

OPERATIONS & OVERSIGHT COMMITTEE MINUTES 11-4-10

PRESENT

- Yves Chery, Chair
- Edward L. Blecksmith, Vice Chair
- William de la Garza
- Ed C. Morris, Alternate

ABSENT

- Will Pryor

BOARD MEMBERS AT LARGE

- Marvin Adams
- Les Robbins
- Simon S. Russin

STAFF, ADVISORS, PARTICIPANTS

- Robert Hill
- Janice Golden
- Stephen Gibbs
- Cynthia Guider
- Gloria Harriel
- Susana Seeckts
- Justin Stewart

The meeting was called to order by Chairman Chery at 9:45 a.m.

1. APPOINTMENT OF VOTING MEMBER(S) IN THE EVENT ONE OR MORE REGULAR COMMITTEE MEMBERS ARE ABSENT

The Chair appointed Mr. Morris a voting member of the Committee.

2. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF OCTOBER 14, 2010

A motion was made by Mr. Morris, seconded by Mr. de la Garza, to approve the minutes of the regular meeting of October 14, 2010. The motion passed unanimously.

3. FOR INFORMATION

1. Overpayment & Forgery Receivables (Period Ending September 30, 2010)

Susana Seeckts/Gloria Harriel/Stephen Gibbs

Susana Seeckts, Gloria Harriel, and Stephen Gibbs presented the status report on overpayment and forgery receivables for the six month period ending September 30, 2010. There are currently 227 overpayment and forgery cases.

Overpayments are broken out into three categories:

- Death related as a result of late death notification

The majority of the cases are as a result of late death notification. This occurs when we are notified one or more months after the member is deceased. We are taking several steps to become more aggressive in detecting deceased members.

- Vendor comparison of Pension Benefit Information (PBI) and Berwyn Group. We are running these two services concurrently for 12 months. Internal Audit will compare information to determine which service gives us the most correct and complete member data and is better suited for LACERA's use.
- Since January, 2010 we have been sending non-member cases to the Treasurer/Tax Collector. They are currently working 65 cases, with one case paid in full, and five with signed agreements to pay in monthly installments.
- Better communication with members and survivors. LACERA's Communications Division has created the Survivor & Death Benefits Information Card and Survivor & Death Benefits Q&A. Also, there is added security verbiage on the reverse of LACERA's check stubs.

We are now working with Retiree Health Care to assist them in recovering overpayments due to Part B reimbursements for Medicare. These are not large dollar amounts, but could increase the number of death related overpayments in the future.

- Incorrect computation

In order to reduce the number of incorrect computations, supervisors are monitoring errors, and, with the assistance of Quality Assurance, identifying areas for spot training of staff.

- Miscellaneous

These are situations over which staff has no control, such as data system clean-up, members cashing duplicate checks, birth date discrepancies, and status changes after retirement. The dollar amount of these miscellaneous cases has significantly decreased in this period.

2. Microfiche Conversion Project Status Report (oral presentation)

Justin Stewart, Cynthia Guider

Microfiche is used daily in the course of providing service to members. In some cases, this may be the only source for certain member records. Our business objectives are to preserve important records from deterioration which occurs with constant use and handling, recover data in the event of a disaster, and realize certain operational efficiencies. To achieve these objectives we are converting and indexing LACERA's microfiche into electronic image files.

The scope of this project includes six collections of microfiche, with approximately 66,000 slides and 18.5 million frames. The four step conversion process includes:

- Inventory of all microfiche
- Conversion completed by the vendor, National Business Systems (NBS)
- QA testing
- Commitment to electronic archive

After the microfiche is inventoried, it is delivered to NBS. We have given NBS space at LACERA to use for the conversion. This on-site conversion offers several advantages. It reduces the risk of microfiche being lost or damaged in transit. We can also ensure the security of the conversion site at

a high level, with key card access controls and surveillance. It also allows for smoother interaction between LACERA and the vendor.

Once converted, the QA process is performed by a team of Administrative Services staff. Once approved, the images are then committed to the electronic archive.

We have currently completed the conversion of three of the six collections, approximately 46%. NBS is doing an excellent job, with an average exception rate of less than 1%. We estimate the project to be completed by mid-2011.

4. MISCELLANEOUS
5. PUBLIC COMMENT
6. GOOD OF THE ORDER

(For discussion purposes only)

7. ADJOURNMENT

 PRODUCE | The keystones of our mission can be summarized by two elements: investments and customer service.

12/9/10