fairness. The costs of the arbitrator and arbitration service shall be paid by LACERA. The arbitrator's award may be entered in any court having jurisdiction. _____ [Initials of All Parties]

15. SEVERABILITY. If any provision of this Agreement is declared unenforceable or invalid, such provision shall be deemed severed from the Agreement, and the

remainder of this Agreement shall remain valid and enforceable and in no way impaired or invalidated, in order to carry out the parties' intent herein the fullest extent possible.

16. WAIVER. Both parties shall be deemed to have participated equally in the drafting of this Agreement, and this Agreement shall be interpreted without regard to California Civil Code Section 1654, which is waived by the parties.


17. ASSIGNMENT. This Agreement and all rights hereunder are personal to Kreimann and may not be assigned or transferred by Kreimann at any time.

18. NOTICE. Any notice required under this Agreement shall be effective immediately upon personal delivery, 24 hours after the date of transmission via email, 48 hours after deposited for overnight delivery service, or 72 hours after deposited by delivery by U.S. First Class mail. The following information shall be used for delivery of notice to the parties, subject to change in writing:

LACERA:

Steven P. Rice
Chief Counsel
Los Angeles County Employees Retirement Association
300 N. Lake Ave, Suite 630
Pasadena, CA 91101
srice@lacera.com
(626) 564-6000, Extension 4340

Kreimann:

Santos H. Kreimann


///
///
///
///
///
///
///

19. ACKNOWLEDGMENT. The parties acknowledge and agree that they have had the opportunity to consult with an attorney of their own choice in the drafting of this Agreement, and sign it without questions or reservations and with full understanding of its terms. _____ [Kreimann's Initials]

20. SURVIVAL. The parties agree that Paragraphs 9, 10, 11(d), 11(g), 12, 13, 14, 15, 16, 17, 18, and 19 shall survive termination of this Agreement to the fullest extent possible in fact and by law.

IN WITNESS WHEREOF, LACERA's Boards of Retirement and Investments each have authorized and caused this Agreement to be signed by the Chair of each Board, and Kreimann has signed this Agreement as of the Effective Date.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

By: _____
Chair of the Board of Retirement

Dated: _____

By: _____
Chair of the Board of Investments

Dated: _____

Santos H. Kreimann

Dated: _____

EXHIBIT A
To
EMPLOYMENT AGREEMENT
CHIEF EXECUTIVE OFFICER, LACERA

Position Information:

The one position allocable to this class is appointed by LACERA's Board of Retirement and Board of Investments to act as retirement administrator, pursuant to Government Code Section 31522.2. The incumbent of this position is the executive and administrative head of the Retirement Association and has full responsibility for planning, organizing and directing the operations of LACERA, except that the Board of Investments may delegate specific investment authority and responsibility to others. In this role, the incumbent manages the system within the framework established by the State Constitution and State laws, and in compliance with the policies, rules, and regulations adopted by the Board of Retirement and, when applicable, the Board of Investments.

As the advisor to the Boards of Retirement and Investments, the incumbent makes recommendations on all matters pertaining to LACERA; assures Board orders and requests are implemented, cooperates with and acts as liaison between the Boards, the staff, member organizations, employers, government departments and agencies, the Legislature, and the public; and directs the administrative support and secretarial services to the Boards.

As the Chief Executive Officer, the incumbent is responsible for providing the direction for the Retirement Association, including but not limited to: establishing and accomplishing goals; ensuring accurate service to LACERA members; ensuring the best caliber staff are employed to manage LACERA's investments and programs; directing the preparation of the Retirement Association's budget; ensuring the integrity of the Association's and County's policies and practices; and ensuring the accounting, financial and actuarial programs are sound.

Examples of Essential Job Functions:

Administers a comprehensive program of retirement, disability, survivor, and health benefits for retired members.

Plan, prepare for, attend, and participate in Board meetings, offsites, strategic planning sessions, and such other meetings, conferences, and communications with trustees, staff, vendors, and other parties as required.

Directs all activities relating to benefits, investments, accounting, auditing, administrative services, legal services, information systems and services, and human resources.

///

Directs the development of and presents recommendations concerning organizational priorities and operations objectives for the consideration and approval of LACERA's governing Boards of Retirement and Investments.

Serves as liaison between LACERA staff and LACERA's governing boards by coordinating the implementation of Board policies.

Directs the development and implementation of LACERA's annual budget, obtaining Board approval, and enforcing appropriate expenditure control.

Directs the monitoring compliance activities of the Retirement Association with respect to applicable federal, state, and County laws and regulations.

Directs the analysis of and development of responses to proposed legislation; formulates strategies to achieve LACERA's legislative goals; and addresses legislative committees and other groups on subjects relating to retirement laws, operations of the system and its programs, and positions taken by the Boards on proposed laws and other issues.

Directs the negotiation of contracts for actuarial services, independent auditing services, consultant services, professional services, or other services that may be necessary for the administration of the system.

Directs the development of the annual financial report covering operations and expenditures of the system for the preceding fiscal year.

Establishes and directs the maintenance of an adequate system of records and accounts following recognized accounting principles and controls.

Oversees and directs the efforts of LACERA's external consultants including actuaries, auditors, attorneys, lobbyists, and investment advisors.

Serves as a corporate officer of LACERA's real estate holding companies.

Represents LACERA in interactions with the Los Angeles County Board of Supervisors, Los Angeles County's Chief Executive Officer, regulatory agencies, other participating employers in LACERA, members of LACERA, the media, and the general public.

EXHIBIT B
To
EMPLOYMENT AGREEMENT
CHIEF EXECUTIVE OFFICER, LACERA

PROVIDED BENEFITS:

MegaFlex Benefit Plan - Benefits may be purchased using a monthly benefits allowance of 19% of the employee's monthly salary. If the monthly cost of the benefits selected is less than the monthly allowance, the employee receives the difference as additional taxable wages.

Purchasable monthly benefits include Medical, Dental, Disability, Life and Accidental Death & Dismemberment (AD&D) Insurance, Optional Group Variable Universal Life Insurance, Health & Dependent Care Spending Account, and Dependent Care Spending Accounts.

LACERA Defined Benefit Retirement Plan - Pays a specified monthly lifetime benefit at retirement based on years of service, final average compensation (within any cap on the pensionable portion), age at retirement, and other factors, subject to applicable law, including vesting and eligibility requirements. Contributions into this plan are made by both the employee and employer.

Savings Plan (401k) - Optional tax-deferred income plan. Provides a LACERA match of up to 4% of the employee's salary subject to IRS limits.

Deferred Compensation Plan (457) - Optional tax-deferred income plan. Provides a LACERA match of up to 4% of the employee's salary subject to IRS limits.

Flexible Spending Accounts - Employees may contribute up to \$200 per month tax-free to a Health Care Spending Account and up to \$400 per month tax-free to a Dependent Care Spending Account. Employees may be eligible for up to \$75 per month contribution paid by LACERA to a Dependent Care Spending Account.

"Split Dollar" Life Insurance - A LACERA paid level life insurance death benefit the amount of which is dependent upon age at entry into the plan.

Holidays - 12 days per year.

Leave - The position does not earn or accrue leave and does not require the use of leave to cover absences from work, including reasonable vacation.

Tuition Reimbursement - Subject to tuition program limitation.

Company Vehicle - An assigned LACERA vehicle is provided, for which LACERA will pay for fuel, maintenance, and insurance. Under State and Federal tax regulations, employees are taxed on the value of this benefit. Alternatively, Kreimann may elect to receive a separately negotiated monthly vehicle allowance.

Technology - Use of a LACERA cellular phone, laptop, and home workstation with internet.

This information is intended to provide a general summary of benefits available. LACERA does not contribute into Social Security. Benefits may be taxable beyond those expressly stated as such.

FOR INFORMATION ONLY

June 15, 2020

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: JJ Popowich 
Assistant Executive Officer

Roberta Van Nortrick 
Training Coordinator

FOR: June 24, 2020 Joint Board of Retirement & Board of Investments
Meeting

SUBJECT: **LACERA EMPLOYEE CONNECTION SURVEY RESULTS**

COVID-19 has posed unprecedented challenges for LACERA, particularly for our Staff Members and how we deliver service to our members. As LACERA's most important asset, the health and well-being of our Staff Members is of utmost importance to us. Throughout our response the LACERA Management team was careful to make decisions we felt were the most beneficial to protecting Staff and providing them with the tools they needed to continue providing services to our members. The team also felt that during any crisis we cannot overlook the need to check in with our Staff Members to see how well we are meeting those needs. Research has shown that employees want to provide feedback to their organizations during stressful times like these so LACERA wanted to provide a vehicle for each Staff Member's voice to be heard.

LACERA's Human Resources Division and the Executive Office considered it important for us to know how Staff Members are coping with these immediate changes to LACERA's work environment, including moving to a remote telework environment. So, we partnered with our Employee Engagement Consultant, CPS-HR Consulting Institute for Public Sector Employee Engagement (CPS), to conduct an **Employee Connection Survey**. CPS provides services to public agencies including employee engagement surveys, employment testing, recruiting and hiring, and training.

The goal for the survey is to provide insight to the LACERA Management on how our workforce is dealing with the new working arrangements and where LACERA can help them to maintain their well-being, performance, and productivity. LACERA had devoted our efforts to protecting Staff Members by social distancing, providing personal protective equipment (PPE) while onsite, developing, deploying, and expanding remote working capabilities, exploring new ways to communicate with Staff Members, and to

communicate often. It is important for us to measure how they are coping with these innovations and changes to understand what we can do better both now and in the future.

On May 1, 2020, LACERA emailed the link to the CPS **Employee Connection Survey** to all 420 staff. The survey, designed to be completed in ten minutes, was completely voluntary and totally anonymous. No one from LACERA or CPS would know the identity of any of the respondents. Staff Members were asked to complete the survey by May 18th, giving them a three-week window for completing it. The survey contained 28 questions including four fill-in-the-blank questions where staff could provide written comments that were shared word for word but were also totally anonymous. Shortly after the survey window closed CPS provided LACERA's HR with a report of summarized results for each question. For more detailed information, please see the attachment for complete survey results.

Highlights of LACERA Employee Connection Survey

Successful employee engagement programs require management to carefully evaluate employee feedback, be transparent about the results, recognizing successes, acknowledging areas that need improvement and developing and taking steps to address those areas for improvement. In keeping with our commitment to be transparent we are sharing highlights of the results of this survey.

Out of a total of 420 Staff Members, 215 Staff Members participated, representing 51% of all Staff.

Areas with scores of greater than 80% agree/strongly agree:

1. "Recent communications from my team (my peers) have been helpful to me"

LACERA's Action: Rolled out Microsoft Teams for all Staff to communicate with coworkers, supervisors, managers and work teams, upload and share documents, and hold Teams conference calls.

2. "My organization has done a good job adapting to the work changes that have been necessary in the last month"

Staff Members responding appear to be very positive about working for an organization that is able to adapt quickly to the changes the Pandemic brought, and for an organization that allows work-from-home opportunities.

3. "I understand my organization's COVID-19 pandemic policies or guidelines (e.g., flexible working arrangements, travel, quarantine)"

LACERA's Action: The Executive Office, Legal, Systems, and Human Resources sent "all staff" emails frequently to ensure the Staff were well informed.

4. "I am able to maintain adequate physical distance from others in my work location right now"

LACERA's Action: The Blue/Red/Black/Purple teams concept was implemented early in our response, and having less staff at our offices allowed staff to maintain their social distance while on LACERA campus.

5. "My environment at home allows me to focus on my job"

LACERA's Action: Early in our response to the COVID-19 Pandemic, we realized we would need the ability to work remotely. In recognition of this critical element of our response plan we worked to deploy computers to the member-facing staff and select Financial and Accounting Staff to access Workspace from home, and worked to provide additional capabilities, alleviating the possible frustration felt in not previously having that access.

6. "How do you feel about working from home at this time?
The highest score on the survey was an 87% positive response to being able to work from home.

LACERA's Action: We assigned about 70-75% of LACERA staff to telework on a daily basis, occasionally coming into the office for specific days during their rotational week to complete work that needs to be done in the office or to pick up additional work to do while teleworking.

Areas with scores greater than 10% disagree/strongly disagree

1. "Recent communications from my manager or supervisor have been helpful to me"

While 75% of our workforce felt communication with their management team was positive, 11% did not. This indicates we should continue to strive to find ways to improve communication and meet Staff Member expectations.

2. "I am able to maintain adequate physical distance from others in my work location right now"

LACERA's Action: The Blue/Red/Black/Purple teams concept was implemented early in our response, and having less staff at our offices

allowed staff to maintain their social distance while on the LACERA campus. Some of LACERA's essential Staff Members including the Document Processing Center (DPC.), Systems, and others still needed to work at the office – sometimes in close proximity. In an effort to adhere to social distancing rules, LACERA relocated several of the Staff Members to now unoccupied space. We continue to review our operations to ensure we maintain social distancing protocols.

3. "I have the tools and technology to be productive at home"

LACERA's Action: At the outset of the Pandemic LACERA's Systems Division worked tirelessly to provide the necessary tools and access to technology that Staff Members required to effectively perform their job in a telework situation.

4. "I have the equipment and supplies that I need to protect myself on the job right now." Approximately 24% of those responding rated this area as needing more attention by selecting disagree/strongly disagree.

LACERA's Action: At the time this survey was taken there were nationwide shortages of Personal Protective Equipment (PPE) and hand sanitizers. LACERA's Administrative Services' Procurement Team contacted vendors and searched the marketplace to purchase the necessary PPE and hand sanitizers for LACERA Staff. Eventually, their perseverance paid off and they procured two (2) face coverings for each Staff Member along with hand sanitizer, gloves, and disinfectant wipes, for Staff to use when onsite at LACERA.

LACERA has been working with the Office of the Building to understand the protective steps that they implemented and continue to implement to provide additional protection for those entering the building.

- Placing hand sanitizers at the Lobby elevator banks
- Placing directional signage to control the flow of traffic into and out of the building
- Placing markers on the floors for six-foot social distancing
- Adding signage to elevators limiting the number to four in each elevator to adhere to social distancing rules set by the Center for Disease Control (CDC)
- Increasing their cleaning of the common spaces in the building as well as additional cleaning of door handles daily
- Posting signage on the Lobby entrance doors

Other Key Insights

1. 60% of respondents reported their work duties as normal, and 51% stated that their workload is the same.
2. Nearly one-half, 45%, of the respondents said their work schedule changed.
3. 48% stated that they are aware that they are considered essential employees before the Pandemic began.
4. Although 89% stated they do not normally work from home, 64% stated that they were able to carry out their work duties as normal, as if they were working in the office.
5. When asked, 84% would like to work remotely either all or part of the time while 13% would like to work in the office all the time and over 2% are undecided.

Conclusion

COVID-19 not only disrupted our business and but also LACERA Staff Members' work routines. We took several critical steps to respond to this event in a short period of time. Partnering with CPS to conduct the Employee Connection Survey for all Staff provides LACERA an opportunity to check in and see how we are doing. It is important for us to understand how our adaptations and new teleworking capabilities are affecting our Staff Members overall well-being and productivity. To maintain a positive, team-based workplace culture while transitioning from work to home, and eventually back to work, LACERA must continue to strive to understand the needs of our Staff Members, through our day to day actions and surveys like this one.

We are pleased with the number of Staff who chose to provide us feedback so that we may continue to develop those solutions that are successful and work to improve those that are not working as well. We are happy that they took advantage of this opportunity to make their voice heard.

JJ:rv

Attachment



BY CPS HR CONSULTING

LACERA - Employee Connection Survey Results

This report is provided to LACERA by CPS HR Consulting for confidential information purposes only. On behalf of LACERA, CPS HR administered a completely voluntary and anonymous employee survey from 5/1/2020 to 5/18/2020.

All responses are self-reported and not verified. Results may be incomplete or inaccurate due to insufficient response rates or tampering, although CPS HR and LACERA made efforts to ensure only LACERA employees respond and no employee responds more than once.

This report may be accessed and used only for authorized Government business by authorized personnel who have been granted access. Unauthorized access or use of this report may subject violators to criminal, civil, and/or administrative action.

1. Total number of responses - 215

2. Overall, how are you doing? Please list three words to describe how you are feeling now:



Communication

3. Recent communications from my organization's leaders have been helpful to me.

Value	Percent	Responses
Strongly Disagree	1%	3
Disagree	7%	16
Neither Agree nor Disagree	13%	29
Agree	39%	83
Strongly Agree	38%	82
Don't Know or Prefer Not to Say	1%	2

Totals: 215

4. Recent communications from my manager or supervisor have been helpful to me.

Value		Percent	Responses
Strongly Disagree		5%	10
Disagree		7%	14
Neither Agree nor Disagree		14%	30
Agree		39%	83
Strongly Agree		35%	76
Don't Know or Prefer Not to Say		1%	2









Totals: 215

5. Recent communications from my team (my peers) have been helpful to me.







Value		Percent	Responses
Strongly Disagree		2%	5
Disagree		3%	7
Neither Agree nor Disagree		13%	29
Agree		46%	98
Strongly Agree		34%	73
Don't Know or Prefer Not to Say		1%	3

Totals: 215

6. What communication approaches you have found to be most useful during this time? Please select TWO.

Value		Percent	Responses
Email		79%	170
Instant messaging (e.g., MS Teams, Skype)		50%	107
Phone - Text messages		21%	45
Phone - Voice		16%	35
Video - Live (e.g., Zoom, Skype)		14%	31
Other - Write In		5%	11
Website/Intranet		2%	5
Video - Recorded (e.g., webinars, YouTube)		2%	4

7. My organization has done a good job adapting to the work changes that have been necessary in the last month.

Value		Percent	Responses
Strongly Disagree		4%	8
Disagree		7%	16
Neither Agree nor Disagree		8%	17
Agree		40%	86
Strongly Agree		40%	86
Don't Know or Prefer Not to Say		1%	2

Totals: 215

8. I understand the health resources and benefits available to me now.

Value		Percent	Responses
Strongly Disagree		3%	7
Disagree		7%	14
Neither Agree nor Disagree		14%	30
Agree		49%	106
Strongly Agree		24%	52
Don't Know or Prefer Not to Say		3%	6

Totals: 215

9. I understand my organization's COVID-19 pandemic policies or guidelines (e.g., flexible working arrangements, travel, quarantine).

Value		Percent	Responses
Strongly Disagree		2%	4
Disagree		7%	14
Neither Agree nor Disagree		9%	20
Agree		53%	115
Strongly Agree		28%	60
Don't Know or Prefer Not to Say		1%	2

Totals: 215

Work Situation

10. Which option BEST describes your current work situation?

Value	Percent	Responses
I am going to my normal worksite/location at least once in a while (i.e., I am an essential worker)	49%	106
I am only working from home now	49%	106
I am not currently working (e.g., on leave or furloughed)	1%	3

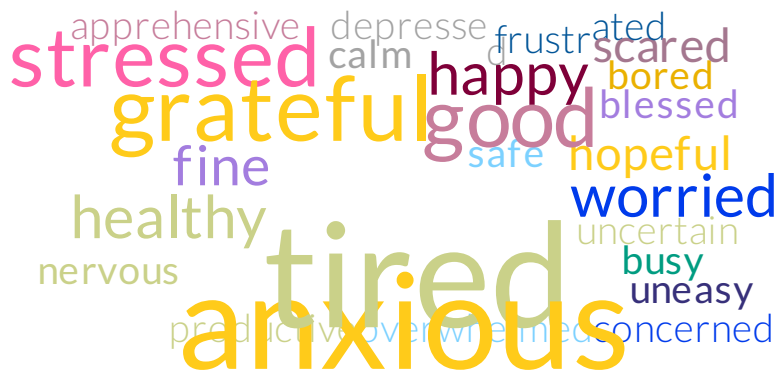
Totals: 215

Essential Workers

This section presents results for Essential Workers only.





11. Overall, how are you doing? Please list three words to describe how you are feeling now:

Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am going to my normal worksite /location at least once in a while (i.e., I am an essential worker)")



12. Which option BEST describes your work duties over the last month?



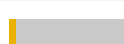
Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am going to my normal worksite/location at least once in a while (i.e., I am an essential worker)")

Value		Percent	Responses
My work duties are being carried out as normal		57%	60
Some of my work duties have changed		37%	39
Most of my work duties have changed		6%	6
My work duties have completely changed		1%	1

Totals: 106

13. My workload has...





Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am going to my normal worksite /location at least once in a while (i.e., I am an essential worker)")

Value		Percent	Responses
Remained the same		49%	52
Increased		44%	47
Decreased		7%	7

Totals: 106







14. Please tell us more about your worksite/location and schedule:

Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am going to my normal worksite /location at least once in a while (i.e., I am an essential worker)")

Value		Percent	Responses
I am going to work, but my schedule has changed		43%	46
I am going to my normal worksite /location as usual		24%	25
I am going to work, but both my worksite /location and schedule have changed		18%	19
I am going to work, but my worksite /location has changed		15%	16




Totals: 106

15. How do you feel about your status as an essential worker?

Value		Percent	Responses
Very Negative		1%	1
Somewhat Negative		5%	5
Neither Positive nor Negative		19%	20
Somewhat Positive		21%	22
Very Positive		49%	52
Don't Know or Prefer Not to Say		6%	6







Totals: 106

16. Did you expect that you would be considered an essential worker in a crisis situation like this?







Value		Percent	Responses
Yes - I was aware that I would be considered essential in a crisis.		50%	53
No - I was NOT aware I would be considered essential in a crisis.		17%	18
Don't know or not sure - I had not thought about it before.		33%	35

Totals: 106

17. I have the equipment and supplies that I need to protect myself on the job right now.

Value		Percent	Responses
Strongly Disagree		8%	9
Disagree		12%	13
Neither Agree nor Disagree		9%	10
Agree		48%	51
Strongly Agree		19%	20
Don't Know or Prefer Not to Say		3%	3
			Totals: 106

18. I am able to maintain an adequate physical distance from others in my work location right now.

Value		Percent	Responses
Strongly Disagree		5%	5
Disagree		8%	8
Neither Agree nor Disagree		4%	4
Agree		42%	45
Strongly Agree		40%	42
Don't Know or Prefer Not to Say		2%	2
			Totals: 106

19. Please list three tools or resources that would help you to feel more connected, more safe, or more productive in your work:

Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am going to my normal worksite/location at least once in a while (i.e., I am an essential worker)")



Remote Workers

This section presents results for Remote Workers only.





20. Overall, how are you doing? Please list three words to describe how you are feeling now:

Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am only working from home now")





21. Which option BEST describes your work duties over the last month?

Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am only working from home now")

Value		Percent	Responses
My work duties are being carried out as normal		66%	70
Some of my work duties have changed		25%	27
Most of my work duties have changed		7%	7
My work duties have completely changed		2%	2

Totals: 106




22. Please tell us more about your experience working remotely:

Value		Percent	Responses
I normally do not work from home		91%	96
I have worked remotely before the stay-at-home orders		9%	10

Totals: 106







23. My workload has...

Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am only working from home now")

Value		Percent	Responses
Increased		49%	52
Remained the same		47%	50
Decreased		4%	4







Totals: 106

24. How do you feel about working from home at this time?

Value		Percent	Responses
Very Negative		5%	5
Somewhat Negative		5%	5
Neither Positive nor Negative		4%	4
Somewhat Positive		30%	32
Very Positive		57%	60
Don't Know or Prefer Not to Say		0%	0

Totals: 106

25. I have the tools and technology to be productive at home.

Value		Percent	Responses
Strongly Disagree		6%	6
Disagree		9%	10
Neither Agree nor Disagree		11%	12
Agree		38%	40
Strongly Agree		36%	38
Don't Know or Prefer Not to Say		0%	0

Totals: 106

26. My environment at home allows me to focus on my job.

Value		Percent	Responses
Strongly Disagree		5%	5
Disagree		4%	4
Neither Agree nor Disagree		8%	9
Agree		32%	34
Strongly Agree		50%	53
Don't Know or Prefer Not to Say		1%	1

Totals: 106

27. When it is possible to return to work, I would prefer to:

Filter: #13 Question "Please tell us more about your experience working remotely:" is one of the following answers ("I normally do not work from home")

Value		Percent	Responses
Work remotely part of the time		52%	50
Work remotely all of the time		34%	33
Go back to my normal worksite/location all of the time, even though it is possible for me to work remotely at least part of the time		11%	11
Don't know or prefer not to say		2%	2
It would not make sense to work remotely with my type of job		0%	0

Totals: 96

28. Please list three tools or resources that would help you to feel more connected, more safe, or more productive in your work:

Filter: #9 Question "Which option BEST describes your current work situation?" is one of the following answers ("I am only working from home now")



June 15, 2020

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: JJ Popowich *JJ*
Assistant Executive Officer

Roberta Van Nortrick *Rv*
Training Coordinator

James Beasley *JB*
Supervising Administrative Assistant

Lilit Bagdzhyan *LB*
Administrative Services Analyst

FOR: June 24, 2020 Joint Board of Retirement and Board of Investments Meeting

SUBJECT: Phased Transition Plan for Staff Members to Return to LACERA

EXECUTIVE SUMMARY

As Los Angeles County and state officials continue to ease restrictions and encourage the thoughtful and careful re-opening of many segments of the economy it is time for LACERA to begin the next chapter in responding to the COVID-19 Pandemic and plan for an orderly return to more normal operations. LACERA has taken a conservative and cautious approach to developing our responses to the pandemic, placing three overarching principles at the forefront of our decisions: the health and safety of our Staff Members and members, the need to continue operations and services to deliver on the promises made to our members, and to do so in a secure operating environment. These principles remain the foundation of our response.

The Executive Office has tasked the Business Continuity Team (BCT) to initiate the formalized planning for a Transition Plan (Plan). The Plan presented in this memo reflects a phased approach to returning Staff Members to work and normalizing operations, while continuing to ensure we meet certain Guiding Principles outlined in this document. This is a Dynamic Plan, meaning that it will be continually developed as we move from phase to phase, allowing us to adopt lessons learned along the way. It is designed to be nimble so that we can quickly respond to changing environments dictated by the course of the pandemic.

Re: Phased Transition Plan for Staff Members to Return to LACERA

June 15, 2020

Page 2 of 34

We have chosen to focus on three phases initially. Phase One (1) is nearly complete and focused on developing Organizational Protocols that will be applied to all subsequent phases. Phase Two (2) will focus on restoring operations to our Member Service Center – allowing LACERA to interact with members on a personal face-to-face level in a safe environment. This will continue to be complimented by our newly launched Virtual Member Service Center. Members will have many channels to choose how to connect with LACERA based on their needs and comforts, while LACERA still safeguards our Staff Members from the impacts of COVID-19. Phase Three (3) – in the early planning stages – will focus on restoring more normalized Call Center operations with Staff Members working both internally and remotely to provide the same level of service to our members. Additional phases will be developed as we learn and grow in our capabilities.

LACERA's approach to the COVID-19 pandemic has led to a number of advances in the technology applications we use, which in turn has allowed us to provide remote working capabilities to our Staff Members. These advances were critical to our ability to meet those overarching principles. The Plan recognizes the criticality of these technological abilities and will continue to rely on the advances already made and additional advances to help make LACERA stronger, more resilient, and more efficient. The team recognizes the efforts of our Systems Division in putting in the hard work and long hours to get us to where we are today.

Finally, it should be noted that the development of this Plan is an organizational team approach. The initial Plan outlined within is based on advanced work by the BCT and the Division Managers. Each Division was asked to submit their own Transition Plan and ideas. These initial plans were reviewed, and concepts integrated with the overall Plan, which also relies heavily on guidance by various government agencies such as The Occupational Safety and Health Act (OSHA), the Center for Disease Control (CDC), and of course the County Department of Public Health (DPH). At the beginning of developing plans for each Phase the BCT will coordinate with the Division Management team and other subject matter experts to develop protocols reflective of the Organizational Protocols but respectful of unique requirements of each Division and work unit.

LACERA recognizes the importance of our external business partners. We would be remiss if we did not acknowledge the partnership between LACERA and Avison-Young our building managers. In addition, we recognize the need to meet and confer with SEIU Local 721 on the Plan as well. We recognize their important role and will be meeting and conferring with them as we develop each phased plan before finalizing the plans. This is a continuation of an open and transparent response to the pandemic as we have had meetings and communication regarding many of the protocols currently in place. We will be reaching out to set a date to meet in early July to address the Phase One and Phase Two plans.

Phase One (1) is already in motion and should be completed by June 30, 2020. It is the formalization of all the efforts we have taken so far to help protect our Staff Members and continue operations. We are committed and focused on implementing Phase Two (2) – the re-opening of the Member Services Center tentatively scheduled for August 3, 2020.

DISCUSSION

Recommended Transition Plan

Developing a Transition Plan is a complicated, multi-faceted process. Recognizing this, the BCT conducted necessary research prior to finalizing this recommendation and included the results in each of the developed phases.

The BCT recommends a multi-phased approach to the Transition Plan for bringing LACERA Staff Members back to LACERA's building. It should be noted that LACERA has maintained a small, but critical number, of support Staff Members from Administrative Services, Systems, and other divisions working in the building on a daily basis. This Plan will allow LACERA to carefully increase that number as we re-open the campus to more normalized operations. The phased approach will also allow us to learn what works and what does not as we move through the phases. Consequently, we have fully developed the first and second phases, partially developed the third phase, and will be developing the subsequent phases as we learn from our efforts.

The first phase focuses on establishing Organizational Protocols (Appendix A) that provide a required baseline by which all LACERA Staff Members must abide. Recognizing LACERA provides our members essential services that affect their livelihood, we propose that phases two, three, and four focus on transitioning our Operations Staff Members back to LACERA's campus to resume member-facing services. The final phases will address the return plan for Administrative Staff Members.

The Appendices included in this memo are:

- Phase One: Organizational Requirements (See Appendix A); Phase Two: Member Service Center; and Phase Three: Member Services and Retiree Healthcare Call Centers.
- Phase Two (2) of the Plan is to transition Staff Members back to the Member Service Center (See Appendix B.) to provide in person, face-to-face, one-to-one service to our Members.
- Phase Three (3) is the transition of Staff Members back to the Call Centers, both Member Services and Retiree HealthCare (Refer to Appendix C.)

The fourth phase will be to transition Benefits Staff Members back into the office and phase five entails transitioning Disability Retirement Services Staff Members back as well. The final phases will address the Administrative Staff Members' return to LACERA. As discussed, each phase has not yet been fully developed since we find ourselves

working to understand how the Pandemic affects each segment of LACERA's business while striving to provide excellent service to our Members.

The Transition Plan is a dynamic document incorporating the rotating Red/Blue/Purple/Black team concept that was established at the outset of the Pandemic. The purpose of these teams is to protect the health and safety of Staff Members at work and to adhere to the social distancing rules established by the CDC. This team concept was established to minimize the risk that all Staff Members assigned to a specific work unit might be exposed to the virus, thus causing the entire unit to self-quarantine affecting the completion of daily tasks performed by that unit. Our goal is to continue this team rotation to limit Staff Members exposure to COVID-19 until a vaccine has been developed.

Guiding Principles

In consultation with the Executive Office, the BCT developed a set of Guiding Principles (Principles) to be considered and applied in the development of this Transition Plan.

1. Safety and wellbeing of LACERA Staff Members – physically, emotionally and mentally, is the primary Principle.
2. Safety and wellbeing of LACERA Members
3. Continuing Remote Work Capabilities for our Staff Members thus maintaining service options for our members
4. Data security must be maintained while working remotely and, in the office
5. LACERA's daily business performed with the highest level of efficiency and effectiveness
6. Commitment to return operational functionality to pre-COVID-19 levels or better as we learn and adjust

Safety and Wellbeing of Staff Members: The safety of LACERA Staff Members is the foremost Guiding Principle. We recognize LACERA Staff Members are our most precious resource. All decisions and recommendations made by the BCT aim to provide the safest and most beneficial means for Staff Members working remotely to transition back to work at LACERA's offices.

Safety and Wellbeing of LACERA Members: As LACERA Staff Members prepare to return to the office in varying capacities, it is natural to consider a return to the normal in-person interactions that LACERA has with our Members and beneficiaries. We have

a duty to mitigate or prevent placing Members, some very vulnerable for this disease, at risk. When deciding when the Member Service Center should re-open, both the security of our Members and our MSC Staff Members must be regarded.

Continuing Remote Work Capabilities: The COVID-19 outbreak has forced millions of workers around the globe, across different industries, to work from home. Like many organizations, LACERA had to rapidly develop the ability to work remotely for the safety of our Staff Members and to maintain business operations.

The ability to work remotely is now a critical business component of any Business Continuity Plan. Our Staff Members have repeatedly shared with the management team that they appreciate the ability to work remotely, and view this as a significant advancement in LACERA's operations. LACERA is committed to creating an environment and protocols that will allow our Staff Members to continue to provide the same level, or better, of services and support regardless of where they are working. We are committed to providing the appropriate technology to facilitate this capability.

Data Security: LACERA has a duty to ensure our member information and proprietary information is secure. All decisions made as part of this Plan include an element of data security. This means that we need to continue current efforts to ensure that our teleworking Staff Members can maintain a safe and secure connection to LACERA, and that our policies and procedures mitigate any internal and external security risks.

Efficiency and Effectiveness: The efficiency and effectiveness of Staff Members and their ability to perform their daily duties with access to the necessary information and tools to do so must be considered in all decisions. LACERA's solution to social distancing and protecting Staff Members is to operate using varied schedules as indicated by the Red, Blue, Purple, and Black teams. However, some Staff Members struggle to be efficient because they must either work through others to get routine work completed, or delay completion of routine work until their team schedule allows them to be in the office. We are committed to providing Staff Members with the appropriate resources and systems access to enable them to be efficient regardless of team schedule or location.

Commitment to Returning to Work: The BCT recognizes the need to return Staff Members to more normal working conditions. Therefore, we have approached this Plan under the Guiding Principle that LACERA wants Staff Members to be able to return to the office. However, we also recognize there are benefits to having teleworking capabilities and that any return to work plan must recognize that teleworking is here to stay. In short, the BCT recognizes that there have been operational efficiencies and

improved Staff Members' morale resulting from advances such as Microsoft Teams and remote working capabilities.

A Dynamic Plan: The COVID-19 Pandemic is a fluid event. Until a vaccine is found and widely applied, it is commonly understood that there may be periods where the virus surges and wains. Because events are fluid and we are unsure of what the future holds, we recommend establishing a Dynamic Transition Plan. We must be nimble and prepared as much as possible to act when the need arises, knowing that there will be occasions when all the preparations in the world will not be enough. We will be ready to react as needed but be as proactive as possible. At a minimum, we recommend this Transition Plan is reviewed on a quarterly basis, or more frequently as needed, to assure that it is still the most efficient and effective means of conducting LACERA business for the duration of this event.

CONCLUSION

Like most organizations across the globe, the COVID-19 Pandemic caught LACERA by surprise, but we met the challenge and succeeded in deploying Staff Members to telework status nearly overnight. This was to assure the safety and wellbeing of our Staff Members and Members. Next, we began enabling them to perform their work assignments securely and efficiently using the necessary tools and technology. With the deployment of this technology, we made certain that Member data and proprietary information remained secure. This Dynamic Transition Plan reinforces our commitment to return Staff Members to as normal working conditions as possible and still assure that we are protecting our most valuable asset, our Staff Members. All the while making it possible to complete their assignments in the most efficient and effective manner, thereby serving our Members according to the Mission.

Appendix A

Phase One (1) – Organizational Protocols

TARGET DATE: June 30, 2020

A. The Occupational Safety and Health Act (OSHA) requires employers to provide staff with a workplace “free from recognized hazards that are causing or are likely to cause death or serious physical harm” to Staff Members. 29 U.S.C. § 654(a)(1). OSHA has issued advisory guidance on preventing exposure to and preparing workplaces for COVID-19 that can assist employers in return planning (the “OSHA Guidance”)¹. Additionally, the Los Angeles County Public Health Department provided guidance to aid in the return to work transition plan.²

1. Appropriate physical distancing of six feet
2. Limit Staff Members to groups of no more than 10 in confined work spaces and meeting rooms
3. Proper use of personal protective equipment (PPE)
4. Measures for hand hygiene
5. Regular cleaning of workplaces, meeting rooms and common internal areas
6. Active messaging to educate and remind Staff Members of important precautionary health measures
7. Minimize contact among workers, clients, and customers by replacing face-to-face meetings with virtual communications and implementing telework if feasible.

B. LACERA will establish a Transition Plan Review Committee with Members from Human Resources, Administrative Services - Business Continuity, Legal, and the Executive Office.

1. The Team will review the Organizational Requirements and the Transition Plan for each Division or unit within a Division.
 - a) Assure all plans meet the Organizational Requirements for:
 - 1) Staff Members’ safety and wellbeing
 - 2) LACERA Members’ safety while onsite

¹ Guidance on Preparing Workplaces for COVID-19 – <https://www.osha.gov/Publications/OSHA3990.pdf>

² http://www.publichealth.lacounty.gov/media/Coronavirus/docs/protocols/Reopening_OfficeBasedWorksites.pdf

- 3) Appropriate technology, applications, and tools for Staff Members to perform their jobs on and off site
 - 4) Data security (electronic, written, and copied)
 - 5) Completion of work efficiently and effectively
 - 6) Commitment to return operational functionality to pre-COVID-19 levels
 - 7) In their personal workspace
 - 8) In common areas in Division per the Center for Disease Control (CDC) Guidelines.³
- b) The Team will work with the Division to ensure the plan includes a prioritized list of required resources and support needed for successful implementation and work with the division management to prioritize resources and steps in the process.
2. Partner with the Communications Division to develop a Communication Plan for Staff Members outlining requirements for returning to the workplace.
- a) Include all Organizational Requirements
 - b) Communicate protocols Staff Members will be required to follow upon returning to the LACERA campus.
 - 1) How Staff Members must conduct themselves while onsite at LACERA per the *DPH Protocol for Office Worksites and Returning to the Workplace Amidst Covid-19 – Avison Young Plan* ⁴
 - c) What tools LACERA will provide to returning Staff Members
 - d) What types of cleaning are Staff Members responsible for
 - 1) in their personal workspace

³ Guidance on Preparing Workplaces for COVID-19 – <https://www.osha.gov/Publications/OSHA3990.pdf>

⁴ *Returning to the Workplace Amidst Covid-19 – Avison Young Plan* (Appendix D)

- 2) after use of equipment (e.g., copiers, fax machines, coffee machines, etc.)
 - 3) in common areas in Division per CDC guidelines⁵.
- C. Develop a response plan for Division Managers outlining actions to perform if a Staff Member is suspected of being ill at work.
1. Includes how to direct Staff Members to get medical assistance, i.e. testing. Per CDC guidelines on evaluating and testing persons for Coronavirus Disease 2019 (Covid-19)⁶
 2. How to clean the work area and the extent of the cleaning methods addressed by the CDC for cleaning and disinfection for community facilities³ and the guidelines indicated in Los Angeles County Department of Public Health (DPH) cleaning and disinfecting matrix.⁷
- D. Based on the guidelines from the CDC and DPH, we have developed Procedures for Staff Members to follow to protect themselves and others by following the safety protocol designated by the CDC, DPH, and OSHA's *Guidance on Preparing Workplaces for COVID-19*.⁸
1. Personal Protection Equipment (PPE)
 - a) Face Coverings – The CDC and the DPH state that the use of cloth face coverings may slow the spread of the virus and help people who may have the coronavirus and do not know it, from transmitting it to others.⁹
 - 1) Per the Social Distancing Protocol, employers must provide face coverings for their staff to use. If Staff Members decline to wear a face covering for medical or other reasons, management and HR should engage in the interactive process with said Staff Member

⁵ <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/cleaning-disinfection.html>

⁶ <https://www.cdc.gov/coronavirus/2019-ncov/symptoms-testing/testing.html>

⁷ CDC Cleaning and Disinfection for Community Facilities <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/cleaning-disinfection.html> and Los Angeles County Department of Public Health Cleaning & Disinfection Matrix <http://www.publichealth.lacounty.gov/media/Coronavirus/docs/protection/CleaningMatrix.pdf>

⁸ **Guidance on Preparing Workplaces for COVID-19** – <https://www.osha.gov/Publications/OSHA3990.pdf>

⁹ <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/diy-cloth-face-coverings.html> and <http://publichealth.lacounty.gov/media/Coronavirus/GuidanceClothFaceCoverings.pdf>

as required by the Americans with Disabilities Act (“ADA”), Title VII.¹⁰

- i. Face coverings must be worn into and out of the building; and
 - ii. Must be worn anytime around other people or in common areas including cubicles, offices, kitchens, copy rooms, breakrooms, restrooms, hallways, etc.
- b) Gloves – OSHA *Guidance on Preparing Workplaces for COVID-19* states that each employer should select the combination of PPE that protects workers specific to their workplace.¹¹

The requirement to wear gloves is based on the tasks performed and the level of risks. For instance, the mailroom Staff Members will wear gloves when handling incoming and outgoing mail, since the risk is much higher of being contaminated with germs and/or viruses. Specific Division or unit level procedures will incorporate these requirements and if deviations are required will specify what they are and why:

- 1) All Staff Members interacting with members are required to wear gloves during the interaction.
- 2) Staff Members handling mail, member documents, and deliveries from outside vendors are required to wear gloves.
- 3) Gloves must be changed between each interaction and properly disposed of. For Staff Members delivering items between floors (e.g. mail, procurement deliveries), the gloves must be changed between each floor.

2. Personal Hygiene

- a) Consideration has been made to support respiratory etiquette and hygiene for Staff Members and LACERA Members. Based on hygiene guidelines from OSHA, CDC, and the DPH, such measures will include posting signs to encourage frequent handwashing with soap and water; provide and place hand sanitizer and disinfectant

¹⁰ <https://www.eeoc.gov/laws/guidance/pandemic-preparedness-workplace-and-americans-disabilities-act>

¹¹ **Guidance on Preparing Workplaces for COVID-19** – <https://www.osha.gov/Publications/OSHA3990.pdf>

wipes at multiple locations throughout the suites; discourage handshakes and other contact methods of greeting.¹²

- b) Wash hands with soap and water frequently
- c) If soap and water is not available, then use sanitizing hand cleaner

3. Maintaining a Clean Worksite

- a) Appropriate steps will be taken by the Office of the Building for frequent cleaning and disinfecting of frequently touched surfaces throughout the building, such as, door handles, bathrooms, and elevator panels, etc.¹³
- b) Certain work assignments will require Staff Members to take steps to maintain a clean and safe work environment. Individual phased plans will specify these assignments.
- c) The Procurement Unit will provide disinfectant wipes and hand sanitizers to enable Staff Members to maintain a safe workstation.

4. Office of the Building Social Distancing Markings and Signage

- a) Entering the Lobby - Per Avison Young Returning to Workplace PowerPoint Plan and Guidance provided by the Office of the Building, they will:¹⁴
 - 1) Control the flow of traffic – in one door and out the other
 - 2) Place markings on the floor directing foot-traffic
 - 3) See the Building Guard to push call buttons for elevator riders (LACERA will educate Staff Members on this to help minimize touching of surfaces in public areas).
- b) Elevators/Stairwells in the building and the parking garage
 - 1) Posted social distancing signage
 - 2) Set the limit for the number of elevator car riders to four (4)

¹² <https://www.osha.gov/SLTC/covid-19/controlprevention.html>

¹³ *Returning to the Workplace Amidst Covid-19 – Avison Young Plan*

¹⁴ *Avison Young Returning to Workplace Amidst Covid-19 PowerPoint (Appendix D)*

- 3) Place floor markings indicating where riders should stand in elevator
- 4) Stairwells in the Building will remain locked for security purposes
5. Requirements for Accessing the Building and Work Area based on the DPH Reopening Office Based Worksites social distancing protocol.¹⁵
 - a) Staff Members
 - 1) Staff Members will not share workstations, phones, desks, offices, etc.
 - 2) Communal spaces will remain temporarily closed or occupancy rules will be established (within subsequent phase plans). Staff Member assignment of cleaning protocols will be required if communal spaces are allowed.
 - 3) Floor-by-Floor Management
 - i. LACERA Floor Wardens will be designated as “Community Managers” or “Floor Contacts”.
 - ii. Community Managers will serve as the point of contact for their division, monitoring the current protocols
 - iii. Suggest improvements to Division Managers or the BCT based on observations and feedback from others.
 - iv. LACERA will work with the Office of the Building to provide training to Floor Wardens to assist in this function.
 - 4) Movement between floors or Divisions will remain restricted (unless required by job function). Staff Members are discouraged from visiting other floors and encouraged to use the tools provided to interact virtually.
 - 5) Common Areas (breakroom, kitchen, lobby, restrooms, elevators)
 - i. Follow the marked areas on the floors to direct the flow of traffic

¹⁵ http://www.publichealth.lacounty.gov/media/Coronavirus/docs/protocols/Reopening_OfficeBasedWorksites.pdf

- ii. Lobby – enter through one set of doors and exit using the other
 - iii. Elevators – floor markings where occupants should stand
 - iv. Floors – floor markings to control the flow of traffic
 - v. Divisions – directional floor markings, doors marked as entrance and exit to control traffic flow
- 6) Restrooms
- i. Post signage on the outside of the door stating the number of occupants allowed inside to practice social distancing
 - ii. Post signage to remind people to wash their hands
- 7) Lunchroom
- i. Floor markings to direct traffic
 - ii. Add markings on floor for queuing lines for microwave, vending machines etc. that are six feet apart
 - iii. Post number of occupants allowed inside at one time to allow social distancing
 - iv. Physical barriers will be added so that Staff Members are separated appropriately while using tables (e.g. Plexiglass partitions allowing social interaction in a safe manner)
6. Communicating with other Staff Members based on OSHA Guidelines ¹⁶
- a) Staff Members are encouraged to communicate among their work team respecting social distancing and face protection. Communication with others outside of their immediate work environment should be made using the telephone, email, Microsoft Teams, or any other remote means

¹⁶ Guidance on Preparing Workplaces for COVID-19 – <https://www.osha.gov/Publications/OSHA3990.pdf>

- b) If in-person communication is required, then it should be done with both parties wearing the required face coverings or by practicing social distancing of six-feet apart¹⁷
 - c) Per the DPH Protocol face-to-face meetings are discouraged, and should be held using approved LACERA software and platforms (GoToMeeting, GoToWebinar, Microsoft Teams) or via conference call¹⁸
7. Working with Outside Vendors: Staff Members are encouraged to limit face-to-face interactions with outside vendors as much as possible. Staff Members are encouraged to use the available technology to arrange virtual or remote meetings. In the event face-to-face interactions are unavoidable, meetings should be limited to as few non-LACERA attendees as possible and no more than 10 total in any one room. We recognize some vendors or service companies may need to visit LACERA. All outside vendors must wear appropriate face coverings and practice social distancing at all times.
8. Encourage Staff Members to Self-Monitor their health as they return to work
- Send out letter to all Staff Members, scheduled to return to work, with questions to ask themselves every day prior to coming to the workplace (see sample at end of Appendix A)
- 1) Include questions provided by CDC ¹⁹
 - 2) If yes to any, then the letter provides direction on the next steps for the Staff Member to follow.
- b) LACERA reserves the right to revise the Plan with more stringent steps, such as temperature monitoring, if the pandemic begins to take an upswing.
9. The Business Continuity Team created a “Habitable Space” map that includes a risk assessment for each Division as it relates to social

¹⁷ <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/workplace-decision-tool.html>

¹⁸ http://www.publichealth.lacounty.gov/media/Coronavirus/docs/protocols/Reopening_OfficeBasedWorksites.pdf

¹⁹ <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/workplace-decision-tool.html>

distancing, based on the guidelines and protocols from OSHA and the DPH.²⁰

a) Measured each cubical and office space that can be occupied and still allow social distancing of six feet per *DPH Reopening Safer at Work and in the Community for Control of Covid-19* guidelines.²¹

1) Identified spaces/workstations that allow Staff Members to work and practice social distancing.

2) Created a seating map of “Habitable Space” of each Division that will provide each Division Manager a reference when considering scheduling of returning Staff Members.

10. BCT will conduct a risk assessment for all areas in each division in relation to the traffic flow in and out of the space, common areas i.e. kitchen spaces, copy machines, break room, lobby, etc. during the development of each phase. This data will be used in the development of future phases or to refine the Organizational Protocols outlined in Phase 1.

²⁰ Guidance on Preparing Workplaces for COVID-19 – <https://www.osha.gov/Publications/OSHA3990.pdf> and http://www.publichealth.lacounty.gov/media/Coronavirus/docs/protocols/Reopening_OfficeBasedWorksites.pdf

²¹ http://www.publichealth.lacounty.gov/media/Coronavirus/docs/protocols/Reopening_OfficeBasedWorksites.pdf

**SAMPLE: LACERA STAFF MEMBERS COVID-19
SELF-ASSESSMENT QUESTIONNAIRE**

To keep you and all other LACERA Staff Members safe, we are following local health department recommendations and requiring that every Staff Member conduct a self-assessment for COVID-19 symptoms and risk factors each day before entering the workplace. Please take a few minutes each morning to answer the questions on this self-assessment prior to the start of your work shift at LACERA. This information does not need to be turned in nor will it be collected or used for any other purpose.

Promoting a safe and healthy work environment is everyone's responsibility. Thank you for your cooperation.

In the past 24 hours, have you experienced any of the following:

- | | | | | | |
|------------------|------------------------------|-----------------------------|-----------------------|------------------------------|-----------------------------|
| Fever or chills: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Runny or Stuffy Nose: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Fatigue: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Sore throat: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Cough: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Diarrhea: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Sneezing: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Headaches: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Aches and Pains: | <input type="checkbox"/> Yes | <input type="checkbox"/> No | Shortness of breath: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Have you recently been in close contact with anyone who has exhibited any symptoms of COVID-19? Yes No

Are you ill, or caring for someone who is ill? Yes No

In the two weeks before you felt sick, did you have contact with someone diagnosed with COVID-19? Yes No

If you have indicated “**Yes**” in any of the boxes and show symptoms of acute respiratory illness, please notify your Supervisor or Manager and stay home until you are free of fever (100.0° F [38.0° C] or greater using an oral thermometer), have no signs of a fever, or any other symptoms for at least 24 hours, without the use of fever-reducing or other symptom-altering medicines (e.g. cough suppressants).

Please contact Human Resources if you have any questions about reporting to work.

APPENDIX B

PHASE TWO (2) - MEMBER SERVICE CENTER

TARGET DATE: AUGUST 1, 2020

The Member Service Center was designated as Phase 2 to restore and normalize the services provided to our members. While we have implemented the Virtual MSC, we still feel it is important to provide a physical avenue for our members to interact with us in a safe and secure manner.

The BCT, Member Services Division Manager, and Outreach Section Head worked together to conduct an assessment of the Member Service Center and operational needs to develop the Phase 2 plan. These protocols and physical modifications to the work environment are designed with the Guiding Principles established above and follow the Phase 1 Organizational Protocols.

The target date selected was determined as a reasonable but aspirational goal that we are committed to meet. However, it does require the ability to secure additional equipment and make minor modifications to the work environment. It is possible that the plan may be delayed due to our ability to work with vendors to accomplish our goals.

Funds are available within the current FY (2019-2020) budget for some resources. We may need to approach the Board for additional funding for some of the physical enhancements and equipment needed (e.g. physical barriers and HEPA filters). We are in contact with vendors as this plan is being developed.

Member Services Lobby Area

Physical Environment Modifications and Requirements

- Modify glass front desk windows to seal and close completely.
- Remove at least half of the chairs (depending on measurement for social distancing):
 - Discourage movement of Chair by marking appropriate spot
- Provide floor markings for standing in line to respect social distancing.
- Set an in and out process for entering and exiting the MSC lobby
- Building Lobby must be entered in one door and exited using the other door
- Decals on floor required so flow can be managed
- Disinfectant procedures for lobby: Rotating schedule for Staff Members to wipe down front desk countertop area and the lobby door handles four times a day
- Place traffic directional decals on floor to direct flow of egress and exits of Members (Public)

- Use the floor standing retractable stanchions to separate entrance and exit at Member Service Center.
- Place signs on top of stanchions to direct entrance and exit, use both sides of signs.
- Mark off carpet 6-foot social distancing
- Place directional arrows to show flow of traffic.
- Post Signage in Lobby
- Social distancing
- Lobby limited to Member and one of the following only: Spouse, Domestic Partner, Attorney-in-Fact (POA), or a family member.
- Additional sanitizing stations, mount to wall by exit and free-standing by reception.
- Remove computer stations in the Lobby
- Reception Desk: Right side is “Registration” and Left side is “Drop off” for Documents.
- Additional Considerations Depending on Experience After Re-opening:
 - Contract for additional security to monitor flow of members into and out of MSC and enforce requirements.

Member Protocols

- Limited to appointment only or drop offs. Walk-ins will not be allowed; however, Staff Members will assist the member in scheduling a future appointment.
- All members will be required to wear masks.
- LACERA will provide masks if members do not have masks
- Refusal to wear masks will result in a request to leave and will be enforced by management and security if necessary
- Limited to Member & Spouse/Domestic Partner/Attorney-in-Fact (POA)/or one family member.
- Rules will be “marketed” online, in newsletters, posted upon entry, and discussed with members setting up appointments online
- CDC Checklist of questions posted for Members to refer to before entering Lobby
- Future Consideration depending on experience:
 - Touchless temperature check before entrance.

Staff Members Protocols

- Staff Members working at front desk must wear gloves and mask or face-covering at all times
- Masks and gloves must be worn at all times by Staff Members when working with Members or other Staff Members

One-on-One Counseling Protocols in Member Service Center

Physical Environment Modifications and Requirements

- Use retractable stanchions to “Rope Off” Reception area.
- Directional arrows for flow on floor from Receptionist area to Exit through the back door.
- Kitchen/ Breakroom
 - Signage in kitchen “Do Not Gather”
 - Post signage for the “Number of Employees Allowed” in kitchen area
 - Post signage, “Clean all areas immediately after use” at the copy machines, tables, counters, appliances, & door handles.
 - Post signage on kitchen door (inside & out) “Keep Door Closed”
- Only half the offices will be used at any time to practice social distancing
- Decals will be required to set traffic flow direction. Walk in through lobby, out through the back door
- Decals for members to find their way out of the building in an orderly one-way traffic fashion
- Offices will be modified with a floor to ceiling or almost to ceiling (depending on code) Plexiglass separation that divides the desk (60/40). The Plexiglass will have a slight curve at the end of the desk towards the member’s sitting position to protect Staff Members as people are leaving or entering. A slit will be needed at the bottom for the members and Staff Members to pass documents
- LACERA will install HEPA air filtration units in each individual office
- Rules for use of copy room and break room
- Post signage, “Mask must be worn at all times”
- Dual screens in meeting rooms: Due to physical limitations Staff Members will no longer be able to share screens to share with the members.

Staff Member Protocol for One-on-One Meetings

- Strict Adherence to Red/Blue/Purple/Black Team Schedules. Staff Members working remotely will be responsible for Virtual MSC services
- Masks required at all times when meeting with members (LACERA will need to provide more than what we have so they can be frequently changed, may need to consider disposable masks and not just face coverings).
- Gloves required at all times when meeting with members. (same as above regarding LACERA providing)
- Staff members will be required to disinfect the area after each member (wipe that side of the desk, chair, handles, etc.).
- Staff Members will have to be taught how to remove gloves appropriately.
- Staff Members will be required to wipe down the chairs, handles, and plexiglass after each appointment.

Member Protocols for One-on-One Meetings

- Limited to Member & Spouse/Domestic Partner/Attorney-in-Fact (POA)/or one family member.
- All members will be required continue to wear masks throughout the meeting.

Public Main Lobby 1st Floor (Outside Member Service Center Entrance)

Physical Environment Modifications and Requirements

- Directional arrows on the floor from the Main Entrance providing clear direction to LACERA with social distancing stickers on the ground to mark out 6-foot areas.
- Restrooms: The current restroom configuration is insufficient to support a safe environment for our members. Meet and discuss with building to find a way to expand the bathrooms
- Notice to Members signage, per CDC, posted on glass door prior to entering (Public facing):
 - Please stay home if you are sick.
 - Please maintain social distancing
 - Always wear face coverings
 - Please clean hands with soap & water or hand sanitizer.
 - We are not able to assist walk-ins at this this time. You may enter to drop off documents or if you have an appointment.

NOTE: Currently some of the Staff Members assigned to the Document Processing Center (DPC) have been relocated to the Member Service Center to accommodate social distancing for these essential LACERA Staff Members. The work of the DPC does not allow them to telework so they are required to work onsite at LACERA every day. To phase back the Staff Members in the Member Service Center, we will need to find a solution for the DPC Staff Members to return to their assigned workstations and still practice social distancing.

The following protocols and requirements are still under development and an in-depth discussion needs to occur with the unit manager and Division Manager.

6th Floor Document Processing Center

- Remove glass partitions between the cubicles and replace with plexiglass to extend to 7 feet high. Plexiglass should run from building windows to sitting area.
- Plexiglass should be installed in all cubicles and scanning stations.
- Extend scanning station to the doorway. Install plexiglass to section three distinct scanning stations.

Re: Phased Transition Plan for Staff Members to Return to LACERA

June 15, 2020

Page 21 of 34

- Install plexiglass walls between Staff Members in the Mail Room (minimum height of 7 feet high.)
- Post Signage, "Mask required at all times outside of cubicles."
- Directional arrow decals on the floor to demonstrate one-way flow to establish the exit by Legal Hearing Officer Room. Entrance is the door closest to the mailroom.
- Entrance and Exit Door signage will be posted outside of DPC.

APPENDIX C

PHASE THREE (3) - MEMBER CALL CENTERS - MEMBER SERVICES AND RETIREE HEALTHCARE

The following are preliminary protocols and requirements being considered for the re-integration of the Call Centers to the LACERA campus. These protocols will be developed further as we prepare to move into Phase 3. This plan will be updated and shared as the plan is formalized.

Our current technology solutions for the Call Center were chosen for a quick implementation of remote working capabilities and are not translatable to the physical network infrastructure of the office environment. We are evaluating alternative solutions that will support Staff Member's ability to take calls internally and remotely.

As of this point, we have only physically assessed the fifth floor Member Services Call Center environment. As we develop this phase, there will be different physical and Staff Member protocols for Member Services and Retiree Healthcare because the physical environments and staffing levels are very different. We will focus more on the development of this phase within 60 to 90 days after the Phase 2 implementation so we can incorporate lessons learned

5th Floor Member Services Call Center

Physical Environment Modifications and Requirements

- Plexiglass installed between cubicles to extend cubicle walls to 7 feet high, approximately 3 feet of plexiglass required.
- Fill the front and rear 2-inch gap between cubes with plexiglass
- Set Entrance and Exit locations to the Call Center and establish directional flow of traffic
- Entrance and Exit sign posted outside Call Center.
- Directional arrow decals on the floor to demonstrate flow to exit by conference room from main walkway. Walkway closest to windows show one-way flow toward supervisors, loop.
- Posted Signage, "Mask Required at all times outside cubicles."
- Kitchen signage to be posted:
 - Signage in Kitchen "Do Not Gather"
 - Post the "Limit of Employees #" in Kitchen area
 - Post "Clean all areas immediately after use, handles, table, appliances, and counters."

Staff Members

- Strict Adherence to Red/Blue/Purple/Black Team Schedules. Staff Members working remotely will work using the Remote Call Center technology
- Masks required at all times when walking in Call Center common areas.

Retiree HealthCare Call Center

Physical Environment Modifications and Requirements

- TBD

Staff Members Protocols

- Strict Adherence to Red/Blue/Purple/Black Team Schedules. Staff Members working remotely will work using the Remote Call Center technology
- Masks or face coverings required at all times when walking in Call Center common areas.

APPENDIX D
SUPPORTING DOCUMENTATION

In most cases, a link to the URL is provided for each document referenced in the footnotes. Copies of those documents not sourced through the Internet are here in Appendix D.



Intelligent
Real Estate
Solutions

300 N. Lake
Avenue Suite
925

Pasadena, CA
91101 USA

T 626.568.0300

F 626.568.3074

avisonyoung.com

T O : Gateway Plaza

F R O M : Office of the Building

D A T E : May 18, 2020

RE: [Returning to the Workplace Amidst COVID-19](#)

Dear Gateway Plaza:

As we prepare to return to the workplace amidst COVID-19, certain operational protocols will be put into place in order to maintain the safest and healthiest work environment as possible for our tenants, guests, colleagues and service partners. Our objective is to instill confidence in your return to the workplace as we follow best practices in the industry as well as guidance from the CDC, local government, and health care professionals.

Below is an outline that the building is implementing to ensure that you and your employees feel comfortable returning to work.

Communication

- We encourage tenants to keep building management apprised of their re-occupancy plans.
- Advise your employees, visitors and delivery personnel that they are required to wear face masks before entering the building.
- Notify building management if any employees, vendors or visitors have been exposed to or may have contracted the COVID-19 virus.

Physical Distancing Awareness

- We recommend tenants implement staggered work hours to reduce peak building hours.
- Designated paths of travel will be identified throughout the building to maintain physical distancing.

Janitorial Services

- Hand-sanitizer stations have been placed in the building lobby and are available in all restrooms.
- Janitorial scopes of work have been enhanced to focus on the cleaning and disinfecting of high touch surfaces in public areas using products that meet the CDC's criteria for use against COVID-19.
- Additional cleaning services are available upon request by contacting building management to secure a quote on your behalf.

Building Operations

- Common areas where personnel are likely to congregate and interact are closed.
- Staff and service providers will be equipped with PPE as appropriate throughout the building.
- Adjustments to elevator operations on the destination dispatch feature to promote physical distancing.
- Monitor supply chain and communicate with supply vendors for lead-times and availability of PPE, hand sanitizers, cleaning supplies, and other critical building supplies.

Security

- Security available in the lobby to ensure a welcoming and healthy workplace.
- Security available to select the floor on the elevator kiosk for building occupants in order to promote a touchless entry point.
- Installation of an acrylic barrier at the security podium between guests and security personnel.
- Regular communication with building management to ensure everyone is working together and adhering to guidelines in place for building operations.

Mechanical & Building Systems

- Adjust outside airflow to continually introduce fresh air throughout the building.
- Improved air filtration throughout the building with the use of high efficiency MERV-13 rated filters.

Signage

- Signage/floor decals will be installed throughout the common areas to remind occupants and visitors to maintain safe distances in high traffic or confined areas such as lobbies, elevator cabs, and restrooms along with signage in the restrooms with instructions for proper hand washing.

The owners and Avison Young remain committed to the health and safety of our tenants, staff, and visitors. We, like so many, look forward to a return to more normal operations with measured and thoughtful implementation of our new operating guidelines. We will keep you updated as we receive additional guidance from public health authorities and controlling jurisdictions. Should you have any questions or would like to discuss the measures we are taking, please do not hesitate to call.

Thank you for your patience and cooperation while we navigate the return to the workplace.

Sincerely,
The Office of the Building



Returning to the Workplace Amidst COVID-19



As businesses prepare to return to the workplace, owners and tenants will require thoughtful guidance and enhanced best practices for creating healthy and safe workplaces during the COVID-19 pandemic.

With the understanding that businesses and jurisdictions around the globe will experience different response-recovery life cycles, and therefore need thoughtful and evolving recovery plans based upon the best and most up-to-date information from our health care professionals, local governments and industry organizations, this document contains guidelines from the Avison Young Real Estate Management Services team to assist owners and occupiers in navigating their ["Return to the Workplace Amidst COVID-19"](#) strategy and adjustments for the ["new normal"](#).

The seven key focus areas are:



Since every asset and site condition is unique and there is no "one-size-fits-all" solution, owners should carefully review each of the recommendations in this document for applicability to their facilities. The guidance contained in this document is intended to assist owners and their managers to tailor implementation within the unique needs of each building. During these times of constant change, owners and managers must stay abreast of the latest guidance provided by local governments, the [U.S. Centers for Disease Control \(CDC\)](#), [The World Health Organization \(WHO\)](#), [U.S. Government](#) and Canadian government as well as industry organizations such as [IFMA](#) and [BOMA USA, BOMA Canada](#). Owners should regularly check with their managers for updates.

These measures and procedures currently apply to general office buildings in a healthy workplace setting. Some information in this presentation is subject to the site-specific site visit assessment and subject to change and may not reflect the most current information. The guidance herein does not constitute an offer of insurance or any other financial product. For more information on the COVID-19 outbreak and the latest on COVID-19, please visit [www.cdc.gov/coronavirus](#). The content provided herein is not intended to constitute an offer of insurance or any other financial product and should not be relied on as such.



Communication

A clear and consistent communications program is vital to a safe and effective return to the workplace strategy. Owners should engage with their managers to work through these guidelines and make decisions on which items would be appropriate for their individual building.

Once an agreement has been reached as to strategy, clear communications to tenants should be disseminated. Additionally, as the plan evolves, updates should be issued so that owners, management teams, and their staff can implement the building-specific plan, including:

Physical Distancing Awareness	Janitorial Services	Sample Tenant Letter
Building Operations	Security	
Mechanical & Building Systems	Signage	



Owners should coordinate with their property managers to engage in regular communication with tenants on the status of each phase and when phases change, as provided by the [U.S. Government](#) and [CDC](#).

Phase 1	Phase 2	Phase 3
<ul style="list-style-type: none"> All vulnerable individuals or people showing any signs of illness should continue to work from home If possible, encourage tenants return to work in phases Individuals should continue to maximize physical distance from others Common areas where personnel are likely to congregate and interact are closed 	<ul style="list-style-type: none"> All vulnerable individuals or people showing any signs of illness should continue to work from home Individuals should continue to maximize physical distance from others Common areas where personnel are likely to congregate and interact are closed 	<ul style="list-style-type: none"> Vulnerable individuals can resume public interactions, but should practice physical distancing Common area amenities can be reopened People showing any signs of illness should refrain from entering the building

Janitorial Services

Buildings will need to implement janitorial best practices for all tenants to safely return to the office. Tenant/occupier expectations for a healthy building will increase, and the property management team, along with their building owner, will need to amend the janitorial protocols to assure the tenants that their office environment is healthy and safe.

Management teams are encouraged to work closely with janitorial contractors to formulate plans that are appropriate for individual buildings and communicate their plans to tenants.

In order to protect the health and safety of tenants and visitors, it is advised by the CDC that COVID-19 developed cleaning protocols should remain in effect until a vaccine is developed using the Three Phase Program that the U.S. federal government has outlined on safely re-entering the work world.

Governments have recommended the following: [U.S. Janitorial Guidelines](#); [Health Canada Janitorial Guidelines](#)

Areas of importance for your janitorial contractor:

Lobby Area & Common Corridors

Disposal of Personal Protection Equipment (PPE)

High Touch Point Areas (HTPA)

Amenity Areas

Elevators

Path of Travel

Restrooms

avisonyoung.com
5

Janitorial Services



After a careful review and enhancement of the janitorial cleaning specifications, the following are enhanced measures that management should be taking:

 Routine disinfecting of all high touch surfaces	 Increased frequency of mopping restroom floors and keeping plumbing traps full
 Consider adding day cleaning programs to provide a layer of comfort to the tenants and visitors if the cleaning is visible	 Partner with janitorial vendor for HTPA cleaning within common areas
 Maintain adequate stock of janitorial supplies	 Janitorial contractor is required to wear appropriate PPE equipment
 Signage in restrooms instructing on proper hand washing and physical distancing	 Verify that your building has proper staffing to execute the mentioned protocols

According to the CDC, implementing the necessary janitorial enhancements includes moving from a "green program" to using one with bleach-based disinfectants. [U.S. Registered Disinfectants](#), [Health Canada Disinfectants](#). Certain enhanced operational measures can be recommended to the building owner to help maintain a clean and disinfected workplace:

- Install "no touch" technology on entry doors, restroom doors and fixtures and proximity readers
- Install touchless hand sanitizers in all elevator lobbies, fitness centers, outside restroom doors, food prep areas
- Install restroom waste receptacles close to the restroom exits
- Surface contamination in common areas of the office such as kitchens will require more stringent janitorial procedures, consider shutting down food preparation areas such as pantries and coffee stations
- Keep inner vestibule doors open, to reduce possible contamination
- Apply electrostatic cleaning methods whenever applicable
- In conjunction with janitorial vendor, develop tenant-specific high touch point area (HTPA) cleaning program (upon request, billable to tenant)
- Consider extending uniaxial partitions

avisonyoume.com
6




Building Operations

Tenant/occupiers and owners/investors should conduct a full review of all building operations and activities that occur within their premises or asset. Safe and effective building operations in the "new normal" will require owners and managers to follow the guidance of health care professionals and local governments, while continuously assessing their impacts and fine-tuning building operations.








In order to ready building operations for a return to the workplace, recommended best practices and protocols include:

 Implement physical distance/queue management in main lobbies	 Public-facing building employees including engineering, janitorial, security and vendor staff are required to wear face coverings	 Require adequate supply of PPE for building staff and consider making available to individuals	 Develop a traffic pattern to ensure physical distancing
 Deploy hand sanitizer dispensers in all areas and near frequently used office equipment	 Reduce seating capacity in public spaces to promote physical distancing	 Limit meeting and gatherings to smallest size and use virtual meeting technology such as Zoom or WebEx	 Acrylic barrier shields & floor markers to maintain 6' distancing in lobby

avisonyoume.com
7



Building Operations

 <p>Regularly monitor the supply chain and communicate with supply vendors for lead-times and availability of PPE, hand sanitizers, cleaning supplies, and critical building supplies and maintain ample amount of each</p>	 <p>Increase HVAC ventilation and adopt higher MERV rated air filters</p>	 <p>Consolidate package and delivery locations to control traffic flow and better queuing procedure away from employee entrances</p>	
 <p>Reconfigure security desk check-in procedures to promote physical distance and consider glass screening between guests and security personnel</p>	 <p>Reinforce physical distance, hand washing and cleaning guidance with building staff daily, either in very small groups or using virtual meeting technology</p>	 <p>Consult with elevator vendor to adjust elevator operations and to determine appropriate maximum number of persons in elevators while maintaining physical distance</p>	 <p>Re-evaluate vendor contract service levels and determine if adjustments such as cleaning enhancements, additional security staffing and increased indoor air quality testing frequency are necessary</p>

avisonyoung.com

8




Security

Partnering with your security service provider is critical to ensure that management is providing a welcoming and healthy workplace. In addition to providing security, security officers should act as ambassadors for the building and answer frequently asked questions. This mindset will help ease any anxiety that building occupants, visitors and staff may be feeling while returning to the workplace. For buildings that do not have onsite security, building owners may want to consider providing security officer services in the lobby and elevator banks for 30 days from the commencement of the re-entry plan. The following are guidelines that should be considered related to security:

 <p>Continuous tenant communication is key to ensure they are aware of any changes or updates to building operations</p>	 <p>Regular communication with your security vendor is critical to ensure everyone is working together and delivering a consistent message. Always be in sync on expectations from day-to-day, week-to-week and month-to-month due to ever-evolving situation</p>	 <p>Require your vendors provide adequate PPE for everyone on their staff</p>
 <p>Security should answer questions empathetically and relay tenant concerns to building management</p>	 <p>Security officers should defer matters beyond their knowledge to building management. Remember, we are all in this together and it's OK if they don't have the immediate answer</p>	 <p>Building management should work with tenants to understand their return to workplace plans</p>

avisonyoung.com







9



Mechanical & Building Systems

Owners should consider the below general guidance and be sure to combine it with knowledge of the specific HVAC system type in a building, and the purpose and use of the facility. Like all hazards, risk can be reduced but not eliminated, owners should engage with their managers to be sure they understand the limitations of the HVAC system.

Standard Re-Opening Requirements:

 <p>Do not shut down building airflow overnight and on the weekends. Flush the building with fresh air.</p>	 <p>Disable demand-controlled ventilation (DCV)</p>	 <p>Servicing of equipment to be done with PPE (masks, gloves, goggles and disposable coveralls)</p>
 <p>Improve central air filtration to MERV-13 or the highest compatible with the filter rack and AHU specifications. Seal edges of the filter to limit bypass</p>	 <p>Adjust building airflow to continually introduce fresh air to dilute recycled air and possible concentration of contaminants. Open minimum outdoor air dampers, as high as 100%, thus eliminating recirculation (in the mild weather season, this need not affect thermal comfort or humidity, but clearly becomes more difficult in extreme weather)</p>	 <p>Reprogram BAS to allow for increased humidity levels as outside air will result in the need for a higher thermostat (depending on climate)</p>

aylxonyoung.com 10

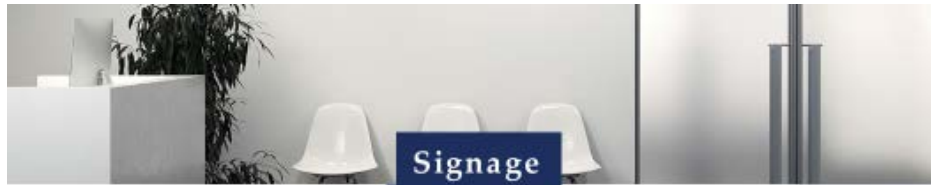


Mechanical & Building Systems

<p style="text-align: center;">Level 1 Enhancements</p> <p>Upgrade filter to MERV-13 or the highest rated filter. In most cases, AHUs will require upgrade to provide increased air flow</p> <p>Increase filter changes from quarterly to bi-monthly or monthly</p> <p>Add humidity sensors due to increased ventilation</p>	<p style="text-align: center;">Level 2 Enhancements</p> <p>Addition of UV Filtration Systems</p> <p>CO₂ Demand level control</p> <p>Upgrade of fan systems to more efficient systems – Fan Array System</p>	<p style="text-align: center;">Level 3 Enhancements</p> <p>Building Automation Systems – Dehumidification – “drier air is safer air”</p>
---	---	---



Please note that many of these recommendations will increase operating costs at a time when building operators are likely seeking to reduce costs to adjust for lower revenues from business closings. Increasing energy costs by delivering 100% outdoor air on a 24/7 basis and incurring new equipment costs by installing UV-C lights, enhanced filtration and portable room air cleaners may not be feasible.

aylxonyoung.com 11






It is critical that owners work closely with their managers to ensure that each property has proper signage in place that reinforces a safe return to workplace strategy.

The below summary provides essential signage to reinforce CDC-recommended distancing and hygiene practices:

 <p>Building entrances</p>	<ul style="list-style-type: none"> • Phase one, two, and three signage with basic information • First area of communication and setting the tone for what to expect upon re-entry • "Welcome to Building XYZ" – informational signage summarizing operational changes • "Do Not Enter If" guidance signage, if applicable by local jurisdiction – stanchion or vinyl glass line
 <p>Lobby reception</p>	<ul style="list-style-type: none"> • "Please Wait Here" floor graphics – located at turnstiles and reception areas for queue to maintain proper spacing • "Keep Your Distance" located throughout the common areas
 <p>Elevators</p>	<ul style="list-style-type: none"> • Installation of special awareness floor and wall graphics in elevator lobbies and elevator cabs which indicate the recommended 6' physical distancing locations and hand washing/sanitizing reminders • "Car Occupancy – #Persons Maximum" – located outside elevator near call buttons

In the event of an emergency, please follow predetermined evacuation protocols.



 <p>Stairs</p>	<ul style="list-style-type: none"> • As an alternative to elevator traffic, designate up-only/down-only stairwells and install signage at each of the entries • "Tired of Waiting? Take the Stairs" – located outside elevators towards the end of the queue
 <p>Restrooms</p>	<ul style="list-style-type: none"> • Installation of special awareness floor and wall graphics at restroom entrances/exits and hand washing areas which indicate the recommended 6 feet physical distancing locations and hand washing/sanitizing reminders • "Please Wash Your Hands" – 20 second recommendation located above every sink and back of restroom exit door • "Please Stand Here" – floor graphic to maintain 6' physical spacing at sinks
 <p>Amenities</p>	<ul style="list-style-type: none"> • When re-opened, consider the installation of signage to maintain physical distancing and encourage good hand washing • "Please Wash Your Hands" – 20 second recommendation located above every sink and back of restroom exit door • "Please Wait Here" – floor graphic to maintain 6' physical spacing (cafeterias) • "Always Walk Clockwise" – located at entries and throughout amenity space • "One Way Only (with arrow)" – located throughout common areas to direct proper flow of traffic • "Gym Etiquette" – located on gym entrance and throughout locker room

In the event of an emergency, please follow predetermined evacuation protocols.



Examples

The following signage program is meant to serve as a guide for ownership to consider in coordination with their managers, as all signs will not be applicable to every property or every situation.



Sign Resources

[Shutterstock](#)
(purchase required)

[iStock](#)
(purchase required)


Sign Examples

[Health and Wellness Centers](#)

[PosterOne](#)



**Phased Transition Plan to
Return to LACERA**



Approach to Bring Staff Back to LACERA

Multi-phased

Dynamic Plan

Organizational team approach

Learning from experience with each
phase

Focused on Guiding Principles





Guiding Principles

Safety and wellbeing of LACERA Staff Members
– physically, emotionally and mentally

Safety and wellbeing of LACERA Members

Telework capabilities continued for Staff and
maintain service options for our members

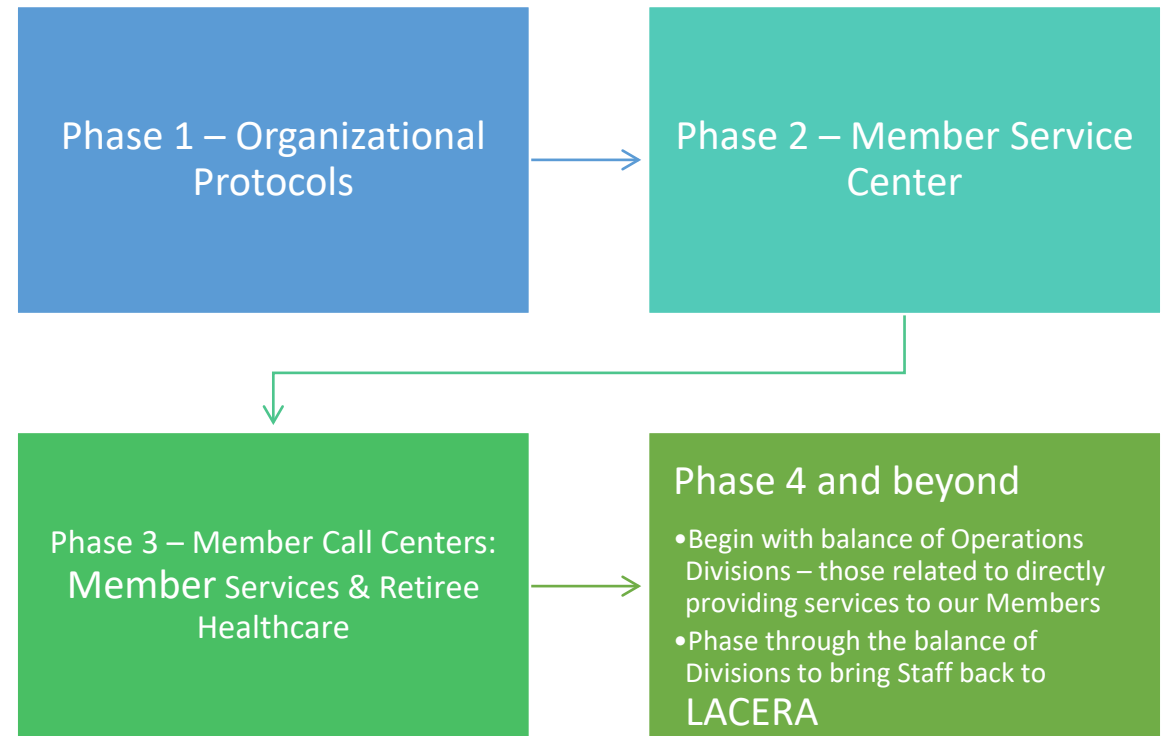
Data security maintained while working
remotely & in the office


Daily business performed with highest
efficiency and effectiveness

Operational functionality returned to pre-
COVID-19 levels or better



Initial Phases of Transition Plan






Phase One – Organizational Protocols


Target date:
June 30, 2020

Transition Plan Committee

Develop Communication Plan

Procedures for Staff protection while onsite

- Personal Protection Equipment
 - Hygiene
 - Social distancing
 - Clean worksite
 - Accessing building and workspace
- 



Phase 2 – Member Service Center Target date: August 3, 2020

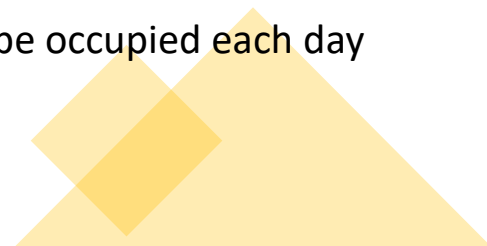
Physical modifications to office environment


- Floor markings for social distancing
- Designate Entrance & Exit Only Doors
- Plexiglass dividers at MSC, Receptionist Staff desks

Member protocols

- Follow CDC Guidelines for social distancing
- Appointments or document drop-off only – No Walk-Ins
- Limit Counseling Sessions to Member & one other person
- Protocols communicated on LACERA.com, confirmation emails, signage at MSC

Staff Protocols

- Continue Red/Blue/Purple/Black Team schedules – Continue Virtual MSC via remote technology
 - Gloves and face-covering worn at all times with members or at front desk
 - HEPA air purifier in each office
 - Only ½ of Staff offices to be occupied each day
- 




Phase 3 – Member Call Centers: Member Services & Retiree Healthcare

Preliminary Plan

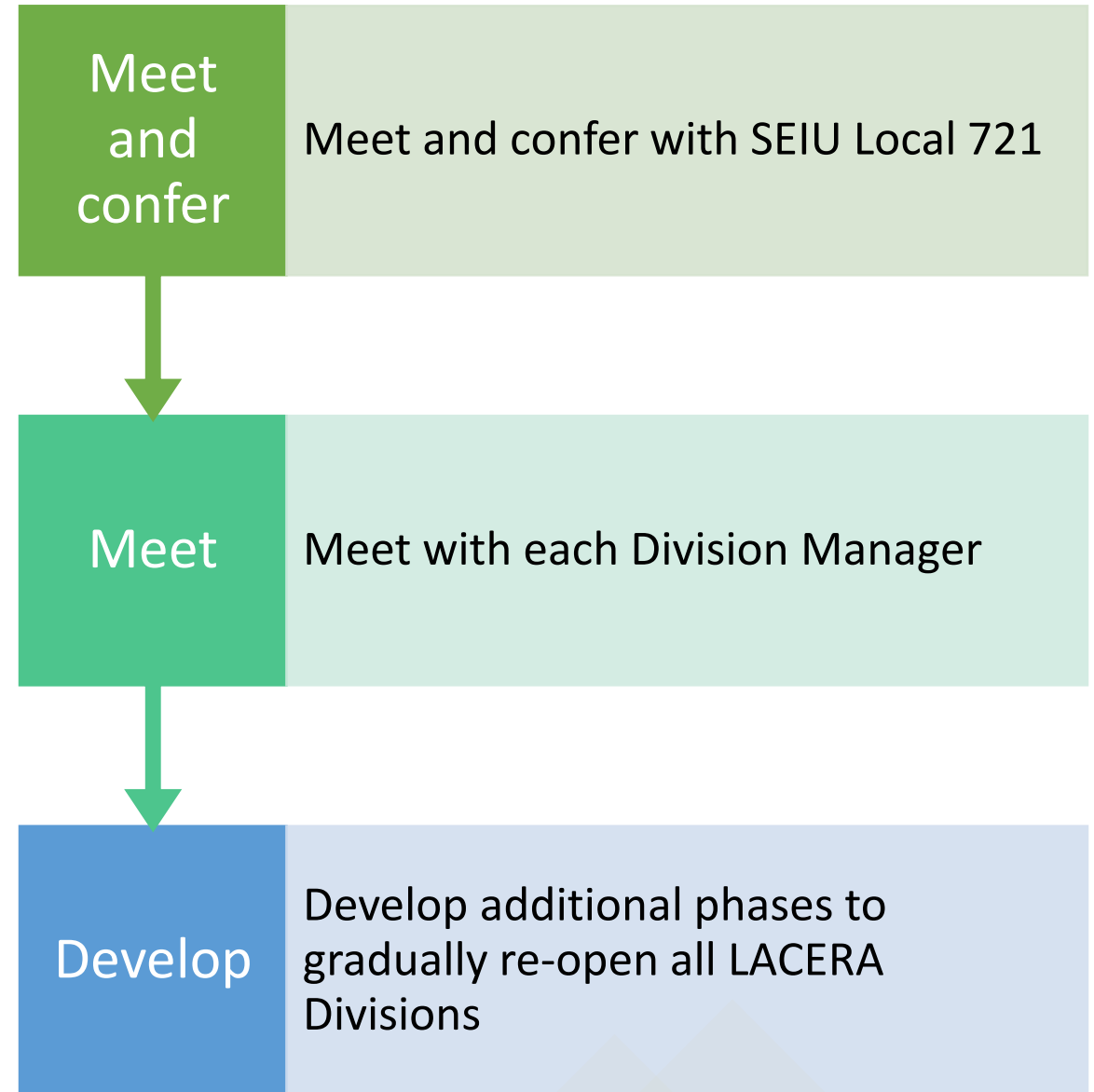
Physical modification

- Plexiglass wall extensions
- Establish traffic flow using floor markings

Staff Protocols

- Continue Remote Call Center capabilities
 - Continue Red/Blue/Purple/Black Team Schedules
 - Masks or face coverings in common areas
- 

Next Steps





Questions



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**