

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 would like to remain anonymous at the meeting without stating your name, please let us know.

Attention: Public comment requests must be submitted via email to PublicComment@lacera.com.

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, APRIL 6, 2022 - 9:00 A.M.**

This meeting will be conducted by the Operations Oversight Committee by teleconference under California Government Code Section 54953(e).

Any person may view the meeting online at
<http://lacera.com/leadership/board-meetings>

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

COMMITTEE MEMBERS:

Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox
Antonio Sanchez
JP Harris, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of March 2, 2022

II. PUBLIC COMMENT

(Written Public Comment – You may submit written public comments by email to PublicComment@lacera.com. 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.)

Verbal Public Comment – You may also request to address the Committee at PublicComment@lacera.com before and during the meeting at any time up to the end of the Public Comment item. We will contact you with information and instructions as to how to access the meeting as a speaker. If you would like to remain anonymous at the meeting without stating your name, please let us know.)

III. REPORTS

A. LACERA Operations Briefing

Luis A. Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

IV. ITEMS FOR STAFF REVIEW

V. GOOD OF THE ORDER

(For information purposes only)

VI. 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, MARCH 2, 2022, 12:30 P.M. – 12:42 P.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: Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Antonio Sanchez
JP Harris, Alternate

ABSENT: Keith Knox

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Elizabeth B. Ginsberg, Alternate Ex-Officio
Vivian H. Gray
Wayne Moore
Les Robbins

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer
Luis Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
Steven P. Rice, Chief Counsel
Kathy Delino, Interim Chief Information Technology Officer
Roberta Van Nortrick, Acting Division Manager, Admin Services

STAFF, ADVISORS, PARTICIPANTS (continued)

Celso Templo, Systems Division

Cookie Jaranilla, Systems Division

Michael Dozier, Systems Division

James Beasley, Supervising Administrative Assistant, Admin Services

The meeting was called to order by Chair Bernstein at 12:30 p.m. In the absence of Mr. Knox, the Chair announced that Mr. Harris, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of February 2, 2022

Mr. Harris made a motion, Mr. Bernstein seconded, to approve the minutes of the regular meeting of February 2, 2022. The motion passed unanimously.

II. PUBLIC COMMENT

III. ACTION ITEMS

A. Recommendation as submitted by Kathy Delino, Interim Chief Information Technology Officer and Roberta Van Nortrick, Acting Division Manager, Administrative Services: That the Committee authorize staff to issue a Request for Proposal (RFP) for software and professional services to procure, configure, and implement an enterprise budget application system for the Budget Unit in the Administrative Services Division. (Memorandum dated February 23, 2022)

Mr. Bernstein made a motion, Mr. Harris seconded, to approve the recommendation. The motion passed unanimously.

III. ACTION ITEMS (continued)

- B. Recommendation as submitted by Kathy Delino, Interim Chief Information Technology Officer and Roberta Van Nortrick, Acting Division Manager, Administrative Services: That the Committee authorize staff to issue a Request for Proposal (RFP) for software and consulting services to procure, configure, customize, and implement an Enterprise Contract Lifecycle Management (ECLM) System. (Memorandum dated February 16, 2022)

Mr. Harris made a motion, Mr. Bernstein seconded, to approve the recommendation. The motion passed unanimously.

IV. REPORTS

- A. LACERA Operations Briefing
Luis Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officers
Laura Guglielmo, Assistant Executive Officer

Ms. Guglielmo, Messrs. Lugo and Popowich presented the monthly briefing sharing insights on staff and divisional activities within LACERA's Operations and Administration components, including the status of the Strategic Plan Goals and Operations Improvement Initiatives, progress on the "100-Day Management Report," and an update on other projects.

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

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 12:42 p.m.

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**FOR INFORMATION ONLY**

March 21, 2022

TO: Operations Oversight Committee
Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox
Antonio Sanchez
JP Harris, Alternate

FROM: Luis Lugo, Deputy Chief Executive Officer 
JJ Popowich, Assistant Executive Officer 
Laura Guglielmo, Assistant Executive Officer 

FOR: April 6, 2022 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

The purpose of this briefing is to share insights on staff and divisional activities within LACERA's Operations and Administration Bureaus. We will provide updates on goals, 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 March Madness Season

We refer to the period beginning in December through the end of March as "March Madness" because retirements tend to spike during this period as members disproportionately elect to retire in time to be eligible for any April 1st cost-of-living adjustment (COLA) that may be approved by the BOR. In years past, we shared these updates in the CEO Report. We will now be sharing our updates on this season in the OOC Briefing Report.

Our Process Management Group has been working diligently to develop our metrics and data driven management processes to provide a steady overview of how our Member Operations Group is addressing member requests. This includes how we are tracking our progress during March Madness.

Production Trends: The first chart below provides us with two key metrics: 1) how many retirement election work objects (including retirements, requests for rescission and change of dates) we are receiving and processing each month (bottom chart), and 2) how our progress compares to last year (top chart). One caveat as you review this chart is that the blue bars are the "date received" which is what we are focusing on in this discussion. The grey bars are work completed. Retirement election work objects are processed on a triage basis – meaning we review every work object and determine in which order they should be processed based on the member's elected date. The blue bars represent the number of work objects received per month compared to the prior year and, as expected, we are seeing a greater number of retirements this year than we did last year (blue bars

in both charts). It should also be noted this data represents election related work objects and the final actual retirement figures may change as members can rescind their elections before their retirement date. It also does not include disability retirements which are handled separately. All data represented below is through March 23, 2022.

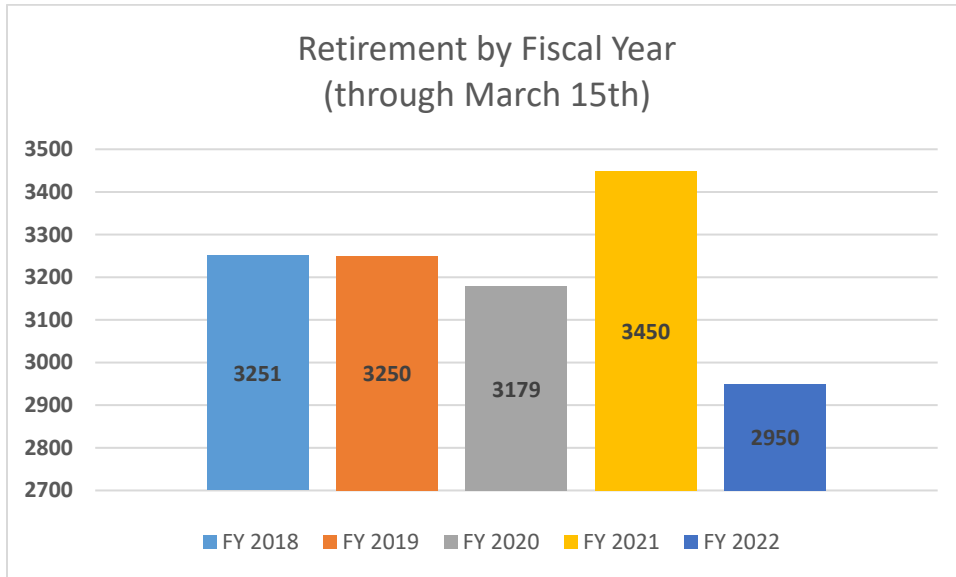


Our traditional March Madness season runs from December through March, but we also often look at the Extended March Madness season which is from November to March. The chart below gives you a quick glance at the difference between this year and last year for both periods:

Retirement Election Production Rate			
	2020-2021	2021-2022	CHANGE
Nov	516	712	196
Dec	828	973	145
Jan	913	940	27
Feb	823	784	-39
Mar	N/A	N/A	N/A
Traditional March Madness	2,564	2,697	133
Extended March Madness	3,080	3,409	329

Based on date received and datae completed. Does not reflect "date of retirement". Subject to change due to change of dates and recisions.
*Data only reflects whole months.

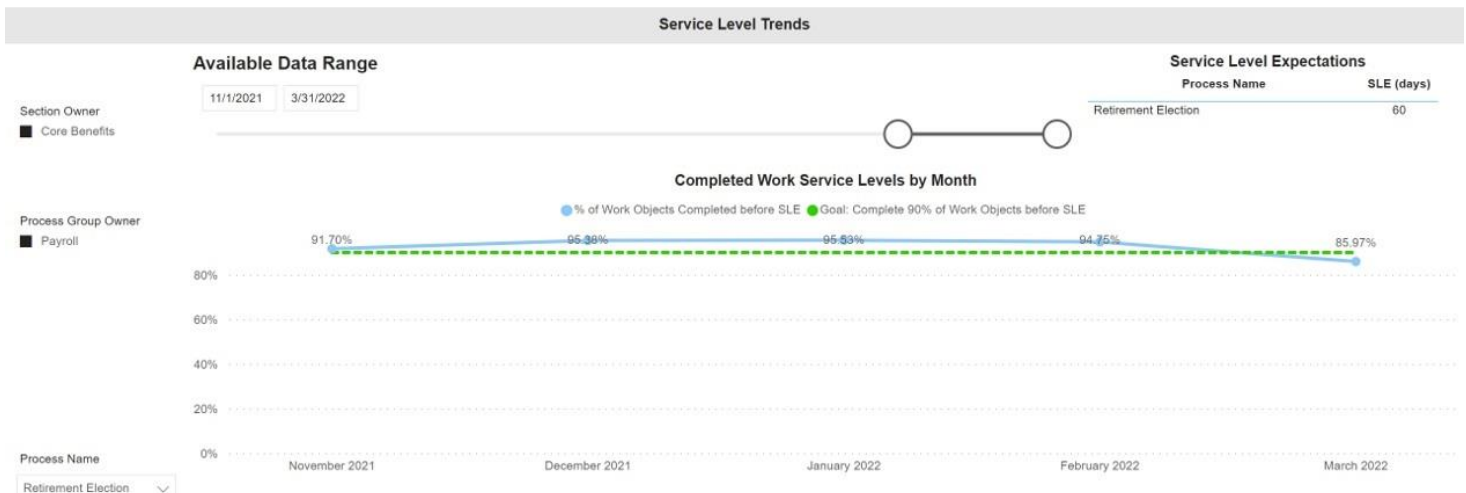
We are also including a snapshot of where we are in terms of completed retirements for the fiscal year in relation to the last five years. This chart represents members who retired through March 15th. As we look at this chart, please remember that we still have three and a half months to go for this fiscal year. As such, we project to process 300-600 additional retirement applications than the previous year.



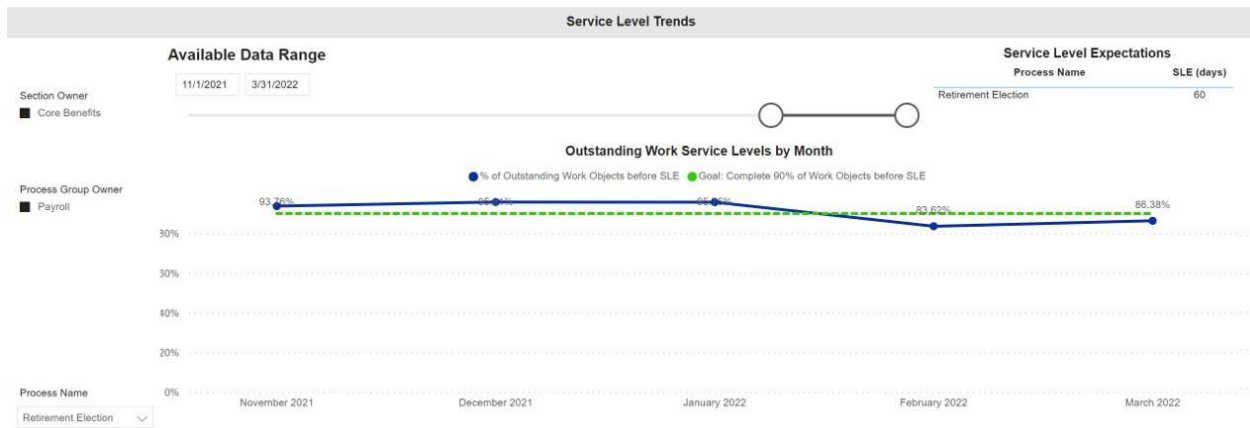
Service Level Expectations: Meeting our Service Level Expectations (SLE) is critical to ensuring the member retirement experience journey meets their expectations. Our goal is to process 90% of all retirement applications within 60 days of receipt and to process their elections before or as close to their elected retirement date as possible (please keep in mind that some members submit their elections within days of their expected retirement date). As described later in this report, we’ve onboarded 24 new Retirement Benefits Specialist since January 2022. The new hires are currently enrolled in our 10-month CORE Benefits training class. Although the training class will end in the Fall of 2022, as part of the training program new hires spend time “on the floor” assisting with pertinent workloads. All work items produced by trainees is reviewed by the Quality Assurance team for accuracy.

The Benefits and Member Services team are also utilizing overtime to balance staffing levels.

The chart below indicates we have dipped slightly below our targeted service level for both the Extended and Traditional March Madness periods:



Finally, we feel it's also important to share trends for work still in process. The following chart shows a slight dip below service level expectations.



Our Benefits team uses this data to determine how we allocate our resources. As you can see, we are seeing a slight dip below the expected service level for work still in progress. This is expected given the increase in the number of retirement elections. Benefits assigns additional staff, when possible, to the retirement election queue to help keep us on track. We also pull in additional resources from other work units in Benefits and from Member Services if needed (a positive benefit of our training program which trains all Benefits and Member Services staff on back of the house processing) and utilize overtime where necessary. The Benefits team remains confident that we will meet our goal of processing all retirements on time.

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 Project Update: The Case Management System Request for Proposal (RFP) was approved by the Board of Retirement (BOR) and published on lacera.com on October 6, 2021. On October 29, 2021, LACERA held a virtual vendor conference to provide detailed information to all vendors that had submitted their official intent to respond to the RFP and had signed a Non-Disclosure Agreement. Fifty-five representatives from seventeen companies attended the conference where LACERA technical staff and subject matter experts reviewed the three processes that are included in Phase I of the project, as well as LACERA's Enterprise Pension Administration Architecture. The LACERA team received 13 vendor proposals on November 19, 2021. We have selected three vendors as finalists. Each finalist presented a two-hour demonstration of their proposed solution. We are now in the process of identifying a final vendor and will bring our recommendation to the BOR for consideration in June 2022.

Retirement Estimate Redesign Project: (No new update as of March 2022) The new Retirement Application and Summary is on hold pending the full re-opening of the Member Service Center (MSC). The original plan for the redesigned application, which can best be described as an informative retirement prospectus designed to provide members with all

the information they need to make an informed decision about their retirement, was to test the document and collect feedback from members that would be used to refine the new document and process before implementation. The team is working on plans to begin testing the new application in the Member Service Center.

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 are 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 passed since then. The Workgroup's focus is to address County payroll code issues with the Auditor-Controller (AC). 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 further dissected so it is easier to identify the pay codes that are embedded in this code.

The LACERA team met to review our progress on this project in preparation for re-engaging the County now that they have completed their year-end processing. Additionally, we briefly discussed the issue with representatives from the Auditor-Controller's Office regarding our need to continue the engagement. As previously reported, the AC has determined that it is not feasible to break the 099 pay code apart so that each embedded pensionable and non-pensionable pay code is reported to LACERA separately. However, they are making programming changes that will allow LACERA to identify pay code changes that occur during a payroll cycle. Currently, the pay code data shared with LACERA is a snapshot of the member's pay at the end of the payroll period. After further examination, our team determined that they may be able to use some of the data the County is providing to systematically determine what is included in pay code 099. However, the discrepancies we are seeing in our calculations may come from changes that occur in the middle of the accrual period. In other words, a member may receive pay for a non-pensionable item for part of the pay period, and not the entire pay period. This throws off our calculations using our current method for filtering out pay codes.

The programming changes planned by the AC may provide us with the ability to see those changes mid-pay period and this may allow us to filter out non-pensionable portions of code 099 more accurately. The team is reaching out to our AC contacts for a date when we may see a test file. As of March 2022, we have not received a test file. We continue to work with them to resolve this critical issue and will update the Committee on our efforts.

There are no new updates on the Workgroup focusing on 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.

Progress Update 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.

Communications: LACERA Connect

As part of facilitating internal communications, we redesigned and updated the LACERA Connect intranet in coordination with vendor Compass 365 and Systems division. We incorporated input and wish lists from all divisions for their respective microsites. Production started in September 2021. The first phase of LACERA Connect launched on March 18, 2022, and included content migration, reorganization, streamlining of information, and a video walk-through. Since the site lives on SharePoint, it can be used by staff members from anywhere, helping facilitate access to important forms, documents, and resources. In Phase 2, we will continue to incorporate more interactive features to help LACERA Connect become a true communications and resource hub.

Communications: LACERA.com Statistics and User Analytics

In February, we had a total of 158,905 page views compared to 166,353 page views in January. Although we saw a moderate -5% decrease in visitor traffic, there was a significant increase in our Cost-of-Living webpages, due to the Cost-of-Living Adjustments (COLA). The [Cost-of-Living Adjustments | LACERA](#) webpage was the most heavily trafficked page +341% and [Current COLA Accumulation | LACERA](#), [Plans ABC | Current COLA | LACERA](#), and [Plans D | Current COLA | LACERA](#) pages were also popular, making our top 10 page views.

Below are supporting statistics covering February 2022.

Jump in User Traffic

First Time Visitors	Traffic	Average Visitors	Traffic
February	31,850	February	1,449
January	39,310	January	1,518
December	26,519	December	1,060
Total	91,098	Average	1,203

The highest number of visitors for this month was 2,879 on February 24: 1,765 users and 1,114 new users. This increase was attributed to an email sent on February 23 to retirees, and a COLA insert mailed to retirees on February 24 addressing this year’s COLA rates. Both the email and insert directed retirees to the [Cost-of-Living Adjustments | LACERA](#) page.

Below are the top five pages from the month of February.

Top Five LACERA.com Page Views

LACERA Pages	Views
Home Page	57,188
Cost-of-Living Adjustments	7,212
Retiree Listings	5,689
Current COLA Accumulation	2,959
Plan D Current COLA	2,795

The topics on the “I would like to…” feature on the home page, have remained the same month over month. However, we saw an increase in the “See My COLA” topic by +341% which directs members to the [Cost-of-Living Adjustments | LACERA](#) page. These topics are determined by tracking the various ways members are consuming our content and working with MSC to learn member’s inquires. We are then able to make these topics more accessible through our homepage features.

Home page “I Would Like To” Views

LACERA Pages	Views	Feb vs. Jan
See My COLA	7,212	341%
Make an Appointment	1,294	-2%
Printout a payday calendar	1,115	6%
Change my Tax withholdings	1,053	10%
Apply for survivor benefits	781	105%

Home page Tile Views

LACERA Pages	Views	Feb vs. Jan
My LACERA	2,391	-35%
Pre-Retirement Workshops	1,120	-21%
Careers	1,246	-21%
Investments	767	-20%
Annual Reports	585	-33%
Forms & Publications	166	+5%

Update on Other Projects

Our 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.

Tax Table Changes for 2022 & a New Tax Withholding Form Coming Soon: (No new update as of March 2022) The IRS published updated tax tables for 2022 which became effective January 1, 2022. We have updated LACERA.com with an announcement that the new tables may cause a slight change to some member’s net benefit amount. Additionally,

we are beginning a process to prepare for a revised Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as the W-4P tax withholding form). The IRS recently released a revised form and instructions for 2022 but is not requiring its use until the 2023 tax year. Our team has been working with tax counsel to understand the intricacies of the new form and determine what programming changes we will need to support the new form. Among the changes in the new form are a new default withholding amount if a member does not make an election (now single with no deductions, as opposed to married with three deductions previously). Since the form has only recently been finalized, and since the IRS is not requiring its use until 2023, LACERA is advising members that we will continue to use and support the current version of the W-4P form. Additionally, since the changes require programming for LACERA to support, we will not be accepting any 2022 forms submitted. We posted a Q & A document on LACERA.com (also available through My LACERA) to explain how LACERA is adjusting to the new withholding guidance. We will be working on a communication plan to prepare members for the new withholding forms and rules later this year. One important and reassuring note: members who have already started receiving payments from LACERA before 2023 will not be required to file a new form if they wish to keep their current preferences. We will share more about our progress and our communication plans as we develop them.

COLA Bank Retroactive Changes: In April of 2021 the Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation bank. The first phase has been completed and members received their retroactive payments on July 15, 2021, via Direct Deposit.

The second phase of cases was completed, and members were notified of the retroactive payments in early September and payments were issued September 15th. The third phase of the project has been completed: 312 survivors of members who passed away prior to the COLA Accumulation Bank correction were paid a retroactive benefit owed to the deceased member. The retroactive payment was paid to the survivor via a special one-time payment and was paid on November 15, 2021.

To date, LACERA has paid out just over \$3.7 million in retroactive COLA earnings. Of the 9,672 member and survivor accounts affected, 8,178 accounts have been systematically resolved, which represent all members and survivors currently in a pay status. The manual phase of the project, which includes 1,494 cases, began on December 16, 2021. Staff have manually computed COLAs for 209 members and payments were issued on March 15, 2022.

COLA Retro Project - Status as of 11/17/2021:	Last Report 9/10/2021		Current Report 03/23/2022	
Row Labels (Type, Status, Detail, Outstanding)	Count	%	Count	%
Completed (Member Paid - No Further Action Required)	7,864	81%	8,178	85%
First Notification Sent (In Process)	822	9%	508	5%
Active Payee - Member	439	5%	439	5%
Paying Split	206		206	
Active Payee - Survivor	383	4%	69	1%
Paying Split	9		9	
Pending Notification (Staff is Reviewing and Processing)	986	10%	986	10%
No Active Payees (Deceased)	726	7%	726	7%
Active Payee - Member	145	2%	145	2%
Paying Split	3		3	
Active Payee - Survivor	115	1%	115	1%
Paying Split	6		6	
Grand Total	9,672	100%	9,672	100%

Systems and Benefits have been reviewing the root cause for the manual processing and are developing plans for how to redesign some portions of our pension administration system to help alleviate the need for manual processing for future projects.

As we discussed previously, we will be shifting focus from the COLA project to the Alameda Project. We will focus on the remaining cases in the COLA project once we have addressed the Alameda Project. By way of a reminder, this decision was made to limit the number of overpayments and associated interest that may have to be collected from some Alameda impacted members.

Alameda Project Update: In 2020, the California Supreme Court issued its decision in the Alameda County Deputy Sheriff’s Association v. Alameda County Employees Retirement Association (“Alameda”) challenging the constitutionality of changes passed in 2013 Assembly Bill 197, which amended the definition of compensation earnable, specifically excluding pay items previously included such as unused vacation, termination pay, in-kind payments, and payments for services rendered outside of normal working hours. The Court upheld constitutionality of the Legislature’s actions. In February of 2021, the Legal Office notified the Board of Retirement that it had completed an initial review of LACERA legacy pay codes and determined that Standby Pay did not meet the expanded understanding of compensation earnable because of the Alameda Case.

- Staff have updated the salaries for 4,176 members to exclude Standby Pay and have computed the contributions on these earnings that occurred on or after January 1, 2013. Of those, 2,284 are actively employed contributory members who overpaid contributions. Actively employed members cannot receive a refund while in service and, instead, the

overpaid contributions will be returned by suspending future contributions beginning with their March 30, 2022 salary (paid on April 15, 2022) until the balance has been depleted. Staff mailed 1,000 letters to the active members on February 11, 2022 and the remaining 1,084 letters on February 25, 2022. A split mailing was used to prevent overwhelming the Member Services Call Center.

- Additionally, staff have identified 149 deferred and inactive members, most of whom will be entitled to a refund. Staff issued 132 checks to deferred/inactive members entitled to a refund. We found that the remaining 17 members on the report were not owed a refund.
- The Systems Division is currently programming the changes that will be necessary for the retired population, which affects any members who retired on or after January 1, 2013, and their FAC included earnings for these pay codes. These members could have their benefits adjusted prospectively from August 30, 2020, following the court’s decision.

The team working on this project have identified five groups of members who will be impacted by this project. We have created the chart below to keep you up to date on the progress of this project:

Alameda Project Status	Current Report	
	3/23/2022	
Row Labels (Type, Status, Detail, Outstanding)	Count	%
Pending Notification (Staff Reviewing and Processing)	957	28%
Active	0	0.0%
Retired	847	25.0%
Deferred/Inactive	0	0.0%
Deceased	53	1.6%
Withdrawn	56	1.7%
Notification Sent		
Active	2285	67.4%
Retired	0	0.0%
Deferred/Inactive	149	4.4%
Deceased	0	0.0%
Withdrawn	0	0.0%
Completed (Member Paid/Collection scheduled)	2434	71.8%
Grand Total	3391	100%

CORE Benefits Training Class Preparation: This 10-month series of courses is the key first step to training staff to fill the large number of vacant positions we have in Benefits and Member Services. On January 6, 2022, we welcomed our first CORE Benefits training class since the pandemic. This first class consists of 13 trainees who are destined to work in Benefits and Member Services once they complete the class. Most are new to LACERA but about three are transitioning from other LACERA divisions. This first class is scheduled to work in production from March 14 through April 1, focusing on Purchase

Requests involving Temporary Time, Sick-Without-Pay, and Plan Restorations and Redeposits. All their cases are audited before completion to ensure quality.

Retiree Healthcare (RHC) had one new hire go through the initial CORE Benefits orientation (one week), then transition back to RHC for role specific training within the division. RHC is currently interviewing candidates from the Retirement Benefits Specialist eligibility list and plans to provide job offers to two candidates in the next few weeks.

We are pleased to report that we started our second class consisting of 11 trainees on February 1, 2022. All trainees are scheduled to work in Benefits and Member Services.

Retroactive Payroll Adjustments: As you may recall, for many years the County has not been deducting contributions on retroactive payroll adjustments. We have been keeping the Committee apprised of our efforts to work with the Auditor-Controller to ensure contributions are deducted from these earnings. We were pleased to report that the Auditor-Controller adjusted their programming and began deducting contributions for these adjustments. We also reported that we set up a testing regimen for each payroll period to ensure the programming is functioning as expected. While initial indications were positive, we have recently identified a possible discrepancy that we will be addressing with the Auditor-Controller. Recent testing has indicated the programming may not be taking deductions on payroll adjustments more than three years in arrears. We will be reaching out to the Auditor-Controller to address this issue.

We still have a large and growing backlog of retroactive payment adjustments that we must manually review and process. While we are devoting as many resources to this backlog as possible, we are not able to fully address these cases. The team has been reviewing various options for how to address these retroactive adjustments. Once we have determined a path forward, we will brief the Committee and the Board on a timeline and implementation plan for addressing this pressing concern for the team.

Information Systems: Our Systems division continues to engage in various process improvement projects and initiatives aimed at securing our network, data, application, and overall system infrastructure. Three current initiatives led by Systems include:

Staff Mobile Device Policy - The Information Security Office, the Systems Division, and the Executive Office are finalizing a new mobile device policy for all staff members. The purpose of the new policy is to reduce the possibility of data loss and private information exposure on mobile devices. The policy will restrict enterprise application access to LACERA issued mobile devices or personal devices enrolled in LACERA's mobile access management (MAM) tool. The Systems Division is working with each Division Manager to identify staff that are eligible to receive a LACERA owned mobile device based on their roles and responsibilities. We expect to distribute all LACERA owned mobile devices to eligible staff by the end of May 2022. Access for personal devices will also be disabled by the end of May 2022. If staff wish to continue accessing LACERA data on a personal device, staff will be required to install LACERA's MAM tool. The tool allows the organization to wipe LACERA's data if it is lost or stolen with no impact to personal data.

Enterprise WiFi Project – Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division is currently installing an enterprise WiFi network.

As of February 16, 2022, all fiber, cables, access points, and switches have been installed on all LACERA floors and four of five segmented networks have been configured and tested. We expect to complete the configuration of the final segmented network by the end of April 2022.

On-line Disability Retirement Application – To facilitate member self-service, improve the member experience, and streamline the intake of disability retirement applications, the Systems division has been working jointly with the Disability Retirement division to develop an on-line disability retirement application on My LACERA.

As of February 16, 2022, the design and construction of the new disability retirement application has been completed. On March 23, 2022, DRS selected 4 staff members to collaborate with Systems in the final acceptance testing of the application. Once testing is complete, training will be conducted with all Member Services and DRS staff members, a soft roll out of the application, and finally a member communication campaign led by the Communications division will be launched. We anticipate the soft rollout to begin following March Madness at the end of May 2022

Enterprise Contract Lifecycle Management (ECLM) Solution – Pursuant to a recommendation by Administrative Services staff, the Operations Oversight Committee (OOC) on March 2, 2022, authorized a Request for Proposal (RFP) for software and consulting services to procure, configure, customize, and implement an Enterprise Contract Lifecycle Management (ECLM) System, which was published on lacera.com on March 4, 2022.

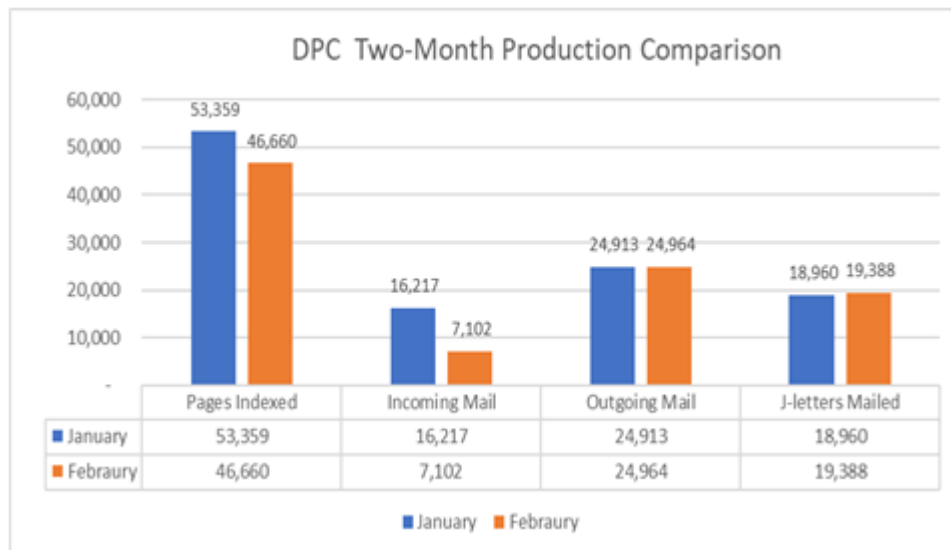
As of March 23, 2022, LACERA has received an intent to respond to the RFP from eleven vendors. The deadline for submitting proposals is April 4, 2022. LACERA will evaluate all proposals and invite the finalists to demonstrate their solutions. We intend to identify a final vendor in May 2022 and bring this recommendation to the Board of Retirement for consideration in June 2022.

Enterprise Budget Application – Per a recommendation by Budget staff, the Operations Oversight Committee (OOC) on March 2, 2022, authorized an RFP for software and professional services to procure, configure, and implement an enterprise budget application for the Budget Unit in the Administrative Services Division. The RFP was published on lacera.com on March 7, 2022.

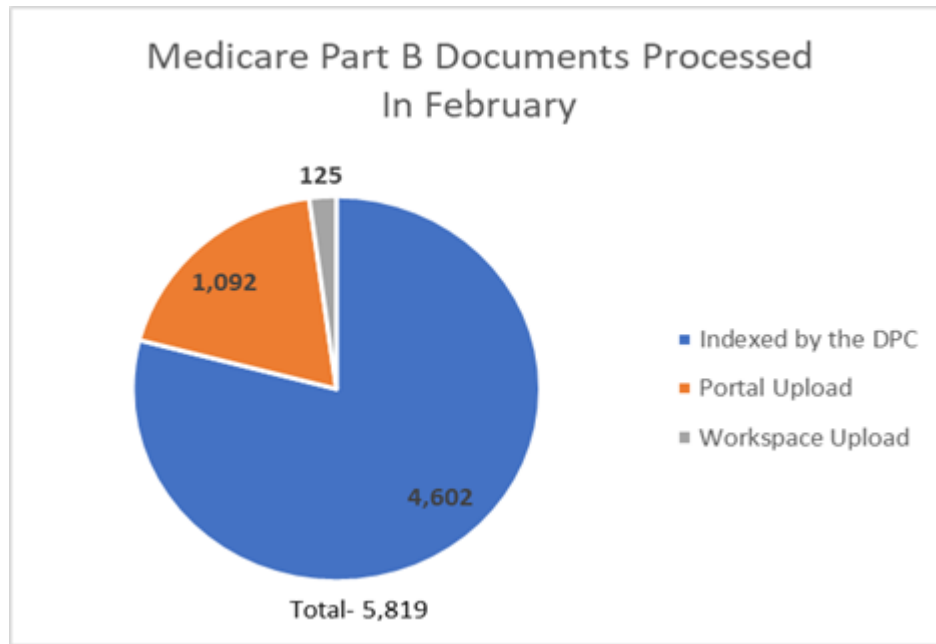
As of March 23, 2022, LACERA has received an intent to respond to the RFP from eleven vendors. The deadline for submitting proposals is April 14, 2022. LACERA will evaluate all proposals and invite the finalists to demonstrate their solutions. We plan to identify a final vendor in June 2022 and bring this recommendation to the Board of Retirement for consideration in July 2022.

Administrative Services Division: Our Administrative Services is a support division consisting of the Budget Unit; the Document Processing Center; the Procurement Unit, including Purchasing, Facilities, and Renovations; and the Risk Management Unit, which includes Business Continuity, Business Insurance, Contract Management, Health and Safety, and Records Management. Over the last month the division has led and supported the following initiatives:

- o The Budget Unit is compiling the data collected and preparing the proposed fiscal year 2022-2023 budget for presentation to the JOGC in April for review and feedback.
- o The Health and Safety Unit continues to monitor the Los Angeles Department of Public Health guidelines and conducts weekly health and safety inspections to identify potential hazards related to COVID-19 and ensure adherence to all federal, state, and local health and safety laws and requirements. Staff will be notified as any workplace protocols change.
- o In January 2022, the Risk Management Unit released an RFP to solicit bids for Insurance Brokerage Services. LACERA has received four bid proposals from high-profile brokerage firms. The proposals have been evaluated and scored by the evaluation team. The evaluation team consists of staff from the Executive Office, Legal, Systems, and the Administrative Services Divisions. The evaluation team has completed the scoring process and on April 6th will be recommending Alliant Insurance Services Inc. to the Board of Retirement for approval. The 7th-floor renovation project for the Systems and Accounting Divisions is progressing and we are close to finalizing the proposed floor plan. The next steps include determining furnishings and begin working with the contractor selected to build out the new floor plan.
- o Staff have been coordinating with Systems Division to identify opportunities to better utilize technology to perform work more efficiently and effectively in the areas of hardware asset management and facilities management.
- o Document Processing Center (DPC) staff mailed 19,388 J-letters in February which was a slight increase from the 18,960 letters mailed in January. J-letters include acknowledgment letters for receipt of documents, confirmation letters for account changes, and LACERA forms and/or brochures.
- o The DPC staff also scanned and indexed 46,660 pages of member documents.



- o The DPC indexed 4,602 Medicare Part B documents and mailed out 5,819 Medicare Part B acknowledgement letters in February. The Medicare Part B acknowledgement letters accounted for approximately 30% of the J-letters processed in February.



Financial and Accounting Services Division applies sound cash management controls, accounting standards, and compliance with regulatory and statutory financial reporting mandates to LACERA’s assets, member payroll, and organization-wide financial transactions.

Actuarial Valuation Reports: The Government Code requires that valuations of the Pension Plan be performed at least once every three years. The Board of Investment’s 2013 Retirement Benefit Funding Policy requires more frequent valuations which are set to be completed annually. These reports are prepared to determine employer and employee contribution rates and to measure the funded status of the Pension Plan. In addition, the valuation report provides information that is used to prepare the Governmental Accounting Standards Board (GASB) Statement Number 68 financial statement reports. Plan sponsors use the GASB reports to obtain information required for their financial statement disclosures.

The annual retirement benefits valuation report is completed by Milliman, LACERA’s consulting actuary. The June 30, 2021, valuation report was accepted at the December Board of Investments meeting. The Board of Investments also adopted recommended employer contribution rates for all plan tiers and employee contribution rates for PEPRAs, General Plan G, and Safety Plan C. Staff worked with the Los Angeles County Chief Executive Office to communicate the results of the June 30, 2021, valuation to the Board of Supervisors (BOS). At their March 15, 2022 meeting, the BOS approved implementation of the new employee

contribution rates beginning July 1, 2022 and the employer contribution rates no later than September 29, 2022.

Actuarial projects for the 2022 reporting cycle are in progress. Milliman will prepare the annual risk assessment report based upon the 2021 valuation report and present it to the Board of Investments in the summer. This presentation will also serve as background and educational information regarding the upcoming triennial experience study. Milliman will begin working on the 2022 Investigation of Experience Report for Retirement Benefits, which is conducted every three years, and includes reviewing the retirement benefit economic and demographic assumptions. Staff is planning presentations at three Board of Investments meetings, starting in the fall, to review and determine the June 30, 2022 actuarial assumptions.

Travel/Expense/P2P Software: LACERA has procured “Certify” software created by Emburse, an expense management and accounts payable automation provider. Staff is currently implementing the Certify travel and expense report management software and is working with Certify representatives to implement features such as travel booking, receipt capture, expense linking, credit card expenditure tracking, automated workflow approval, as well as a streamlined procurement and payables process that leverages optimized character recognition to reduce manual data entry. With Certify, LACERA may also make payments via ACH or virtual credit card to vendors. Staff worked with the vendor to establish transaction approval structures by user within the system and to review and update the LACERA user list. For the next step, staff will coordinate with LACERA’s corporate credit card vendor to establish integration between the Bank of America credit card and Certify expense systems. This project strategically aligns with Systems’ goal of upgrading the technology of the organization and will replace the manual processes and controls with the latest technology.

Custodian Search: In accordance with LACERA’s Procurement Policy, vendor contracts for investment, and custodian and banking services must be re-bid every ten years. LACERA’s current custodian bank, State Street Bank, was hired in July 2013. FASD is working closely with the Investment Office to conduct a formal request for proposal (RFP) process. The Board of Investments approved the minimum qualifications at their December meeting. The Investment Office finalized and released the RFP at the end of January with proposals due at the end of March. Staff received and responded to some questions from one potential respondent. Staff will continue to collaborate with the Investment Office as this process evolves.

Retiree Healthcare Administration – LACERA staff met with Los Angeles County staff to discuss implementation of the Retiree Healthcare (RHC) administrative fee increase from \$8 to \$10, recently approved by the Board of Retirement. It was determined that LACERA will review and update monthly reimbursable cost billing statements and monthly account reports provided to the County. The reports will be updated to include additional details regarding the administrative fee

amounts. The Los Angeles County CEO's Office is facilitating the establishment of additional payroll codes to allow LACERA to more efficiently capture staff time spent in support of RHC. LACERA staff are also assessing our account structure for RHC administrative expenses and pass-through health premiums and will make appropriate adjustments as necessary.

Attachments:

Public Records Request Update

Report of Felony Forfeiture Cases Processed

DATE RECEIVED	REQUESTER	DOCS REQUESTED
2-23-2022	Kemble, Sioned	<p>Request: Updated performance for fund - AQR LEAP - LACERA's Portfolio.</p> <p><i>On February 24, 2022, Counsel responded that LACERA no longer has any investment in the ARQ LEAP, thus there are no updated performance reports.</i></p>
12-29-2021	Tolmer, Bobette – Renne Public Law Grp	<p>Request: eleven (11) categories of records relating to Board approval of staff classifications and salaries.</p> <p><i>On January 3, 2022, Counsel sent clarification regarding response date.</i></p> <p><i>On January 13, 2022, Counsel sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p><i>On January 28, 2022, Counsel sent one (1) responsive letter regarding the process and those records will be available February 22, 2022.</i></p> <p><i>On February 22, 2022, Counsel sent one (1) Letter re PRA request and link to records.</i></p>
2-8-2022	Arbet-Brandt, Nina – County DHR	<p>Request: List of County Employees that have retired the last 10-15 years (include active deaths).</p> <p><i>On February 8, 2022, Rosalind (LACERA-HR) confirmed information requested including all county employees who have retired from service.</i></p> <p><i>On February 15, 2022, Counsel contacted OHP to confirm approval of data required and method of transmission.</i></p>
2-9-2022	Roth, Dirk	<p>Request: Amounts were paid to each Private Equity Investment Managers firm and what type of transactions/services they provided to LACERA.</p> <p><i>On February 15, 2022, Counsel sent response and attachments AB 2833 Fiscal Year 2021 Report, Private Equity and Real Asset Report, LACERA Holdings dated February 15, 2022.</i></p>
2-10-2022	Campbell, Ben	<p>Request: full meeting packets from investment meeting held on February 9, 2022.</p> <p><i>On February 15, 2022, Counsel sent link to LACERA's meeting materials on BOI meeting February 9, 2022.</i></p>
2-11-2022	Wood, Ashley	<p>Request: LACERA's solicitation for Case Management System including All submitted proposals, Scoring, evaluation sheets, final contract, submitted in late 2021.</p> <p><i>On February 18, 2022, Counsel sent email advising Ms. Wood that we are in the process of collecting information regarding this RFP.</i></p> <p><i>On March 2, 2022, Counsel sent an email to the requester noticing her that LACERA is in the process of reviewing the Case Management RFP and will send her the notice once it is concluded.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
2-15-2022	Moua, Koncheng	<p>Request: Investment decisions made at the February 9, 2022, Board meeting executive session.</p> <p><i>On February 15, 2022, Counsel sent the link of LACERA reports closed session action taken to Requester.</i></p>
2-17-2022	Lephare1220@hotmail.com	<p>Request: a copy of the eligible list for the Staff Counsel position, Employment and Healthcare for LACERA.</p> <p><i>On February 28, 2022, Counsel sent a list of Eligible Register Staff Counsel 9-9212-G (redacted).</i></p>
2-17-2022	Kelly, Sean	<p>Request: All documents received in connection with the Los Angeles County Employees Retirement System's investment in Berkshire Fund VI, L.P.</p> <p><i>On February 22, 2022, Counsel sent an attachment NEW Portfolio Investment Report.</i></p>
2-18-2022	Wutz, Laura S. – Fin News	<p>Request: All Proposals Submitted in Response to The Private Equity Emerging Discretionary Separate Account RFP issued on June 22, 2021</p> <p><i>On February 28, 2022, Counsel emailed Requester informing her that LACERA is to set up a SharePoint folder due to the size and will notice her once it's completed.</i></p> <p><i>On March 2, 2022, Counsel emailed Requester updating her that LACERA had not yet migrated to the new system and that her requested information will be emailed to her as soon as it's available.</i></p> <p><i>On March 9, 2022, Counsel emailed Requester informing her that process is delayed due to LACERA's ongoing Tenant Migration process.</i></p>
2-18-2022	Lyles, Kelly – PitchBook Data	<p>Request: updated quarterly performance data from plan's alternative asset holdings for third quarter of 2021.</p> <p><i>On March 1, 2022, Counsel sent third Quarter report spreadsheet.</i></p>
2-22-2022	Williams, Lacey	<p>Request: LACERA's solicitation for Case Management System including all submitted proposals, scoring, evaluation sheets, final contract in 2021.</p> <p><i>On March 2, 2022, Counsel emailed Requester informing that LACERA is in the process of reviewing the Case Management RFP responses. The selection process has not yet been concluded; thus, the requested information is not yet available. Additionally, LACERA is in the middle of transferring our system and that Requester will be notified once the requested information is available.</i></p>
2-25-2022	Campbell, Ben – FOIA	<p>Request: information (fund names, management company, net/gross returns) from investments pool, performance of all the hedge funds, absolute return funds for specific dates/months and quarters.</p> <p><i>On March 4, 2022, Counsel sent information request posted to LACERA website.</i></p> <p><i>On March 9, 2022, Counsel sent individual fund performance.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
3-1-2022	Ballesteros, Irene	<p>Request: number of Senior Secretaries, Management Secretaries, and Sr. Management Secretaries, salary information and names for each position from 2015 to 2022</p> <p><i>On March 9, 2022, Counsel emailed requester informing her that LACERA is in the process of retrieving the information, and that non-exempt records should be transmitted to her by Friday, March 18, 2022.</i></p>
3-3-2022	Kemble, Sioned	Request: Information from investments pools, performance of all the closed-end funds invested in Quarter 1 of 2022.
3-11-2022	Hettinger, Tim	Request: The most recent Private equity asset portfolio returns since inception.

REPORT OF FELONY FORFEITURE CASES PROCESSED

March 29, 2022

#	MEMBER'S LAST NAME	MEMBER'S FIRST NAME	DEPT.	CONVICTION DATE	LACERA NOTIFIED	INITIAL IMPACT NOTICE SENT	FINAL IMPACT NOTICE SENT	FINAL STATUS	DISABILITY STATUS	SERV. LEVEL
60	CABRERA	MIGUEL	LASD	3/4/2022	3/22/2022			PEND		
59	GONZALEZ	PAUL	PARKS	10/19/2021	11/4/2021	12/30/2021		PEND		
57	ANTRIM	MARC	LASD	4/1/2021	5/12/2021			PEND		
56	BERK	MICHAEL	LASD	2/24/2021	4/14/2021	12/30/2021		APPEAL		
55	FISK	JUSTIN	LASD	2/24/2021	4/14/2021	12/30/2021		APPEAL		