

LIVE VIRTUAL COMMITTEE MEETING

*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



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.

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.

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

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, OCTOBER 7, 2020 - 9:00 A.M.**

This meeting will be conducted by the Operations Oversight Committee by teleconference under the Governor's Executive Order N-29-20.

Any person may view the meeting online at
https://members.lacera.com/lmpublic/live_stream.xhtml

*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 September 2, 2020

II. 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.)

III. ACTION ITEMS

- A. Recommendation as submitted by Carly Ntoya, Director, Human Resources, and Johanna M. Fontenot, Senior Staff Counsel: That the Committee recommend the Board of Retirement approve the Proposed Post Retirement Employment Policy. (Memorandum dated September 22, 2020)

IV. REPORTS

- A. LACERA Operations Briefing
JJ Popowich, Assistant Executive Officer

V. ITEMS FOR STAFF REVIEW

VI. GOOD OF THE ORDER

(For information purposes only)

VII. EXECUTIVE SESSION

- A. Potential Threats to Public Services or Facilities
(Pursuant to Subdivision (a) of California Government Code Section 54957)

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Systems Division Interim Manager Kathy Delino, and Other LACERA Staff, and Outside Information Security Consultants Michael Laverty and David Crocker of TransQuest, Inc.

VIII. ADJOURNMENT

***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.

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 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, SEPTEMBER 2, 2020, 10:05 A.M. – 10:46 A.M.

This meeting was conducted by the Operations Oversight Committee by teleconference under the Governor's Executive Order No. N-29-20.

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 (*left @ 10:40 a.m.*)
Les Robbins (*arrived @ 10:25 a.m.*)

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Steven P. Rice, Chief Counsel
James Beasley, Admin Services
Derwin Brown, Chief, Quality Assurance
Louis Gittens, Benefits Division
Theodore King, Section Head, Special Benefits Services

STAFF, ADVISORS, PARTICIPANTS (Continued)

Christopher Waddell, Fiduciary Counsel
Olson Hagel & Fishburn LLP

Penni Campbell
Karcher Campbell & Associates Insurance Brokerage

Jolene Williams
Karcher Campbell & Associates Insurance Brokerage

The meeting was called to order by Chair Walsh at 10:05 a.m. As Mr. Moore had not yet joined the meeting, the Chair announced that Ms. Gray, as the alternate, would temporarily be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of March 4, 2020

Mr. Santos made a motion, Ms. Gray seconded, to approve the minutes of the regular meeting of March 4, 2020. The motion passed unanimously.

(Mr. Moore joined the meeting after the vote had been taken on the minutes.)

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee recommend the Board of Retirement (BOR) adopt changes to the BOR Charter consistent with the recently adopted Audit Committee Charter with regard to appointment of the external financial auditor. (Memorandum dated August 24, 2020)

Mr. Santos made a motion, Mr. Kehoe seconded, to approve the recommendation. The motion passed unanimously.

B. Recommendation as submitted by James Beasley, Supervising Administrative Assistant, Admin Services : Recommend the Board of Retirement approve the purchase of Fiduciary Liability Insurance, effective October 9, 2020, with Euclid/Hudson Insurance Company and Westchester Fire Insurance Company. (Memorandum dated August 19, 2020)

III. ACTION ITEMS (Continued)

Mr. Santos made a motion, Mr. Moore seconded, to approve the recommendation. The motion passed unanimously.

IV. 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. Update on LTD/Workers' Compensation Service Verification
W. Louis Gittens, Benefits Division

Mr. Gittens summarized the project and its objectives, and the action plan developed by LACERA's Process Management Group (PMG). This process improvement initiative will improve members' service experience and ensure they receive all their promised benefits. PMG will keep the Committee updated on the progress of this project.

C. Project: MOU Retro-Salary Adjustment and Final Average Compensation
Derwin Brown, Chief, Quality Assurance and Metrics
Theodore King, Section Head, Special Benefits Services

Messrs. Brown and King discussed the project background, challenges, and solutions to retro processing. This project is ongoing with no set completion date, as the County continues to negotiate with different bargaining units to reach agreements on additional compensation.

V. ITEMS FOR STAFF REVIEW

There was nothing to report.

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

The meeting adjourned at 10:46 a.m.



September 2, 2020

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September 22, 2020

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

FROM: Carly Ntoya, Phd., Director Human Resources 
Johanna M. Fontenot, Senior Staff Counsel 

FOR: October 7, 2020 Operations Oversight Committee Meeting

SUBJECT: Proposed Post Retirement Employment Policy

RECOMMENDATION

That the Operations Oversight Committee recommend that the Board of Retirement approve the Proposed Post Retirement Employment Policy.

EXECUTIVE SUMMARY

With the implementation of the Public Employees' Pension Reform Act of 2013 (PEPRA), the California Legislation instituted broad pension reforms. These reforms imposed additional restrictions on the employment of retirees. PEPRA added 7522.56 to the Government Code which set forth post-retirement employment requirements applicable to all retirees who are receiving a pension benefit from a public retirement system.

One of the County audit recommendations included for LACERA to develop "transition plans for 120-day temporary employees and implement a process to periodically review and update transition plans as needed." LACERA agreed with the County's recommendation. Accordingly, beginning in March of this year the Human Resources Division implemented a process requiring division managers to complete a request form, which includes a start and end date of the retired annuitant, description of assigned project, specialized skills and a transition plan.

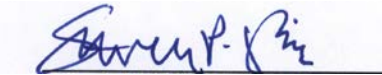
In order to further increase transparency and compliance with PEPRA, the Executive, Audit, Human Resources and Legal Divisions worked together in drafting this *Proposed Post Retirement Employment Policy* that goes further than the County's recommendation as it will require transition plans to not only be reviewed and approved by the Human Resources Division and the Executive Office, but also be reviewed as part of LACERA's annual budget process.

The Policy clarifies the Human Resources Division's role in tracking compliance as well as assists staff and retired annuitants with understanding the legal requirements for hiring retired annuitants who are looking to return to work for a limited duration.

RECOMMENDATION

IT IS THEREFORE RECOMMENDED THAT THE OPERATIONS OVERSIGHT COMMITTEE recommend that the Board of Retirement approve the *Proposed Post Retirement Employment Policy*.

Reviewed and Approved

A handwritten signature in blue ink, appearing to read "Steven P. Rice", is written over a horizontal line.

Steven P. Rice
Chief Counsel

Attachment

c: Santos H. Kreimann
JJ Popowich
Richard Bendall



POST RETIREMENT EMPLOYMENT POLICY

1. PURPOSE

The purpose of the Post Retirement Employment Policy (“Policy”) is to reaffirm and clarify the legal requirements for LACERA’s hiring of LACERA retirees (hereinafter referred to as “retired annuitants”). The goals of this Policy are to:

- Comply with relevant state and federal laws and the plan documents for the rehiring of retired annuitants while receiving a retirement benefit from LACERA; and
- To assist LACERA’s staff members with understanding the requirements for hiring retired annuitants who are looking to return to work for a limited duration.

2. LEGAL AUTHORITY

This Policy is adopted pursuant to the Board of Retirement’s plenary authority over the administration of the system (Cal. Const., art. XVI sec 17) to facilitate LACERA’s compliance with County Employees Retirement Law (CERL), the Public Employees’ Pension Reform Act of 2013 (PEPRA), and IRS regulations.

3. SCOPE

This Policy applies to LACERA’s hiring of LACERA retired annuitants to meet business needs in accordance with California Government Code Sections 31680.3, 7522.56 and IRS regulations.

To the extent that state or federal law provides for additional restrictions or conflicts with this Policy, the law shall prevail over this Policy.

4. POLICY STATEMENT

Under Government Code Section 31680.3, retired annuitants may work up to and not exceed 960 hours per fiscal year, on a temporary basis, without affecting their retirement status or benefits. PEPRA added additional restrictions on the ability of a retiree to work for an employer in a retirement system while also collecting a pension from that system.

Pursuant to California Government Code Section 7522.56, a retired annuitant may work for LACERA on a temporary basis while continuing to receive retirement benefits if:

- LACERA determines it is necessary during an emergency to prevent stoppage of public business; or
- The retired annuitant has skills needed to perform work of limited duration.

5. DEFINITIONS

5.1 Retired annuitant, as used in this Policy, means a LACERA retiree rehired as an at-will employee by LACERA without reinstatement from retirement. Retired annuitants do not accrue service credit or otherwise acquire any additional retirement benefits.

5.2 Normal retirement age for LACERA members:

Age 57 for general members of Plan A, B, C, D, or G

Age 65 for general members of Plan E

Age 55 for safety members

6. LEGAL REQUIREMENTS FOR THE HIRING OF RETIRED ANNUITANTS

6.1 Work Hour Limitation (960 Hours)

The retired annuitant may not work in excess of 960 hours in any July 1 - June 30 fiscal year. Once the 960 hours limit is reached, the retired annuitant is not permitted to receive any compensation for the remainder of the fiscal year. As a result, the hiring manager shall establish methods to control the days and hours worked by retired annuitants to ensure compliance with work limits.

6.2 Retired Annuitant's Skills

There should be some showing in the retiree's work history that he or she has previous experience and the skill set needed to perform the desired work.

6.3 Retired Annuitant's Compensation

The rate of pay for the employment of retired annuitants cannot be less than the minimum, nor exceed the maximum, paid by LACERA to staff performing comparable duties. Retired annuitants cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly rate.

6.4 Limited Duration

Limited duration is determined on a case-by-case basis, but it is expected to be the minimum period required to complete the work. The employment should terminate when the limited-duration work is completed. Examples of work of limited duration are work to eliminate a backlog, work on a special project, transfer to specialized knowledge and skills to permanent staff, and work that is in excess of what staff can do.

6.5 No unemployment benefits

The retiree cannot be appointed as a retired annuitant if he or she received unemployment insurance payments during the 12 months period prior to the temporary appointment date. The retired annuitant is required to certify, in writing, that he or she is in compliance with this requirement. As a condition of employment, the retired annuitant must sign the attached "Condition of Post Retirement Employment and Waiver" form which covers this requirement. The signed form will be maintained by Human Resources Division.

6.6 Waiting Period for Post-Retirement Employment

On January 1, 2013, PEPRA became effective and established the following waiting period pertaining to the hiring of retired annuitants on a temporary basis. Retired annuitants must wait 180 days from their date of retirement before returning to work at LACERA on a

temporary basis except if it is necessary to fill a critically needed position and the hiring has been approved by the Board of Retirement in an open meeting.

Internal Revenue Service (IRS) regulations require a “bona fide” break in service after retirement before rehire. If the retired annuitant is under the “Normal Retirement Age”, a 90 day waiting period applies to the members who fall within the exception in the previous paragraph. This is a federal tax law requirement that must be met in addition to the PEPR requirement.

6.7 No Prearranged Agreement

LACERA members who retire before reaching Normal Retirement Age cannot have a prearranged agreement, either orally or in writing, before commencing retirement to return to work at LACERA in a position previously held prior to retirement or any other position. In addition, LACERA cannot hire a retired annuitant as a contract employee.

7. ADMINISTRATIVE PROCESS TO MONITOR AND TRACK RETIRED ANNITANTS

7.1 Requests

Managers are required to submit requests to hire retired annuitants to a 960 hour temporary assignment using the attached form *Request for Employment of Retiree to a 960 Hour Temporary Assignment* (the “Request”). The Request must include a description of the project, an explanation as to why the work cannot be performed by a current staff member, the retired annuitants’ skills and abilities and a description of the plan to complete the retiree’s work or transition it to a current staff member, and the expected limited duration of the work.

7.2 Approvals

Prior to offering temporary employment, the Requests require approvals by the Division Manager, Assistant Executive Officer, Human Resources Director and the Chief Executive Officer. No approvals will be granted for a period in excess of one year. All requests are subject to renewal and re-approval every fiscal year.

7.3 Monitoring

The Human Resources Division is responsible for monitoring and tracking compliance with the requirements as set forth in this Policy.

8. EFFECTIVE DATE

This Policy is effective on the day adopted by the Board of Retirement.

8.1 Current Status

Original Effective Date:

Last Updated:

Responsible Manager: Director of Human Resources

Mandatory Review: Every Three Years

ATTACHMENT 1



REQUEST FOR EMPLOYMENT OF RETIREE TO A 960 HOUR TEMPORARY ASSIGNMENT

RETIREE NAME:	EMPLOYEE NUMBER:
DIVISION:	SECTION:
PAYROLL TITLE:	ASSIGNED SUPERVISOR:
START DATE OF ASSIGNMENT:	END DATE OF ASSIGNMENT:
ESTIMATED HOURS:	
<i>Attach additional pages for each section below, as necessary</i>	
DESCRIPTION OF PROJECT & EXPLANATION OF WHY WORK CANNOT/SHOULD NOT BE PERFORMED BY A PERMANENT STAFF MEMBER:	
RETIREE'S APPLICABLE KNOWLEDGE, SKILLS AND ABILITIES:	
DESCRIPTION OF TRANSITION PLAN:	

REQUIRED APPROVALS

DIVISION MANAGER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
ASSISTANT EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
HUMAN RESOURCES DIRECTOR	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED
CHIEF EXECUTIVE OFFICER	DATE	<input type="checkbox"/>	APPROVED	<input type="checkbox"/>	NOT APPROVED

FOR HR USE ONLY:

HR STAFF REVIEW:	DATE PROCESSED:
DATE REVIEWED:	DIVISION NOTIFIED:
DATE OF RETIREMENT:	CALCULATED CALENDAR DAYS:
REMARKS:	

ATTACHMENT 2

**CONDITION OF POST RETIREMENT EMPLOYMENT AND WAIVER**

Employee Name: _____
 Employee Number: _____

I, _____, retired from LACERA service on _____.
 I desire to perform limited duration, compensated, post-retirement service as provided in Government Code Sections 31680.3 and 7522.56 while remaining on retired status. During this employment with LACERA there will be no suspension or termination of my retirement allowance and benefits. I intend, understand and acknowledge 1) that the duration of this employment with LACERA is limited to a maximum combined total of 960 hours within a fiscal year of 12-month period, 2) I will not accrue service credit or otherwise acquire any additional retirement benefits from the employment, and 3) I will not receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly rate.

Violation of this work hour limit may cause the suspension of my retirement allowance and healthcare benefits of LACERA. I understand that I have no expectation of continued employment beyond the work time limit.

Therefore, as a condition of this post retirement employment, I expressly agree not to apply for, or accept and I disclaim and waive any right to, unemployment compensation benefits based on my post retirement service.

I also certify that I have not received any unemployment insurance within the last 12 months resulting from prior LACERA employment.

I have read and understand the above waiver and condition of employment.

 Employee Signature Date _____

 Print Name Date _____


 Human Resources Division Manager Signature

 Print Name

FOR INFORMATION ONLY

September 23, 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: October 7, 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. The report is broken down into three main sections: Update on Current Strategic Plan Goals, Update on Other Projects, and a new section where I hope to begin to share updates on our progress meeting the goals and recommendations called for under the CEO's "100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments."

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 Benefits 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 soon to further refine the business requirements and advance other tasks related to this project.

- **LACERA.com Redesign:** Communications and subject matter experts throughout LACERA have nearly completed their review of all of the revised content that we have created for the new site. They have spent the last several months completely updating the content to make sure it is completely up to date and explained in a manner that is clear and easily understood by our members.

COVID-19 and delays in the selection and implementation of content management software have combined to push back the release date for the new website. Recently we completed a contract with Acquia that will allow us to use the Drupal content management system in the cloud. This will provide us with a secure method of managing the content that appears on the site that is not dependent on supporting servers at LACERA. Once Acquia has completed set up of our servers and granted us access to the software, we will revise our project plan and provide a new expected launch date. I would like to extend a thank you to Kathy Delino, Summy Voong, and John Harrington, as well as all of the others who worked to get the content management system set up.

- **Retirement Estimate Redesign Project:** The new Retirement Application and Summary continues to be fine-tuned. Earlier this month the team signed off on the final version of the new Pre-Retirement Guidebook. 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. We are reviewing our project plan in light of COVID-19 to determine an optimal date to test out the new application form.

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 Workgroup's main focus on efforts by 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 non-pensionable amounts from the pensionable amount. . The County has provided test files which we are reviewing.

The file identifies approximately 80% of the items in this pay code and we continue to work with them to refine the process.

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.

Update Progress on the “100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments”

This section will discuss some of the efforts in place to move forward on the recommendations in the 100-Day report. It may not address all progress, but will focus on certain goals being worked on at the time.

- **Business Metrics:** The 100-Day report points out the need to move LACERA towards a metrics and data driven management process. It is the recognition that we need to be able to collect and review data and metrics in order to make informed business decisions designed to improve our operations and deliver on our promises to our members.

From a Member Service Operations view point we have been developing metrics for many years. We currently provide metrics for the Member Services and Retiree Healthcare call centers, Disability Retirement Services, and Quality Assurance Divisions. Many of these metrics are shared with the Trustees through the CEO Dashboard report. However, these are only the tip of the iceberg in the types of metrics and data we need to collect.

The Process Management Group (PMG) has been working with our Systems division since 2018 on creating business metrics for the Benefits Division. These metrics are designed to be able to provide management at all levels with information on how long it takes to process different types of work objects at a process level, team level, and individual level. We will also be tracking aging of different work objects and comparing how we are doing to our established Service Level Goals. These metrics will allow us to look at trends in processing times and quality ratings on a granular level. Management will be using these metrics to identify processes that we need to focus on to improve services, for forecasting of future resource needs, and a tool to identify best practices and sharing those best practices with other team members.

The work being conducted for Benefits will also be applicable to sections in Member Services and Quality Assurance.

These metrics are an interim and temporary solution until we can implement a case management system and a more robust business reporting tool. There are some natural limitations to the data collection method as it relies on compliance with procedural rules to get the data. This would be solved with the implementation of a CMS tool.

Once we have some of the remaining refinements for version 1.0 of our Benefits Metrics program we will schedule a briefing for the Operations Oversight Committee. We estimate this will occur in the second quarter of this Fiscal Year.

Update on Other Projects

My goal is to continue to keep the Committee 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:** LACERA's Business Continuity Team (BCT) leads the update and completion process for the Business Continuity Plan (BCP). Over the past year a concerted effort has been put forth to assure that LACERA has an established BCP in place in the event of a crisis. The BCT has met with Division Managers to review all critical business priorities for each Division. This information has been uploaded into our business continuity management software and analyzed to assure that each of the Divisional Business Continuity Plans were in alignment with the organizational BCP.

After updating nearly all of the Divisional Business Continuity Plans, the BCT has turned their focus to working on the existing Incident Response Plan that includes the procedures for the LACERA Incident Response Team (LIRT) as well as the Communication Plan. These documents outline the steps to be followed should there be a crisis.

Once these processes are completed and the Disaster Recovery Plan has been uploaded into the BCP, we will test these documents and processes by conducting tabletop exercises. These exercises allow the response team to function as a unit and work the BCP so that they will not have to learn on the job during an actual crisis. The exercises provide an opportunity to test the Business Continuity Plan before any real disaster occurs, discover any gaps in the BCP before they happen, and a chance to fill-in those gaps. The Executive Team, management, and the

BCT will provide thoughtful and objective evaluation of the results of the tabletop exercises to strengthen LACERA's crisis preparedness. Because LACERA is always changing — new personnel, new situations, new kinds of crises — tabletop exercises will be conducted on a regular basis, at least once a year, to ensure optimal, up-to-date preparedness.

- **Retroactive Salary Projects:** Retroactive Salary adjustment projects continue to be a concerning trend that leads to an increased work load for LACERA's Benefits Division and confusion for our members. The County's payroll system was programmed in 2014 to collect contributions on retroactive salary adjustments for active members. However, for a variety of reasons, not all retroactive salary adjustments are processed in a manner that the system can recognize it is a retroactive adjustment and collect contributions. Additionally, the program changes did not account for retroactive salaries paid to retired or deferred members. In these instances, LACERA has to manually review and process these changes.

In October 2019, 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 focused on the Judges Project first. These retroactive salary adjustments were 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. The Judges Project is complete and all adjustments have been made.

In June of 2020, we were notified by Judges Retirement Systems (JRS) that the Judges received another retroactive salary adjustment effective July 1, 2019. This was a small group of 23 reciprocal members who retired with LACERA using the highest Final Average Compensation (FAC) from JRS and are eligible for retirement benefit increases. All of these cases were completed and members notified of the changes in July of 2020.

At the September OOC meeting, Quality Assurance Chief, Derwin Brown, shared an overview of the MOU Retroactive Salary adjustment project. These are the retroactive adjustments for members who received a \$500 or \$1000 bonus payment as part of the last round of MOU agreements.

Working together with the QA strike force, Benefits identified 44 cases that needed to be reviewed. We have approximately 16 cases that are still being worked on. Five of these are being reviewed and adjusted by Benefits, and 11 cases are

pending final review by Quality Assurance. We expect to have the five cases ready for QA review by the end of September.

Our next group to focus on beginning in October 2020, will be the Commissioners who were also impacted by the Mallano v. Chiang case. Quality Assurance has already analyzed these cases and determined there are approximately 190 members in this population with 68 contributory plan members, 19 Plan E members, and 2 active death cases. The remaining members are active, deferred and deferred reciprocal cases that are still being analyzed. Benefits will begin processing changes and notifying members starting in October.

We are still waiting for the Fire Department to complete updating member records with their retroactive salary adjustments.

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 team determined it is preferable to wait until all adjustments have been 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. Staff contacted the department in early August and they were still processing changes. We will be reaching out to them this week for an update.

- **Member Demographic Information:** At the September Board of Retirement meeting, Trustee Moore asked for demographic information on LACERA membership. LACERA reviewed our current data feed from the County and determined that we receive almost all of the more common demographic information with the exception of ethnicity. While the County does track it and it is available to LACERA, it is not something that LACERA included in the County data feed in the past. Our Systems Division will be working with the Auditor Controller to secure that data in future data feeds. This process is expected to take 2-3 months and will include the Auditor-Controller making changes to the data they send LACERA and LACERA's Systems modifying our internal systems to store the data once we receive it. We will keep the Committee updated on our progress.
- **Telecommuting Policy:** A Workgroup consisting of the Executive Office, Human Resources, and Systems is in the final stages of completing a draft policy for the CEO to review.

Attachments:

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

DATE RECEIVED	REQUESTER	DOCS REQUESTED
08-17-20	J. Kelly, RELAC	Requested confirmation that LACERA does not have a use of name policy. <i>Transmitted, on August 17, 2020, responsive comment: LACERA does not have a written use of name policy that staff is aware of or has been able to locate.</i>
08-17-20	S. Kemble FundMap	Requested any communications sent and/or received by the plan and the management companies the plan invests in regarding Diversity and Inclusion. Specifically communications relating to how plan is trying to improve Diversity and inclusion values at the management companies of funds and the companies the funds invest with. <i>Response transmitted on August 17, 2020, to S. Kemble requesting timeline needed for responsive information.</i> On September 7, 2020, Requester provided five-year timeline regarding information requested. <i>Transmitted 9 documents.</i> <i>Sent, on September 28, 2020, via email: 9 documents.</i>
08-18-20	W. Oliver, Global Investor Group	Confirm that LACERA has stopped using Goldman Sachs as one of its agency lenders and moved its entire operation to its other agent lender, State Street. <i>Responsive comment sent on September 18, 2020, via email: Decision was the outcome of an RFP, and the primary reasons for consolidating the lending program with State Street were: 1) better economics, and 2) operational efficiency.</i>
08-21-20	S. Criswell, Gapstow Capital	Requested LACERA's Portfolio Review as of December 31, 2019, that includes all funds in the Credit portfolio (including the ones in Private Equity-Credit and Real Estate-Credit) and their market values. <i>Transmitted 1 document.</i> <i>Sent, on August 28, 2020, via email:</i> <i>Credit Portfolio 123110.xlsx</i>
09-03-20	D. Gregory, Public Plan IQ	Requested DVD recordings for the open sessions of the Board of Investments and Committee Meetings held in June, July, and August 2020. <i>Sent, 9 DVDS, on September 9, 2020, via First Class USPS Mail.</i>
08-31-20	D. McCoy, Benefits Member	Requested copy of Anthem Blue Cross health plan document. <i>Transmitted 1 document.</i> <i>Sent, on September 8, 2020, via email: CAGC01-C20477_GBA_Redacted.pdf</i>
09-02-20	S. Ayers, TriStar Group	Per monthly request: <i>Transmitted 1 document.</i>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<i>Sent, on September 2, 2020, via email: Board of Retirement Meeting of September 2, 2020, Benefit Approval List.pdf.</i>
09-02-20	J. Hammond RELAC	Per monthly request: <i>Transmitted 1 document.</i> <i>Sent, on September 2, 2020, via email: Board of Retirement Meeting of September 2, 2020, Benefit Approval List.pdf.</i>
09-02-20	LA Sheriffs Dept.	Per monthly request: <i>Transmitted 2 documents.</i> <i>Sent, on September 2, 2020, via email: Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing each dated September 2, 2020.</i>
09-03-20	D. Gregory, Public Plan IQ	Requested DVD recordings for the open sessions of the Board of Investments and Committee Meetings held in June, July, and August 2020. <i>Sent, on September 9, 2020, 9 DVDs via First Class USPS Mail.</i>
09-04-20	J. Fein, Unite Here, Local 11	Requested copies of all communications, including electronic communications, between employees or representatives of LACERA and employees or representatives of private equity manager PAI Partners or any of its affiliates, and all reports or other documents provided to the BOI by LACERA staff or consultants. <i>Transmitted 1 document.</i> <i>Sent, on September 14, 2020, via email: 2020.08.12 Full CLOSED SESSION REDACTED.pdf</i>
09-11-20	A. Traum, Sidley Austin	Requested copies of agreements between the Los Angeles County Employees Retirement Association and any bank or custodian relating to services provided by the bank or custodian to the Los Angeles County Employees Retirement Association, including, but not limited to, custodial, accounting, reporting, compliance, and Net Asset Value calculation services. <i>Telephone conference with Requester on September 15, 2020, that responsive documents have not yet been received. Required documents will be forwarded upon receipt.</i>

