

IN PERSON & VIRTUAL BOARD MEETING

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



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the committee meeting, review the [Public Comment instructions](#).

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

AGENDA

A REGULAR MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, MARCH 6, 2024**

This meeting will be conducted by the Operations Oversight Committee and Board of Retirement both in person and by teleconference under California Government Code Sections 54953(f).

Any person may view the meeting in person at LACERA's offices or online at <https://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 TRUSTEES:

JP Harris, Chair
Antonio Sanchez, Vice Chair
Keith Knox, Trustee
Wayne Moore, Trustee
Jason Green, Alternate Trustee

- I. CALL TO ORDER
- II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of February 7, 2024

IV. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Committee meeting.

If you select oral comment, we will contact you via email with information and instruction as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

V. REPORTS

A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
(For Information Only)

B. **Updated BOR Collections Policy Clean-up Project**

W. Louis Gittens, Division Manager, Benefits
(For Information Only) (Memo dated February 20, 2024)

C. **Privacy Incident: Personally Identifiable Information**

Elsy Gutierrez, Supervising Administrative Assistant II, Admin Services
(For Information Only) (Memo dated February 27, 2024)

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

VIII. GOOD OF THE ORDER

(For Information Purposes Only)

IX. 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 and will also be posted on lacera.com at the same time, [Board Meetings | LACERA](#).

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 REGULAR MEETING OF THE OPERATIONS OVERSIGHT
COMMITTEE AND BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

10:44 A.M. – 11:50 A.M., WEDNESDAY, FEBRUARY 7, 2024

This meeting was conducted by the Operations Oversight
Committee both in person and by teleconference under California
Government Code Section 54953(e), (f)

COMMITTEE TRUSTEES

PRESENT: Antonio Sanchez, Vice Chair (In-Person)
Keith Knox, Trustee (In-Person)
Wayne Moore, Trustee (In-Person)
Jason E. Green, Alternate Trustee (In-Person) *(left at 11:38 a.m.)*

ABSENT: JP Harris, Chair

OTHER BOARD OF RETIREMENT TRUSTEES

Nancy Durazo, Trustee (In-Person)
Shawn R. Kehoe, Trustee (In-Person) *(left at 10:56 a.m.)*
Ronald Okum, Trustee *(left at 11:02 a.m.)*
(Teleconference under CA Govt. Code Section 54953(e))
Les Robbins, Trustee (In-Person) *(left at 11:25 a.m.)*

STAFF, ADVISORS AND 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

Tatiana Bayer, Division Manager, Member Services

Jonathan Tran, Retirement Benefits Specialist, Member Services

Maritza Perez, Retirement Benefits Specialist, Member Services

W. Louis Gittens, Division Manager, Benefits

Kathy Delino, Chief, Information Technology

Alex Ochoa, Retirement Benefits Specialist,
Process Management Group

Kevin Hunter, Data Systems Analyst, Systems

Teleconference attendance under California Government Code Section 54953(e) was permitted based on Board of Retirement action at its February 7, 2024 meeting due to the Governor's February 4, 2024 Proclamation of Emergency including Los Angeles County.

I. CALL TO ORDER

This meeting was called to order by Vice Chair Sanchez at 10:44 a.m. In the absence of Chair Harris, the Vice Chair announced that Trustee Green, as the alternate, would be a voting member of the Committee.

II. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

- A. Just Cause
- B. Action on Emergency Circumstance Requests
- C. Statement of Persons Present at AB 2449 Teleconference Locations

There were no requests received.

III. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of December 6, 2023

Trustee Knox made a motion, Trustee Green seconded, to approve the minutes of the regular meeting of December 6, 2023. The motion passed by the following roll call vote:

Yes: Knox, Green, Sanchez

No: None

Abstain: Moore

Absent: Harris

- B. Approval of the Minutes of the Regular Meeting of January 3, 2024

Trustee Knox made a motion, Trustee Green seconded, to approve the minutes of the regular meeting of January 3, 2024. The motion passed by the following roll call vote:

Yes: Knox, Moore, Green, Sanchez

No: None

Absent: Harris

IV. PUBLIC COMMENT

There were no requests from the public to speak.

V. REPORTS

A. **LACERA Operations Briefing**

Luis A. Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
(For Information Only)

The Executive team presented the monthly briefing and was available to answer questions from the Committee. This item was received and filed.

B. **Standardized Retirement Counseling**

JJ Popowich, Assistant Executive Officer
Tatiana Bayer, Division Manager, Member Services
Jonathan Tran and Maritza Perez, Presenters
(Presentation) (Memo dated January 12, 2024)

Messrs. Popowich and Tran, and Ms. Perez gave a brief presentation and were available to answer questions from the Committee. This item was received and filed.

C. **Updates to My LACERA**

W. Louis Gittens, Division Manager, Benefits
Kathy Delino, Chief, Information Technology
Alex Ochoa and Kevin Hunter, Presenters
(Presentation) (Memo dated January 25, 2024)

Messrs. Ochoa and Hunter gave a brief presentation and were available to answer questions from the Committee. This item was received and filed.

VI. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

Trustee Knox requested staff to present options to the OOC, at a future meeting, to maximize appointments in Member Services.

VII. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

There was nothing to report.

VIII. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.

IX. ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:50 a.m.

***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.**

FOR INFORMATION ONLY



**Operations Briefing Report
Fiscal Year 2023-2024**



March 6, 2024



The Operations Briefing Report is divided into four distinct sections, beginning with a general highlight section where we share narratives of projects or operational issues that we feel need highlighted attention. For example, over the last few months we have provided updates on our annual “March Madness” season.

The remaining sections are designed to provide an “at-a-glance” update on projects and initiatives the organization is working on. Each section is divided into the categories listed below to make it easier for you to quickly see what has changed, what has not, and what is completed. We have assigned a color scheme to each section so that as you scroll through the report you will be able to easily identify which of the sections listed below you are in. We have alphabetized each section by project title to make it easier for Trustees to home in on a specific project of interest:

- **New and Updated Information**
- **Existing Projects/Initiatives: No New Updates**
- **Completed Projects/Initiatives**

Each “at-a-glance” section provides a summary of information so Trustees can quickly understand the project and its status. This includes the following fields:

Project/Issue Title – Brief Description:

- **Type:** Each project has been assigned a type (Strategic Plan, CEO (for CEO’s 100 Day Report), MOG (Member Operations Group projects), and BSG (for Business Services Group projects).
- **Start and Target Date:** When the project started and its expected target date for completion.
- **Project Lead(s):** We have added a new information point to describe the project lead for that specific project.
- **Color coded status section** to indicate quickly where we are on the project.
- **A brief annotated notes section** to provide more detail on the status of the project.



Status Indicator Note		
Color coded statuses for a quick at-a-glance indicator to tell you how the project is proceeding.		
On Schedule	Delayed	Pushed Back
(The project is on schedule and the team intends to meet the stated target date)	(The project is slightly delayed. The team does expect a one to two month slip in meeting the target date. Management is more actively watching the progress of these projects)	(The project has been impacted by a significant obstacle or has been suspended due to emergent priorities. Management is actively discussing remedial steps or has a plan waiting to be implemented)

• New and Updated Information

This portion of the Operations Briefing details projects and initiatives that are new or have updated statuses.

Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	August 2023	August 2024
	Project Lead(s): Ted Granger			
	On-Schedule			
Actuarial Valuation Reports: Retiree Healthcare (RHC) or Other Post-employment Benefits (OPEB) Program The Retiree Healthcare (RHC) Program administered by LACERA on behalf of Los Angeles County includes retiree healthcare benefits such as	2023 OPEB – Triennial Investigation of Experience Study OPEB Program actuarial projects for the 2023 reporting cycle are in progress and will include both a triennial experience study and annual valuation report. Milliman conducted an “educational session” for the Board of Retirement at their January 2024 meeting. The information presented included a high-level discussion of actuarial concepts, methods, and assumptions so Trustees are better informed for the 2023 experience study process.			



medical and dental/vision insurance plans and death benefits. GASB refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting. GASB Statement Numbers 74 & 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are prepared annually, and experience and assumption studies are prepared triennially for Los Angeles County and LACERA's Board of Retirement to make funding decisions and to provide the information for the GASB 75 report which is used for employer financial statement disclosure reporting.

The BOR approved FY 2024-2025 retiree medical insurance premiums presented by the Retiree Healthcare (RHC) Division at the February meeting. Milliman uses the latest premium information to develop the medical cost trends and projections.

Millian presented a nearly completed draft Experience Study report to the Stakeholder group including representatives from Los Angeles County. Once the Board of Investments finalizes the strategic asset allocation study for the OPEB Trust, Milliman can complete the Experience Study and present a completed draft report to the Stakeholder group and Board of Retirement.

For fiscal year ending July 1, 2023, Milliman will complete an investigation of experience, which is required by the Board's Policy to be conducted every three years to review the OPEB Program economic and demographic assumptions and recommend changes. Changes in the assumptions will impact the actuarial valuation results and actuarial funding metrics including the Program's funded status and actuarially determined contributions. In addition, the valuation report provides information used to prepare the financial statement disclosure reports for Los Angeles County.

Milliman will complete a draft experience study report for at a future Board of Retirement meeting. Milliman will discuss the economic and demographic assumptions and related actuarial methods and staff will request Board approval. The annual valuation report will follow and is expected to be completed in August 2024.



Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	MOG	Benefits	08/01/2020	TBD
	Project Lead(s): Shonita Peterson			
On Schedule				
<p>Alameda Decision Implementation 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 the constitutionality of the Legislature’s actions. In 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.</p>	<p>Since the project started, staff have updated the salaries for 4,176 members to exclude Standby Pay and computed the contributions on earnings that occurred on or after January 1, 2013. Of those, 3,013 were actively employed, but only 2,284 had overpaid contributions. Since Active members cannot receive a refund while in service, LACERA suspended future contributions beginning with the March 30, 2022, salary (paid on April 15, 2022) through the point each member’s balance had 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.</p> <p>Subsequently, staff identified 149 deferred and inactive members, most of whom were entitled to a refund. Staff issued 132 checks to those members entitled to a refund. The balance of seventeen were not owed a refund.</p> <p>The Systems Division developed programming to remove the Standby Pay code earnings for all retirees who retired on or after January 1, 2013, and recalculated their FAC earnings once the pay codes were removed. Per the BOR approval, these members were subject to having their benefits adjusted prospectively from August 30, 2020, following the court’s decision. Beginning May 24, 2022, LACERA notified 710 members via email that their monthly benefit allowance will be reduced effective July 31, 2022. Of these, 405 members were notified that due to the retroactive deduction of benefits to the August 2020 monthly allowance, they have been overpaid and will be required to repay the overpaid benefits. Members will be given the option to repay by lump sum, or via deductions from their benefits over a period of time (including financing interest). The remaining 305 retirees were mailed a refund check for the</p>			



overpaid retirement contributions that exceeded the overpaid retirement benefit. An additional fifty-six members with Standby Pay neither have a refund nor a benefit change due to the timing of their standby pay, while a Plan E member, or having a 30-year cancellation.

The team working on this project has identified five groups of members who will be impacted by this project. The chart below reflects the progress of the project.

The team is currently working on the Active/Exceptions cases awaiting interest posting for 12/31/2023. Calculations for these 24 cases have been completed and member notifications are currently being prepared to be mailed out this month.

Alameda Project Status	Current Report	
	2/29/2024	
Row Labels (Type, Status, Detail, Outstanding)	Count	%
Pending Notification (Staff Reviewing and Processing)	529	10.95%
Active	0	0.0%
Retired	5	0.1%
Deferred/Inactive	0	0.0%
Retired Deceased	38	0.8%
Active Death	5	0.1%
Other – *Active/Ex-ceptions	481	9.95%
Withdrawn	0	0.0%



	Completed	4,279	88.55%
	Active	3,035	62.8%
	Retired	874	18.09%
	Deferred/Inactive	149	3.1%
	Deceased	0	0.0%
	Other - *Active/Excep- tions	85	1.8%
	Withdrawn	56	1.2%
	Not affected	56	1.2%
	Grand Total	4,832	100%

***Alameda Project – Active Members:** In addition to the Retired / Deceased / Survivor / Legal Split Payee cases, there are a total of 590 Active Exception cases that require manual review and processing by the specialist.

Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG/BSG)	08/24/2022	06/24/2024
	Project Lead(s): JJ Popowich, Luis A. Lugo, & Iveta Brecko (PM)			
	On Schedule			

Case Management Project (Sol: Phase I) Implement a case management system that will improve efficiency in processing member requests, provide accurate status and data collection for	In May of 2022, the BOR approved LACERA's recommended vendor, Eccentex, to partner with LACERA to develop our Case Management System. Eccentex was selected after an extensive review of thirteen vendor proposals received from our RFP.
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<p>metrics, and improve the member experience.</p> <p>Processes included in Phase I are: Disability Retirement Services (DRS) Disability Litigation Office (DLO) Benefits – First Payment</p>	<p>On January 3rd, Disability Litigation and Disability Retirement divisions held Case Management functionality presentation to the OOC with the emphasis on the difference between old business processes and business processes performed in Sol, and the efficiencies that the new Case Management solution introduced to the business divisions.</p> <p>The LACERA Project Team is making progress on the First Payment functionality, which relies heavily on member account information. LACERA software developers and analysts are developing an application programming interface (API) to deliver member account data to Sol. As of February 14th, 2024, LACERA developers have completed 85% of the Datapoint Integration necessary for Account Certification. The First Payment Go-Live date is set for June 24th, 2024, and will include first payment certification and processing for regular retirement. Disability and death payments will be addressed in a subsequent phase. Additionally, Sol training is being planned for LACERA software developers and administrators.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology		
	Type	Project Sponsor	Start Date	Target Date	
		Strategic	Systems	11/01/2023	04/30/2024
		Project Lead(s): Tom De Luca			
Data Digitization Sharing Project A project to share previously digitized microfiche and Optical Archive System (OAS) records with the LA County Auditor/Controller	On Schedule The Information Technology Coordination Council (ITCC) approved a prototype project to share previously digitized microfiche with the LA County Auditor/Controller (A/C) in October 2023. LACERA previously digitized 50 million microfiche and Optional Archive System (OAS) records containing LA County payroll data and built an electronic viewer for the images. The A/C only has the physical microfiche and the OAS records for this payroll data. The LACERA Systems Division would like to share our digitized images with the A/C in a portable format that				



	<p>is independent from all technology at LACERA. The prototype project that was approved by the ITCC will involve converting a subset of microfiche images to searchable PDF files and building a SharePoint page for searching the images. If the prototype is successful, and the A/C finds the files useful, we will make a request to the ITCC to convert 30 million of the 50 million images to searchable .pdf and securely transmit them to the A/C.</p> <p>We have converted the subset of files to searchable PDF files for the prototype and are configuring the SharePoint page that will be used to search these files. We expect the prototype to be completed by the end of April 2024.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
		Strategic	Info Sec	12/1/2023	7/1/2024
	Project Lead(s): Steven Rice, Chaitanya Errande, & Celso Templo (PM)				
	On Schedule				
<p>eDiscovery Solution Implement an eDiscovery solution that provides an intuitive and seamless way for the Legal Office and Information Security Teams to conduct eDiscovery, eDiscovery is the process of identifying, collecting, and producing electronically stored information (ESI) in response to a request for production in a lawsuit or investigation. An eDiscovery solution can help automate the collection of electronic data,</p>	<p>In December of 2023, the IT Coordination Council (ITCC) approved the request by the Legal Office and Information Security teams to search and select a vendor that can provide LACERA an eDiscovery Solution.</p> <p>The LACERA eDiscovery Team evaluated and selected a vendor by inviting Veritas, Smarsh and GlobalRelay to provide quotes, demo the products, and answer questions relating to eDiscovery needs. After performing the necessary due diligence and incorporating selection factors such as system functionalities, pricing, support availability, system integrations, User Experience (UX), and end-user training, the eDiscovery Project team selected GlobalRelay as the vendor that would partner and collaborate with LACERA to implement the eDiscovery</p>				



<p>such as email, MS Teams messages, SharePoint storages, Bloomberg, and SMS, and automate repetitive tasks, reducing the need for manual intervention.</p>	<p>solution. Currently, Admin Services is performing the Contract Negotiation phase. The expectation is for the Contract Negotiation and Solution Procurement to be completed by March 8th. The eDiscovery Project Team expects to have the Vendor Project Kick-off in March.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Administrative Services	03/01/2022	7/1/2024
	Project Lead(s): Ricki Contreras, Celso Templo & Michael Dozier (PM)			
Delayed				
<p>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 ECLM system, which was published on LACERA.com on March 4, 2022.</p>	<p>On April 4, 2022, LACERA received proposals from nine vendors. LACERA's evaluation team reviewed all RFPs and selected five vendors as finalists. These finalists demonstrated their solutions to the team. A final vendor has been identified and a recommendation to the Board of Retirement was scheduled for consideration at the September 2022 Board Meeting. The Board of Retirement approved the recommended vendor, Cobblestone, at the September 2022 Board meeting for the Enterprise Contract Lifecycle Management system.</p> <p>The ECLM Solution's Iteration 3 has been completed. ECLM is in production and available for use. Systems, Admin Services, Legal, Investment Division, and FASD Subject Matter Experts (SME's) have completed conducting their User Acceptance Testing (UAT). Functionalities available in production are the following:</p> <ul style="list-style-type: none"> Contract Repositories Vendor Portal Contract Approval Chain Consolidated Bid Responses and Evaluation – RFP Management 			



- AI Capabilities – Drafting, Reviewing & Executing of Contracts
- Reporting - Contract Requests, Solicitations, Contracts, and Vendors
- Systems Integration with Great Plains

To enhance the effectiveness of end-user training across all business divisions, we have restructured the approach. Instead of conducting large 2-hour training sessions, we will now break down the training into 1-hour modules for each of the 5 individual modules. This modification aims to facilitate easier retention for end users. Additionally, each training session will involve a Subject Matter Expert (SME) from each division. These sessions will be supported by customized training materials tailored to our internal processes, which will be distributed before the sessions commence.

Furthermore, Investments, Financial and, Accounting Services Division, and Legal will receive individualized training. The ECLM project is expected to soft launch with Admin Services, Systems, and FASD on February 29, 2024. Although there are still a few data integration issues that require resolution, the decision to fully launch this product is currently slated for mid to end March. We anticipate distributing training materials and validating the training before engaging our end users, which will add an additional two weeks. As a result, the operational functionality and general product availability are projected for June to early July to ensure product stability.



Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Info Sec	11/1/2023	08/1/2024
	Project Lead(s): Chaitanya Errande and Don Song (PM)			
On Schedule				
<p>External Security Operations Center (SOC) LACERA seeks a replacement solution for its Security Operations Center and to the Rapid 7 vendor responsible for cybersecurity solutions including end point management, security vulnerability management, report, scan, and alert notifications.</p>	<p>In February 2024, the Information Technology Coordination Council approved a Security Operations Center Solution by the Information Security Group.</p> <p>Implementing a Security Operations Center (SOC) is essential for any organization to ensure 24x7 coverage on cybersecurity. By having a SOC, we can reduce costs by not having to hire staff to cover off-hour cybersecurity issues. Additionally, a third-party SOC can enhance LACERA's security posture due to their specialized exposure to ongoing cybersecurity issues and their ability to help us automate responses. Our current vendor, Rapid 7, is not meeting our needs, so we will seek another vendor capable of being a SOC. This transition will be cost-neutral in terms of licensing.</p>			

Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	01/01/2023	06/30/2024
	Project Lead(s): JJ Popowich and Michael Dozier (PM)			
On Schedule				
<p>LACERA Incident Response Team (LIRT) Management Solution LACERA seeks a solution that automates the tracking and workflow of LACERA incidents.</p>	<p>In December 2022, the Information Technology Coordination Council approved a LIRT incident management solution project to automate the tracking of LACERA incidents. The LIRT project team decided to leverage a product that is already implemented at LACERA: ServiceNow Information Technology Service Management (ITSM). LACERA selected Winward as our business partner to leverage and customize the incident workflow of ServiceNow's ITSM to support LACERA's process</p>			



	<p>regarding incident tracking, management, and reporting. Because LACERA owns this product and is only configuring one module to support our specific process, we can absorb the project's cost in the FY 2023-24 budget. We expect this project to be completed in June 2024.</p> <p>The processes of contract execution and procurement have been completed successfully. Currently, we are collaborating with key stakeholders, including the Executive Sponsor, Chief Information Technology Officer, and Subject Matter Experts, to finalize the requirements by mid-February. InfoSec staff have provided their expertise as /consultants during the requirement gathering phase. We are now working on creating architectural markups and user stories for the backlog, which will be completed by February 23rd, 2024. Additionally, we are preparing a change order to include additional rescoping to meet the regulatory requirements for the Workplace Violence Prevention Policy deadline on June 21st, 2024. All initial discovery sessions with Windstar have been completed, and they are now working on the second draft of the business, technical, and user requirements.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology			
	Type	Project Sponsor	Start Date	Target Date		
	Strategic	Systems	02/21/2024	05/30/2024	Project Lead(s): Summy Voong, Jim Lyle	
	On Schedule					
<p>Microsoft Copilot Search Implementation The introduction of Microsoft Co-Pilot, an Artificial Intelligence assistant for Microsoft Edge and Microsoft Office Applications.</p>	<p>The ITCC and Artificial Intelligence (AI) Committee approved the initial phase of the Microsoft Copilot deployment at LACERA in February (2024). The initial phase will involve the launch and training of Microsoft's generative AI chat and search features that work with Microsoft Edge. The new tool will be presented to the organization through MAC, SAC, and Brown Bag meetings as well as a series of training sessions for each division. We anticipate the launch to be finished by May 2024.</p>					



	<p>Project Steps:</p> <ol style="list-style-type: none"> 1. Road Show to Division Managers – 2/23 - 3/22 2. Presentation/Demo to MAC/SAC teams – TBD 3. Demonstration during Brown Bag Meeting – TBD 4. Enable feature for all staff and send out training documents – TBD
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
		Strategic	Executive (MOG)	01/01/2013	03/31/2024
	Project Lead(s): JJ Popowich & Lynn Francisco				
	Delayed				
<p>PEPRA Implementation: FAC Issue The Final Average Compensation for PEPRA members is exclusive of most pay items except base pay. The County uses pay code 099 as their base pay code. This pay code has embedded pay items within the code that are not pensionable compensation under PEPRA. To accurately calculate a member’s benefit, these non-pensionable compensation items need to be filtered out.</p>	<p>As of late April 2023, the LACERA team and Auditor Controller’s Office continue to meet regularly and make progress towards the agreed upon deadline of June 30, 2023.</p> <p>In mid-January, the two teams met, along with LACERA CEO Santos Kreimann, and LA County Auditor-Controller Arlene Barrera, to discuss the urgent necessity of completing the project. Based on availability of AC resources, the two teams will begin working on the final stages of this project in February and have committed to working towards a July 2023 completion date. The team has been meeting bi-weekly to ensure we remain focused on completing this project on-time.</p> <p>On March 16, 2023, AC provided a test file on the PEPRA embedded earnings. Systems and QA division collaborated on testing and confirmed the file provided the appropriate data necessary to calculate a more accurate Final Average Compensation (FAC). Systems is now working on updating our internal programs to use these files in a production environment.</p>				



Systems has completed and implemented the program in production. The program was first run to update the September 15, 2023, PEPRA actual earning salaries and are received with each new payroll period files prospectively.

Beginning in November the team started ingesting historical files beginning with the last three years first (August 31, 2023, down to September 15, 2020), and working back to 2013. The files are processed on an expedited basis so we can conclude this project as early as possible. The team expects to complete ingesting the most current three years by December 31, 2023. As of 1/13/2024, the most current three years historical PEPRA embedded files have been processed and salary records in Work-space adjusted to remove PEPRA embedded earnings.

The Process Management Group (PMG) is working on updates to the PEPRA FAC Business rules. The team is working with the Legal Office to finalize the business rule. Once the rule has been finalized (expected to be finalized by end of February) the final parameters can be provided to Systems to program the FAC.

After the ingestion of actual payroll files was completed additional testing of the programming designed to remove non-pensionable actual earnings embedded in pay code 099 indicated additional work was needed to address retroactive payroll adjustments and mid-period payroll changes. The team is working to identify methods to account for the common payroll activities.

Once additional programming to address the issues identified above, and incorporate business rules, the team will be discussing scheduling the release of the PEPRA FAC for current active members to see and for staff to use in the calculation of estimates and retirements, followed by scheduling the release for use by deferred members. . We do not have an ETA at this time due to the newly discovered programming challenges.

A secondary effort to use Robotic Processing Automation (RPA) to help automate the manual process of accessing member payroll records and entering the required



	<p>information into the manual Excel sheets used to calculate the FAC is on-going. The AC and LACERA had held several discovery meetings to help AC programmers understand the manual process. The AC and ISD teams working on this application provided a demo to the LACERA team in May.</p> <p>Given that the RPA will not be completed prior to the AC completing the permanent solution, the team has been evaluating the need to continue development. Ultimately, the team determined that there is value to the RPA process when having to manually research accounts for problems and appeals. The team has provided feedback to the ISD team, and we are continuing to refine the tool. The tool will be used for supplemental research if questions are raised about the PEPRA FAC.</p> <p>RPA User Acceptance Testing (UAT) was completed on 2/14/2024 by the LACERA team. This closes Phase 1 (automatic extraction of payroll records from eHR, QSAL, and TEHW into Excel. Phase 2 (calculation of embedded non-pensionable amount to be removed) will begin on 2/21/2024. This effort will be headed by a new AC team.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG/BSG)	06/15/2022	03/31/2024
	Project Lead(s): JJ Popowich & Shonita Peterson (PM)			
Delayed				
<p>Prepaid Bank Card Project Introduction of a prepaid bank card option for monthly benefit payments.</p>	<p>In June 2022, the OOC approved the release of a Request for Proposal (RFP) for a Prepaid Debit Card Service. LACERA seeks an easily accessible alternative to paper checks for monthly participant retirement and survivor benefit payments. The goals are three-fold: to provide a lower cost alternative to issuing checks for those participants without a banking relationship who are likely to pay fees to access their benefit payment, to reduce the number of monthly benefit payment checks issued by LACERA, and to create a more reliable payment process in the</p>			



	<p>event of a disaster that impacts the ability to mail monthly paper checks. A secondary goal is to reduce or eliminate paper checks that are mailed to one-time payees by offering prepaid bank cards and direct deposit for death benefits and withdrawals.</p> <p>On September 30, 2022, LACERA received two proposals for Prepaid Debit Card Services. A cross functional evaluation team reviewed the proposals, and the vendors presented their services to the team. The selection team identified Conduent as the vendor of choice and the recommendation was approved by the Board of Retirement at the April 2023 board meeting.</p> <p>LACERA met with Conduent at our first kick-off meeting also known as the Joint Configuration Session on Tuesday November 14, 2023. Weekly “check in meetings” have been scheduled.</p> <p>The prepaid debit card project remains on hold. A small group of us met with Conduent last week to discuss LACERA’s concerns regarding data security. Conduent confirmed that they are working with all third-party vendors to obtain written confirmation regarding cyber security and will forward to LACERA upon receipt.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	RHC	Exec	March 2021	2024
	Project Lead(s): Santos H. Kreimann & Luis A. Lugo			
On Schedule				
Retiree Healthcare Administration: Lifetime Maximum Benefit Project	LACERA and the County CEO’s office are in active communication in addressing the Lifetime Maximum Benefit issue. LACERA provided the Board of Retirement (BOR) with a formal report and update on our progress during the August 2, 2023, meeting via closed session.			



LACERA and the County continue to meet bi-weekly to ensure elimination of the Lifetime Maximum Benefit is the point of focus. The County is in the midst of engaging and negotiating with organized labor groups to discuss potential future retiree health benefit program changes. In November, LACERA received an information request from the County and provided the requested information to the County. The County requested additional RHC program related information from LACERA in December and January, to which LACERA responded accordingly.

LACERA staff and LACERA’s actuary continue to consult with the County’s staff and actuary. These conversations and the County’s negotiation process have resulted in additional actuarial-related information requests from the County. LACERA worked with Milliman and the County’s actuary to complete and deliver these items:

- 1) Actuarial Model – Retiree Healthcare benefits analysis and modeling to project future healthcare cost changes due to hypothetical benefit changes.
- 2) Cost Projections – GASB 75 report projections to analyze the impact of future healthcare cost changes.
- 3) Cost Savings – Retiree Healthcare benefit analysis of Tier 2 historical cost savings.

As of February 26, 2024, The County of Los Angeles and Coalition of County Unions (CCU) continue to work through negotiations. LACERA continues to engage the County and Union representatives to provide any relevant information as they progress through their negotiations. Our next regularly scheduled meeting with the County of Los Angeles Executive Office is on Thursday, March 14, 2024.



Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	2019	12/30/2024
	Project Lead(s): Maggie Luong, Shonita Peterson			
Delayed				
<p>Retirement Estimate Redesign With the recent launch of our new Retirement Planning Hub and the My LACERA online retirement election process, we are turning our attention to re-designing the Retirement Estimate.</p>	<p>In 2019, an effort was undertaken to beta test a new Retirement Prospectus Estimate and Election form. The project was placed on hold due to the COVID-19 Pandemic. Coming out of the immediate impacts of the pandemic the results of the beta teste were reviewed and it was determined the redesigned estimate was more complicated than would be useful.</p> <p>Subsequently LACERA pivoted to the new Retirement Planning Hub, the new Omnichannel Retirement Counseling process, and the My LACERA on-line retirement election. The team is now refocusing our efforts on a new Retirement Estimate. The team will begin meeting in July of 2024 to develop a new estimate.</p>			

Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	07/01/2022	TBD
	Project Lead(s): Kevin Hawkins			
Delayed				
<p>Tax Table Changes for 2022: Phase III: Online Tax Calculator The IRS published updated tax tables for 2022 which became effective January 1, 2022. The IRS finalized a revised Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as a W-4P tax withholding form). These follow up</p>	<p>In early 2022, the Project Management Group worked with tax counsel to understand the intricacies of the changes to the W-4P tax withholding form for 2022.</p> <p>In Phase I, the team completed the rollout of the new Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as a W-4P withholding form) on time. This included updating Workspace so staff can enter member tax elections in compliance with the new form design, as well as My LACERA so members can complete tax election changes themselves. In Phase II the team</p>			



projects are designed to improve the overall Member Experience.

completed the development and launch of a new Automatic Deposit Receipt and check stub to conform to the tax changes.

Initially, the online tax-calculator was included in Phase II. It has now been moved a Phase III due to resource delays.

Developing and releasing a tax calculator on the Member Portal. This tax calculator is a planning tool separate from the election function that was previously released. The tax calculator is also scheduled to be integrated into the retirement estimate process so members can see what their net pay would be after taxes. Specifications for the initial version have been finalized, and programming is underway. Systems provided a demonstration to stakeholders in May 2023. Systems added an initial version of the calculator to Workspace in July 2023 for select staff to test and provide feedback. User feedback was collected, and all Member Services staff now have access to use it. The Member Portal tax calculator is still under development. Due to other management priorities, Systems is not currently working on the Portal calculator.

NOTE: The tax calculator is an additional tool meant to improve the member experience. It does not prevent the member from making tax election changes.



Existing Projects/Initiatives: No New Updates

This portion of the Operations Briefing will detail on-going projects that have no current changes in status.

Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	12/01/2023	TBD
	Project Lead(s): Laura Guglielmo and Cookie Jaranilla (PM)			
Delayed				
<p>Enterprise Budget Application (Questica) Implementation Phase II: Budget Book</p> <p>LACERA nearly finished implementing its first automated enterprise budget application which will be used for budget development and budget control and will integrate with LACERA's financial system, Great Plains. This phase of the project will address the Budget Book that is submitted to the Boards during the approval process.</p>	<p>The implementation of the Questica budgeting solution has been divided into two phases. Phase I concerns the implementation of the budgeting application itself. Phase II consists of the review and implementation of the Budget Book function to assist with assembling the budget book that is submitted for approval to the Boards.</p> <p>Development of the budget book is a unique and detailed process that requires significant focus to migrate to a new platform. The native budget book application provided by Questica will be evaluated by the team after we have completed implementation of the budget application. The team plans to produce the FY 25 Budget Book outside of this application while this is under review. Once we have completed the role out of the Questica application we will assign a target date for completion of this phase. The Project Team has been actively collaborating with Questica's Implementation Team to discuss project planning and schedule a kick-off for this initiative.</p>			



Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	MOG	Benefits	04/01/2021	12/31/2024
	Project Lead(s): Louis Gittens			
Delayed				
<p>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.</p>	<p>The project was broken down into five phases based on the complexity of the calculations needed to pay retroactive benefits to members. We will resume working on this project in July 2024.</p> <p>Phase I-IV: As of the date of this report, LACERA has paid out just over \$3.8 million in retroactive COLA earnings. Of the 9,672 members and survivors impacted, 8,511 accounts have been systematically resolved, which represents all members and survivors currently in a payment status.</p> <p>The fourth phase of the project, which requires manually calculating the retroactive benefits, includes 1,494 cases in a payment status. The manual phase of the project began in December 2021. Staff have manually calculated COLAs for 455 members and payments were issued for this population.</p> <p>Phase V: The final phase involves deceased members with no survivors currently receiving benefits. This phase requires research to identify the appropriate beneficiary(ies) or estates to pay the retroactive benefits that were due to the deceased member. This phase is currently delayed due to staffing limitations and the focus on the Alameda Decision Implementation.</p> <p>Systems and Benefits have been reviewing the root cause for the manual processing and developing plans for redesigning some portions of our pension administration system to help alleviate the need for processing for future projects.</p>			



	COLA Bank: Retroactive Payment Project		
	Status (As of 3/31/23)	Number	Percentage
	Completed	8,511	88%
	In-Process	1,161	12%
	Grand Total	9,672	100%

Although previously delayed, Benefits is in the process of training new staff on this project to perform manual processing.

Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience		
	Type	Project Sponsor	Start Date	Target Date	
		Strategic	Exec (MOG)	02/28/2022	06/30/2024
	Project Lead(s): JJ Popowich & Cynthia Martinez				
Pushed Back					
<p>Communications Plan The development of a strategic Communications Plan providing an overview of the guiding principles used to communicate with LACERA's various stakeholder groups. The plan will also provide an overview of the channels, resources, methods, planned campaigns, and current commitments of the Communications team. The plan will outline how our communications Division has been designed to be flexible and responsive to our needs as we fulfill our communication goals.</p>	<p>The LACERA executive team met on August 30, 2022, to review and discuss the Communication Plan(s) drafted by both EKA (the Board of Retirement's public relations consultant) and the LACERA Communications division. Both plans outlined a more tactical approach to engaging our members and various stakeholders, as opposed to a strategic roadmap. The team discussed opportunities and ideas for improving the Communication plan document. We are going to coordinate these efforts with our Strategic Planning process, since the work overlaps with our current Strategic Planning efforts.</p> <p>The Communications team is beginning the process of updating the draft Communications Plan to incorporate the Strategic Plan priorities and other feedback provided by the Executive Team.</p>				



Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	01/01/2013	03/30/2024
	Project Lead(s): Cynthia Martinez			
Pushed Back				
<p>PEPRA Implementation: Annual Benefit Statement LACERA does not currently offer an Annual Benefit Statement (ABS) for PEPRA members.</p>	<p>LACERA was unable to generate a PEPRA member ABS until we could accurately, automatically, calculate a member's FAC. This project is moving forward now that the FAC issue is nearly resolved.</p> <p>Progress continues on the PEPRA Implementation: FAC Issue project and that project's target date has been updated to October 30, 2023, to allow time to import historical files necessary to calculate a member's benefit estimates.</p> <p>A kickoff meeting was held on August 22, 2023, to discuss project expectations, review the Project Charter, confirm the ABS Team participants, briefly review the Active redesigned comp, and discuss next steps. It was confirmed the team will meet weekly to begin the review process of the Active redesigned comp.</p> <p>The team has decided to pursue a change in how we generate the ABS. To provide us with more flexibility in distribution of the new ABS, we'll be looking at generating a digital version which will decouple LACERA's reliance on specialized programming with our print vendors. This should also shorten the time to complete and publish a new ABS. The team is currently reviewing, editing, and formatting the new ABS. Once this is completed, the team is working on defining a target date. The original target date of November 30, 2023, has been pushed back due to delays in importing the PEPRA FAC data and staffing shortages in Communications.</p>			



Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Executive (MOG)	July 1, 2022	03/31/2024
	Project Lead(s): Louis Gittens			
On Schedule				
<p>Pre-2003 Pension Reserve Clean-up</p> <p>Prior to January 1, 2003, non-vested contributory individuals were required to withdraw their contributions upon termination as they were not entitled to future benefits. The law was changed as of that date and non-vested members are now permitted to leave funds on deposit and later retire. LACERA has attempted to contact the non-vested individuals who terminated prior to 2003 and still have funds on deposit so they can withdraw their funds.</p> <p>The purpose of this project is to ensure that LACERA sends written notice through Certified mail to the most valid address we can find. Individuals in this group who still have funds on deposit after this initiative will have their funds placed into the Pension Reserve.</p>	<p>LACERA previously sent notification to the remaining 673 affected individuals. We determined which letters were returned to LACERA and sent notifications to secondary addresses through Certified mail. In November, we began sending letters to next of kin for deceased members.</p> <p>The Process Management Group (PMG) is reviewing all accounts to ensure notification has been sent to all affected individuals. PMG will then work with FASD and Systems to have funds placed in the Pension Reserve, the final stage of this project.</p>			



Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	Operations	Exec (MOG)	June 2021	TBD
	Project Lead(s): JJ Popowich			
Pushed Back				
<p>Retroactive Payroll Adjustments: Prospective Correction The Auditor-Controller is responsible for collecting contributions on all compensation earnable and pensionable earnings compensation at the time of payment. For many years, the AC has not been collecting contributions on retroactive payroll adjustments. In 2021, the AC made changes to their programming to take deductions at the time of payment. However, there are still some situations where these contributions are not being collected.</p>	<p>Following the AC’s programming change, LACERA implemented a testing regimen to ensure that the contributions were being deducted as expected.</p> <p>In August, the AC notified LACERA that they were adjusting the time frame that they would be withholding contributions for retroactive adjustments to 60 months (from the current 99 months). All retroactive earnings paid for pay periods more than 60 months in arrears would no longer have contributions deducted from them. This change was made by the County due to excessive degradation in their payroll system’s performance.</p> <p>In 2022, LACERA met with the AC’s team to discuss collection of contributions for adjustments more than 60-months old. A few ideas were generated from the meeting, and we will continue to work with them to develop a procedure that both the County and LACERA can support.</p> <p>No change has occurred on this issue.</p>			



• Completed Projects/Initiatives

This portion of the Operations Briefing will detail projects and initiatives that have been completed during the Fiscal Year 2023 - 2024.

Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	August 2022	June 2023
Project Lead(s): Ted Granger				
Completed				
<p>Actuarial Valuation Reports: 2022 Actuarial Valuation of Retirement Benefits</p> <p>The Government Code requires that valuations of the Retirement Fund (Pension Plan) be performed at least once every three years. The Board of Investments' 2013 Retirement Benefit Funding Policy requires valuations 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 used to prepare the Governmental Accounting Standards Board (GASB) Statement Number 68, financial</p>	<p>2023 Retirement Benefits – Actuarial Risk Assessment</p> <p>LACERA staff and Milliman presented the 2023 Annual Actuarial Risk Assessment report based upon the most recently completed Valuation report, to the Board of Investments (BOI) at their June 2023 meeting. There were some follow-up questions from Trustees regarding the impact PEPRRA may have on setting actuarial assumptions. Staff expects Milliman to present some additional information at a future BOI meeting.</p>			



statement reports. Plan Sponsors use the GASB reports to obtain information required for their financial statement disclosures.

Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	July 2022	August 2023
	Project Lead(s): Ted Granger			
Completed				
<p>Actuarial Valuation Reports: 2022 Other Post-employment Benefits (OPEB) Actuarial Valuation</p> <p>The retiree healthcare (RHC) program administered by LACERA on behalf of Los Angeles County includes retiree healthcare benefits such as medical and dental insurance plans and death benefits. GASB refers to these benefits as Other Post-Employment Benefits (OPEB) for financial reporting. GASB Statement Number 75 prescribes financial statement reporting standards for OPEB programs. Actuarial valuations are prepared annually for Los Angeles County and LACERA's Board of Retirement to make funding decisions and to provide the</p>	<p>2022 OPEB – Annual Actuarial Valuation Report</p> <p>Milliman completed the July 1, 2022, OPEB Valuation Report and presented the results to the Board of Retirement on August 2, 2023.</p> <p>The upcoming 2023 OPEB actuarial reporting cycle will include both a triennial experience study and annual valuation report.</p>			



information for the GASB 75 report which is used for employer financial statement reporting.

Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Financial & Accounting Services Division	August 2023	December 2023
	Project Lead(s): Ted Granger			
Completed				
<p>Actuarial Valuation Reports: Retirement Benefits</p> <p>The Government Code requires that valuations of the Retirement Benefits Fund (Pension Plan) be performed at least once every three years. The Board of Investments' 2013 Retirement Benefit Funding Policy requires valuations 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 used to prepare the Governmental Accounting Standards Board (GASB) Statement Numbers 67 & 68 reports. Plans (LACERA) and Plan Sponsors (County) use the</p>	<p>2023 Retirement Benefits – Annual Valuation</p> <p>The June 30, 2023, Retirement Benefits Valuation Report has been completed. Milliman and staff presented the final report to the Board of Investments (BOI) at their December 2023 meeting.</p> <p>There are two additional reports that will be prepared based upon the results of the 2023 Retirement Benefits Valuation Report:</p> <ol style="list-style-type: none"> 1) Staff will work with Milliman to prepare the upcoming GASB 68 report for Los Angeles County's June 30, 2024, annual financial statements. 2) Staff will work with Milliman to prepare the upcoming 2024 Risk Assessment Report, tentatively scheduled to be presented at the June 2024 Board of Investments meeting. 			



<p>GASB reports to obtain information required for their financial statement disclosures.</p>	
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
	BSG	Financial & Accounting Services Division	May 2023	December 2023	
	Project Lead(s): Ted Granger				
Completed					
<p>Annual Financial Statement Preparation and Audit: Government code sections require that LACERA prepare annual financial statements including footnotes and disclosures, obtain an external audit opinion of those statements, and transmit the reports to the Los Angeles County Board of Supervisors within six-months following the fiscal year-end.</p>	<p style="text-align: center;">2023 – ACFR and PAFR</p> <p>LACERA completed it's 2023 annual financial statements project having reached the following milestones:</p> <ul style="list-style-type: none"> LACERA distributed the Annual Financial Statements (AFS) to the LACERA Boards and Los Angeles County in early November. Plante Moran presented the audit reports and AFS to the Audit Committee at their December meeting. Communications completed and mailed the Popular Annual Financial Report (PAFR) to all members in December. Communications finalized the Annual Comprehensive Financial Report (ACFR) and post it to LACERA's website by the end of December. FASD submitted LACERA's ACFR and PAFR to the Government Finance Officers Association (GFOA) for their award programs by the end of December. 				



Project / Issue Title Brief Description	Strategic Plan Initiative:		Fiscal Durability: 5.1	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	10/06/2022	January 31, 2024
	Project Lead(s): Laura Guglielmo and Cookie Jaranilla (PM)			
Completed				
<p>Enterprise Budget Application (Questica) Implementation Phase I</p> <p>LACERA is implementing its first automated enterprise budget application which will be used for budget development and budget control and will integrate with LACERA's financial system, Great Plains. This system replaces a manual budget development process that relies on Microsoft Excel and Word. It will also ensure that managers have real-time budget to actual reporting capabilities for data informed decision making.</p>	<p>After an extensive RFP and selection process, the Board of Retirement approved the selection of Questica on October 6, 2022. The contract and statement of work were finalized, and the project kick off meeting was held with the LACERA Budget Team and Questica team on November 17, 2022.</p> <p>The Project team has continued to fine-tune Questica's Budget Modernization application in the following areas:</p> <ul style="list-style-type: none"> • Required roles for Change Request Permissions • General Ledger (GL) Account Roll-up and Reporting Requirements • Personnel Sync Integration • Amended Budget Export • View Creation <p>The Budget Team has successfully completed the Business Division Training and provided the necessary assistance and guidance for entering the FY 2024-2025 division budget into Questica. The Questica Budget Modernization Solution has now been implemented and is in production on January 31st, 2024, marking the completion of the project.</p>			



Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	BSG/MOG	Communications/Systems	December 2022	September 2023
	Project Lead(s): Selassie Burke, Erika Heru/Ian Duggan			
Completed				
<p>KBase Migration to SharePoint</p> <p>KBase is an older knowledge base product that staff use on a daily basis for historical information, explanations of CERL and other information. The KBase data infrastructure needed to be updated to ensure its continued viability and improve access.</p>	<p>As part of the continuous commitment to improve our digital infrastructure and enhance user experience, our current Knowledge Base (KBase) has transitioned to a newer and more advanced platform on SharePoint.</p> <p>The move to SharePoint isn't just about a new look—it's also about functionality, security, and efficiency. SharePoint offers a robust platform, with numerous advantages such as improved security, enhanced collaboration features, and scalability to meet our future needs.</p> <p>KBase remains easily accessible within LACERA Connect. KBase now has a built-in search feature on SharePoint, locating the information needed is faster and more intuitive.</p> <p>Systems, in particular, Selassie Burke, managed the migration ensuring it was a seamless transition of a total of 1,314 related Wiki web pages that are now fully indexed and searchable.</p>			



Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	01/01/2023	09/30/2023
	Project Lead(s): Carly Ntoya and Michael Dozier (PM)			
Completed				
<p>Human Resources (HR) Case Management LACERA seeks a case management solution that supports Human Resources workflow with automatic notifications, document management, and version control as well as the ability to view HR workloads on an interactive dashboard.</p>	<p>In December 2022, the Information Technology Coordination Council approved a case management project for Human Resources. Funding for the project was approved during the FY 2022-23 midyear budget adjustments. The HR project team selected ServiceNow’s Human Resources module for their case management solution.</p> <p>Since August, the Winward Implementation team has been testing the HR Case Management Module. We are pleased to report Phase 1 testing has been completed. In addition, the Phase 2 Discovery Session consisting of Knowledge Management and New Hire workflows have been accomplished, and several demonstrations of the completed workflows have been provided, recorded, and saved for training purposes and stakeholders’ consumption. Live User Acceptance Testing (UAT) of Phase II was completed in early October. This finalizes the Implementation activities, and the HR Case Management application was released to production on October 3rd. The Executive Management Presentation of the HR Case Management took place on October 5th. Post implementation plans are to use feedback gathered during the UAT for future enhancements.</p>			



Project / Issue Title Brief Description	Strategic Plan Initiative:		Innovation Through Technology	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	10/01/2022	12/30/2023
	Project Lead(s): Carly Ntoya and Don Song (PM)			
Completed				
<p>Human Resources (HR) Digitization</p> <p>LACERA is currently converting 350,000+ paper Human Resources' personnel, payroll, medical, and classification files to electronic files to allow quick retrieval of documents by a hybrid workforce, shared access to information, full text search capabilities, and an audit trail of document access.</p>	<p>In March 2022, the Information Technology Coordination Council approved the Human Resources Digitization Project. Funding for the project was approved as part of the FY 2022-23 budget.</p> <p>The scanning of the 350,000 HR Historical files has been successfully accomplished. As the project concludes, the plan is to transition the management and support of HR Digitization to Systems Infrastructure for ongoing operations.</p>			
Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management	
	Type	Project Sponsor	Start Date	Target Date
	BSG	Executive (BSG)	09/21/2023	Q2 2024
	Project Lead(s): Luis Lugo and Gnan Arige (PM)			
Completed				
<p>Policy Management Solution</p> <p>LACERA seeks an automated solution to support LACERA Policy Management Process.</p>	<p>In September 2022, the Information Technology Coordination Council approved a policy management project to automate the creation, review, approval, and maintenance of LACERA policies as well as track the versions and acknowledgement of policies. Funding for this project was included in the FY 2022-23 budget. The policy management project team issued a Request for</p>			



	<p>Quote (RFQ) and reviewed quotes submitted by interested vendors and consultants.</p> <p>The Executive Sponsor and Project team have decided to conclude this project and integrate its objectives and requirements into a new initiative. The upcoming initiative, tentatively named the “Organizational Governance Initiative,” will encompass additional modules, including Compliance GRC, Internal Audit, and Enterprise Risk Management. This strategic move aims to streamline and align various governance aspects under a cohesive framework for more effective management and oversight.</p>
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	MS	Executive Office		01/31/2024
	Project Lead(s): Jonathan Tran and Maritza Perez			
Completed				
<p>Retirement Counseling Redesign Project (Omnichannel Retirement Counseling)</p> <p>The basic retirement counseling process for members considering retirement has not changed in many years. While checklists used to counsel members have been updated over time, a top to bottom review of the process has not occurred in some time.</p>	<p>A team of Member Services subject matter experts under the direction of the project leads have been meeting and developing a new retirement counseling model.</p> <p>The team has reviewed all data points and information shared with members during counseling sessions ranging from a few minutes to the more in-depth counseling sessions lasting an hour or more. The review is intended to ensure we are covering all of the vital information needed during our counseling sessions. The results of this review have led to updates to checklists, collateral material provided to members, and seeks to integrate the new Retirement Planning section on LAC-ERA.com and My LACERA portal into counseling.</p>			



The Member Services team has undertaken a project to modernize the counseling process to incorporate a true omnichannel approach by integrating the Retirement Planning section on LACERA.com and the My LACERA portal into the counseling process. Integrating these resources into the retirement counseling process will allow members to connect with LACERA in more ways than ever and help pave the way for future innovations and streamlined services.

Over the last few months, the team has been beta testing this new counseling model during actual member counseling sessions. This beta testing process has allowed the team to collect vital member and staff feedback on the new model.

The team is now in the final stages of this project. They are working with the Communications team to update the Retirement Planning section on LACERA.com with additional information that will support key discussion points and feed into new communication collateral. Additionally, the team has launched the first phase of this project with a revamped PEPRA Final Average Compensation training module for all Member Services and Disability Retirement staff, in collaboration with Quality Assurance, Benefits, and PMG. Member Services and Disability Retirement staff have received an in-depth overview of the new Business Rules applicable to calculating a PEPRA member's FAC and how this affects other processes. Additionally, the Team has expanded calculation training to other specialized Benefits units, such as Death and Legal.

Due to new enhancements to My LACERA that were released into beta in January, the team revised their counseling plans to incorporate the new functionality. Training on the new counseling standards was completed January 11th, 2024. The Team presented an overview to the OOC on February 7, 2024, and continue to work with closely with staff and gather user feedback for further improvements on implementation.



Project / Issue Title Brief Description	Strategic Plan Initiative:		Superior Member Experience	
	Type	Project Sponsor	Start Date	Target Date
	Strategic	Exec (MOG)	07/01/2022	01/31/2024
	Project Lead(s): Kevin Hawkins			
Delayed				
<p>Tax Table Changes for 2022: Phase II: Online Tax Calculator & ADR Re-design</p> <p>The IRS published updated tax tables for 2022 which became effective January 1, 2022. The IRS finalized a revised Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as a W-4P tax withholding form). These follow up projects are designed to improve the overall Member Experience.</p>	<p>In early 2022, the Project Management Group worked with tax counsel to understand the intricacies of the changes to the W-4P tax withholding form for 2022.</p> <p>In Phase I, the team completed the rollout of the new Federal Withholding Certificate for Pension & Annuity Recipients (commonly referred to as a W-4P withholding form) on time. This included updating Workspace so staff can enter member tax elections in compliance with the new form design, as well as My LACERA so members can complete tax election changes themselves.</p> <p>The team also identified additional tasks that need to be completed in Phase II which originally included the development of an on-line tax calculator accessible through My LACERA and the redesign of the Automatic Deposit Receipt / paycheck stub. The development of the on-line tax calculator has now been moved to Phase III.</p> <p>An Automatic Deposit Receipt ADR redesign. Staff worked to develop a re-designed ADR with new fields that support the new tax withholding rules. After working with our check printing vendor to validate the new format would fit in the allotted space for the existing ADR, a business rule with an embedded copy of the proposed layout was distributed to stakeholders for approval. The redesign was approved by stakeholders in August and the team provided an informational memo to the Operations Oversight Committee in November. In November, we began notifying retired members through inserts in their November checks and various publications. Another notification was provided with the December checks. A new section has also been added to LACERA.com to provide members with detailed explanations on how to read their ADR/check stub. Members</p>			



	received the new ADR for the first time with their January 2024 checks or automatic deposits, which completes this part of the project.
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Project / Issue Title Brief Description	Strategic Plan Initiative:		Compliance & Enterprise Risk Management		
	Type	Project Sponsor	Start Date	Target Date	
		BSG	Exec (BSG)	October 2021	01/30/2024
	Project Lead(s): Laura Guglielmo, Ted Granger & Cookie Jaranilla				
	Completed				
<p>Travel/Expense/P2P Software LACERA has procured “Certify” software created by Emburse, an accounts payable automation and expense management provider.</p>	<p><u>Accounts Payable (AP) Module</u></p> <p>The AP Certify Project Team’s User Acceptance Testing has been completed, and Live Training has started with the business divisions targeted for the Soft-Launch. These Business Solutions Group of divisions is comprised of the following:</p> <ul style="list-style-type: none"> Admin Services Procurement Disability Retirement Services (DRS) Financial and Accounting Services Division (FASD) Legal Office Systems <p>In collaboration with Emburse's Implementation Team, the Project Team has aligned check payment processing with the requirements set by State Street Bank, LACERA's partner for clearing and funding checks. Simultaneously, the Project Team is actively integrating AP Certify with Great Plains (GP) Invoice payment data, finalizing critical components for data integration.</p>				



	<p>The AP Certify Project Team has successfully concluded the End-User Training sessions for the LACERA Business Divisions. Following this, the application was seamlessly integrated into production on January 30, 2024.</p>
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DATE RECEIVED	REQUESTER	DOCS REQUESTED
01-15-24	T. Abbass, PEI Group	<p>Request: Report for Qtr. 3 cash flow regarding Private Equity, Private Real Assets, and Real Estate.</p> <p>Transmitted 1 document.</p> <p>Legal, on January 25, 2024, via email, sent to Requester the document listed below.</p> <p>FOIA Request – Data as of 2023-09-30.xlsx.</p>
01-17-24	N. Lee, Pregin	<p>Request: LACERA’s updated records for list of all hedge funds and fund of hedge funds for month-by-month mark value of holding in each fund; month-by-month amount invested, and month-by-month net returns (net of fees) earned in each fund from July 1, 2023, to September 30, 2023.</p> <p>Transmitted 1 document.</p> <p>Legal, on January 19, 2024, via email, sent to Requester the document listed below.</p> <p>Hedge Funds Q3 2023.xlsx.</p>
01-19-24	H. Marr, Nasdaq eVestment	<p>Request: Obtain digital copies pertaining to private markets investments vehicles for Q4 2022.</p> <p>Transmitted 1 document.</p> <p>LACERA requested 10-day extension and Legal, on February 16, sent to Requester the document listed below.</p> <p>Q4 2022 Private Markets Data.xlsx.</p>
01-20-24	R. Santos, FOIA Group, Inc.	<p>Request: Copy of all available information pertaining to bidding and award of the LACERA, IA QAR Project issued in 2020.</p> <p>Legal, on January 26, 2024, via email, requested confirmation of records information request.</p> <p>Legal, on January 30, 2024, via email, informed Requester that records have been requested and exempt information review must be done. Documents should be ready by February 9, 2024.</p>
01-29-24	J. Kittleworth, Individual	<p>Request: Provide all documents provided by fund managers for the two fiscal years ended June 30, 2022, and June 30, 2023. The funds are Bain Capital Real Estate Fund I-A, L.P. and TPG Real Estate Partners III, L.P.</p> <p>Legal, on February 9, 2024, sent Requester updated status of request to Investments for responsive information. Expected date for receipt of information is February 16, 2024.</p> <p>Legal, on February 12, 2024, received from Requester confirmation of notice to send responsive nonexempt records by February 16, 2023.</p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p><i>Legal, on February 16, 2024, transmitted responsive information request to Investments. Legal informed Requester, on February 16, 2024, information will be provided when available. On February 20, 2024, Requester, via email, confirmed receipt of status of responsive information.</i></p>
01-31-24	M. Costa, Individual	<p>Request: Information on custom benchmark construction and LACERA Total Fund Performance Report.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Legal, on February 9, 2024, via email, sent to Requester the document listed below.</i></p> <p><i>Total Fund Board Book_3Q23 FINAL.pdf</i></p>
01-31-24	FOIA Data Aggregation Team	<p>Request: List of current fund investments in Alternatives strategies for the period from January 1, 2020, to date.</p> <p><i>Transmitted 1 document.</i></p> <p><i>Legal, on February 9, 2024, via email, sent to Requester the document listed below.</i></p> <p><i>FOIA Request – FOIA Data Collection _ Private Markets Data as of 2023-12-31.xlsx.</i></p>
02-06-24	K. Scott, EcoGas, Inc.	<p>Request: Was LA Brickyard LLC an acquisition of some some and if yes, with whom? Inquiry is in regard to valuable mineral/land-related assets once owned by the owner of this entity.</p> <p><i>Legal, on February 16, 2024, via email, informed Requester that LACERA's Real Property Team was sent request. Real Property Team confirmed that LACERA acquired an interest in the property in 2015 and fully in 2020.</i></p>
02-07-24	FOIA Data Collection	<p>Request: Quarterly information on investments in alternative assets.</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Legal, on February 9, 2024, Via email, sent to Requester the 2 responsive documents shown below.</i></p> <p><i>Private Markets 3Q22 Data Request.xlsx and Hedge Fund 3Q23 Data.xlsx</i></p>
02-08-24	B. Campbell, with. Intelligence	<p>Request: Monthly performance data from investment pools for absolute return/hedge funds for January 2022 to December 2023 or most recent month available.</p> <p><i>Transmitted 1 document.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p><i>Legal, on February 16, 2024, Via email, sent to Requester the responsive document listed below.</i></p> <p><i>Hedge Funds Data Jan 2022 to Dec 2023.xlsx.</i></p>
02-09-24	H. Ahaiwe, HR, LA County and 1 other Recipient	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Executive Office, on February 9, 2024, via email, transmitted the responsive document shown below.</i></p> <p><i>MonthlyAgenda.csv for February 1, 2024, 2024.</i></p>
02-09-24	Sheriffs Dept, LA County and 4 other Recipients	<p>Per monthly request:</p> <p><i>Transmitted 2 documents.</i></p> <p><i>Executive Office, on February 9, 2024, via email, transmitted the responsive documents shown below.</i></p> <p><i>Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing, each dated February 7, 2024.</i></p>
02-09-24	C. Siverson, Fire, LA County, and 5 other Recipients	<p>Per monthly request:</p> <p><i>Transmitted 1 document.</i></p> <p><i>Executive Office, on February 9, 2024, via email, transmitted the responsive document shown below.</i></p> <p><i>Board of Retirement Meeting on February 7, 2024, Benefit Approval List.pdf.</i></p>

REPORT OF FELONY FORFEITURE CASES

February 21, 2024

#	MEMBER'S LAST NAME	MEMBER'S FIRST NAME	DEPT.	CONVICTION DATE	LACERA NOTIFIED	INITIAL IMPACT NOTICE SENT	FINAL IMPACT NOTICE SENT	STATUS*	DISABILITY STATUS	SERV. LEVEL
67	LYONS	ANDREW	SHERIFF	1/12/2024	2/14/2024			PEND		
66	VEGA	MIGUEL	SHERIFF	9/5/2023	10/27/2023			PEND		
65	HERNANDEZ	CHRISTOPHER	SHERIFF	7/24/2023	10/11/2023			PEND		
64	RIDLEY-THOMAS	MARK	BOS	3/31/2023	3/31/2023	10/23/2023		APPEAL		
61	SHEPOS	THOMAS	CEO	1/23/2023	2/14/2023			PEND		

STATUS LEGEND:

- APPEAL: Pending an appeal filed with LACERA
- CLOSED: RET: Retired member, case is complete
- CLOSED: DEF: Deferred member, case complete.
- CLOSED: INA: Inactive member – not eligible until age 70, case closed
- DELAY-MI: Member input needed (i.e. pending a legal split decision)
- DELAY-CD: Pending a court decision (reduction in charges pending conditions being met)
- PEND: Case is currently in evaluation and notification stages
- WITHDRAWN: Member withdrew prior to conviction – no impact.



February 20, 2024

TO: Operations Oversight Committee
JP Harris, Chair
Antonio Sanchez, Vice Chair
Wayne Moore
Keith Knox
Jason Green, Alternate

FROM: W. Louis Gittens *LG*
Division Manager, Benefits Division

FOR: Operations Oversight Committee Meeting of March 6, 2024

SUBJECT: **Updated BOR Collections Policy Clean-up Project**

EXECUTIVE SUMMARY

This memo provides a summary on the clean-up project resulting from the updated Board of Retirement Policy for the Recovery of Member Overpayments and Underpayments ("Collection Policy") adopted on January 3, 2024.

For implementation purposes, LACERA used the next business day following the Board adoption of the updated Collection Policy, January 4, 2024, as the effective date of the updated policy. There are two significant changes in the policy that affected members with pending account settlements:

- Increase of minimum collection threshold from principal amount \$100 to \$750.
- No longer collecting interest* on overpaid benefits or undercollected contributions unless there is evidence of "fraud or dishonest conduct" from the member/payee.

*The investment interest amount LACERA would have earned assuming the principal amount was on deposit with LACERA. This is calculated based on the actual interest rate (if known) or the assumed interest rate.

As part of LACERA's existing process for collecting account settlements, a Specialist will calculate and mail an account settlement notice and allow the member 60 days to submit a lump-sum payment, alternate repayment option, or appeal. An account settlement agreement is considered in force if:

1. A lump-sum payment is submitted by the member prior to the deadline, or
2. Member submits signed account settlement agreement with an elected repayment option prior to the deadline, or

3. 60-day deadline lapses and member does not appeal the account settlement. In these cases, LACERA will automatically begin deductions for payment from the member’s payroll or retirement benefit (if applicable)

There were 190 account settlement agreements mailed between 10/1/2023-1/3/2024 with 60-day deadlines **on or after** the January 4, 2024, implementation date of the updated Collections Policy. LACERA has reviewed these account settlements and 152 of these agreements were not considered in force at the time of the updated policy implementation. As a result, LACERA will apply the updated policy to these outstanding account settlements. A preliminary review finds that these account settlements were not due to “fraud or dishonest conduct” so LACERA will recalculate these account settlements to omit interest and apply the updated minimum collection threshold.

IMPACTED POPULATION

Summary	Scenario	Member Count
Total	Account Settlements with 60-day deadlines on or after 1/4/2024	190
Resolved	Member submitted lump-sum payment prior to 1/4/2024	(38)
Remaining	LACERA to apply updated policy	152

The remaining 152 members will be part of a clean-up project to apply the updated Collection Policy guidelines. Based on a preliminary review of these members, they can be categorized into the following groups:

Group	Member Count	Action Steps
Member submitted appeal	6	<ul style="list-style-type: none"> • Payroll/retirement benefit deductions have already been suspended. • Appeals are under review by the Appeals and Escalations Committee. • Committee will apply updated BOR Policy to appeal decision.
Member submitted lump-sum payment on or after 1/4/2024	9	<ul style="list-style-type: none"> • Member is eligible for refund of interest. • LACERA to calculate refund and place in account as excess contributions or process refund to member (if eligible). • Member will be sent an explanation letter for refund.

Active Members	58	<ul style="list-style-type: none"> Existing payroll deductions will be stopped. Member will be sent updated account settlement agreement for only principal amount. Standard account settlement process will resume.
Retired Members	72	<ul style="list-style-type: none"> Existing retirement benefit deductions will be stopped. Member will be sent updated account settlement agreement for only principal amount. Standard account settlement process will resume. Any applicable retirement benefit recalculations will be processed after completion of payment.
Inactive/Deferred/Deceased Members	7	<ul style="list-style-type: none"> Member/Estate will be sent updated account settlement agreement for only principal amount. Standard account settlement process will resume.
	152	

The project group will prioritize active and retired members to timely resume the account settlement process for these impacted members. Cases will be processed based on the oldest account settlement agreements.

MEMBER COMMUNICATION

146 impacted members will be mailed a preliminary notification letter. The letter outlines the change in the application of interest in the updated BOR Collections Policy. The notice informs the member that their outstanding account settlement is under review and that any payroll/retirement benefit deductions will be suspended. It continues to explain that he/she will receive an updated account settlement agreement from LACERA. The approved letter template can be found in Appendix 1. The six members with appeals under review will not receive the preliminary notification letter as they have been sent separate correspondence regarding their appeal.

The Account Settlement Unit will add Workspace alerts to all 152 impacted member accounts. In addition, the Project Manager will send a notification email to Member Services so information can be communicated to Call Center Specialists in the event a member calls LACERA in response to the notification letter. Documentation for this project will be added to the Member Service Operating Instructions (MSOI) for Specialists to review and reference.

PROJECT GROUP

Project Manager: Dmitriy Khaytovich

Project Team: Account Settlement Unit (primary)
Advanced Payroll Unit, Death and Legal Unit, Exceptions Team, and Quality Assurance Division will assist as needed

PROJECT TIMELINE AND MILESTONES

Project Start Date: 1/4/2024

Anticipated End Date: 3/31/2024

- 2/14/2024: Preliminary notification letter to be mailed to 146 impacted members. Alerts to be added to 152 member accounts.
- 2/16/2024: Stop payroll/retirement benefit deductions for 130 active and retired members.
- 2/29/2024: Mail updated account settlement agreements to 130 active and retired members. Resume standard account settlement process.
- 3/15/2024: Mail updated account settlement agreements for 7 Inactive/Deferred/Deceased Members. Resume standard account settlement process.
- 3/22/2024: Process excess contributions/refunds for 9 members who submitted lump-sum payments on or after 1/4/2024. Mail explanation letter to members.
- 3/31/2024. Conclude project. Provide update to project stakeholders.

Note: Six appeal members are not included in milestones as these cases will be processed in accordance with the existing separate appeals process.

CONCLUSION

LACERA implemented the updated Board of Retirement Collection Policy effective January 4, 2024. We will also apply it to 152 members whose account settlement agreements were sent prior to that date but were not considered in force at the time. LACERA staff is in the process of reviewing each account and will either apply the new minimum threshold or recalculate the collectible amounts without interest. Members will either receive updated account settlement agreements or otherwise notified by March 31, 2024.

CC: Santos H. Kreimann
JJ Popowich

Luis A. Lugo
Steven Rice

Laura Guglielmo
Michael Herrera

Appendix 1: Preliminary Notification Letter Template



300 N. Lake Ave., Pasadena, CA 91101 / PO Box 7060, Pasadena, CA 91109-7060 / www.lacera.com / 626/564-6132 • 800/786-6464

Los Angeles County Employees Retirement Association 

[Date]

[Member Name]

[Address Line 1]

[Address Line 2]

Employee #: [Employee#]

ACCOUNT SETTLEMENT: CHANGE IN AMOUNT OWED TO LACERA

Dear [Member Name]:

LACERA previously notified you that you owe LACERA for either an unpaid mandatory member contribution or overpaid retirement benefit. This amount included both principal and interest.

As a public pension fund, LACERA administers the retirement fund in accordance with applicable law, including, among others, the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA), as well as regulations adopted thereunder by LACERA's Boards of Retirement and Investments. These laws require LACERA to collect unpaid mandatory member contributions and overpaid benefits payments.

New Board of Retirement Policy – Application of Interest.

LACERA's Board of Retirement recently adopted a revised recovery Policy on January 3, 2024. The new policy continues to require LACERA to seek full repayment of any unpaid mandatory member contributions and overpaid benefits payments, but also instructs LACERA to only pursue collection of interest in cases where there is evidence of fraud or wrongdoing by the member or benefit recipient. Applying the new Policy to your case, which we do not believe involves evidence of fraud or wrongdoing, LACERA will NOT collect interest. LACERA will only collect the outstanding principal amount. If any interest was collected from you, LACERA will adjust your repayment agreement and retirement account as needed to credit it back to you.

What Will Happen Next?

LACERA is in the process of reviewing cases such as yours involving either outstanding unpaid mandatory member contribution or overpaid benefits payments. We anticipate sending you a revised agreement by 3/31/2024. In the meantime, LACERA will temporarily pause your payroll or benefit allowance deductions, whichever applies. Details regarding the new lower amount will be outlined in the new agreement. You may then make a lump sum payment or allow deductions at the new lower amount to resume after you return (or fail to timely return) the new agreement.



Please note we will not have additional information regarding the new agreement until it is reviewed and calculated. If you need any other assistance, we are always here to help. Here's how you can reach us:

- Call us at 800-786-6464 between 7:00 a.m. and 5:30 p.m. (Pacific Time), Monday through Friday, except holidays.
- Schedule an in-person or virtual face-to-face appointment by visiting lacera.com. You can use the "Appointment Reservations" link near the bottom of the page.
- Log in to your My LACERA account to send us a secure email.
- Email us at welcome@lacera.com with general questions.

Sincerely,

Member Services

**FOR INFORMATION ONLY**

February 27, 2024

TO: Operations Oversight Committee
JP Harris, Chair
Antonio Sanchez, Vice Chair
Wayne Moore
Keith Knox
Jason Green, Alternate

FROM: Elsy Gutierrez 
Supervising Administrative Assistant II

FOR: March 6, 2024, Operations Oversight Committee Meeting

SUBJECT: **Privacy Incident: Personally Identifiable Information**

EXECUTIVE SUMMARY

The Document Processing Center (DPC) is responsible for preparing system generated letters (J-letters) for mailing to members, beneficiaries, and third parties. J-letters include confirmation letters for account changes, LACERA forms, and copies of previous correspondence. The DPC also processes the Weekly Board of Retirement Agenda letters (Board letters). The DPC processes an average of 14,336 J-letters and 282 Board letters per month¹.

On December 27, 2023, a member informed LACERA that he had received the Board letter for another member. The reporting member stated that he would shred the other member's letter. The incident was reported to the DPC supervisor for investigation on January 2, 2024. The LACERA Incident Response Team (LIRT) was notified of the incident on January 19, 2024.

On January 26, 2024, a member informed LACERA that he had received mail intended for two other members. The reporting member dropped off the letters at the Member Services Center (MSC) and left before staff could speak with him. The DPC supervisor took possession of the letters and began the investigation on January 26, 2024. The LIRT was notified of the incident on January 31, 2024.

On February 23, 2024, a member informed LACERA that he received mail intended for another member. The reporting member dropped off the letter at the MSC. The incident is currently under investigation. The LIRT was notified of the incident on February 28, 2024.

DISCUSSION

The Benefits Division reviews the Board letters and forwards them to the DPC for mailing. The DPC staff separate the letters and insert them into envelopes. The Board letters for the two members printed consecutively on December 21, 2023. The letters were erroneously combined and placed in one envelope. Unfortunately, this error went unnoticed during the reconciliation process. The Board letter in question contained sensitive personally identifiable information (PII): member name and address; names and dates of birth of primary and secondary beneficiaries.

J-letters are generated through Workspace and printed in the DPC area. The DPC staff use a letter folder and inserter machine for high volume J-letters. The letter folder inserter machine has “jobs” for various letter and insert combinations. Acknowledgement letters are one page J-letters that confirm receipt of document or account transactions. On January 12, 2024, two letters were combined with a third letter and inserted into one envelope. There are two possible causes for the error; DPC staff did not switch jobs or did not check the envelopes after the machine jammed. The acknowledgment letters contained the following personally identifiable information: member name and address.

Incident Review & Mitigation Plan

LACERA will notify and provide members with one-year membership to Experian’s identity theft protection services. The LIRT team recognizes that human error can occur in any process. However, we also acknowledge the importance of looking for alternatives and/or additional steps we can take to mitigate human error. After reviewing the facts of this incident, the following action steps have been implemented:

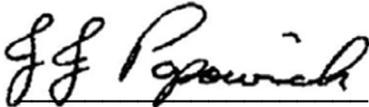
1. Education and Reinforcement

- The DPC supervisor conducted a meeting with the DPC staff to discuss the incidents and to reemphasize the importance of protecting member data.
- During the session, the risks associated with identity theft were highlighted, emphasizing the potential impact on members.

2. Enhanced Procedures

- The DPC supervisor reviewed the procedures for the Weekly Board Agenda letters and staff members were reminded to reconcile the physical count of Board letters with the agenda list, ensuring accuracy and preventing any discrepancies.
- The DPC supervisor conducted a thorough review of the operating procedures for the letter folder and insert machine with the staff. Additionally, the DPC Coordinators emphasized the importance of verifying the “job” setting before initiating the letter folder and insert machine.
- The DPC employs color-coded banner sheets and specific sorting criteria to facilitate efficient letter sorting. Following the incidents, the DPC supervisor optimized procedures by processing 50 letters at a time, enabling close monitoring of letter output. In addition, each batch must be meticulously accounted for.

Reviewed and approved:



JJ Popowich
Assistant Executive Officer

EG: eg

C: Santos H. Kreimann, Chief Executive Officer
Luis Lugo, Deputy Chief Executive Officer
Laura Guglielmo, Assistant Executive Officer
Ricki Contreras, Division Manager Administrative Services
Jon Gabel, Chief Investments Officer
Steven P. Rice, Chief Counsel
Richard Bendall, Chief Internal Audit
Carly Ntoya, Director of Human Resources

ⁱ The DPC has processed 100,355 J-letters and 1,978 Board letters between July 1, 2023, and January 31, 2024.