

AGENDA

MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101

WEDNESDAY, MARCH 4, 2020 - 9:00 A.M.**

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

COMMITTEE MEMBERS:

Thomas Walsh, Chair
Herman B. Santos, Vice Chair
Shawn R. Kehoe
Wayne Moore
Vivian H. Gray, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of February 5, 2020

II. PUBLIC COMMENT

III. REPORTS

A. LACERA Operations Briefing
JJ Popowich, Assistant Executive Officer

B. Pre-1990 Project Update
Stephanie Kawai, Benefits Division
Vanessa Gonzalez, Member Services Division

IV. ITEMS FOR STAFF REVIEW

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT

March 4, 2020

Page 2

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee 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 Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

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MINUTES OF THE MEETING OF THE
OPERATIONS OVERSIGHT COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

WEDNESDAY, FEBRUARY 5, 2020, 11:39 A.M. – 11:51 A.M.

COMMITTEE MEMBERS

PRESENT: Thomas Walsh, Chair
Herman B. Santos, Vice Chair
Shawn R. Kehoe
Wayne Moore
Vivian H. Gray, Alternate

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

JP Harris
Ronald Okum
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Jill P. Rawal, Staff Counsel

The meeting was called to order by Chair Walsh at 11:39 a.m.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the special meeting of January 9, 2020

Mr. Santos made a motion, Mr. Kehoe seconded, to approve the minutes of the regular meeting of January 9, 2020. The motion passed with Mr. Moore abstaining.

II. PUBLIC COMMENT

III. REPORTS

A. LACERA Operations Briefing
JJ Popowich

Mr. Popowich presented the monthly briefing on LACERA's operations, including the status of the Strategic Plan Goals and Operations Improvement initiatives.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

B. California Consumer Privacy Act
Jill P. Rawal, Staff Counsel

This report was presented for information only.

IV. ITEMS FOR STAFF REVIEW

There was nothing to report.

V. GOOD OF THE ORDER

(For information purposes only)

VI. ADJOURNMENT


The meeting adjourned at 11:51 a.m.

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FOR INFORMATION ONLY

February 25, 2020

TO: Operations Oversight Committee
Thomas Walsh, Chair
Herman B. Santos, Vice Chair
Shawn R. Kehoe
Wayne Moore
Vivian H. Gray, Alternate

FROM: JJ Popowich, Assistant Executive Officer 

FOR: March 4, 2020 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

The purpose of this briefing is to share insights on staff activities, updates on goals, and discuss opportunities and/or concerns, including the status of our Strategic Plan Goals and Operations Improvement initiatives. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive Operations Oversight Committee (OOC) presentation.

Update on Our Focus on Strategic Plan Goals and Operations Improvement

The Workgroups focusing on the top four Strategic Plan goals continue to meet regularly to move our goals forward. Here is a summary of the status of their efforts:

- **Case Management Capabilities:** The Case Management project addresses several similar current Strategic Plan goals (Disability Retirement Services – Case Management system, Disability Litigation’s Administrative Hearing Process, Legal’s Writ Management Process, and Benefit and Member Services’ Job Ticket system). 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.

- **LACERA.com Redesign:** During the latter part of January, the team began preliminary focus group testing of the navigation and layout of the website. This testing provided a proof of concept for the navigation architecture of the website. The member testing information provided us with some valuable user input to the navigation and design at an early stage so we could make minor adjustments, as needed, and confirmation that we could move forward with the building of the site. Overall, members were able to understand where to go for information and provided valuable confirmation of category tabs and underlying megamenu topics, and Communications and Systems worked together to finalize the architecture. A content management system (CMS) has been selected, Drupal, and now that the architecture has been approved, Systems has moved forward with building the site in Drupal.

Communications also debuted conceptual artwork and graphics to the internal team and management staff working on the project. The concept artwork was well received. Communications and Systems are also now working together to incorporate design features into the site.

Communications and subject matter experts throughout LACERA continue to review all of the content on the site. The content is getting a complete overhaul to fit the new site structure, which requires extensive review and strategic thought on how the content will live on the new lacera.com. Due to the volume of content that the subject matter experts are reviewing, which includes a complete review of all Plan Books, and the new copywriting and formatting required, the team has adjusted their project timeline. The new target date for launch is the end of May, but no later than June 1, 2020.

- **Retirement Estimate Redesign Project:** The new Retirement Application and Summary continues to be fine-tuned. Communications has provided a final draft for the accompanying Pre-Retirement Guide book. The guidebook is meant to be a companion piece to the new application and provides expanded explanations of information discussed in the Retirement Application and Summary. This book needed to be completed prior to beta testing.

The Pre-Retirement Guide book should be cleared for usage in early March. We will then begin beta testing the Retirement Application and Summary by late March.

Phase II of this project will be to develop the on-line election process. We will set a deadline for the completion of Phase II as we near the end of Phase I.

- **PEPRA Implementation:** This workgroup continues reviewing all the progress made to date on the implementation of the Public Employees' Pension Reform Act of 2013 and subsequent updates to the act passed since then. The team completed implementation of the Felony Forfeiture Appeal process, which was a major milestone for this project. The team is now working on a Felony Forfeiture pamphlet to help provide members more information on the impacts of a job related felony conviction.

The Workgroup continues to work with the Auditor-Controller's office to address the issue with the County payroll codes. As you may recall, for LACERA to readily assess what portion of an employee's total compensation is pensionable or not, the payroll code 099 must be made more transparent so it is easier to identify the pay codes that are embedded in this code. The Auditor-Controller is currently programming their payroll system to provide the non-pensionable portion of the payroll code 099 so that we can systematically remove that amount from the pensionable amount. The County expects to provide a test file for the April 30th payroll (on May 15, 2020). The results of the test file will determine when the changes will be placed in to production.

The Workgroup continues to focus on another part of this goal, which intersects with another Strategic Plan goal, the redesign of the Annual Benefit Statement (ABS). Our current statement only supports legacy plan members and is not supported for PEPRA members. Considerable progress was already made on the redesign efforts by the Communications team. We are working to get a better timeline when we can bring an RFP to the Operations Oversight Committee

My goal is to continue to keep the Boards updated on other cross-functional teams that are working hard to provide improvements to LACERA's operations and the services we provide to our members.

- **Business Continuity:** Our consultant, Assurance Software, Inc., completed the meetings with Division Managers and key personnel and together each division has developed revised business continuity plans. Assurance has populated their cloud-based software with these initial plans and completed a compilation and initial gap analysis of the business continuity plans. The consultant and the team determined that the next best steps would be to:

1. Update the current Disaster Recovery documentation and import that plan into the software.

2. Conduct an organization review of overall business priorities as recommended by Assurance to improve organizational alignment in expectations.
3. Review and revise each division's business continuity plan once organizational alignment has been achieved.
4. Use the resulting business continuity plans for a tabletop exercise.

No additional updates are available at this time.

- **Retroactive Salary Projects:** In October we notified the Committee that Benefits was working on several retroactive earnings projects: The Judges Project, Referee-Commissioner Project, LAFD, Public Defender, and Parks and Recreation MOU (signing date: May 21, 2019) Project, and the \$500 MOU Bonus Project.

Benefits has been focusing on the Judges Project first. These retroactive salary adjustments are the result of the *Mallano v. Chiang* court decision; the Superior Court has completed recalculating judge's salaries from FY 2008-09 through 2016-17. LACERA has nearly completed this project. Of the 88 members in this project, 87 have been notified of the changes to their retirement benefits. A majority of these members will receive an increase in their benefit. The remaining case is complex and Staff Members are working on resolving it as soon as possible. This portion of the project is complete except for one case that requires special handling due to an overpayment of benefits.

The same case (*Mallano v. Chiang*) also affected other membership groups such as Commissioners. Due to constrained resources in the Benefits Division, we have worked with Quality Assurance to form a task force to begin focusing on certain member work queues that have fallen behind service level expectations. This task force will begin focusing on these retroactive salary adjustments for retired members as their first project. As we reported previously, we also sent out notices in January to members in the Los Angeles County Fire Department to let them know that we will be processing any retroactive salary adjustments made by the Department once the Department has completed updating the member's records. The Fire Department has estimated they will complete all of the updates to these members' accounts by March 31st. The team determined it is preferable to wait until all adjustments have made to a member's account before we begin determining the impact. In addition to being more efficient, since we will only have

to calculate the impact of the adjustments one time, it will also help to avoid having to send multiple letters to members about the adjustments. The members of the Public Defender and Parks and Recreation departments will have all retroactive adjustments and notifications completed this month.

Finally, Staff Members have also begun processing retroactive adjustments for retired members who received a \$500 or \$1000 bonus payment as part of the last round of MOU agreements. Staff completed 29 retired member cases last month (which includes recalculation of benefits, notification and initiation of the collection of retroactive contributions owed as part of the additional earnings). This month, staff completed the account review and salary adjustment for 9 Plan E members and the account settlement for 32 deferred members. This leaves approximately 88 retired cases left to process.

- **Telecommuting Policy:** A Workgroup consisting of the Executive Office, Human Resources, and Systems has been established to look at allowing telecommuting. The Workgroup surveyed the Division Managers to determine what positions should be considered for telecommuting and what data/system access would be needed to support the need. We are still in the process of analyzing the results and will be formulating a plan to move forward. We will continue to keep the Boards updated on the progress of this goal.

Attachments:

Public Records Request Update
Report of Felony Forfeiture Cases Processed

DATE RECEIVED	REQUESTER	DOCS REQUESTED
01-17-20	C. Clair, Pageant Media	<p>Requested access to all proposals received for the Syndicated Bank Loan Investment Management Services mandate requested by LACERA when it issued its RFP last April.</p> <p><i>Transmitted via email, on January 22, 2020, notice to Managers requesting RFP information regarding Syndicated Bank Loan Investment. Final response will be sent upon LACERA's receipt of requested RFP information from all Managers. Notice sent to Requester via email, on January 23, 2020, requesting additional 10 days to provide Managers time to prepare their responsive documents.</i></p> <p><i>[I am the attorney responsible for answering LACERA's California Public Record Act requests. After reviewing your request and consulting with LACERA's Investments Staff, I believe it will take until February 4th to review and make any necessary redactions. I will transmit the documents as I complete the review.]</i></p> <p><i>Transmitted via email, on February 12, 2020, status of DVD preparation. Volume and size of information prohibits response to be sent via email. Organization of documents and review for redactions required extensive amount of time to prepare documents appropriately. Expectations are to forward DVD on February 18, 2020.</i></p> <p><i>Sent, on February 25, 2020, via USPS First Class Mail, the DVD with redacted responsive information.</i></p>
01-23-20	Z. Rowley, Merritt Research Services	<p>Question regarding the target asset allocation for the pension and OPEB plans administered by LACERA.</p> <p><i>Responsive comments, transmitted on January 23, 2020, shown below in italics and bold text.</i></p> <p><i>On page 38 it provides the target asset allocation for the pension plan. Will you explain the difference between the target asset allocation categories of "opportunistic real estate" and "core and value added real estate"? Opportunistic real estate investments are made with the expectation that they will generate high returns to reward the investor for taking more risk. A large portion (>50%) of the return expected to come from appreciation rather than cash flow. Investment in development properties would be considered opportunistic real estate. Core and value added real estate investments typically generate the majority of their expected return from income.</i></p> <p><i>Why is one categorized as "growth" while the other is categorized as "real assets and inflation hedges"? Opportunistic real estate growth due to their risk and return characteristics best matching that category. They are expected to help drive long-term returns through appreciation. Core and value-added real estate investments are characterized as real assets and inflation hedges due to them stable income, diversifying the total Fund and providing a hedge against unanticipated inflation.</i></p> <p><i>When compared to the OPEB plan's target asset allocation on page 91, only real estate investment trusts (REITs) are shown under the category "inflation hedges". Does this mean that the "core and value added real estate" for the pension plan's target asset allocation is an REIT since it is shown under the inflation hedges category? Core and value-added real estate investments for the pension plan are not held in a REIT format. The investments are made via private market vehicles. Public REIT investments are used for the OPEB in lieu of private core and value-added real estate because the investment policy for OPEB requires more liquidity than the pension plan.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
01-30-20	E. Kansal, Individual	<p>Requested Q2 Private Equity and Real Estate reports.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Sent, on February 4, 2020, Via email: LACERA 2019.06.30.pdf</i></p>
01-31-20	M. McCue, FIN News	<p>Requested the RFP submissions from the syndicated bank loan manager search and the illiquid credit manager search that were initiated in April 2019.</p> <p><i>Transmitted, on February 12, 2020, responsive comment shown below in italics and bold text.</i></p> <p><i>Waiting for 36 responses to be received. Due to volume and size of documents, DVD will have to be prepared for submission to Requester.</i></p> <p><i>Sent, on February 25, 2020, via USPS First Class Mail, the DVD with redacted responsive information.</i></p>
02-03-20	D. Gregory, Public Plan IQ	<p>Requested DVD recordings for the open sessions of the Board of Investments and Committee Meetings for the October 2019 through January 2020 meetings</p> <p><i>Sent, on February 12, 2020, 18 DVDs, via USPS First Class Mail.</i></p>
02-03-20	N. Lee, Preqin	<p>Requested the following shown below:</p> <ol style="list-style-type: none"> 1. A list of ALL hedge funds and fund of hedge funds in which Los Angeles County Employees' Retirement Association is an investor; and 2. For each hedge fund and fund of hedge funds, may I please have a copy of any records that would show some or all of the following information: <ol style="list-style-type: none"> a. the month by month market value of Los Angeles County Employees' Retirement Association's holding in each fund from July 1, 2019 to September 30, 2019, b. the month by month amount invested by Los Angeles County Employees' Retirement Association in each fund from July 1, 2019 to September 30, 2019, c. the month by month net returns (net of fees) earned by Los Angeles County Employees' Retirement Association on its investment in each fund from July 1, 2019 to September 30, 2019. <p><i>Transmitted 1 document on February 7, 2020.</i></p> <p><i>Sent via email: 2020.01.08 Q3 2019 HF Performance Pkg.pdf.</i></p>
02-04-20	J, Grey, Pitchbook	<p>Requested information the Q2 2019 alternatives performance report and updated quarterly performance data from plan's alternative asset holdings for the following date(s): 2Q 2019.</p> <p><i>Transmitted, on February 21, 2020, responsive comment shown below.</i></p> <p><i>Please find attached the PE reports. The RE reports have been delayed for reconciliation of some of the holdings.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p><i>Transmitted 1 document.</i></p> <p><i>Sent, on February 21, 2020, via email: LACERA 2019.06.30.pdf.</i></p>
02-07-20	R. Gao, Stanford	<p>Requested information on Commitment Date, Commitment Amount, Contribution Amount, Distribution Amount, and Value as of 2017Q2 of your private equity/venture capital funds.</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Transmitted, on February 7, 2020 responsive comment shown below in in italics and bold text.</i></p> <p><i>Please find attached herewith the Q2 2017 Private Equity report and Real Estate Fund Report. As to co-investments or side cars, we do not report those as separate items. Please let me know if I can be of further assistance.</i></p> <p><i>Sent, on February 7, 2020, via email: Real Estate Funds – 2Q17.pdf and LACERA 2017.06.30.</i></p>
02-07-20	D. Kushner, Individual	<p>Monthly request:</p> <p><i>Sent on February 7, 2020, 5 DVDs, via USPS First Class Mail.</i></p>
02-06-20	J. Peterson, SBC Global	<p>Questions re Real Estate Board meeting:</p> <ol style="list-style-type: none"> 1. Was the reason for terminating Vanbarton a performance issue and if so what has the performance been? 2. Was there a search conducted to transfer the assets to Clarion and how many other managers were considered for this assignment? 3. What is the value of the three assets that are now being managed by Clarion, what property types are they and where are they located? <p><i>Transmitted 3 documents.</i></p> <p><i>Sent, on February 7, 2020, via email: 02319 Executive Session BOI Memo)Redacted.pdf; Final Vanbarton Memo Plus Attachment 1 11.12.19.pdf, and Final Vanbarton Memo Plus Attachments 1-2. 9.30.19 redacted.PDF.</i></p>
02-11-20	V.Alvarez, HR, LA County	<p>Per monthly request:</p> <p><i>Transmitted one document on February 11, 2020.</i></p> <p><i>Sent via email: Board of Retirement Meeting of February 5, 2020, Benefit Approval List.pdf.</i></p>
02-11-20	S. Ayers, Tristar Group	<p>Per monthly request:</p> <p><i>Transmitted one document on February 11, 2020.</i></p> <p><i>Sent via email: Board of Retirement Meeting of February 5, 2020, Benefit Approval List.pdf.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
02-11-20	J. Hammond, RELAC	<p>Per monthly request:</p> <p><i>Transmitted one document on February 11, 2020.</i></p> <p><i>Sent via email: Board of Retirement Meeting of February 5, 2020, Benefit Approval List.pdf.</i></p>
02-11-20	Los Angeles Sheriffs Dept.	<p>Per monthly request:</p> <p><i>Transmitted 2 documents on February 11, 2020.</i></p> <p><i>Sent via email: Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing each dated February 5, 2020.</i></p>
02-11-20	T. Usher, HR, LA County	<p>Per monthly request:</p> <p><i>Transmitted 1 document on February 11,, 2020.</i></p> <p><i>Sent via email: MonthlyAgenda.csv for February 2020.</i></p>
02-12-20	Z. Cole, WSJ Pro Venture Capital	<p>Requested to confirm LACERA commitments for up to \$60 million to Revelstoke Single Asset Fund I and up to \$50 million to Montefiore Investment V</p> <p><i>Transmitted on February 12, 2020, responsive comment shown below in italics and bold text.</i></p> <p><i>After speaking to the Investments Division, I can confirm that the stated figures are correct.</i></p>



February 25, 2020

TO: Operations Oversight Committee
Thomas Walsh, Chair
Herman B. Santos, Vice Chair
Shawn R. Kehoe
Wayne Moore
Vivian H. Gray, Alternate

FROM: Stephanie Kawai, Retirement Benefit Specialist III, Benefits Division
Vanessa Gonzalez, Sr. Retirement Benefits Specialist, Member Services

FOR: March 4, 2020 Operations Oversight Committee Meeting

SUBJECT: **Pre-1990 Project Update**

Executive Summary

In 1990, LACERA's computer system went live and prompted the conversion of thousands of member accounts from paper files. Due to the enormous scope, limited resources, and time constraints, members were credited with full service credit at the time of conversion, with the intent to catch and correct inaccuracies later, as members retired. At the end of 2018, the Benefits Division initiated a multi-phase project to clean up accounts of the remaining 13,800+ members whose membership dates predate this conversion, and had not yet retired.

In 2019, LACERA hired 15 temporary employees to carry out Phase 1 of this project. This report will detail the actions taken to prepare the team, and how they carried out their assignment. Additionally, because the team working on this project has been so successful in their efforts, completing the project ahead of schedule and under budget, we will be repurposing the remaining temporary employees to focus time on other critical member related projects that will help improve our efficiency and service.

Discussion

Closeout of Phase 1

Phase 1 of the project involved hiring 15 temporary employees to locate, identify, and carefully tag curated microfiche records used by trained Retirement Benefits Specialists to substantiate and correct service credit, as well as other account issues. We trained our Microfiche Tagging Team on how to use Workspace, the Microfiche Viewer, how to identify common red flags, and which microfiche are critical to determining membership and service credit. The team focused on:

- Timekeeping Integrated Personnel Payroll System (TIPPS): These microfiche provide a rough timeline of employment history up through July 1989, which helps identify important events, and employment statuses, affecting LACERA membership.
- The County Employee Retirement System (CERS) microfiche track retirement contributions up through April 1990, which determines contributory service credit.
- The Employee Sequence Register (a.k.a., Payroll) microfiche substantiate earnings, and therefore, Plan E service credit.

The team located, tagged, and reviewed the most essential microfiche for each case, an estimated 250,000 records. They also identified and filtered out recently retired members and false positives from the initial population of 13,800+ members.

In addition to paving the way for account analysis in Phase II, the Microfiche Tagging Team worked with Benefits staff to prioritize cases requiring immediate attention. Examples include members with impending retirements or other transactions. In one such instance, a Safety member who is part of the pre-1990 population elected to retire, but his service credit needed to be prorated, due to the member's part-time status. A Retirement Benefits Specialist III (assigned to complete the most complex work) would normally have to stop and spend a few hours locating and tagging the required microfiche. The Microfiche Tagging Team expedited cases like this one, so the specialist could complete the calculation immediately. Benefits staff and supervisors have shared positive feedback regarding the work of the temporary employees and said that having the pre-conversion microfiche tagged made their processes faster and more efficient.

Phase 1 also included quality control processes, comprised of using Excel Worksheets to enter data found on the microfiche (ensuring that the all of the necessary microfiche

were located and tagged); checking 100% of the work by the supervisors and, as the team gained experience, by peers; and maintaining a master case log. The supervisors leveraged Workspace to track work objects and metrics.

Originally budgeted and projected to take place over the course of a full fiscal year, Phase 1 is very near completion, both under budget and ahead of schedule. The estimated completion date is March 31, 2020. This Microfiche Tagging Team learned quickly and worked through the huge population of pre-1990 cases, laying the foundation for analysis to begin in Phase 2. (More information on Phase 2 plans forthcoming.)

A number of the team members demonstrated a keen eye for detail, the drive to learn more about the microfiche records, and the impact they have on the member accounts. We would like to recognize the Microfiche Tagging Team members for their contributions to LACERA and the Pre-1990 Project: Ruby Achutegui, Rebecca Arvizu, Melissa Chan, Brianna Cooper, Benny Garcia, Brian Gee, Valeria Herrera, Leopoldo Medina, Kimberly Nero, Madelyn Orellana, Bered Rocha, Toni Samaniego, Christian Torres, Brandon Truong, and Cory Watson.

Repurposing of the Remaining Budget

Because the Microfiche Tagging Team did such a fantastic job completing their assignment ahead of schedule and under budget, we will be keeping the group until the end of this fiscal year and get a jump-start on the second phase of the Pre-1990 Project. The Boards originally allocated \$809,700.00 toward hiring the temporary staff to tag microfiche. As of mid-February, the amount spent is \$370,549.98.

Using the remainder of the budget, the temporary employees will be assigned to activities that support and prepare for Phase 2, such as sending Inter-System Membership Advice Forms to reciprocal agencies, and an additional deeper dive into microfiche research outside of the original scope of Phase 1.

The temporary employees will also be assigned to assist in mitigating any clerical backlogs, such as entering Power of Attorney Forms (POAs) into Workspace, so LACERA can serve the Attorneys-in-Fact effectively. In December 2018, Systems released an upgrade to Workspace that stores POA information on one screen. This resulted in time savings for Staff Members having to research accounts to identify the current POA information. It also sets the stage for LACERA to eventually allow Attorneys-in Fact to be able to make changes over the phone and in one day through My LACERA (bringing

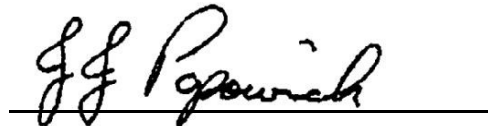
LACERA in compliance with legal requirements to treat POAs as if they were the member).

There are approximately 4,000 old POAs that need to be entered into Workspace. Currently there is an alert on these accounts advising Staff Members to look at the member documents for the actual scanned POA form and supporting documents outlining what the POA can do. This team will data enter all the past POA information, vastly improving our services and efficiencies. We believe this hard-working group of people will continue to bring value to the organization.

Summary

Tagging microfiche is a long and time-consuming task that takes time away from our staff processing member requests. Having the microfiche readily available makes the analysis and correction of member accounts more efficient. In completing Phase 1 of this project, LACERA has discovered a talented group of temporary employees who will continue to provide value to LACERA by processing high impact, low complexity tasks until their budget runs out.

NOTED AND REVIEWED:

A handwritten signature in black ink, appearing to read "JJ Popowich", is written over a solid horizontal line.

JJ Popowich, Assistant Executive Officer

c: Santos H. Kreimann
JJ Popowich
Bernie Buenaflor
Allan Cochran